

AGENDA

NOTICE OF REGULAR MEETING

TIME: 6 p.m.

DATE: Tuesday, December 4, 2018

PLACE: Shannon Community Center, Ambrose Hall
11600 Shannon Avenue, Dublin, CA 94568

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. CLOSED SESSION
 - 4.A. Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6
Agency Designated Representatives: Georgean Vonheeder-Leopold, Board Director
Carl P. A. Nelson, General Counsel
Unrepresented Employee: General Manager
5. REPORT FROM CLOSED SESSION
6. SPECIAL ANNOUNCEMENTS/ACTIVITIES
 - New Employee Introductions
7. 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. Speaker 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.
8. REPORTS
 - 8.A. Reports by Staff
 - Event Calendar
 - Correspondence to and from the Board
 - 8.B. Joint Powers Authority and Committee Reports
Special LAVWMA – November 21, 2018
Special DERWA – November 26, 2018
 - 8.C. Agenda Management (consider order of items)

9. 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 or the public prior to the time the Board votes on the Motion to adopt.

- 9.A. Approve Special Meeting Minutes of November 20, 2018

Recommended Action: Approve by Motion

- 9.B. Approve Director Attendance and Reimbursements for 2019 Meetings, Conferences, and Travel Expenses

Recommended Action: Approve by Motion

- 9.C. Affirm No Changes to New/Revised Job Classification and Salary Policy

Recommended Action: Approve by Motion

- 9.D. Approve the Salary Range for the New Water/Wastewater Systems Operator III – On-Call Classification and the Revised Water/Wastewater Systems Operator III/IV – On-Call Job Description

Recommended Action: Approve by Resolution

10. BOARD BUSINESS

- 10.A. Authorize Execution of Amendment No. 3 to the Individual Agreement for Personal Services between Daniel B. McIntyre and Dublin San Ramon Services District

Recommended Action: Approve by Resolution

- 10.B. Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 28-18

Recommended Action: Adopt by Resolution

- 10.C. Establish Local and Regional Wastewater Capacity Reserve Fees and Rescind Resolution Nos. 27-10 and 28-10

Recommended Action: Adopt by Resolution

- 10.D. Accept Basic Financial Statements for the Year Ended June 30, 2018 with Independent Auditor's Report and Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018

Recommended Action: Accept by Motion

- 10.E. Approve Continuation of Emergency Action Procurement by General Manager for Repair of District Office and Find that the Need for the District Office Flooding Emergency Still Exists

Recommended Action: Approve by Motion

- 10.F. Approve Proclamation Honoring Board Director Dwight L. (Pat) Howard upon His Retirement

Recommended Action: Approve by Motion

11. BOARD MEMBER ITEMS

- Submittal of Written Reports from Travel and Training Attended by Directors
- Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

12. CLOSED SESSION

- 12.A. Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Potential Case
- 12.B. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
Name of Case: Dublin Unified School District

13. REPORT FROM CLOSED SESSION

14. 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 DSRSD Field Operations Facility at 7035 Commerce Circle, Pleasanton, 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 SPECIAL MEETING OF THE BOARD OF DIRECTORS**

November 20, 2018

1. CALL TO ORDER

A special meeting of the Board of Directors was called to order at 6:05 p.m. by President Vonheeder-Leopold.

President Vonheeder-Leopold reported that a special DSRSD Financing Corporation meeting was held before the Board meeting. In accordance with DSRSD's Day of Service policy, no Director will receive any compensation or stipend for participating in more than one meeting on this date.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

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

Director D. L. (Pat) Howard was absent.

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

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:06 p.m. No public comment was received.

6. REPORTS

6.A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:
 - o Special JPA Board meetings will be held at alternate meeting locations due to the recent flooding of the DSRSD District Office:
 - o LAVWMA - Wednesday, November 21, 2018 at 6 p.m. at City of Pleasanton City Council Chambers
 - o DERWA - Monday, November 26, 2018 at 6 p.m. at the Shannon Community Center, Ambrose Hall, in Dublin
- Correspondence to and from the Board on an Item not on the Agenda – None

6.B. Joint Powers Authority and Committee Reports

DSRSD/Central Contra Costa Sanitary District Liaison – November 8, 2018

President Vonheeder-Leopold invited comments on recent liaison activities. Directors felt the available staff reports adequately covered the many matters considered at the liaison meeting and made a few comments about some of the liaison activities.

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

7. CONSENT CALENDAR

Vice President Misheloff MOVED for approval of the items on the Consent Calendar. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Howard).

7.A. Regular Meeting Minutes of October 16, 2018 – Approved

7.B. Accept Regular and Recurring Reports: Warrant List and Quarterly Financial Reports – Approved

7.C. Approve Proclamation Honoring Association of California Water Agencies (ACWA) Executive Director Timothy H. Quinn upon His Retirement – Approved

7.D. Advance the Regional Wastewater Treatment Facility (RWTF) Fencing and Security – Phase 2 Project (CIP 19-P003) to Fiscal Year Ending 2019 and Increase Construction Change Order Contingency for Anaerobic Digester No. 4 and FOG Receiving Facility Project (CIP 07-3203) – Approved – Resolution No. 51-18 and Resolution No. 52-18.

8. BOARD BUSINESS

8.A. Accept Donation of a Gate for the Drought Garden

Administrative Services Manager Atwood reviewed the item for the Board and introduced Scout Aaron Register from Boy Scout Troop #905 who has proposed the gate donation as part of his Eagle Scout project.

Speaker: Mr. Aaron Register (Dublin Resident - Boy Scout Troop #905) – Mr. Register reviewed the proposed gate project that will culminate in a new gate constructed and donated to the District's Drought Garden rose garden area. The Board thanked Mr. Register for his efforts and for the donation to the District.

Director Duarte MOVED to Accept Donation of a Gate for the Drought Garden. Director Halket SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Howard).

8.B. Approve Emergency Action Procurement by General Manager for Repair of District Office

General Manager McIntyre reviewed the item for the Board. He reported the District Office facility was flooded on November 11 due to a break in the fire service line under the building, resulting in about 3" of water, mud, and silt covering every square foot of the building. A restoration company was immediately retained via emergency purchase order to begin flood mitigation efforts to extract the water, mud and silt, to dehumidify

the facility to combat further damage, and to remove and relocate the building's contents. He then shared several photographs of District Office conditions when the flood was discovered by a passerby on Sunday, November 11, the conditions and damage after the flooding had ceased, and the immediate evacuation and relocation efforts by staff.

He explained the roughly 50 District staff members relocated to whatever space was available at the District's field operations and treatment plant facilities, with some even utilizing workspace at City of Dublin's permit counter. Remarkably, all divisions were up and running within 2½ days of evacuating the District Office. Formal work spaces are limited so many staff are set up at inefficient makeshift workstations, and have little privacy or space to conduct meetings, yet are still ably performing District operations. He commended staff on managing and handling the emergency well and expressed appreciation of the support received from neighboring agencies such as City of Dublin, City of Pleasanton, and Zone 7 Water Agency. Until further notice, DSRSD and DERWA Board meetings will be held at the Shannon Community Center in Dublin, and LAVWMA Board meetings will be held at City of Pleasanton's City Council Chambers. He advised the Board that basic facility restoration will take two to six months.

He reported that staff has declared a District emergency and has authorized roughly \$300,000 in emergency purchase orders in order to begin recovery efforts under emergency policy provisions. Beyond obvious water damage to walls, equipment, and furniture, there may be potential structural damage to the building as some of the water went into the foundation and one or more of the support pads for the structural columns are showing differential settlement raising the columns up, which could be due to potentially expansive clay soil. If there is structural damage, the long-term repairs would substantially delay staff returning to the District Office. Staff is exploring and assessing options for long-term relocation and will present them to the Board at a later time, should that be necessary.

Mr. McIntyre explained that there are many decisions to be made as the recovery effort progresses. Insurance proceeds will cover baseline repairs and replacements, but coupled with the District's rehabilitation funding, it might be prudent to advance other identified facility renovations and improvements planned in the next few years while the building is vacated to bring it up to standards, such as the Boardroom renovation project and a possible comprehensive renewal of the office equipment. Staff will also explore those possibilities and present them to the Board at a later time.

He informed the Board it will receive a report at each Board meeting to revisit the state of emergency and apprise the Board of emergency purchases and rehabilitation. He advised that efforts to locate the line break beneath the building are ongoing and a camera will be used tomorrow morning to continue the investigation. He also noted that the fire marshal informed staff that this type of line break is common for buildings in Dublin and Pleasanton, 25 years or older, that have the service line built under the foundation.

Director Duarte MOVED to adopt Resolution No. 53-18, Approving Emergency Action Procurement by the General Manager for Repair of the District Office. Vice President Misheloff SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Howard).

- 8.C. Approve Change of Location for Regular Meetings of the Board of Directors and Rescind Resolution No. 5-05

Executive Services Supervisor Nicole Genzale reviewed the item for the Board. She explained the regular Board meeting location is established by resolution and that while displaced from the District Office, approving a resolution to establish the Shannon Community Center as the regular meeting location is recommended. The resolution does not change other aspects of holding Board meetings such as time and days during the month. A resolution re-establishing the District office as the regular meeting location will be presented when the District Office is restored. She affirmed that adopting a new regular meeting location will ensure the Board can conduct business as needed at regular, not special, meetings.

Director Halket MOVED to adopt Resolution No. 54-18, Establishing the Time and Place at which Regular Meetings of the Board of Directors shall be held and Rescinding Resolution No. 5-05. Vice President Misheloff SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Howard).

- 8.D. Receive Presentation on Proposed Local Wastewater Collection and Regional Wastewater Treatment Capacity Reserve Fees and Provide Direction on a Schedule for Adoption

Financial Services Supervisor Herman Chen reviewed the item for the Board and gave a presentation providing background information on the capacity reserve fees, and explaining the proposed fees, fee components, and next steps. He explained capacity reserve fees are a one-time charge that provide equity between new and existing customers, ensure sufficient revenue to fund growth-related projects through developers, and fund growth-related outstanding debt for LAVWMA (Livermore-Amador Valley Management Agency) 2011 Sewer Refunding Bonds. The fees do not fund operations and maintenance. The last study was conducted in 2010 and fees have been annually adjusted since using the Engineers News-Report Construction Costs Index. Staff has engaged HF&H Consultants to update the study. Mr. Chen explained the calculation of the proposed fees and reported a 10% increase for local wastewater collection and a 14% decrease for regional wastewater treatment resulting in a combined net decrease of 11%. The fee components consist of: Buy-in Component (value of existing infrastructure), Expansion Component (remaining growth-related projects), and LAVWMA Component (expansion portion of outstanding debt for 2011 bonds). He explained the District's proposed fees reflect the trend of local agencies moving closer to total build-out. As DSRSD's expansion projects are built to accommodate growth, they are added to the value of the District's infrastructure; therefore, as the District moves closer to projected build-out in 2031, the buy-in component increases while the expansion component decreases. He reported that public notices will be published in the newspaper and letters have been sent to interested parties to solicit public comment. He recommended the Board schedule consideration of adopting the proposed fees at the December 4 Board meeting. The proposed effective date of the fees, if approved, will be January 1, 2019 with annual adjustments beginning July 1, 2020.

After briefly discussing a few aspects of the presentation, the Board directed staff to proceed with the proposed fees as presented, and to schedule the adoption date for the December 4 Board meeting. The Board complimented Mr. Chen on his presentation.

- 8.E. Receive a Report on the Regional Wastewater Fee Installment Program and Direct Staff as to Program Modifications

Administrative Services Manager Atwood reviewed the item for the Board. She explained the District's loan program offers businesses coming into its service area the opportunity to spread payment of capacity fees over 10 years. The City of Dublin has been interested to know if the capacity fees could be reduced, to further incentivize incoming businesses, as there are no more unused DUEs (dwelling unit equivalents) to offer. She reported the program's utilization has been low, with just 13 current loans originating between 2009 and 2016 and none in the last few years. Many entities have declined the program, though five entities have had over \$100,000 in fees collected and 13 restaurants have incurred fees between \$25,000 and \$100,000. The Board expressed its surprise that more businesses are not utilizing this program. After further discussion, the Board agreed upon Option 1, directing staff to continue the program with no modifications for a few more years, since there will be a 14% reduction in fees as explained earlier this evening under Item 8.C.

Director Halket MOVED to approve Option 1 - Do not modify the program as relief will be achieved through the current fee study with a 14% reduction in fees, effective January 1, 2019. Vice President Misheloff SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Howard).

9. BOARDMEMBER ITEMS

- Submittal of Written Reports from Travel and Training Attended by Directors

Director Halket praised staff for how well they have dealt with the District Office flood.

President Vonheeder-Leopold submitted written reports to Executive Services Supervisor Genzale. She reported she attended the California Association of Sanitation Agencies Board of Directors teleconference meetings October 22 and November 19, the Zone 7 Water Agency Water Resource Committee meeting November 5 in Livermore, and the Alameda County chapter meeting of the California Special Districts Association November 14 at the Alameda County Vector Control Services District in Alameda. She summarized the activities and discussions at the meetings.

- Request New Agenda Item(s) Be Placed on a Future Board of Committee Agenda – None

10. CLOSED SESSION

At 7:05 p.m. the Board went into Closed Session.

- 10.A. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
Name of Case: Cameron

- 10.B. Public Employee Performance Evaluation Pursuant to Government Code Section 54957
Title: General Manager

At 7:36 p.m. Executive Services Supervisor Nicole Genzale entered the Closed Session listed under Item 10.C.

- 10.C. Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of
Government Code Section 54956.9: One Potential Case

11. REPORT FROM CLOSED SESSION

At 8:06 p.m. the Board came out of Closed Session. President Vonheeder-Leopold announced that there was no reportable action.

12. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 8:07 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary



TITLE: Approve Director Attendance and Reimbursements for 2019 Meetings, Conferences, and Travel Expenses

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Motion: (a) attendance by the Directors at any required in-person training that satisfies ethics (AB 1234) and sexual harassment prevention (AB 1661) training requirements, (b) attendance by the Directors at meetings, conferences, training sessions or Committee or Board meetings on which the District Director is a member for the organizations (listed in Attachment 1) and that are held in 2019, and (c) find that Director attendance at the activities and/or events (listed in Attachment 1) are in the best interest of the District and approve reimbursements for Director expenses incurred in connection with Director attendance at these activities and/or events held in 2019.

SUMMARY:

In response to the passage of SB 135 (Kehoe) and AB 1234 (Salinas), the Board has adopted Day of Service and Director Travel and Expenses policies (see attached).

Under the Day of Service policy and by law, a Director is eligible for a day of service payment for attending a meeting not noticed under the Brown Act (such as conferences and trainings) only when pre-approval is given by the Board of Directors and a written report is delivered to the Board at the next Board meeting following the event. The policy itself identifies a number of organizations whose meetings are eligible for a day of service payment, but payment is not limited to meetings of those organizations.

The Director Travel and Expenses policy provides that attendance at, and travel by, Directors on District business within California, for which a Director is eligible for a day of service, is pre-approved for the reimbursement of expenses. That same policy goes on to state that Director expenses incurred in connection with activities and/or events that are not eligible for compensation under the Day of Service policy may, with prior Board approval, qualify for reimbursement; such events include the activities of civic and charitable organizations that are determined by the Board to be in the best interest of the District, but does not include political activities or events.

In an effort to more efficiently manage and ensure compliance with these laws and policies, and to provide a “big picture” overview of meetings to be attended by Directors and related expenses incurred by Directors throughout the year, staff is recommending the Board take one action to pre-approve Director attendance and expense reimbursements, provided all other policy requirements have been met. Attendance at events of organizations not listed will be subject to individual Board approval at later Board meetings (in advance of the events). This action is consistent with the Board actions for 2018 meetings and conferences. There are no changes from 2018 practice.

Originating Department: Office of the General Manager		Contact: N. Genzale	Legal Review: Not Required
Cost: \$146 per Director per day of service and expenses		Funding Source: Various depending on meeting	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)		Attachment 1 – Recommended Boardmember Meeting Attendance and Reimbursement Approvals for 2019 Attachment 2 – Day of Service policy (P100-16-2) Attachment 3 – Director Travel and Expense policy (P100-17-2)	
		10 of 225	

**RECOMMENDED BOARDMEMBER MEETING ATTENDANCE AND
REIMBURSEMENTS APPROVALS FOR 2019**

Approve Boardmember attendance at the following meetings, conferences, and training sessions:

- Association of California Water Agencies (ACWA) – events held in California and Washington D.C. Conference in February
- California Association of Sanitation Agencies (CASA) – events held in California and Washington D.C. Conference in February
- California Special Districts Association (CSDA) – events held by the state association and these two chapters in California:
 - Alameda County Special Districts Association (ACSDA)
 - Contra Costa Special Districts Association (CCSDA)
- WaterReuse Association – national and state events held in the western United States
- California Sanitation Risk Management Authority (CSRMA) – events held in California
- Any ceremonial functions with one of the Tri-Valley water agencies including the City of Pleasanton, the City of Livermore, and the Zone 7 Water Agency

Approve reimbursements for Director expenses when attending the activities/events listed above, and also including the following:

- Travel expenses associated with attendance at meetings noticed under the Brown Act
- Meetings of all organizations for which a Director is eligible for a day of service
- Dublin, Pleasanton, and San Ramon Chamber of Commerce monthly lunch meetings



Policy

Policy No.: P100-16-2	Type of Policy: Board Business
Policy Title: Day of Service	
Policy Description: Definition of a Compensable Day of Service for a Director	
Approval Date: 8/16/2016	Last Review Date: 2016
Approval Resolution No.: 52-16	Next Review Date: 2020
Rescinded Resolution No.: 9-14	Rescinded Resolution Date: 2/18/2014

It is the policy of the Board of Directors of Dublin San Ramon Services District:

That each Director shall exhibit good judgment in the matter of compensation for service, and shall have proper regard for the propriety and economy of conducting District business.

1. Compensation for Days of Service

Directors may, upon submittal of the District's monthly Board of Director's Timesheet, receive an amount of compensation not to exceed that approved by the Board of Directors. The amount of compensation shall be set in accordance with Water Code Section 20200 *et seq.*, as amended. Compensation shall be earned for each day's service rendered as a member of the Board, and cannot exceed a total of ten [10] days in any calendar month. Except for the Board and Committee meetings described in subsections 2 (a) and (b) of this policy, in order to be eligible for compensation for a day of service, the Board must have previously approved, at a Board meeting, the Director's representation of the District, and the Director must deliver a written report to the Board regarding his or her attendance at a qualifying activity or event at the next Board meeting following the qualifying activity or event. If the written report is not submitted at the next Board meeting following the qualifying activity or event, the Director is no longer eligible for and shall not be paid compensation for the day(s) of service associated with the qualifying activity or event. (Government Code Section 61047, subdivisions (e)(2) through (e)(5).)

2. Services Eligible for Compensation

Pursuant and subject to Government Code Section 61047(e), the following activities are eligible for compensation as a day of service:

- a. Attendance in a policy maker role at District meetings noticed in accordance with the Brown Act (Government Code Section 54950 *et seq.*). This is specifically limited to:
 - Regular Board Meetings

Policy No.: P100-16-2

Policy Title: Day of Service

- Special Board Meetings
 - Adjourned Board Meetings
 - Regular, Adjourned, and Special Meetings of Board Standing Committees, including Liaison Committees
 - Emergency Meetings of the Board or a Standing Committee
- b. Attendance in a policy maker role at meetings of a Joint Powers Authority (JPA) of which the District is a Member and that have been noticed in accordance with the Brown Act (Government Code Section 54950 *et seq.*), including:
- Regular JPA Meetings
 - Special JPA Meetings
 - Adjourned Regular JPA Meetings
 - Regular, Adjourned, and Special Meetings of Standing Committees of the JPA, including Liaison Committees
 - Emergency Meetings of the JPA or a Standing Committee of the JPA

JPAs, include but are not limited to Livermore-Amador Valley Water Management Agency (LAVWMA), DSRSD-EBMUD Recycled Water Authority (DERWA), WaterReuse, Finance Authority, or California Sanitation Risk Management Authority (CSRMA).

- c. Attendance at professional, technical, and trade association meetings, conferences, (and the board and/or committee meetings of these groups for which the Director is a member of the board and/or a committee) activities, and organized educational activities, training sessions and events, including but not limited to ethics training pursuant to Government Code Section 53234 *et seq.*, as it may be amended from time to time, including but not limited to California Association of Sanitation Agencies (CASA), California Sanitation Risk Management Authority (CSRMA), Association of California Water Agencies (ACWA), California Special Districts Association (CSDA), Sanitation and Water Agencies of Contra Costa County, Economic Development Alliance for Business (EDAB), WaterReuse, and National Water Research Institute (NWRI). Travel on the day before or the day after the activity shall not be eligible for compensation as a day of service.
- d. As a principal speaker, panel member, or otherwise representing the District in an official capacity at a public event including ceremonial functions of other agencies, meetings of a service club, a homeowner association, a chamber of commerce or other business or neighborhood group, including meetings with neighbors of the wastewater treatment facilities (when those meetings are open and held at the wastewater treatment plant).
- e. Representation of the District at a public meeting or public hearing of another public agency (e.g., Board of Supervisors, City Council, Local Agency Formation Commission [LAFCO], State Water Resource Control Board [SWRCB], Regional Water Quality Control Board [RWQCB], Bay Area Air Quality Management District [BAAQMD]) at which that

Policy No.: P100-16-2

Policy Title: Day of Service

agency has agendized business that involves the District.

3. **Activities and/or Events Ineligible for Compensation**

- a. Compensation will only be paid for one day of service if a Director attends two or more meetings or activities on one day which meetings are otherwise separately eligible for compensation.
- b. Compensation will not be paid for attendance at a meeting of an ad hoc or advisory committee of the Board that does not have a continuing subject matter jurisdiction or a meeting schedule fixed by formal action of the Board.
- c. Compensation will not be paid for attendance at meeting of a Standing or Liaison Committee of the Board on which the Director does not serve.
- d. Compensation will not be paid for any meeting with District staff unless the meeting is a Board or Committee meeting noticed pursuant to the Brown Act.

4. **Review and Approval**

Principal responsibility for compliance with this policy rests with each Director. The General Manager shall review Director's timesheets and written reports to determine conformance with this policy prior to approving payment. If a Director disagrees with the General Manager's determination, the Director submitting the timesheet shall refer the matter to the President of the Board (or Vice President if the timesheet is that of the President) for consideration. The submittal of a timesheet by a Director shall be deemed an acknowledgement by that Director that the timesheet, in the exercise of his or her judgment, complies with the terms of this policy, that any required approval of the Board was obtained at a Board meeting in advance of the activity or event, that any required written report has been submitted at the next Board meeting following the activity or event, and that the Director has considered any issues that the General Manager has identified. If the matter is referred to the Board President (or the Vice President as the case might be), they shall approve the timesheet unless they believe it substantially deviates from this policy. Directors may appeal any timesheet disapproved by the President or Vice President by submitting the matter to the Board as an agenda item at a regular meeting, not later than 60 days after the day for which reimbursement is requested.

5. **Contents of Written Reports**

Written reports submitted in accordance with this Policy shall consist of one or more of the following:

- A handwritten report of the Director's activities
- A typewritten report of the Director's activities
- Copies of agendas for the qualifying event
- Copies of handouts distributed at the qualifying event
- Copies of business cards from contacts made by the Director
- Copies of notes the Director took while attending the qualifying event
- Certificates the Director received for attending the qualifying event

Policy No.: P100-16-2**Policy Title:** Day of Service

- Remarks made at the qualifying event if a Director was a speaker (bullet points or script)
- Other similar written materials

All such materials should give a member of the public a sense of the business purpose of the qualifying event as well as the Director's role at the qualifying event.

6. Administration

The General Manager shall administer this policy and shall institute appropriate accounting and control procedures to ensure the policy is being followed.

7. Previous Policies Superseded

This policy supersedes all previously adopted District policies related to compensation for a day of service by a Director.



Policy

Policy No.: P100-17-2	Type of Policy: Board Business
Policy Title: Board of Director Travel and Expenses	
Policy Description: Reimbursement of travel and related expenses incurred by Directors while on District business	
Approval Date: 3/21/2017	Last Review Date: 2017
Approval Resolution No.: 12-17	Next Review Date: 2021
Rescinded Resolution No.: 4-13	Rescinded Resolution Date: 2/19/2013

It is the policy of the Board of Directors of Dublin San Ramon Services District:

1. That each Director shall exhibit good judgment in the matter of travel and incidental expenses, and shall have proper regard for the propriety and economy of conducting District business.
2. To reimburse reasonable and actual travel and/or incidental expenditures of Directors incurred when they are on District business.
3. That travel to and attendance at conferences and meetings by Directors shall be consistent with the approved budget of the District.
4. That travel on District business within the States of California and Nevada is pre-approved by adoption of this policy; travel on District business in locations other than California and Nevada require Board approval.
5. That expenses incurred in connection with activities and/or events that are not eligible for compensation under the Day of Service policy may, with prior Board approval, qualify for reimbursement under this policy. Such events include activities of civic and charitable organizations that are determined by the Board to be in the best interest of the District. Expenses incurred in connection with partisan or nonpartisan political activities or events are not eligible for reimbursement.
6. That expenditures of Directors for travel shall be allowed in general accordance with the following criteria:
 - Registration Fees: A registration or similar fee charged by the organizers of any conference, convention, or meeting is allowable.
 - Lodging: Amounts equivalent to the cost of (conference rate if available at the time of booking and if one has been established) a standard single occupancy room at the hotel or

Policy No.: P100-17-2**Policy Title:** Board of Director Travel and Expenses

motel at which the conference or meeting is held or comparable nearby lodging are allowable.

- **Transportation:**

- **Air Travel:** Amounts equivalent to the cost of coach class round-trip airfare from Oakland, San Jose, Sacramento or San Francisco to an airport reasonably near the destination are allowable.
- **Rental Cars:** The cost of a mid-size rental car at a destination is allowable.
- **Private Automobiles:** Travel to and from a destination using private automobiles is allowable at the IRS mileage rate (travel to and from the District for the purpose of attending Board meetings is not eligible for reimbursement). This applies so long as the amount so calculated does not exceed the cost of pre-purchased round-trip coach class airfare plus ground transportation that would be incurred for the same trip. If that is the case, the expense shall be limited to the cost of pre-purchased round-trip coach class airfare plus estimated ground transportation. When more than one District official travels in the same private automobile, allowance will be made to only the owner or lessor of the vehicle used. No credit for airfare or the avoided cost of a second automobile shall be paid to the second person. If the General Manager determines that air transportation is not feasible due to work schedules, time involved or other similar reasons, an allowance for the use of a private automobile shall be determined on the basis of the IRS mileage rate and shall not be subject to the limitation specified herein.
- **Tolls and Parking:** Tolls, parking and other similar charges are allowable; parking shall be at "non-valet" and "long-term" rates when available.
- **Public Transportation / Taxis:** Expenses for public transportation or private "for hire" ground transportation at the destination, to and/or from the destination and/or to or from the departure airport are allowable.

- **Meals:** Actual and reasonable costs of meals while traveling are allowable up to the limits set herein. Directors shall exercise discretion in the selection of restaurants and when incurring costs for meals. No costs for any alcoholic beverages shall be eligible for reimbursement. A maximum daily reimbursement for meals while traveling is hereby established at the average California city per diem rate. The maximum daily per diem will be reduced in the following amounts to reflect pre-paid meals: \$12 for breakfast, \$16 for lunch and \$34 for dinner. The maximum daily reimbursement shall also be reduced by the amount associated with the meals that a Director would normally have taken on his or her personal behalf before departure or after their return.

- **Incidental Expenses:** Reasonable incidental expenditures related to travel or the conduct of District business in amounts less than \$10 per item are allowable without receipt. These include items such as parking at meters, baggage handling, use of hotel fax services, phone charges, etc., and other similar expenses.

Policy No.: P100-17-2**Policy Title:** Board of Director Travel and Expenses

7. If a receipt is lost, the Director shall so note that on their expense report along with a brief explanation and their estimate of the expense; in such cases copies of credit card statements and/or checking account charges that show the date and amount of the charge and the payee are acceptable substitutes. The General Manager shall apply reasonable discretion, as supported by the evidence of the situation, and determine the actual amount to be reimbursed.
8. No reimbursement is allowed for any direct or incremental expenses of family members or guests traveling with a Director. An example of an unallowable incremental expense is the added cost of upgrading a room or a rental car to accommodate a non-District traveling companion.
9. Allowable expenses as specified herein are only reimbursable for the time while the conference, business meeting, or other District business activity is occurring, with reasonable allowance for the need to arrive in advance of or depart after a conference or business meeting.
10. Receipts (other than meals) must be provided prior to reimbursement unless otherwise provided herein.
11. The principal responsibility for compliance with this policy rests with each Director. The General Manager or designee shall review all expenses submitted for reimbursement for conformance with this policy prior to approving payment. When necessary, reasonable discretion in approving reimbursements related to unusual circumstances may be exercised that are not in strict accordance with this policy but that were necessary and prudent and were incurred while furthering the interests of the District. If a Director disagrees with the General Manager's determination, the Director submitting the reimbursement request shall refer the matter to the Board for consideration, by submitting the matter as an agenda item at a regular meeting not later than 60 days after the day for which reimbursement is requested.
12. The General Manager or designee shall administer this policy and shall institute appropriate accounting and control procedures to ensure the policy is being followed.
13. This policy supersedes all previously adopted District policies related to reimbursement for travel and incidental expenses.



TITLE: Affirm No Changes to New/Revised Job Classifications and Salary Policy

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Motion, affirmation of no changes to the New/Revised Job Classification and Salary policy.

SUMMARY:

All District policies are reviewed on a rotating four-year cycle to ensure that they remain current and that the Board seated at that time continues to concur with that policy. Staff has reviewed the New/Revised Job Classification and Salary policy scheduled for review this year and recommends no changes.

Policy Number	Policy Title	Last Approval Date	Approval Resolution No.	Recommendation
P700-14-1	New/Revised Job Classifications and Salary	8/19/14	53-14	Status Quo

For the convenience of the Board, a copy of the current policy listed above is attached. This policy will be calendared for subsequent review again in 2022.

Originating Department: Administrative Services	Contact: M. Gallardo	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – New/Revised Job Classifications and Salary policy	



Policy

Policy No.: P700-14-1	Type of Policy: Personnel
Policy Title: New/Revised Job Classifications and Salary	
Policy Description: Non-standard job classifications and/or salary requiring Board approval and adoption	
Approval Date: 8/19/2014	Last Review Date: 2014 <u>2018</u>
Approval Resolution No.: 53-14	Next Review Date: 2018 <u>2022</u>
Rescinded Resolution No.: 71-11	Rescinded Resolution Date: 11/15/2011

It is the policy of the Board of Directors of Dublin San Ramon Services District:

The General Manager may approve new or revised job titles, job definitions, and job duties for all standard job classifications except senior level management. Job titles, job definitions and job duties for all senior management positions shall be presented to the Board by the General Manager for approval and adoption.

For all positions, including senior level management, the General Manager shall present the salary range to be applicable to any new or revised job classification to the Board for approval and adoption. The proposed salary range for a job classification shall be consistent with District compensation structure and/or applicable Memoranda of Understanding (MOU). In the event that an approved salary range for a job classification is determined to be insufficient to recruit a qualified employee due to the unique nature of the job classification and/or due to a difficult labor market and the recommended salary for the job classification is outside the parameters contained in a MOU, the General Manager shall recommend and submit for Board approval a revised monthly salary range which is in best keeping with District practices and priorities. No new or revised salary range shall be applicable to a classification until approved by the Board. Upon approval of any new or revised salary range, the District's salary plan shall be updated in accordance with the District's Salary Plan policy.

Policy is current and no changes need to be adopted by the Board of Directors. <u>Status Quo Chronology:</u>	
Date Adopted:	
<u>August 19, 2014</u>	
Reviewed by Committee or Board:	Date:
<u>Board</u>	<u>December 4, 2018</u>



TITLE: Approve the Salary Range for the New Water/Wastewater Systems Operator III – On-Call Classification and the Revised Water/Wastewater Systems Operator III/IV – On-Call Job Description

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Resolution, the salary range for the new Water/Wastewater Systems Operator III-On-Call classification and the revised Water/Wastewater Systems Operator III/IV – On-Call job description, effective December 17, 2018.

SUMMARY:

Staff recently completed a review of the staffing and operational needs of the Field Operations Division's Water/Wastewater Systems Operator on-call pool, a pool of operators who work 24-hour shifts and are available to respond to after-hour emergencies and service requests related to the District's water and wastewater systems.

The attached staff report discusses this topic in greater detail. Based on the discussion and justification presented, in an effort to increase the number of qualified operators available in the on-call pool, the Water/Wastewater Systems Operations and Maintenance Supervisor recommends that a "Water/Wastewater Systems Operator III – On-Call" (WWSO III – On-Call) classification be created to allow for current staff at the WWSO III level to join the on-call pool under the District's current classification structure.

Originating Department: Administrative Services	Contact: S. Koehler	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Staff Report <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Job Description: Water/Wastewater Systems III/IV - On-Call (Marked-up Version) Attachment 2 – Job Description: Water/Wastewater Systems III/IV – On-Call (Clean Version)	

STAFF REPORT



BOARD OF DIRECTORS
December 4, 2018

Approve the Salary Range for the New Water/Wastewater Systems Operator III – On-Call Classification and the Revised Water/Wastewater Systems Operator III/IV – On-Call Job Description

BACKGROUND

Over the past several years as long-term employees have retired from the Field Operations Division, the number of Water/Wastewater Systems Operators (WWSOs) in the on-call pool of qualified operators available to respond to after-hours water and wastewater system alarms and calls has decreased. In the past, the Field Operations Division had six to seven operators in the rotating on-call pool; however, the pool is currently down to just four operators who are assigned stand-by duty on a weekly basis and rotated once every four weeks.

In reviewing the operational needs of the division and of the water and wastewater systems, the Water/Wastewater Systems Operations & Maintenance (WWSO&M) Supervisor, assigned as the District's Chief Water Operator, has determined that the systems require an on-call pool of eight to ten operators. In an effort to increase the number of qualified operators available in the on-call pool, the WWSO&M Supervisor recommends that a "Water/Wastewater Systems Operator III – On-Call" (WWSO III – On-Call) classification be created to allow for current staff at the WWSO III level to join the on-call pool under the District's current classification structure.

DISCUSSION

Establishing a new WWSO III- On-Call classification will allow the District to recruit current staff to participate in the on-call pool and will decrease the frequency in which stand-by duty will be rotated amongst the existing on-call operators. Adding more operators into the on-call pool will also prevent staff burnout and allow for more succession planning and knowledge transfer to ensure the District's on-call pool is adequately trained and staffed for future years.

The District currently has a Water/Wastewater Operator IV – On-Call (WWSO IV- On-Call) classification that requires employees to be in the District's on-call pool. The new WWSO III – On-Call classification will also require employees in the classification to be in the on-call pool. The new WWSO III – On-Call classification, effective December 17, 2018, will be flexibly-staffed with the WWSO IV – On-Call classification and as such will be combined within one job description, per the District's current classification standards.

Current Classifications	Proposed Classifications
Water/Wastewater Systems Operator Series	Water/Wastewater Systems Operator Series
Water/Wastewater Systems Operator I/II/III/IV	Water/Wastewater Systems Operator I/II/III/IV
Water/Wastewater Systems Lead Operator	Water/Wastewater Systems Lead Operator
Water/Wastewater Systems Operator – On-Call Series	Water/Wastewater Systems Operator – On-Call Series
Water/Wastewater Systems Operator IV – On-Call	<i>Water/Wastewater Systems Operator III/IV– On-Call</i>

The minimum experience qualifications for the new WWSO III – On-Call classification will require applicants to have two (2) years of experience in both water and wastewater systems equivalent to the level of a Water/Wastewater Systems Operator II at the District. In order to qualify for the classification, applicants will be also be required to have at least a Water Distribution Operator Grade III (D3), a Water Treatment Operator Grade I (T1), and a Wastewater Collections Systems Grade I (which is the same certification requirements as the WWSO IV – On-Call).

The proposed salary range for the new Water/Wastewater Systems Operator III – On-Call position is set to 2.5% above the salary for the existing Water/Wastewater Systems Operator III classification, which is in accordance with the District's compensation structure for the on-call differential for the WWSO IV – On-Call classification. The salary range for the WWSO III – On-Call classification, effective December 17, 2018, will be \$7,485 - \$9,100 per month. The new WWSO III/IV – On-Call classification will be included in the successor MOU and the salary will be reviewed and set in accordance with MOU requirements. Staff has met and consulted with representatives of the Stationary Engineers, Local 39, on the proposed new classification and salary range for the Water/Wastewater Systems Operator III – On-Call, as well as the revisions to the Water/Wastewater Systems Operator III/IV – On-Call job description.

RECOMMENDATION

Staff recommends the Board of Directors approve, by Resolution, the salary range for the new Water/Wastewater Systems Operator III-On-Call classification and the revised Water/Wastewater Systems Operator III/IV – On-Call job description, effective December 17, 2018.



DUBLIN SAN RAMON SERVICES DISTRICT

Attachment 1 to S&R

JOB DESCRIPTION

Job Title:	Water/Wastewater Systems Operator III /IV – On-Call
W/C Code:	8810
FLSA Status:	Nonexempt
Unit:	Local 39
Adopted Date:	January 23, 2007
Revised Date:	November 4, 2008 August 4, 2009 March 13, 2017 <u>December 4, 2018</u>
JD Code:	<u>CWW3OC</u> CWW4OC

DEFINITION

Under general supervision of the ~~Field Operations~~-Water/Wastewater Systems Operations & Maintenance Supervisor, performs a broad range of duties associated with the operation, maintenance, and repair of major water, wastewater, and recycled water facilities. The Water/Wastewater Systems Operator is a multi-skilled position, required to perform a variety of tasks including, but not limited to, treatment and process calibration, maintenance, quality control, safety, automation, team and business skills, and problem solving; and performs other duties as assigned.

DISTINGUISHING CHARACTERISTICS

Water/Wastewater Systems Operator III – On-Call

This is the entry journey level class within the Water/Wastewater Systems Operator series. Incumbents are expected to perform a wide variety of difficult and complex mechanical, maintenance, and operational duties, and will be required to work independently and use sound judgment. Incumbents may assist in training and providing direction to the Water/Wastewater Systems Operator Level I and Level II classification. This classification is distinguished from the next lower classification of Water/Wastewater Systems Operator Levels I and II by the years of experience, level of responsibility, the difficulty and complexity of assigned duties, and demonstrated proficiency in the skill sets established by the District. This position is further distinguished from the Water/Wastewater Systems Operator III by the requirement to participate in the District's on-call program, and maintenance of the more advanced certifications. Incumbents may advance to the next level after gaining experience, demonstrating proficiency in the qualifications for that classification to the satisfaction of the supervisor, and obtaining the required certification.

Water/Wastewater Systems Operator IV – On-Call

This is the full journey level class within the Water/Wastewater Systems Operator series ~~and is not flexibly staffed~~. Incumbents are expected to perform a wide variety of difficult and complex mechanical, maintenance, and operational duties, and will be required to work independently and use sound judgment. Incumbents may assist in training and providing direction to the Water/Wastewater Systems Operator Level I, Level II, and Level III classifications. This classification is distinguished from the Water/Wastewater Systems Operator Levels I/II/III by the years of experience, level of responsibility, the difficulty and complexity of assigned duties, and the certification requirements. This position is further distinguished from the Water/Wastewater Systems Operator IV by the requirement to participate in the District's on-call program, and maintenance of the more advanced certifications.

ESSENTIAL DUTIES AND RESPONSIBILITIES

When performing Wastewater Collections Systems assignments:

- Maintains and repairs, in a safe and sanitary manner, sewer lines, manholes, pressure hoses, mains, parts, and other related facilities and equipment to ensure compliance with established codes; methods include smoke testing, TV work, packing, and sealing,
- Inspects and tests underground wastewater collection pipes, lateral connections, storm drain interceptors, and associated appurtenances using closed-circuit television devices and other specialized testing equipment to locate leaks, breaks, infiltration, and the buildup of dirt, debris, roots, and other materials on a scheduled preventative maintenance basis.
- Assists with and examines, maintains, cleans, and unplugs collection lines with a variety of specialized equipment including hydro-cleaning, video and grouting vehicles; seals and grouts damaged lines as required.
- Tests and monitors manholes for dangerous gases and uses proper safety precautions when entering underground areas; builds and cleans out manholes, other collection facilities, and/or confined spaces.
- Provides installation, maintenance, and repair of wastewater mains; digs up and repairs damaged sections of pipe; cuts, installs, threads, and assembles new pipe.
- Responds to customer complaints and emergency calls for service; uses inspection equipment to identify causes; and assists in mitigating overflow spills and damage as required.
- Operates a combination hydrocleaning/vacuuming truck to clean and flush sewer lines on a scheduled or emergency basis.

When performing Water Distribution assignments:

- Monitors and controls the operation of water distribution systems incorporating chemical feeding equipment, utilizing the SCADA system, filtration equipment, reservoirs, and/or storage tanks; inspects for compliance with established codes and/or damaged or worn parts and makes repairs as necessary.
- Regulates water flow into or out of the water distribution system or reservoir when necessary.
- Checks operation of automatic pump and valve regulating equipment and adjusts or repairs as needed.
- Inspects, maintains, and repairs pipelines, pumps, valves, tanks, reservoirs and related appurtenances; inspects and tests lines in the distribution system visually.
- Performs repairs and maintenance of valves, meters, water distribution pipelines.
- Performs preventive maintenance on pumps, motors and other equipment.
- Takes samples and performs chemical tests of chlorine residual; takes samples of water and may perform a variety of other chemical tests.
- Flushes water lines and keeps system area clean.
- Adjusts and repairs pressure regulating equipment and removes chlorine cylinders.
- Operates, adjusts, maintains and repairs chemical feeders dispensing sodium hypochlorite or other oxidizing agents, fluoride and polyelectrolyte.
- Oversees, coordinates, and inspects contract repair work associated with repairs of pipelines, pumps, tanks, reservoirs and related equipment.
- Performs general maintenance duties such as flushing of main lines and dead ends.
- Makes or arranges for and oversees repairs to valves, hydrants, mains and pipelines.
- Installs water meters.
- Learns and performs chlorination treatment of recycled and potable water at reservoirs.

When performing all assignments:

- Participates in the District's On-Call program and responds to emergency calls.
- Completes work orders initiated by customer service staff or assigned by lead according to customer complaints and calls for service.
- Operates specialized vehicles and a variety of light, medium, and heavy equipment including forklifts; vibrators, jackhammers, tampers and cutters; related to the construction, maintenance, and repair of the District's water/wastewater infrastructure system.

- Assist in the coordination of contracted repair work;
- Inspects lift stations and may repair or replace valves or fittings.
- May assist in the maintenance of records for locating District installed equipment, pipelines and related facilities.
- Services and maintains mobile equipment in a clean and orderly condition; and makes minor repairs as needed.
- Sets up traffic control and safety equipment when using vehicles on a street or other roadway; and uses safety equipment and observes all safety procedures as specified by the District.
- Notifies supervisor of the need for repair or additional maintenance as found during routine inspection and cleaning activities; and prepares work orders or notes service requirements.
- Ensures that adequate materials and supplies are available for maintenance and repair work.
- Maintains accurate records of work performed.
- May assist with a variety of administrative duties, including purchasing, researching for bids, record keeping, and report preparation; keeps records and logs of operations; updates information for reporting purposes.
- Contacts the public to inform them of activities; explains applicable rules and regulations.
- Troubleshoot system and facility problems.
- Perform 'mark and locate' program duties.
- Responds to questions and inquiries from the public; sets up traffic safety devices at work sites; may respond to emergency repair calls.
- Performs a variety of complex and difficult projects; provides assistance to other divisions as required.
- Assists lower-level and new staff as required.
- Operates standard office equipment, including job-related computer hardware and software applications, facsimile equipment and multi-line telephones; may operate other department-specific equipment.
- May perform special project work including overseeing C.I.P. projects and providing input into water, recycled, and collection system projects.
- Participates in group problem solving activities to promote continual business process improvements and initiatives.
- Builds and maintains positive working relationships with co-workers, other District employees, and the public.
- Drives a motor vehicle.
- Performs other duties as assigned.

QUALIFICATIONS

The minimum qualifications and acceptable substitutions described on class specifications represent the typical way to obtain the required knowledge, skills and abilities to perform the essential duties of the job. Any combination of education, licensing, and/or experience which has provided the knowledge, skills and abilities necessary to perform the job satisfactorily may qualify the candidates to be considered for open positions in the class specification.

Knowledge of:

- Principles, practices, tools, equipment and supplies required to maintain and repair water treatment and distribution and /or wastewater collection systems, including underground water and wastewater collection lines and pump/lift stations.
- Basic principles and practices of mobile equipment servicing and repair.
- Instrumentation and controls troubleshooting and minor calibration adjustments.
- Electrical diagnostic tools and predictive equipment such as: multimeters, ammeters, vibration meters, etc.
- State and Federal water quality and residuals disposal standards.
- Basic mechanical, electrical, and hydraulic principles.
- Basic operational and maintenance practices of electrical motors, pumps, and circuitry.
- Cost to operate various facilities.
- Basic safety practices related to the work, including confined space entry.
- Modern office practices, methods, and computer equipment.
- Applicable Federal and State laws; District, Department, and Division regulations, codes, policies, and procedures.
- Record keeping principles and procedures.
- Computer applications related to the work.
- Shop arithmetic.
- Techniques for providing a high level of customer service to public and District staff, in person and over the telephone.

Ability to:

- Respond to the location of an incident related to the water, wastewater, recycled water, or SCADA system within forty-five (45) minutes from the time the location of the incident and the need to respond is known or should have been known.
- Perform skilled and semi-skilled work related to the installation, inspection, maintenance, and repair, of underground water distribution and wastewater collection lines, pump, and lift stations.
- Safely use hand and power tools related to the work and drive and operate trucks and hydrovactor equipment.
- Read meters and gauges efficiently and record accurate consumption information.
- Interpret and explain regulations, policies, and procedures.
- Read maps, manuals and specifications.
- Perform process adjustments based on technical decisions to maintain process performance criteria.
- Paint all types of surfaces and equipment.
- Wear personal protective equipment.
- Perform manual and strenuous physical labor and heavy lifting.
- Wear a negative fit respirator and self-contained breathing apparatus and demonstrate that the employee can obtain proper face piece-to-face fit in accordance with the manufacturer's fitting instructions, in accordance with CFR 1910.134 (a) 5 (I).
- Perform work in a confined space, following required confined space entry procedures.
- Recognize abnormal event or proactively predict changing conditions.
- Resolve problems utilizing information from a number of sources.
- Formulate a plan and implement solutions to problems.
- Work overtime, weekends, and holidays assigned.
- Promote a safe work environment with team members.
- Plan and estimate a small project.
- Maintain clear and accurate records.
- Make accurate arithmetic computations.
- Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner; organize own work, set priorities, and meet critical time deadlines.
- Maintain attention to detail and accuracy.
- Operate modern office equipment including computer equipment and specialized software applications programs.
- Use English effectively to communicate in person, over the telephone, and in writing.
- Use tact, initiative, prudence, and independent judgment within general policy and legal guidelines.
- Establish and maintain effective working relationships with those contacted in the course of the work.
- Perform work in confined spaces, following required confined space entry procedures.

EDUCATION and EXPERIENCE

The minimum qualifications and acceptable substitutions described on class specifications represent the typical way to obtain the required knowledge, skills and abilities to perform the essential duties of the job. Any combination of education, licensing, and/or experience which has provided the knowledge, skills and abilities necessary to perform the job satisfactorily may qualify the candidates to be considered for open positions in the class specification.

Water/Wastewater Systems Operator III – On-Call

Equivalent to the completion of the twelfth (12th) grade and two (2) years of semi-skilled experience in both water distribution and wastewater collection systems at a level equivalent to a Water/Wastewater Systems Operator Level II.

Water/Wastewater Systems Operator IV – On-Call

Equivalent to the completion of the twelfth (12th) grade and three (3) years of skilled experience in water distribution and wastewater collections. Experience in recycled water treatment and distribution is desirable.

CERTIFICATES, LICENSES, REGISTRATIONS

Possession of a Class B Driver's License, with air brakes and tanker endorsements, required by the State of California Department of Motor Vehicles, to perform the duties of the position. Continued maintenance of said driver's license in compliance with established District vehicle operation standards, and the ability to be insured for the operation of a vehicle/District vehicle in accordance with the terms and conditions of the District's insurance program are conditions of continuing employment. The CSRMA driving standards are included herein by reference.

Water/Wastewater Systems Operator III – On-Call

Possession of a SWRCB Water Distribution Operator Grade III (D3) certificate, a Treatment Operator Grade I (T1) certificate, and a CWEA Wastewater Collections System Operator Grade I.

Water/Wastewater Systems Operator IV – On-Call

Possession of a SWRCB Water Distribution Operator Grade III (D3) certificate, a CWEA Wastewater Collections System Operator Grade I, a Treatment Operator Grade I (T1) certificate. As a condition of continuing employment incumbents must obtain and maintain a CWEA Wastewater Collections System Operator Grade II certification within twelve (12) months of eligibility.

Possession of a Class A Driver's License with Air Brakes and Tanker Endorsements is desirable.

ADDITIONAL REQUIREMENTS

Incumbents in this class are required to participate in the District's Shave-on-Demand policy when required to wear respiratory protection or other safety equipment.

DISASTER SERVICE WORKER

All Dublin San Ramon Services District employees are, by State and Federal law, Disaster Service Workers. The roles and responsibilities for Disaster Service Workers are authorized by the California Emergency Services Act and are defined in the California Labor Code. In the event of a declaration of emergency, any employee of the District may be assigned to perform activities which promote the protection of public health and safety or the preservation of lives and property. Such assignments may require service at locations, times, and under conditions that are significantly different than the normal work assignments and may continue into the recovery phase of the emergency. If a "Local Emergency" is declared during the employee's shift, employees will be expected to remain at work to respond to the emergency needs of the community. If a "Local Emergency" is declared outside of the employee's shift, employees must make every effort to contact their direct supervisor or department head to obtain reporting instructions as Disaster Service Workers.

WORK ENVIRONMENT

The work environment characteristics are representative of those an employee encounters while performing the essential functions of this job. The physical demands are representative of those that must be met by an employee to successfully perform the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- Employee is regularly exposed to wet and/or humid conditions.
- Employee is exposed to moving mechanical parts.
- Employee is exposed to outside weather conditions.
- Employee is frequently exposed to high, precarious places and toxic or caustic chemicals.
- Employee is occasionally exposed to fumes or airborne particles, risk of electrical shock, and vibration.

- Employees in this classification may perform duties that involve a potential risk of exposure to blood-borne pathogens.
- Employees use power and noise producing tools and equipment and the noise level in the work environment may usually be loud.
- Employee is occasionally exposed to confined spaces; fumes or airborne particles; toxic or caustic chemicals; extreme cold; extreme heat; and risk of electrical shock or mechanical hazards.

PHYSICAL DEMANDS

STANDING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than ½ hour at a time.
Maximum Frequency:	Up to 4 hours.
Duration:	Seconds to less than ½ hour at a time.
Surfaces:	Office – tile carpet; Field/plant – asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.
Description:	Performs while performing a variety of skilled work in the maintenance and repair of sewer lines, manholes, related facilities and equipment including smoke testing, t.v. work, packing and sealing, inspecting sewer collection lines, performing repairs, operating a variety of equipment including hydrocleaning, video equipment, testing and monitoring manholes, digging, installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, performing traffic control tasks including flagging vehicles, monitoring and controlling the operation of water distribution systems including chemical feeding equipment, utilizing the SCADA system, filtration equipment, regulating water flow, repairing leaks in pipelines, pumps, tanks, reservoirs, performing preventative maintenance on pumps, motors and other equipment, installing water meters, working in confined space entries, and a variety of related tasks.

WALKING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	4 to 5 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	5 to 6 hours.
Duration:	Seconds to less than 15 minutes at a time.
Surfaces:	Office – tile carpet; Field/plant – asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.

Description:	Performs while walking within the plant, to and from field sites, relocating tools, supplies, equipment, inspecting and monitoring equipment, operating vibrators, jackhammers, tampers, flagging vehicles, utilizing a wheelbarrow, dollies and a variety of related activities.
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SITTING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	Up to 1 hour.
Duration:	Less than ½ hour at a time.
Maximum Frequency:	Up to 6 to 7 hours.
Duration:	Less than 1 hour at a time.
Surfaces:	Cushioned vehicles seat or office chair.
Description:	Performs during training or meetings, operating t.v. inspection equipment, operating equipment including a forklift, pickup truck, 10-wheeler truck, hydrocleaning/vacuum truck.

KNEELING/CROUCHING/SQUATTING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	1 to 2 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to 15 minutes at a time.
Surfaces:	Office – tile carpet; Field/plant – asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.
Description:	Performs while digging, inspecting, or accessing equipment, retrieving or setting items on and off lower shelves or ground level, accessing leaks, equipment inspections, repairing equipment in conjunction with utilizing a variety of tools, finishing concrete.

CRAWLING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	0 to less than 5 minutes per month.
Duration:	Seconds to less than 1 minute at a time.
Maximum Frequency:	Average frequency is consistent.
Duration:	N/A
Surfaces:	Asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.

Description:	Performs while performing equipment inspections, utilizing hand tools to finish concrete.
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LAYING ON BACK/STOMACH	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	Up to 15 minutes per week.
Duration:	Seconds to less than 5 minutes at a time.
Maximum Frequency:	Average frequency is consistent.
Duration:	N/A
Surfaces:	Asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.
Description:	Performs while installing water meters, inspecting equipment.

CLIMBING/BALANCING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	20 to 30 times.
Duration:	Seconds at a time.
Maximum Frequency:	Average frequency is consistent.
Duration:	N/A
Surfaces:	Ladder steps, vehicle floorboards.
Description:	Performs while ascending or descending reservoir vertical fixed ladders up to 30 feet, accessing pump stations, ascending or descending 1 to 3 steps to access vehicle cabs.

REACHING	Water/Wastewater Systems Operator IV – On-Call
Above Shoulder Level:	
Average Frequency:	10 to 20 times.
Duration:	Seconds at a time.
Maximum Frequency:	Up to 75 times.
Duration:	Seconds at a time.
Description:	Performs while accessing equipment including actuators, exercising valves. Unilateral or bilateral upper extremities from a less than full to full extensions at each occurrence.
Between Waist and Shoulder Level:	
Average Frequency:	6 to 7 hours.

Duration:	Seconds to less than ½ hour at a time.
Maximum Frequency:	Average frequency is consistent.
Duration:	N/A
Description:	Performs while operating t.v. inspection equipment, operating equipment including a forklift, pickup truck, 10-wheeler truck, hydrocleaning/vacuum truck, operating equipment in conjunction with maneuvering steering wheels or levers, performing repairs, operating a variety of equipment including hydrocleaning/video equipment, testing equipment, digging installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, performing traffic control tasks including flagging vehicles. Unilateral or bilateral upper extremities from a less than full to full extensions at each occurrence.

REACHING	Water/Wastewater Systems Operator IV – On-Call
Below Waist Level:	
Average Frequency:	1 to 2 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to 15 minutes at a time.
Description:	Performs while digging, inspecting, or accessing equipment, retrieving or setting items on and off lower shelves or ground level, accessing leaks, equipment inspections, repairing equipment in conjunction with utilizing a variety of tools, utilizing tools to finish concrete, performing various repairs, operating a variety of equipment including hydrocleaning, video equipment, digging, installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, repairing leaks in pipelines, performing preventative maintenance on pumps, motors and other equipment including water meters, working in confined space entries. Unilateral or bilateral upper extremities from a less than full to full extensions at each occurrence.

PUSHING/PULLING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	Up to 4 hours.
Duration:	Seconds to less than 15 minutes at a time.
Description:	Performs while utilizing a shovel, utilizing a hook to remove or replace manhole lids, meter covers, operating a vibrator, jackhammer, tamper – a combination of lifting, pushing, pulling, guiding, operating hydrocleaning vacuum truck hoses, connecting or disconnecting trailers, utilizing a pipe wrench, roto hammer, chop saw, skill saw, saw-zall, drill, a variety of wrenches, setting concrete in conjunction with utilizing hand tools, relocating a

wheelbarrow in conjunction with lifting, operating a skill saw, a chainsaw to cut or remove roots, utilizing a valve key to open or close/exercise valves, utilizing a 20' scraper to remove grease from manhole interiors, utilizing a dolly.

TWISTING/ROTATING	Water/Wastewater Systems Operator IV – On-Call
Waist:	
Average Frequency:	Less than 15 minutes.
Duration:	Seconds at a time.
Maximum Frequency:	1 to 2 hours.
Duration:	Seconds to less than 1 minute at a time.
Description:	Performs while accessing parts, utilizing equipment while hydrocleaning, opening or closing valves, utilizing a shovel to relocate dirt, driving. The motion is center to the right back to center or center to the left back to center less than 20-degrees per occurrence.
Neck:	
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than 5 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to less than 5 minutes at a time.
Description:	Performs while inspecting or monitoring equipment, driving, repairing, servicing and inspecting equipment, during normal body mechanics. The motion is center to the right back to center or center to the left back to center less than 45-degrees per occurrence.
Wrists:	
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	3 to 4 hours.
Duration:	Seconds to less than 15 minutes at a time.
Description:	Performs while utilizing a variety of tools including a shovel to relocate dirt, screwdrivers, pliers, wrenches, valve keys, cleaning, utilizing various hand tools, during normal body mechanics. Unilateral or bilateral hand use.

BENDING	Water/Wastewater Systems Operator IV – On-Call
Waist:	

Average Frequency:	1 to 2 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to 15 minutes at a time.
Description:	Performs while digging, inspecting, or accessing equipment, retrieving or setting items on and off lower shelves or ground level, accessing leaks, equipment inspections, repairing equipment in conjunction with utilizing a variety of tools, utilizing tools to finish concrete, performing various repairs, operating a variety of equipment including hydrocleaning, video equipment, digging, installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, repairing leaks in pipelines, performing preventative maintenance on pumps, motors and other equipment including water meters, working in confined space entries. The motion is in a forward direction between 5 and 65-degrees.

BENDING	Water/Wastewater Systems Operator IV – On-Call
Head/Neck:	
Average Frequency:	3 to 4 hours.
Duration:	Seconds to less than 5 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to less than 5 minutes at a time.
Description:	Performs while performing a variety of skilled work in the maintenance and repair of sewer lines, manholes, related facilities and equipment including smoke testing, t.v. work, packing and sealing, inspecting sewer collection lines, performing repairs, operating a variety of equipment including hydrocleaning, video equipment, testing and monitoring manholes, digging, installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, performing traffic control tasks including flagging vehicles, monitoring and controlling the operation of water distribution systems including chemical feeding equipment, utilizing the SCADA system, filtration equipment, regulating water flow, repairing leaks in pipelines, pumps, tanks, reservoirs, performing preventative maintenance on pumps, motors and other equipment, installing water meters, working in confined space entries, and a variety of related tasks, utilizing a variety of hand or power tools, inspecting equipment, during normal body mechanics.
Wrists:	
Average Frequency:	3 to 4 hours.
Duration:	Seconds to less than 10 minutes at a time.
Maximum Frequency:	4 to 5 hours.

Duration:	Seconds to less than 10 minutes at a time.
Description:	Performs while utilizing a variety of tools including wrenches, screwdrivers, pliers, shovel, turning valves, relocating samples, driving in conjunction with maneuvering a steering wheel or levers, operating power equipment, servicing and repairing equipment, during normal body mechanics. Unilateral or bilateral hand use.

LIFTING/CARRYING	Water/Wastewater Systems Operator IV – On-Call
0 to 10 lbs. Objects: Average Frequency: Maximum Frequency: Duration: Distance: Height: Description:	Writing utensil, paperwork, telephone handset, metal hook, wrenches, screwdrivers, pliers, valve keys, drills, bolts, nuts, small parts, samples, shovel, fittings, couplings, gaskets, pick, and wrenches. 5 to 6 hours. Average frequency is consistent. Seconds to less than 15 minutes at a time. Less than 100 feet. Ground to shoulder or above. Performs while utilizing a writing utensil, handling paperwork, utilizing a telephone, metal hook, utilizing various tools while performing a variety of maintenance to various equipment including wrenches, screwdrivers, pliers, valve keys, drills, handling small parts including nuts, bolts, samples, utilizing a shovel while digging, handling fittings, couplings, gaskets, wrenches, etc.
11 to 25 lbs. Objects: Average Frequency: Maximum Frequency: Duration: Distance: Height: Description:	Valve key, hoses, 1" meter, skill saw, miscellaneous parts, steel signs. 1 to 1 ½ hours. Up to 2 hours. Seconds to less than 10 minutes at a time. Less than 50 feet. Ground to chest level. Performs while retrieving and relocating various tools, supplies, equipment.
26 to 50 lbs. Objects:	Submersible pump, small lateral camera, 3" meter, valve opener, SCBA with case, 1" air valve, key valve/actuator, tool bag, B12 lid, sodium sulphate de-chlor, 8" defusser, hydrain meter, fire extinguisher.

Average Frequency:	10 to 20 times.
Maximum Frequency:	Up to 100 times.
Duration:	Seconds to less than 2 minutes at a time.
Distance:	Up to 50 yards.
Height:	Ground to waist level.
Description:	Performs while retrieving and relocating a variety of tools, parts, supplies.

LIFTING/CARRYING	Water/Wastewater Systems Operator IV – On-Call
51 to 75 lbs.	
Objects:	Small generator, camera, 2”/30’ copper roll, sample station, portable trash pump, propane tank, jackhammer.
Average Frequency:	2 to 4 times.
Maximum Frequency:	10 to 20 times.
Duration:	Seconds at a time.
Distance:	Less than 150 feet.
Height:	Ground to waist level.
Description:	Performs while retrieving and relocating a variety of objects including tools, supplies and equipment, utilizing a jackhammer a combination of pushing, pulling, guiding, lifting and partial lifting.
76 to 100 lbs.	
Objects:	B9 meter cover, chlorine tablet case, 12” clamp.
Average Frequency:	1 to 2 times per week.
Maximum Frequency:	Up to 24 times every 6 months.
Duration:	Seconds at a time.
Distance:	Less than 40 feet.

Height:	Ground to waist level.
Description:	Performs while utilizing a meter hook to remove or replace meter covers, retrieving and relocating materials, supplies or equipment.
100+ lbs.	
Objects:	Portable generator, lift pump, 30" manhole lid, 24" manhole lid, B40 meter cover, hydrant, pvc pipe, B12 meter box, 8" gate valve.
Average Frequency:	1 time per week, for approximately 6 months; daily approximately 72 times.
Maximum Frequency:	Average frequency is consistent.
Duration:	Seconds at a time.
Distance:	Less than 40 feet.
Height:	Ground to waist level.
Description:	Performs while loading and unloading a portable generator, lift pump, hydrant, pvc pipe, 8" gate valve, with or without assistance, utilize a metal hook to remove or replace manhole lids or meter covers, a combination of pushing, pulling or partial lifting.

SIMPLE GRASPING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	3 to 4 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to less than 15 minutes at a time.
Description:	Performs while operating a variety of equipment including vehicles, forklifts in conjunction with maneuvering steering wheels, levers, retrieving and relocating samples, relocating tools, wrenches, screwdrivers, pliers, handling and manipulating fittings, couplings, small parts, flagging vehicles in conjunction with utilizing a flag. Unilateral or bilateral hand use.

POWER GRASPING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	Up to 4 hours.
Duration:	Seconds to less than 15 minutes at a time.

Description:	Performs while utilizing a shovel, utilizing a hook to remove or replace manhole lids, meter covers, operating a vibrator, jackhammer, tamper – a combination of lifting, pushing, pulling, guiding, operating hydrocleaning vacuum truck hoses, connecting or disconnecting trailers, utilizing a pipe wrench, roto hammer, chop saw, skill saw, saw-zall, drill, a variety of wrenches, setting concrete, relocating a wheelbarrow in conjunction with lifting, operating a skill saw, a chainsaw to cut or remove roots, utilizing a valve key to open or close/exercise valves, utilizing a 20' scraper to remove grease from manhole interiors, utilizing a dolly, retrieving and relocating a variety of items including lids, supplies, tools. Unilateral or bilateral hand use.
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FINE MANIPULATION	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	1 to 2 hours.
Duration:	Seconds to less than 5 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to less than 5 minutes at a time.
Description:	Performs while handling nuts, bolts, screws, small parts, utilizing a computer keyboard, mouse, monitor, writing utensil, pressing telephone buttons to make outgoing calls. Unilateral or bilateral hand use.

MACHINES/TOOLS

- T.V. inspection equipment
- Hydrocleaning equipment
- Video inspection equipment
- Shovel
- Threaders
- Forklift
- Vibrators
- Jackhammers
- Tampers
- Cutters
- Hoses
- Computer keyboard, mouse, monitor
- Writing utensil
- Office equipment
- Valve key
- Actuators
- Cranes
- Torch
- Wrenches
- Wheelbarrow
- Bolt cutters
- Fire extinguisher
- Sledgehammer
- Saw-zall
- Drills

- Pliers
- Pipe wrenches
- Pumps
- Chainsaw
- Clamps
- Skill saw
- Chop saw
- Roto hammer
- Spud bar
- Screwdrivers
- Sockets
- Generators
- Soldering equipment
- Winch, gas detectors, confined space entry tripod and lowering tools
- Sample station
- Pickup truck
- Backhoe

PERSONAL PROTECTIVE EQUIPMENT

- Depending on the exposure, the employee is required to wear head, hearing, eye, foot, face, hand, and fall protection equipment.
- Positions in this class are required to be clean-shaven as required to wear respiratory protection or other safety equipment

WEIGHTS AND MEASURES

Items Weighed:

- Submersible pump – 35 pounds
- Valve key – 25 pounds
- Portable generator – 250 pounds (estimated)
- Small lateral camera – 45 pounds
- 25' X 2 ½" hose – 15 pounds
- Small generator – 55 pounds
- 3" meter – 45 pounds
- 1" meter – 15 pounds
- Valve opener – 40 pounds
- SCBA with case – 35 pounds; without case – 30 pounds
- 1" air valve – 30 pounds
- Camera – 71 pounds
- Lift pump – 160 pounds
- 2"/30' copper roll – 70 pounds; 60" estimated 140 pounds
- Key valve/actuator – 45 pounds
- Sample station – 65 pounds
- Fittings – up to 10 pounds
- Tool bag – 35 pounds
- 30" manhole lid – 185 pounds
- 24" manhole lid – 163 pounds
- B40 meter cover – 190 pounds
- B9 meter cover – 85 pounds
- B12 lid – 30 pounds

- Hydrant – 220 pounds
- Skill saw – 18 pounds
- Chlorine tablets case – 100 pounds
- Sodium sulphate d-chlor – 50 pounds
- Gas chainsaw – 10 pounds
- Portable trash pump – 70 pounds
- 8” X 20’ pvc pipe – 225 pounds
- B12 meter box – 110 pounds
- 8” clamp – 35 pounds
- 10” clamp – 55 pounds
- 12” clamp – 90 pounds
- Diffuser – 35 pounds
- Steel sign – 17 pounds
- 8” gate valve – 190 pounds
- Hydrant meter – 40 pounds
- Propane tank – 75 pounds
- Fire extinguisher – 32 pounds
- Winch – 27 pounds
- Confined space entry tripod – 33 pounds

NOTICE: The Examples of Functions, responsibilities, work environment, physical demands etc. listed in this Job Analysis are representative only, and not exhaustive of the tasks that an employee may be required to perform.



DUBLIN SAN RAMON SERVICES DISTRICT

JOB DESCRIPTION

Job Title:	Water/Wastewater Systems Operator III/IV – On-Call
W/C Code:	8810
FLSA Status:	Nonexempt
Unit:	Local 39
Adopted Date:	January 23, 2007
Revised Date:	November 4, 2008 August 4, 2009 March 13, 2017 December 4, 2018
JD Code:	CWW3OC CWW4OC

DEFINITION

Under general supervision of the Water/Wastewater Systems Operations & Maintenance Supervisor, performs a broad range of duties associated with the operation, maintenance, and repair of major water, wastewater, and recycled water facilities. The Water/Wastewater Systems Operator is a multi-skilled position, required to perform a variety of tasks including, but not limited to, treatment and process calibration, maintenance, quality control, safety, automation, team and business skills, and problem solving; and performs other duties as assigned.

DISTINGUISHING CHARACTERISTICS

Water/Wastewater Systems Operator III – On-Call

This is the entry journey level class within the Water/Wastewater Systems Operator series. Incumbents are expected to perform a wide variety of difficult and complex mechanical, maintenance, and operational duties, and will be required to work independently and use sound judgment. Incumbents may assist in training and providing direction to the Water/Wastewater Systems Operator Level I and Level II classification. This classification is distinguished from the next lower classification of Water/Wastewater Systems Operator Levels I and II by the years of experience, level of responsibility, the difficulty and complexity of assigned duties, and demonstrated proficiency in the skill sets established by the District. This position is further distinguished from the Water/Wastewater Systems Operator III by the requirement to participate in the District's on-call program, and maintenance of the more advanced certifications. Incumbents may advance to the next level after gaining experience, demonstrating proficiency in the qualifications for that classification to the satisfaction of the supervisor, and obtaining the required certification.

Water/Wastewater Systems Operator IV – On-Call

This is the full journey level class within the Water/Wastewater Systems Operator series.. Incumbents are expected to perform a wide variety of difficult and complex mechanical, maintenance, and operational duties, and will be required to work independently and use sound judgment. Incumbents may assist in training and providing direction to the Water/Wastewater Systems Operator Level I, Level II, and Level III classifications. This classification is distinguished from the Water/Wastewater Systems Operator Levels I/II/III by the years of experience, level of responsibility, the difficulty and complexity of assigned duties, and the certification requirements. This position is further distinguished from the Water/Wastewater Systems Operator IV by the requirement to participate in the District's on-call program, and maintenance of the more advanced certifications.

ESSENTIAL DUTIES AND RESPONSIBILITIES

When performing Wastewater Collections Systems assignments:

- Maintains and repairs, in a safe and sanitary manner, sewer lines, manholes, pressure hoses, mains, parts, and other related facilities and equipment to ensure compliance with established codes; methods include smoke testing, TV work, packing, and sealing,
- Inspects and tests underground wastewater collection pipes, lateral connections, storm drain interceptors, and associated appurtenances using closed-circuit television devices and other specialized testing equipment to locate leaks, breaks, infiltration, and the buildup of dirt, debris, roots, and other materials on a scheduled preventative maintenance basis.
- Assists with and examines, maintains, cleans, and unplugs collection lines with a variety of specialized equipment including hydro-cleaning, video and grouting vehicles; seals and grouts damaged lines as required.
- Tests and monitors manholes for dangerous gases and uses proper safety precautions when entering underground areas; builds and cleans out manholes, other collection facilities, and/or confined spaces.
- Provides installation, maintenance, and repair of wastewater mains; digs up and repairs damaged sections of pipe; cuts, installs, threads, and assembles new pipe.
- Responds to customer complaints and emergency calls for service; uses inspection equipment to identify causes; and assists in mitigating overflow spills and damage as required.
- Operates a combination hydrocleaning/vacuuming truck to clean and flush sewer lines on a scheduled or emergency basis.

When performing Water Distribution assignments:

- Monitors and controls the operation of water distribution systems incorporating chemical feeding equipment, utilizing the SCADA system, filtration equipment, reservoirs, and/or storage tanks; inspects for compliance with established codes and/or damaged or worn parts and makes repairs as necessary.
- Regulates water flow into or out of the water distribution system or reservoir when necessary.
- Checks operation of automatic pump and valve regulating equipment and adjusts or repairs as needed.
- Inspects, maintains, and repairs pipelines, pumps, valves, tanks, reservoirs and related appurtenances; inspects and tests lines in the distribution system visually.
- Performs repairs and maintenance of valves, meters, water distribution pipelines.
- Performs preventive maintenance on pumps, motors and other equipment.
- Takes samples and performs chemical tests of chlorine residual; takes samples of water and may perform a variety of other chemical tests.
- Flushes water lines and keeps system area clean.
- Adjusts and repairs pressure regulating equipment and removes chlorine cylinders.
- Operates, adjusts, maintains and repairs chemical feeders dispensing sodium hypochlorite or other oxidizing agents, fluoride and polyelectrolyte.
- Oversees, coordinates, and inspects contract repair work associated with repairs of pipelines, pumps, tanks, reservoirs and related equipment.
- Performs general maintenance duties such as flushing of main lines and dead ends.
- Makes or arranges for and oversees repairs to valves, hydrants, mains and pipelines.
- Installs water meters.
- Learns and performs chlorination treatment of recycled and potable water at reservoirs.

When performing all assignments:

- Participates in the District's On-Call program and responds to emergency calls.
- Completes work orders initiated by customer service staff or assigned by lead according to customer complaints and calls for service.
- Operates specialized vehicles and a variety of light, medium, and heavy equipment including forklifts; vibrators, jackhammers, tampers and cutters; related to the construction, maintenance, and repair of the District's water/wastewater infrastructure system.

- Assist in the coordination of contracted repair work;
- Inspects lift stations and may repair or replace valves or fittings.
- May assist in the maintenance of records for locating District installed equipment, pipelines and related facilities.
- Services and maintains mobile equipment in a clean and orderly condition; and makes minor repairs as needed.
- Sets up traffic control and safety equipment when using vehicles on a street or other roadway; and uses safety equipment and observes all safety procedures as specified by the District.
- Notifies supervisor of the need for repair or additional maintenance as found during routine inspection and cleaning activities; and prepares work orders or notes service requirements.
- Ensures that adequate materials and supplies are available for maintenance and repair work.
- Maintains accurate records of work performed.
- May assist with a variety of administrative duties, including purchasing, researching for bids, record keeping, and report preparation; keeps records and logs of operations; updates information for reporting purposes.
- Contacts the public to inform them of activities; explains applicable rules and regulations.
- Troubleshoot system and facility problems.
- Perform 'mark and locate' program duties.
- Responds to questions and inquiries from the public; sets up traffic safety devices at work sites; may respond to emergency repair calls.
- Performs a variety of complex and difficult projects; provides assistance to other divisions as required.
- Assists lower-level and new staff as required.
- Operates standard office equipment, including job-related computer hardware and software applications, facsimile equipment and multi-line telephones; may operate other department-specific equipment.
- May perform special project work including overseeing C.I.P. projects and providing input into water, recycled, and collection system projects.
- Participates in group problem solving activities to promote continual business process improvements and initiatives.
- Builds and maintains positive working relationships with co-workers, other District employees, and the public.
- Drives a motor vehicle.
- Performs other duties as assigned.

QUALIFICATIONS

The minimum qualifications and acceptable substitutions described on class specifications represent the typical way to obtain the required knowledge, skills and abilities to perform the essential duties of the job. Any combination of education, licensing, and/or experience which has provided the knowledge, skills and abilities necessary to perform the job satisfactorily may qualify the candidates to be considered for open positions in the class specification.

Knowledge of:

- Principles, practices, tools, equipment and supplies required to maintain and repair water treatment and distribution and /or wastewater collection systems, including underground water and wastewater collection lines and pump/lift stations.
- Basic principles and practices of mobile equipment servicing and repair.
- Instrumentation and controls troubleshooting and minor calibration adjustments.
- Electrical diagnostic tools and predictive equipment such as: multimeters, ammeters, vibration meters, etc.
- State and Federal water quality and residuals disposal standards.
- Basic mechanical, electrical, and hydraulic principles.
- Basic operational and maintenance practices of electrical motors, pumps, and circuitry.
- Cost to operate various facilities.
- Basic safety practices related to the work, including confined space entry.
- Modern office practices, methods, and computer equipment.
- Applicable Federal and State laws; District, Department, and Division regulations, codes, policies, and procedures.
- Record keeping principles and procedures.
- Computer applications related to the work.
- Shop arithmetic.
- Techniques for providing a high level of customer service to public and District staff, in person and over the telephone.

Ability to:

- Respond to the location of an incident related to the water, wastewater, recycled water, or SCADA system within forty-five (45) minutes from the time the location of the incident and the need to respond is known or should have been known.
- Perform skilled and semi-skilled work related to the installation, inspection, maintenance, and repair, of underground water distribution and wastewater collection lines, pump, and lift stations.
- Safely use hand and power tools related to the work and drive and operate trucks and hydrovactor equipment.
- Read meters and gauges efficiently and record accurate consumption information.
- Interpret and explain regulations, policies, and procedures.
- Read maps, manuals and specifications.
- Perform process adjustments based on technical decisions to maintain process performance criteria.
- Paint all types of surfaces and equipment.
- Wear personal protective equipment.
- Perform manual and strenuous physical labor and heavy lifting.
- Wear a negative fit respirator and self-contained breathing apparatus and demonstrate that the employee can obtain proper face piece-to-face fit in accordance with the manufacturer's fitting instructions, in accordance with CFR 1910.134 (a) 5 (I).
- Perform work in a confined space, following required confined space entry procedures.
- Recognize abnormal event or proactively predict changing conditions.
- Resolve problems utilizing information from a number of sources.
- Formulate a plan and implement solutions to problems.
- Work overtime, weekends, and holidays assigned.
- Promote a safe work environment with team members.
- Plan and estimate a small project.
- Maintain clear and accurate records.
- Make accurate arithmetic computations.
- Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner; organize own work, set priorities, and meet critical time deadlines.
- Maintain attention to detail and accuracy.
- Operate modern office equipment including computer equipment and specialized software applications programs.
- Use English effectively to communicate in person, over the telephone, and in writing.
- Use tact, initiative, prudence, and independent judgment within general policy and legal guidelines.
- Establish and maintain effective working relationships with those contacted in the course of the work.
- Perform work in confined spaces, following required confined space entry procedures.

EDUCATION and EXPERIENCE

The minimum qualifications and acceptable substitutions described on class specifications represent the typical way to obtain the required knowledge, skills and abilities to perform the essential duties of the job. Any combination of education, licensing, and/or experience which has provided the knowledge, skills and abilities necessary to perform the job satisfactorily may qualify the candidates to be considered for open positions in the class specification.

Water/Wastewater Systems Operator III – On-Call

Equivalent to the completion of the twelfth (12th) grade and two (2) years of semi-skilled experience in both water distribution and wastewater collection systems at a level equivalent to a Water/Wastewater Systems Operator Level II.

Water/Wastewater Systems Operator IV – On-Call

Equivalent to the completion of the twelfth (12th) grade and three (3) years of skilled experience in water distribution and wastewater collections. Experience in recycled water treatment and distribution is desirable.

CERTIFICATES, LICENSES, REGISTRATIONS

Possession of a Class B Driver's License, with air brakes and tanker endorsements, required by the State of California Department of Motor Vehicles, to perform the duties of the position. Continued maintenance of said driver's license in compliance with established District vehicle operation standards, and the ability to be insured for the operation of a vehicle/District vehicle in accordance with the terms and conditions of the District's insurance program are conditions of continuing employment. The CSRMA driving standards are included herein by reference.

Water/Wastewater Systems Operator III – On-Call

Possession of a SWRCB Water Distribution Operator Grade III (D3) certificate, a Treatment Operator Grade I (T1) certificate, and a CWEA Wastewater Collections System Operator Grade I.

Water/Wastewater Systems Operator IV – On-Call

Possession of a SWRCB Water Distribution Operator Grade III (D3) certificate, a CWEA Wastewater Collections System Operator Grade I, a Treatment Operator Grade I (T1) certificate. As a condition of continuing employment incumbents must obtain and maintain a CWEA Wastewater Collections System Operator Grade II certification within twelve (12) months of eligibility.

Possession of a Class A Driver's License with Air Brakes and Tanker Endorsements is desirable.

ADDITIONAL REQUIREMENTS

Incumbents in this class are required to participate in the District's Shave-on-Demand policy when required to wear respiratory protection or other safety equipment.

DISASTER SERVICE WORKER

All Dublin San Ramon Services District employees are, by State and Federal law, Disaster Service Workers. The roles and responsibilities for Disaster Service Workers are authorized by the California Emergency Services Act and are defined in the California Labor Code. In the event of a declaration of emergency, any employee of the District may be assigned to perform activities which promote the protection of public health and safety or the preservation of lives and property. Such assignments may require service at locations, times, and under conditions that are significantly different than the normal work assignments and may continue into the recovery phase of the emergency. If a "Local Emergency" is declared during the employee's shift, employees will be expected to remain at work to respond to the emergency needs of the community. If a "Local Emergency" is declared outside of the employee's shift, employees must make every effort to contact their direct supervisor or department head to obtain reporting instructions as Disaster Service Workers.

WORK ENVIRONMENT

The work environment characteristics are representative of those an employee encounters while performing the essential functions of this job. The physical demands are representative of those that must be met by an employee to successfully perform the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- Employee is regularly exposed to wet and/or humid conditions.
- Employee is exposed to moving mechanical parts.
- Employee is exposed to outside weather conditions.
- Employee is frequently exposed to high, precarious places and toxic or caustic chemicals.
- Employee is occasionally exposed to fumes or airborne particles, risk of electrical shock, and vibration.

- Employees in this classification may perform duties that involve a potential risk of exposure to blood-borne pathogens.
- Employees use power and noise producing tools and equipment and the noise level in the work environment may usually be loud.
- Employee is occasionally exposed to confined spaces; fumes or airborne particles; toxic or caustic chemicals; extreme cold; extreme heat; and risk of electrical shock or mechanical hazards.

PHYSICAL DEMANDS

STANDING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than ½ hour at a time.
Maximum Frequency:	Up to 4 hours.
Duration:	Seconds to less than ½ hour at a time.
Surfaces:	Office – tile carpet; Field/plant – asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.
Description:	Performs while performing a variety of skilled work in the maintenance and repair of sewer lines, manholes, related facilities and equipment including smoke testing, t.v. work, packing and sealing, inspecting sewer collection lines, performing repairs, operating a variety of equipment including hydrocleaning, video equipment, testing and monitoring manholes, digging, installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, performing traffic control tasks including flagging vehicles, monitoring and controlling the operation of water distribution systems including chemical feeding equipment, utilizing the SCADA system, filtration equipment, regulating water flow, repairing leaks in pipelines, pumps, tanks, reservoirs, performing preventative maintenance on pumps, motors and other equipment, installing water meters, working in confined space entries, and a variety of related tasks.

WALKING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	4 to 5 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	5 to 6 hours.
Duration:	Seconds to less than 15 minutes at a time.
Surfaces:	Office – tile carpet; Field/plant – asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.

Description:	Performs while walking within the plant, to and from field sites, relocating tools, supplies, equipment, inspecting and monitoring equipment, operating vibrators, jackhammers, tampers, flagging vehicles, utilizing a wheelbarrow, dollies and a variety of related activities.
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SITTING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	Up to 1 hour.
Duration:	Less than ½ hour at a time.
Maximum Frequency:	Up to 6 to 7 hours.
Duration:	Less than 1 hour at a time.
Surfaces:	Cushioned vehicles seat or office chair.
Description:	Performs during training or meetings, operating t.v. inspection equipment, operating equipment including a forklift, pickup truck, 10-wheeler truck, hydrocleaning/vacuum truck.

KNEELING/CROUCHING/SQUATTING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	1 to 2 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to 15 minutes at a time.
Surfaces:	Office – tile carpet; Field/plant – asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.
Description:	Performs while digging, inspecting, or accessing equipment, retrieving or setting items on and off lower shelves or ground level, accessing leaks, equipment inspections, repairing equipment in conjunction with utilizing a variety of tools, finishing concrete.

CRAWLING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	0 to less than 5 minutes per month.
Duration:	Seconds to less than 1 minute at a time.
Maximum Frequency:	Average frequency is consistent.
Duration:	N/A
Surfaces:	Asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.

Description:	Performs while performing equipment inspections, utilizing hand tools to finish concrete.
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LAYING ON BACK/STOMACH	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	Up to 15 minutes per week.
Duration:	Seconds to less than 5 minutes at a time.
Maximum Frequency:	Average frequency is consistent.
Duration:	N/A
Surfaces:	Asphalt, concrete, metal grating, gravel, mud, grass, sloped terrain, all possible.
Description:	Performs while installing water meters, inspecting equipment.

CLIMBING/BALANCING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	20 to 30 times.
Duration:	Seconds at a time.
Maximum Frequency:	Average frequency is consistent.
Duration:	N/A
Surfaces:	Ladder steps, vehicle floorboards.
Description:	Performs while ascending or descending reservoir vertical fixed ladders up to 30 feet, accessing pump stations, ascending or descending 1 to 3 steps to access vehicle cabs.

REACHING	Water/Wastewater Systems Operator IV – On-Call
Above Shoulder Level:	
Average Frequency:	10 to 20 times.
Duration:	Seconds at a time.
Maximum Frequency:	Up to 75 times.
Duration:	Seconds at a time.
Description:	Performs while accessing equipment including actuators, exercising valves. Unilateral or bilateral upper extremities from a less than full to full extensions at each occurrence.
Between Waist and Shoulder Level:	
Average Frequency:	6 to 7 hours.

Duration:	Seconds to less than ½ hour at a time.
Maximum Frequency:	Average frequency is consistent.
Duration:	N/A
Description:	Performs while operating t.v. inspection equipment, operating equipment including a forklift, pickup truck, 10-wheeler truck, hydrocleaning/vacuum truck, operating equipment in conjunction with maneuvering steering wheels or levers, performing repairs, operating a variety of equipment including hydrocleaning/video equipment, testing equipment, digging installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, performing traffic control tasks including flagging vehicles. Unilateral or bilateral upper extremities from a less than full to full extensions at each occurrence.

REACHING	Water/Wastewater Systems Operator IV – On-Call
Below Waist Level:	
Average Frequency:	1 to 2 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to 15 minutes at a time.
Description:	Performs while digging, inspecting, or accessing equipment, retrieving or setting items on and off lower shelves or ground level, accessing leaks, equipment inspections, repairing equipment in conjunction with utilizing a variety of tools, utilizing tools to finish concrete, performing various repairs, operating a variety of equipment including hydrocleaning, video equipment, digging, installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, repairing leaks in pipelines, performing preventative maintenance on pumps, motors and other equipment including water meters, working in confined space entries. Unilateral or bilateral upper extremities from a less than full to full extensions at each occurrence.

PUSHING/PULLING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	Up to 4 hours.
Duration:	Seconds to less than 15 minutes at a time.
Description:	Performs while utilizing a shovel, utilizing a hook to remove or replace manhole lids, meter covers, operating a vibrator, jackhammer, tamper – a combination of lifting, pushing, pulling, guiding, operating hydrocleaning vacuum truck hoses, connecting or disconnecting trailers, utilizing a pipe wrench, roto hammer, chop saw, skill saw, saw-zall, drill, a variety of wrenches, setting concrete in conjunction with utilizing hand tools, relocating a

	wheelbarrow in conjunction with lifting, operating a skill saw, a chainsaw to cut or remove roots, utilizing a valve key to open or close/exercise valves, utilizing a 20' scraper to remove grease from manhole interiors, utilizing a dolly.
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TWISTING/ROTATING	Water/Wastewater Systems Operator IV – On-Call
Waist:	
Average Frequency:	Less than 15 minutes.
Duration:	Seconds at a time.
Maximum Frequency:	1 to 2 hours.
Duration:	Seconds to less than 1 minute at a time.
Description:	Performs while accessing parts, utilizing equipment while hydrocleaning, opening or closing valves, utilizing a shovel to relocate dirt, driving. The motion is center to the right back to center or center to the left back to center less than 20-degrees per occurrence.
Neck:	
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than 5 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to less than 5 minutes at a time.
Description:	Performs while inspecting or monitoring equipment, driving, repairing, servicing and inspecting equipment, during normal body mechanics. The motion is center to the right back to center or center to the left back to center less than 45-degrees per occurrence.
Wrists:	
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	3 to 4 hours.
Duration:	Seconds to less than 15 minutes at a time.
Description:	Performs while utilizing a variety of tools including a shovel to relocate dirt, screwdrivers, pliers, wrenches, valve keys, cleaning, utilizing various hand tools, during normal body mechanics. Unilateral or bilateral hand use.

BENDING	Water/Wastewater Systems Operator IV – On-Call
Waist:	

Average Frequency:	1 to 2 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to 15 minutes at a time.
Description:	Performs while digging, inspecting, or accessing equipment, retrieving or setting items on and off lower shelves or ground level, accessing leaks, equipment inspections, repairing equipment in conjunction with utilizing a variety of tools, utilizing tools to finish concrete, performing various repairs, operating a variety of equipment including hydrocleaning, video equipment, digging, installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, repairing leaks in pipelines, performing preventative maintenance on pumps, motors and other equipment including water meters, working in confined space entries. The motion is in a forward direction between 5 and 65-degrees.

BENDING	Water/Wastewater Systems Operator IV – On-Call
Head/Neck:	
Average Frequency:	3 to 4 hours.
Duration:	Seconds to less than 5 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to less than 5 minutes at a time.
Description:	Performs while performing a variety of skilled work in the maintenance and repair of sewer lines, manholes, related facilities and equipment including smoke testing, t.v. work, packing and sealing, inspecting sewer collection lines, performing repairs, operating a variety of equipment including hydrocleaning, video equipment, testing and monitoring manholes, digging, installing pipes, operating a variety of equipment including vibrators, jackhammers, tampers, performing traffic control tasks including flagging vehicles, monitoring and controlling the operation of water distribution systems including chemical feeding equipment, utilizing the SCADA system, filtration equipment, regulating water flow, repairing leaks in pipelines, pumps, tanks, reservoirs, performing preventative maintenance on pumps, motors and other equipment, installing water meters, working in confined space entries, and a variety of related tasks, utilizing a variety of hand or power tools, inspecting equipment, during normal body mechanics.
Wrists:	
Average Frequency:	3 to 4 hours.
Duration:	Seconds to less than 10 minutes at a time.
Maximum Frequency:	4 to 5 hours.

Duration:	Seconds to less than 10 minutes at a time.
Description:	Performs while utilizing a variety of tools including wrenches, screwdrivers, pliers, shovel, turning valves, relocating samples, driving in conjunction with maneuvering a steering wheel or levers, operating power equipment, servicing and repairing equipment, during normal body mechanics. Unilateral or bilateral hand use.

LIFTING/CARRYING	Water/Wastewater Systems Operator IV – On-Call
0 to 10 lbs. Objects: Average Frequency: Maximum Frequency: Duration: Distance: Height: Description:	Writing utensil, paperwork, telephone handset, metal hook, wrenches, screwdrivers, pliers, valve keys, drills, bolts, nuts, small parts, samples, shovel, fittings, couplings, gaskets, pick, and wrenches. 5 to 6 hours. Average frequency is consistent. Seconds to less than 15 minutes at a time. Less than 100 feet. Ground to shoulder or above. Performs while utilizing a writing utensil, handling paperwork, utilizing a telephone, metal hook, utilizing various tools while performing a variety of maintenance to various equipment including wrenches, screwdrivers, pliers, valve keys, drills, handling small parts including nuts, bolts, samples, utilizing a shovel while digging, handling fittings, couplings, gaskets, wrenches, etc.
11 to 25 lbs. Objects: Average Frequency: Maximum Frequency: Duration: Distance: Height: Description:	Valve key, hoses, 1" meter, skill saw, miscellaneous parts, steel signs. 1 to 1 ½ hours. Up to 2 hours. Seconds to less than 10 minutes at a time. Less than 50 feet. Ground to chest level. Performs while retrieving and relocating various tools, supplies, equipment.
26 to 50 lbs. Objects:	Submersible pump, small lateral camera, 3" meter, valve opener, SCBA with case, 1" air valve, key valve/actuator, tool bag, B12 lid, sodium sulphate de-chlor, 8" defusser, hydrain meter, fire extinguisher.

Average Frequency:	10 to 20 times.
Maximum Frequency:	Up to 100 times.
Duration:	Seconds to less than 2 minutes at a time.
Distance:	Up to 50 yards.
Height:	Ground to waist level.
Description:	Performs while retrieving and relocating a variety of tools, parts, supplies.

LIFTING/CARRYING	Water/Wastewater Systems Operator IV – On-Call
51 to 75 lbs.	
Objects:	Small generator, camera, 2”/30’ copper roll, sample station, portable trash pump, propane tank, jackhammer.
Average Frequency:	2 to 4 times.
Maximum Frequency:	10 to 20 times.
Duration:	Seconds at a time.
Distance:	Less than 150 feet.
Height:	Ground to waist level.
Description:	Performs while retrieving and relocating a variety of objects including tools, supplies and equipment, utilizing a jackhammer a combination of pushing, pulling, guiding, lifting and partial lifting.
76 to 100 lbs.	
Objects:	B9 meter cover, chlorine tablet case, 12” clamp.
Average Frequency:	1 to 2 times per week.
Maximum Frequency:	Up to 24 times every 6 months.
Duration:	Seconds at a time.
Distance:	Less than 40 feet.

Height:	Ground to waist level.
Description:	Performs while utilizing a meter hook to remove or replace meter covers, retrieving and relocating materials, supplies or equipment.
100+ lbs.	
Objects:	Portable generator, lift pump, 30" manhole lid, 24" manhole lid, B40 meter cover, hydrant, pvc pipe, B12 meter box, 8" gate valve.
Average Frequency:	1 time per week, for approximately 6 months; daily approximately 72 times.
Maximum Frequency:	Average frequency is consistent.
Duration:	Seconds at a time.
Distance:	Less than 40 feet.
Height:	Ground to waist level.
Description:	Performs while loading and unloading a portable generator, lift pump, hydrant, pvc pipe, 8" gate valve, with or without assistance, utilize a metal hook to remove or replace manhole lids or meter covers, a combination of pushing, pulling or partial lifting.

SIMPLE GRASPING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	3 to 4 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to less than 15 minutes at a time.
Description:	Performs while operating a variety of equipment including vehicles, forklifts in conjunction with maneuvering steering wheels, levers, retrieving and relocating samples, relocating tools, wrenches, screwdrivers, pliers, handling and manipulating fittings, couplings, small parts, flagging vehicles in conjunction with utilizing a flag. Unilateral or bilateral hand use.

POWER GRASPING	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	2 to 3 hours.
Duration:	Seconds to less than 15 minutes at a time.
Maximum Frequency:	Up to 4 hours.
Duration:	Seconds to less than 15 minutes at a time.

Description:	Performs while utilizing a shovel, utilizing a hook to remove or replace manhole lids, meter covers, operating a vibrator, jackhammer, tamper – a combination of lifting, pushing, pulling, guiding, operating hydrocleaning vacuum truck hoses, connecting or disconnecting trailers, utilizing a pipe wrench, roto hammer, chop saw, skill saw, saw-zall, drill, a variety of wrenches, setting concrete, relocating a wheelbarrow in conjunction with lifting, operating a skill saw, a chainsaw to cut or remove roots, utilizing a valve key to open or close/exercise valves, utilizing a 20' scraper to remove grease from manhole interiors, utilizing a dolly, retrieving and relocating a variety of items including lids, supplies, tools. Unilateral or bilateral hand use.
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FINE MANIPULATION	Water/Wastewater Systems Operator IV – On-Call
Average Frequency:	1 to 2 hours.
Duration:	Seconds to less than 5 minutes at a time.
Maximum Frequency:	4 to 5 hours.
Duration:	Seconds to less than 5 minutes at a time.
Description:	Performs while handling nuts, bolts, screws, small parts, utilizing a computer keyboard, mouse, monitor, writing utensil, pressing telephone buttons to make outgoing calls. Unilateral or bilateral hand use.

MACHINES/TOOLS

- T.V. inspection equipment
- Hydrocleaning equipment
- Video inspection equipment
- Shovel
- Threaders
- Forklift
- Vibrators
- Jackhammers
- Tampers
- Cutters
- Hoses
- Computer keyboard, mouse, monitor
- Writing utensil
- Office equipment
- Valve key
- Actuators
- Cranes
- Torch
- Wrenches
- Wheelbarrow
- Bolt cutters
- Fire extinguisher
- Sledgehammer
- Saw-zall
- Drills

- Pliers
- Pipe wrenches
- Pumps
- Chainsaw
- Clamps
- Skill saw
- Chop saw
- Roto hammer
- Spud bar
- Screwdrivers
- Sockets
- Generators
- Soldering equipment
- Winch, gas detectors, confined space entry tripod and lowering tools
- Sample station
- Pickup truck
- Backhoe

PERSONAL PROTECTIVE EQUIPMENT

- Depending on the exposure, the employee is required to wear head, hearing, eye, foot, face, hand, and fall protection equipment.
- Positions in this class are required to be clean-shaven as required to wear respiratory protection or other safety equipment

WEIGHTS AND MEASURES

Items Weighed:

- Submersible pump – 35 pounds
- Valve key – 25 pounds
- Portable generator – 250 pounds (estimated)
- Small lateral camera – 45 pounds
- 25' X 2 ½" hose – 15 pounds
- Small generator – 55 pounds
- 3" meter – 45 pounds
- 1" meter – 15 pounds
- Valve opener – 40 pounds
- SCBA with case – 35 pounds; without case – 30 pounds
- 1" air valve – 30 pounds
- Camera – 71 pounds
- Lift pump – 160 pounds
- 2"/30' copper roll – 70 pounds; 60" estimated 140 pounds
- Key valve/actuator – 45 pounds
- Sample station – 65 pounds
- Fittings – up to 10 pounds
- Tool bag – 35 pounds
- 30" manhole lid – 185 pounds
- 24" manhole lid – 163 pounds
- B40 meter cover – 190 pounds
- B9 meter cover – 85 pounds
- B12 lid – 30 pounds

- Hydrant – 220 pounds
- Skill saw – 18 pounds
- Chlorine tablets case – 100 pounds
- Sodium sulphate d-chlor – 50 pounds
- Gas chainsaw – 10 pounds
- Portable trash pump – 70 pounds
- 8” X 20’ pvc pipe – 225 pounds
- B12 meter box – 110 pounds
- 8” clamp – 35 pounds
- 10” clamp – 55 pounds
- 12” clamp – 90 pounds
- Diffuser – 35 pounds
- Steel sign – 17 pounds
- 8” gate valve – 190 pounds
- Hydrant meter – 40 pounds
- Propane tank – 75 pounds
- Fire extinguisher – 32 pounds
- Winch – 27 pounds
- Confined space entry tripod – 33 pounds

NOTICE: The Examples of Functions, responsibilities, work environment, physical demands etc. listed in this Job Analysis are representative only, and not exhaustive of the tasks that an employee may be required to perform.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING THE SALARY RANGE FOR THE NEW WATER/WASTEWATER SYSTEMS OPERATOR III – ON-CALL CLASSIFICATION AND THE REVISED WATER/WASTEWATER SYSTEMS OPERATOR III/IV – ON-CALL JOB DESCRIPTION

WHEREAS, the Board of Directors has authority to establish job titles, job definitions and salaries, and provide for the General Manager to define and establish duties and requirements for each class specification in the classified services as described in Resolution No. 6-90; and

WHEREAS, the District has a need for qualified Water/Wastewater Systems Operators in the Field Operations Division to be part of the on-call pool to respond to after-hours alarms and calls for the District's water and wastewater collections systems; and

WHEREAS, the Water/Wastewater Systems Operations & Maintenance Supervisor has determined that adding a Water/Wastewater Systems Operator III – On-Call classification in the Water/Wastewater Systems Operator – On-Call series would better serve the staffing and operational needs of the Field Operations Division; and

WHEREAS, the new classification is flexibly staffed with the Water/Wastewater Systems Operator IV – On-Call classification; and

WHEREAS, the revised job description and salary range distinguish between minimum experience and certification requirements for the entry journey level and the full journey level of the Water/Wastewater Systems Operator – On-Call series; and

WHEREAS, the Water/Wastewater Systems Operator III/IV – On-Call job classification is subject to the provisions of the Memorandum of Understanding between the District and the International Union of Operating Engineers, Stationary Engineers, Local 39 dated December 18, 2017; and

WHEREAS, all meet and confer obligations have been met by the District and the Stationary Engineers, Local 39.

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 education and experience and certification sections in the job description and salary range for the following shall be listed:

1. Effective December 17, 2018, the education and experience section in the job description for the Water/Wastewater Systems Operator III – On-Call states "Equivalent to the completion of the twelfth (12th) grade and two (2) years of semi-skilled experience in both water

Res. No. _____

distribution and wastewater collection systems at a level equivalent to a Water/Wastewater Systems Operator Level II.”

2. Effective December 17, 2018, the certification and licenses section in the job description states “Possession of a SWRCB Water Distribution Operator Grade III (D3) certificate, a Treatment Operator Grade I (T1) certificate, and a CWEA Wastewater Collections System Operator Grade I.”

3. Effective December 17, 2018, the Water/Wastewater Systems Operator III – On-Call salary range is set to \$7,485/month - \$9,100/month, and the new job description specifies the Water/Wastewater Systems Operator III – On-Call experience and certification requirements and is distinguished from the Water/Wastewater Systems Operator IV – On-Call experience and certification requirements.

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 4th day of December, 2018, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgian M. Vonheeder-Leopold, President

ATTEST: _____
Nicole Genzale, District Secretary



TITLE: Authorize Execution of Amendment No. 3 to the Individual Agreement for Personal Services between Daniel B. McIntyre and Dublin San Ramon Services District

RECOMMENDATION:

District General Counsel recommends the Board of Directors approve, by Resolution, Amendment No. 3 to the Personal Services Agreement with Daniel B. McIntyre and decide and approve the percentage adjustment to the General Manager's base salary based on a fixed cost-of-living increase (up to a maximum of 2.75%) and a merit increase (up to a maximum of 3.5%) per the Agreement as amended.

SUMMARY:

The District entered into a personal services agreement (PSA) with Dan McIntyre on April 6, 2016 (and was further amended on December 20, 2016 and January 16, 2018 through Amendment Nos. 1 and 2 to the PSA respectively) pursuant to which he serves as the District's General Manager. His performance as General Manager was the topic of closed session performance assessments discussed by the Board of Directors on September 18, October 16, and November 20, 2018. The Board determined that his performance met or exceeded standards in the competencies, goals and areas of emphasis the Board established.

Before the Board considers the proposed Amendment No. 3, the Board President and District General Counsel will have met and conferred with the General Manager and agreed on revised terms related to salary, as outlined in the proposed Amendment No. 3 comprising Exhibit A to the attached resolution. As such, the Board of Directors desires to amend the PSA to adjust compensation based on a fixed cost of living increase of a percentage to be determined by the Board (to a maximum of up to 2.75%) and award a merit increase of a percentage to be determined by the Board (to a maximum of up to 3.5%) in accordance with the PSA. The proposed amendment provides for future base salary increases on an annual basis through 2021, at the discretion of the Board and with Board approval. The respective amendment conforms with the direction given by the Board to its negotiators (Board President and General Counsel in closed session).

Amendment No. 3 to the General Manager's PSA would adjust base salary as follows:

Proposed New GM Base Salary		
	Monthly	Annual
Current GM Base Salary	\$ 23,016	\$ 276,192
Merit Adjustment Amount (% to be determined by Board, up to 3.5%)	<i>TBD by Board</i>	<i>TBD by Board</i>
CPI Adjustment Amount (% to be determined by Board, up to 2.75%)	<i>TBD by Board</i>	<i>TBD by Board</i>
New GM Base Salary	TBD by Board	TBD by Board
New GM Base Salary (rounded)	TBD by Board	TBD by Board

The increase would become effective on December 17, 2018.

Originating Department: Board	Contact: C. Nelson	Legal Review: Yes
Cost: Within Budget and provides cost control for future increases	Funding Source: Operating Budget FYE 2019, FYE 2020	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT NO. 3 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN DANIEL B. MCINTYRE AND DUBLIN SAN RAMON SERVICES DISTRICT

WHEREAS, pursuant to Resolution No. 20-16 adopted April 5, 2016, this Board approved and authorized execution of an agreement for personal services with Daniel B. McIntyre as General Manager ("The Agreement"); and

WHEREAS, pursuant to Resolution No. 78-16 adopted December 20, 2016, this Board approved and authorized execution of Amendment No. 1 to the Agreement for personal services with Daniel B. McIntyre as General Manager ("Amendment No. 1"); and

WHEREAS, pursuant to Resolution No. 4-18 adopted January 16, 2018, this Board approved and authorized execution of Amendment No. 2 to the Agreement for personal services with Daniel B. McIntyre as General Manager ("Amendment No. 2"); and

WHEREAS, following a performance review of the General Manager conducted from September through November 2018, the Board desires to make such adjustments and revisions to the Agreement as are set forth in Amendment No. 3 to the Agreement.

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:

That certain Agreement titled, "Amendment No. 3 to the Agreement for Personal Services Between Daniel B. McIntyre and the Dublin San Ramon Services District," a copy of which is attached hereto, marked Exhibit "A," and by this reference incorporated herein, is hereby approved and made effective as of December 5, 2018, and the President of this Board and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said amendment for and on behalf of the District.

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 4th day of December, 2018, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgan M. Vonheeder-Leopold, President

ATTEST: _____
Nicole Genzale, District Secretary

**AMENDMENT NO. 3 TO THE AGREEMENT FOR PERSONAL SERVICES BETWEEN
DANIEL B. MCINTYRE AND DUBLIN SAN RAMON SERVICES DISTRICT**

THIS AMENDMENT NO. 3 to the Agreement for Personal Services between Daniel B. McIntyre (“General Manager”) and the Dublin San Ramon Services District, a public agency of the State of California in the Counties of Alameda and Contra Costa (“District”), is made and entered into this 4th day of December 2018.

WITNESSETH:

WHEREAS, the parties heretofore entered into that certain Agreement for Personal Services (General Manager) dated April 6, 2016 (the “Agreement”) under which General Manager (also referred to as “Manager”) has provided and continues to provide services for District; and

WHEREAS, the parties heretofore entered into Amendment No. 1 to the Agreement dated December 20, 2016; and

WHEREAS, the parties heretofore entered into Amendment No. 2 to the Agreement dated January 16, 2018; and

WHEREAS, the Board of Directors of the District (the “Board”) has determined that it is in the best interest of District to further modify the Agreement with this Amendment No. 3.

NOW, THEREFORE, the parties hereto agree as follows:

Article 1: Section 1 of Exhibit A titled “COMPENSATION” to the Agreement are hereby superseded and revised in their entirety and shall read as follows:

“COMPENSATION

1. BASE SALARY

1.1 Initial Base Salary Commencing on December 17, 2018, District shall compensate General Manager a base salary of \$_____ per month (\$_____ annually), payable in bi-weekly installments in accordance with District’s standard payroll procedures.

1.2. Annual Cost of Living Base Salary Adjustments Subject to satisfactory performance as determined by the Board, at the discretion of the Board and upon Board approval, General Manager’s base salary shall be adjusted (before

any such merit increase has been applied) effective on the first day of the first pay period of Calendar Years 2020, and 2021 by up to 2.75%. The Board, within its discretion, may still determine no cost of living increase, or a lesser cost of living increase, is warranted.”

1.3 Annual Merit Increase Adjustment Subject to satisfactory performance as General Manager and accomplishment of goals as assigned by the Board, at the discretion of the Board and upon Board approval, General Manager shall be eligible to receive a merit increase in base salary (before Cost of Living Base Salary Adjustment is applied) up to 1.0% effective on the first day of first pay period of Calendar Year 2020, but shall not be eligible to receive a merit increase in 2021 or thereafter. The Board, within its discretion, may still determine no merit increase, or a lesser increase, is warranted.”

Article 2: After execution, and subject to Board approval, this Amendment No. 3 shall become effective on December 5, 2018 (“Effective Date”).

Article 3: In all other respects the Agreement, as previously amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 3 to the Agreement as of the day and date first hereinabove set forth.

DUBLIN SAN RAMON SERVICES DISTRICT,
a public agency in the State of California

By: _____
Georgian M. Vonheeder-Leopold, Board President

ATTEST:

Nicole Genzale, District Secretary

GENERAL MANAGER

By: _____
Daniel B. McIntyre



TITLE: Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 28-18

RECOMMENDATION:

Staff recommends the Board of Directors adopt, by Resolution, the District Pay Schedule in accordance with California Code of Regulations (CCR), Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and rescind Resolution No. 28-18.

SUMMARY:

Per Resolution No. 28-18, the Board of Directors adopted the publicly available pay schedule in accordance with California Code of Regulations (CCR), Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule.

The pay schedule has been updated with the corresponding base salary increase and effective date for the District salary range following the application of the cost-of-living-adjustment salary increase (2.75%) negotiated in District Memoranda of Understanding (MOUs) for the Stationary Engineers, Local 39 (Local 39), Professional Employees' Bargaining Unit (PEBU), Confidential Employees' Bargaining Unit (CEBU), and Mid-Management Employees' Bargaining Unit (MEBU).

Additionally, the pay schedule has been updated with the corresponding base salary increase and effective date following the application of the cost-of-living-adjustment salary increase (2.75%) and merit increase per the amendments to the Personal Services Agreements (PSAs) for the Administrative Services Manager, Engineering Services Manager, and Operations Manager approved by the Board on November 7, 2017. The pay schedule shall also reflect the corresponding base salary increase and effective date following the application of the cost-of-living salary adjustment and merit increase per the Personal Services Agreement (PSA) as amended for the General Manager, as determined and approved by the Board in the preceding Board agenda item.

Lastly, the pay schedule has been updated to add the Water/Wastewater Systems Operator III – On-Call classification and salary, effective December 17, 2018, approved by the Board earlier this evening as an agenda item on the Consent Calendar.

The regulation specifies that compensation earnable is defined in statute and further clarified by CCR, Title 2, Section 570.5, and that salaries shall be "duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws." Therefore, only those pay amounts that meet the definition of compensation earnable can be used when calculating retirement benefits. This regulation applies to all employers reporting compensation to the California Public Employees' Retirement System (CalPERS).

This pay schedule shall reflect salaries in place effective on December 17, 2018 and previously agreed to by the District in accordance with the various Memoranda of Understanding and the Personal Services Agreements. As required by Government Code Section 54953, an oral report will be presented for this item for the base salary increase for the General Manager.

Originating Department: Administrative Services	Contact: S. Koehler	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		65 of 225

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ADOPTING A PAY SCHEDULE IN ACCORDANCE WITH CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5, AND RESCINDING RESOLUTION NO. 28-18

WHEREAS, the California Code of Regulations, Title 2, Section 570.5 requires the District's Board of Directors approve and adopt all pay schedules; and

WHEREAS, the Regulations require that the pay schedule be made public without reference to another document in disclosure of the pay rate; and

WHEREAS, by Resolution No. 28-18, the Board-adopted pay schedule was approved on June 5, 2018; and

WHEREAS, the Stationary Engineers, Local 39 (Local 39), the Professional Employees' Bargaining Unit (PEBU), and the Mid-Management Employees' Bargaining Unit (MEBU) have met in good faith and agreed to labor contracts effective December 18, 2017 through December 12, 2021; and

WHEREAS, the Confidential Employees' Bargaining Unit (CEBU) have met in good faith and agreed to labor contracts effective December 18, 2017 through April 30, 2022; and

WHEREAS, the Administrative Services Manager has a Personal Services Agreement in place effective September 26, 2016 and amended during a regularly scheduled meeting on November 7, 2017; and

WHEREAS, the Engineering Services Manager has a Personal Services Agreement in place effective July 20, 2016 and amended during a regularly scheduled meeting on November 7, 2017; and

WHEREAS, the Operations Manager has a Personal Services Agreement in place effective December 5, 2016 and amended during a regularly scheduled meeting on November 7, 2017; and

WHEREAS, the General Manager has a Personal Services Agreement in place effective April 6, 2016 and amended earlier this evening in this regularly scheduled meeting; and

WHEREAS, the specific language of these labor contracts and personal services agreements establishes new base salaries effective the first day of the first pay period of Calendar Year 2019.

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:

Res. No. _____

1. That the attached pay schedule titled DSRSD Pay Schedule, set forth in Exhibit A attached hereto and incorporated herein by reference, is approved and adopted, and Resolution No. 28-18 (attached as Exhibit B) is hereby rescinded.

2. The pay schedule approved and adopted by this resolution shall be periodically updated by the Board of Directors, in accordance with the California Code of Regulations requirements.

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 4th day of December, 2018, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgian M. Vonheeder-Leopold, President

ATTEST: _____
Nicole Genzale, District Secretary

DSRSD Pay Schedule
Pursuant to CCR Title 2 570.5

Exhibit A

In accordance with Board-approved resolutions and the District's established payroll procedures (26 pay periods per year, 14 days per pay period).
Time base for each pay rate: Full time employee (1.0 FTE), 40 hours per work week.

Non-Exempt, Hourly Classifications					Monthly Salary					Hourly Pay Rate				
Job Classification	Exempt	Code	Effective Date	Resolution #	Step A	Step B	Step C	Step D	Step E	Step A	Step B	Step C	Step D	Step E
ACCOUNT CLERK I	H	cacck1	12/17/2018	59-17	5,018	5,271	5,532	5,811	6,100	28.9500	30.4096	31.9154	33.5250	35.1923
ACCOUNT CLERK II	H	cacck2	12/17/2018	59-17	5,521	5,797	6,088	6,391	6,713	31.8519	33.4442	35.1231	36.8712	38.7288
ACCOUNTANT I	H	pacct1	12/17/2018	51-17	7,689	8,073	8,478	8,901	9,345	44.3596	46.5750	48.9115	51.3519	53.9135
ACCOUNTING TECHNICIAN I	H	cactc1	12/17/2018	59-17	6,121	6,429	6,752	7,089	7,442	35.3135	37.0904	38.9538	40.8981	42.9346
ACCOUNTING TECHNICIAN II	H	cactc2	12/17/2018	59-17	6,733	7,069	7,424	7,796	8,185	38.8442	40.7827	42.8308	44.9769	47.2212
ADMIN ASSISTANT I - CONFIDENTIAL	H	hadas1	12/17/2018	53-17	5,830	6,120	6,427	6,750	7,085	33.6346	35.3077	37.0788	38.9423	40.8750
ADMIN ASSISTANT II - CONFIDENTIAL	H	hadas2	12/17/2018	53-17	6,409	6,729	7,066	7,421	7,792	36.9750	38.8212	40.7654	42.8135	44.9538
ADMINISTRATIVE ANALYST I	H	padan1	12/17/2018	51-17	8,417	8,839	9,282	9,746	10,234	48.5596	50.9942	53.5500	56.2269	59.0423
ADMINISTRATIVE ASSISTANT I	H	cadas1	12/17/2018	59-17	5,076	5,328	5,598	5,876	6,168	29.2846	30.7385	32.2962	33.9000	35.5846
ADMINISTRATIVE ASSISTANT II	H	cadas2	12/17/2018	59-17	5,583	5,866	6,157	6,465	6,789	32.2096	33.8423	35.5212	37.2981	39.1673
ADMINISTRATIVE TECHNICIAN	H	cadmtc	12/17/2018	59-17	6,560	6,889	7,233	7,595	7,975	37.8462	39.7442	41.7288	43.8173	46.0096
ADMINISTRATIVE TECHNICIAN-CONFIDENTIAL	H	hadmtc	12/17/2018	53-17	6,833	7,174	7,531	7,909	8,305	39.4212	41.3885	43.4481	45.6288	47.9135
CO-GENERATION SPECIALIST	H	ccogsp	12/17/2018	59-17	8,806	9,250	9,710	10,198	10,704	50.8038	53.3654	56.0192	58.8346	61.7538
COMMUNICATIONS SPECIALIST I	H	pcoms1	12/17/2018	51-17	8,068	8,473	8,897	9,340	9,806	46.5462	48.8827	51.3288	53.8846	56.5731
CONSTRUCTION INSPECTOR I	H	ccoin1	12/17/2018	59-17	7,538	7,913	8,309	8,726	9,159	43.4885	45.6519	47.9365	50.3423	52.8404
CONSTRUCTION INSPECTOR II	H	ccoin2	12/17/2018	59-17	8,289	8,703	9,142	9,596	10,075	47.8212	50.2096	52.7423	55.3615	58.1250
CUSTOMER FIELD REPRESENTATIVE I	H	ccfdr1	12/17/2018	59-17	5,709	5,995	6,297	6,610	6,940	32.9365	34.5865	36.3288	38.1346	40.0385
CUSTOMER FIELD REPRESENTATIVE II	H	ccfdr2	12/17/2018	59-17	6,278	6,593	6,925	7,270	7,634	36.2192	38.0365	39.9519	41.9423	44.0423
CUSTOMER SERVICES REPRESENTATIVE I	H	ccsrp1	12/17/2018	59-17	4,987	5,236	5,498	5,774	6,062	28.7712	30.2077	31.7192	33.3115	34.9731
CUSTOMER SERVICES REPRESENTATIVE II	H	ccsrp2	12/17/2018	59-17	5,487	5,763	6,049	6,348	6,667	31.6558	33.2481	34.8981	36.6231	38.4635
CUSTOMER SERVICES REPRESENTATIVE III	H	ccsrp3	12/17/2018	59-17	6,907	7,254	7,617	7,999	8,398	39.8481	41.8500	43.9442	46.1481	48.4500
ELECTRICIAN I	H	celec1	12/17/2018	59-17	7,364	7,732	8,118	8,525	8,952	42.4846	44.6077	46.8346	49.1827	51.6462
ELECTRICIAN II	H	celec2	12/17/2018	59-17	8,102	8,506	8,933	9,378	9,847	46.7423	49.0731	51.5365	54.1038	56.8096
ENGINEERING TECHNICIAN / GIS SPECIALIST I	H	centc1	12/17/2018	59-17	6,900	7,247	7,609	7,989	8,387	39.8077	41.8096	43.8981	46.0904	48.3865
ENGINEERING TECHNICIAN / GIS SPECIALIST II	H	centc2	12/17/2018	59-17	7,590	7,968	8,368	8,786	9,225	43.7885	45.9692	48.2769	50.6885	53.2212
ENVIRONMENTAL CHEMIST I	H	pench1	12/17/2018	51-17	7,925	8,322	8,737	9,177	9,633	45.7212	48.0115	50.4058	52.9442	55.5750
ENVIRONMENTAL COMPLIANCE INSPECTOR I-CLEAN WATER	H	cecic1	12/17/2018	59-17	7,292	7,654	8,038	8,443	8,863	42.0692	44.1577	46.3731	48.7096	51.1327
ENVIRONMENTAL COMPLIANCE INSPECTOR II-CLEAN WATER	H	cecic2	12/17/2018	59-17	8,025	8,422	8,844	9,288	9,749	46.2981	48.5885	51.0231	53.5846	56.2442
ENVIRONMENTAL COMPLIANCE INSPECTOR I-PRETREATMENT	H	cecip1	12/17/2018	59-17	7,292	7,654	8,038	8,443	8,863	42.0692	44.1577	46.3731	48.7096	51.1327
ENVIRONMENTAL COMPLIANCE INSPECTOR II-PRETREATMENT	H	cecip2	12/17/2018	59-17	8,025	8,422	8,844	9,288	9,749	46.2981	48.5885	51.0231	53.5846	56.2442
FLEET MECHANIC	H	cfmech	12/17/2018	59-17	7,217	7,578	7,957	8,355	8,772	41.6365	43.7192	45.9058	48.2019	50.6077
GIS ANALYST I	H	pgisa1	12/17/2018	51-17	8,889	9,333	9,800	10,290	10,803	51.2827	53.8442	56.5385	59.3654	62.3250
HUMAN RESOURCES ANALYST I	H	hhran1	12/17/2018	53-17	8,488	8,912	9,357	9,826	10,317	48.9692	51.4154	53.9827	56.6885	59.5212
HUMAN RESOURCES TECHNICIAN	H	hhrtc	12/17/2018	53-17	6,833	7,174	7,531	7,909	8,305	39.4212	41.3885	43.4481	45.6288	47.9135
INFORMATION SYSTEMS TECHNICIAN I	H	cistc1	12/17/2018	59-17	6,577	6,905	7,252	7,614	7,996	37.9442	39.8365	41.8385	43.9269	46.1308
INFORMATION SYSTEMS TECHNICIAN II	H	cistc2	12/17/2018	59-17	7,233	7,595	7,975	8,375	8,795	41.7288	43.8173	46.0096	48.3173	50.7404
INFORMATION TECHNOLOGY ANALYST I	H	pitan1	12/17/2018	51-17	9,074	9,525	10,002	10,502	11,027	52.3500	54.9519	57.7038	60.5885	63.6173
INSTRUMENTATION TECHNICIAN	H	cinstc	12/17/2018	59-17	8,281	8,697	9,129	9,588	10,067	47.7750	50.1750	52.6673	55.3154	58.0788
JUNIOR ENGINEER	H	pjreng	12/17/2018	51-17	8,429	8,848	9,292	9,754	10,243	48.6288	51.0462	53.6077	56.2731	59.0942
JUNIOR PLANNER	H	pjrpln	12/17/2018	51-17	7,937	8,333	8,748	9,187	9,645	45.7904	48.0750	50.4692	53.0019	55.6442
LABORATORY TECHNICIAN	H	clabtc	12/17/2018	59-17	6,935	7,282	7,644	8,028	8,429	40.0096	42.0115	44.1000	46.3154	48.6288
LABORER - TEMPORARY/RA	H	tlabor	6/5/2018	28-18	0	0	0	0	3,467	0.0000	0.0000	0.0000	0.0000	20.0000

DSRSD Pay Schedule
Pursuant to CCR Title 2 570.5

Exhibit A

MAINTENANCE WORKER I	H	cmtwk1	12/17/2018	59-17	5,871	6,163	6,472	6,795	7,136	33.8712	35.5558	37.3385	39.2019	41.1692
MAINTENANCE WORKER II	H	cmtwk2	12/17/2018	59-17	6,455	6,779	7,119	7,474	7,846	37.2404	39.1096	41.0712	43.1192	45.2654
MECHANIC I	H	cmeh1	12/17/2018	59-17	6,771	7,109	7,466	7,839	8,232	39.0635	41.0135	43.0731	45.2250	47.4923
MECHANIC II	H	cmeh2	12/17/2018	59-17	7,447	7,820	8,211	8,624	9,053	42.9635	45.1154	47.3712	49.7538	52.2288
MECHANIC II-CRANE CERTIFIED	H	cmeccc	12/17/2018	59-17	7,635	8,018	8,417	8,839	9,282	44.0481	46.2577	48.5596	50.9942	53.5500
OPERATIONS CONTROL SYSTEM SPECIALIST	H	copcss	12/17/2018	59-17	8,839	9,282	9,745	10,234	10,744	50.9942	53.5500	56.2212	59.0423	61.9846
OPERATOR-IN-TRAINING	H	cwtptot	12/17/2018	59-17	5,774	6,062	6,365	6,684	7,017	33.3115	34.9731	36.7212	38.5615	40.4827
PROCESS LEAD WWTP OPERATOR IV	H	cwtptot4	12/17/2018	59-17	8,437	8,857	9,299	9,764	10,252	48.6750	51.0981	53.6481	56.3308	59.1462
PROCESS LEAD WWTP OPERATOR V	H	cwtptot5	12/17/2018	59-17	8,857	9,299	9,764	10,252	10,766	51.0981	53.6481	56.3308	59.1462	62.1115
SAFETY TECHNICIAN	H	csafte	12/17/2018	59-17	6,935	7,282	7,644	8,028	8,429	40.0096	42.0115	44.1000	46.3154	48.6288
SENIOR ACCOUNTING TECHNICIAN	H	csactc	12/17/2018	59-17	7,409	7,780	8,167	8,574	9,005	42.7442	44.8846	47.1173	49.4654	51.9519
SENIOR ELECTRICAL/ELECTRONIC TECHNICIAN	H	cseetc	12/17/2018	59-17	9,111	9,568	10,044	10,545	11,071	52.5635	55.2000	57.9462	60.8365	63.8712
SENIOR ELECTRICIAN	H	csrelect	12/17/2018	59-17	8,912	9,357	9,825	10,317	10,832	51.4154	53.9827	56.6827	59.5212	62.4923
SENIOR ENGINEERING TECHNICIAN / GIS SPECIALIST	H	csentc	12/17/2018	59-17	8,347	8,766	9,202	9,667	10,147	48.1558	50.5731	53.0885	55.7712	58.5404
SENIOR ENVIRONMENTAL COMPLIANCE INSPECTOR	H	csreci	12/17/2018	59-17	8,826	9,265	9,728	10,213	10,726	50.9192	53.4519	56.1231	58.9212	61.8808
SENIOR INSTRUMENTATION/CONTROLS TECHNICIAN	H	csrictech	12/17/2018	59-17	9,721	10,208	10,718	11,256	11,819	56.0827	58.8923	61.8346	64.9385	68.1865
SENIOR MECHANIC	H	csrmec	12/17/2018	59-17	8,195	8,602	9,035	9,485	9,958	47.2788	49.6269	52.1250	54.7212	57.4500
SENIOR MECHANIC-CRANE CERTIFIED	H	csrmcc	12/17/2018	59-17	8,398	8,817	9,258	9,721	10,207	48.4500	50.8673	53.4115	56.0827	58.8865
SENIOR WWTP OPERATOR III	H	cswtptot	12/17/2018	59-17	8,033	8,437	8,857	9,299	9,764	46.3442	48.6750	51.0981	53.6481	56.3308
WASTEWATER TREATMENT PLANT OPERATOR I	H	cwtptot1	12/17/2018	59-17	6,642	6,971	7,320	7,685	8,069	38.3192	40.2173	42.2308	44.3365	46.5519
WASTEWATER TREATMENT PLANT OPERATOR II	H	cwtptot2	12/17/2018	59-17	7,302	7,669	8,051	8,453	8,878	42.1269	44.2442	46.4481	48.7673	51.2192
WATER/WASTEWATER SYSTEMS LEAD OPERATOR	H	cwwslo	12/17/2018	59-17	9,080	9,533	10,008	10,507	11,031	52.3846	54.9981	57.7385	60.6173	63.6404
WATER/WASTEWATER SYSTEMS OPERATOR III-ON CALL	H	cww3oc	12/17/2018	TBD	7,485	7,861	8,252	8,664	9,100	43.1827	45.3519	47.6077	49.9846	52.5000
WATER/WASTEWATER SYSTEMS OPERATOR IV-ON CALL	H	cww4oc	12/17/2018	59-17	8,235	8,644	9,080	9,533	10,008	47.5096	49.8692	52.3846	54.9981	57.7385
WATER/WASTEWATER SYSTEMS OPERATOR I	H	cwwso1	12/17/2018	59-17	5,774	6,062	6,365	6,684	7,017	33.3115	34.9731	36.7212	38.5615	40.4827
WATER/WASTEWATER SYSTEMS OPERATOR II	H	cwwso2	12/17/2018	59-17	6,642	6,971	7,320	7,685	8,069	38.3192	40.2173	42.2308	44.3365	46.5519
WATER/WASTEWATER SYSTEMS OPERATOR III	H	cwwso3	12/17/2018	59-17	7,302	7,669	8,051	8,453	8,878	42.1269	44.2442	46.4481	48.7673	51.2192
WATER/WASTEWATER SYSTEMS OPERATOR IV	H	cwwso4	12/17/2018	59-17	8,033	8,437	8,857	9,299	9,764	46.3442	48.6750	51.0981	53.6481	56.3308

Exempt Classifications					Monthly Salary					Bi-Weekly Pay Rate				
Job Classification	Exempt	Code	Effective Date	Resolution #	Step A	Step B	Step C	Step D	Step E	Step A	Step B	Step C	Step D	Step E
ACCOUNTANT II	S	pacct2	12/17/2018	51-17	8,394	8,813	9,254	9,716	10,202	3874.15	4067.54	4271.08	4484.31	4708.62
ADMINISTRATIVE ANALYST II	S	padan2	12/17/2018	51-17	9,196	9,654	10,138	10,646	11,178	4244.31	4455.69	4679.08	4913.54	5159.08
ADMINISTRATIVE SERVICES MANAGER	S	asm	12/17/2018	54-17	0	0	0	0	19,089	0.00	0.00	0.00	0.00	8810.31
ASSISTANT ENGINEER	S	paseng	12/17/2018	51-17	9,207	9,668	10,149	10,658	11,189	4249.38	4462.15	4684.15	4919.08	5164.15
ASSISTANT PLANNER	S	paspln	12/17/2018	51-17	8,665	9,099	9,554	10,031	10,533	3999.23	4199.54	4409.54	4629.69	4861.38
ASSOCIATE CIVIL ENGINEER-SUBJECT MATTER EXPERT (SME)	S	paesme	12/17/2018	51-17	10,490	11,015	11,563	12,142	12,750	4841.54	5083.85	5336.77	5604.00	5884.62
ASSOCIATE ENGINEER-SUPERVISORY	S	maengs	12/17/2018	52-17	11,174	11,732	12,319	12,935	13,583	5157.23	5414.77	5685.69	5970.00	6269.08
ASSOCIATE PLANNER	S	pasopl	12/17/2018	51-17	9,471	9,943	10,439	10,962	11,511	4371.23	4589.08	4818.00	5059.38	5312.77
BUYER	S	pbuyer	12/17/2018	51-17	7,913	8,308	8,725	9,158	9,618	3652.15	3834.46	4026.92	4226.77	4439.08
CLEAN WATER PROGRAMS SPECIALIST	S	pcwpsp	12/17/2018	51-17	9,454	9,928	10,422	10,944	11,488	4363.38	4582.15	4810.15	5051.08	5302.15
COMMUNICATIONS SPECIALIST II	S	pcoms2	12/17/2018	51-17	8,812	9,253	9,715	10,201	10,711	4067.08	4270.62	4483.85	4708.15	4943.54
COMMUNITY AFFAIRS SUPERVISOR	S	mcasup	12/17/2018	52-17	11,216	11,776	12,367	12,986	13,635	5176.62	5435.08	5707.85	5993.54	6293.08
CUSTOMER SERVICES SUPERVISOR	S	mcssup	12/17/2018	52-17	10,095	10,599	11,128	11,686	12,270	4659.23	4891.85	5136.00	5393.54	5663.08
ELECTRICAL AND INSTRUMENTATION SUPERVISOR	S	meisup	12/17/2018	52-17	9,983	10,483	11,006	11,557	12,137	4607.54	4838.31	5079.69	5334.00	5601.69
EMPLOYEE DEVELOPMENT SPECIALIST	S	peedsp	12/17/2018	51-17	9,280	9,744	10,230	10,743	11,279	4283.08	4497.23	4721.54	4958.31	5205.69

DSRSD Pay Schedule
Pursuant to CCR Title 2 570.5

Exhibit A

ENGINEERING SERVICES MANAGER	S	esm	12/17/2018	56-17	0	0	0	0	19,089	0.00	0.00	0.00	0.00	8810.31
ENVIRONMENTAL SERVICES ADMINISTRATOR	S	mesadm	12/17/2018	52-17	13,389	14,056	14,759	15,497	16,273	6179.54	6487.38	6811.85	7152.46	7510.62
ENVIRONMENTAL CHEMIST II	S	pench2	12/17/2018	51-17	8,653	9,086	9,539	10,016	10,519	3993.69	4193.54	4402.62	4622.77	4854.92
EXECUTIVE SERVICES SUPERVISOR	S	messup	12/17/2018	52-17	11,968	12,566	13,195	13,852	14,546	5523.69	5799.69	6090.00	6393.23	6713.54
FINANCIAL ANALYST	S	pfinan	12/17/2018	51-17	9,518	9,994	10,494	11,019	11,568	4392.92	4612.62	4843.38	5085.69	5339.08
FINANCIAL SERVICES SUPERVISOR	S	mfssup	12/17/2018	52-17	13,087	13,741	14,427	15,150	15,906	6040.15	6342.00	6658.62	6992.31	7341.23
FINANCIAL SERVICES MANAGER -TEMPORARY/RA	S	tfsm	9/9/2017	46-17	0	0	0	0	15,600	0.00	0.00	0.00	0.00	7200.00
GENERAL MANAGER	S	gm	12/17/2018	TBD	0	0	0	0	TBD	0.00	0.00	0.00	0.00	TBD
GIS ANALYST II	S	pgisa2	12/17/2018	51-17	9,714	10,200	10,709	11,244	11,807	4483.38	4707.69	4942.62	5189.54	5449.38
GRAPHIC DESIGNER	S	pgrptc	12/17/2018	51-17	8,812	9,253	9,715	10,201	10,711	4067.08	4270.62	4483.85	4708.15	4943.54
HUMAN RESOURCES ANALYST II	S	hhran2	12/17/2018	53-17	9,274	9,738	10,224	10,734	11,273	4280.31	4494.46	4718.77	4954.15	5202.92
HUMAN RESOURCES AND RISK SUPERVISOR	S	mhrsup	12/17/2018	52-17	12,117	12,723	13,359	14,026	14,728	5592.46	5872.15	6165.69	6473.54	6797.54
INFORMATION SERVICES SUPERVISOR	S	missup	12/17/2018	52-17	13,030	13,679	14,364	15,085	15,839	6013.85	6313.38	6629.54	6962.31	7310.31
INFORMATION TECHNOLOGY ANALYST II	S	pitan2	12/17/2018	51-17	9,916	10,412	10,932	11,479	12,053	4576.62	4805.54	5045.54	5298.00	5562.92
LABORATORY SUPERVISOR	S	mlbsup	12/17/2018	52-17	11,253	11,814	12,406	13,025	13,678	5193.69	5452.62	5725.85	6011.54	6312.92
MECHANICAL SUPERVISOR	S	mmesup	12/17/2018	52-17	9,767	10,255	10,769	11,309	11,872	4507.85	4733.08	4970.31	5219.54	5479.38
OPERATIONS MANAGER	S	om	12/17/2018	55-17	0	0	0	0	19,089	0.00	0.00	0.00	0.00	8810.31
PRINCIPAL ENGINEER-SUBJECT MATTER EXPERT (SME)	S	ppesme	12/17/2018	51-17	12,558	13,184	13,846	14,538	15,264	5796.00	6084.92	6390.46	6709.85	7044.92
PRINCIPAL ENGINEER-SUPERVISORY	S	mpreng	12/17/2018	52-17	13,523	14,198	14,907	15,654	16,437	6241.38	6552.92	6880.15	7224.92	7586.31
SAFETY OFFICER	S	psafof	12/17/2018	51-17	9,772	10,260	10,773	11,312	11,876	4510.15	4735.38	4972.15	5220.92	5481.23
SENIOR CIVIL ENGINEER-SUBJECT MATTER EXPERT (SME)	S	psesme	12/17/2018	51-17	11,474	12,047	12,649	13,281	13,946	5295.69	5560.15	5838.00	6129.69	6436.62
SENIOR ELECTRICAL ENGINEER-SUPERVISORY	S	msrees	12/17/2018	52-17	12,291	12,907	13,553	14,230	14,939	5672.77	5957.08	6255.23	6567.69	6894.92
SENIOR ENGINEER-SUPERVISORY	S	msengs	12/17/2018	52-17	12,291	12,907	13,553	14,230	14,939	5672.77	5957.08	6255.23	6567.69	6894.92
SENIOR ENVIRONMENTAL CHEMIST	S	psrech	12/17/2018	51-17	9,454	9,928	10,422	10,944	11,488	4363.38	4582.15	4810.15	5051.08	5302.15
SENIOR MECHANICAL ENGINEER-SUPERVISORY	S	msrmes	12/17/2018	52-17	12,291	12,907	13,553	14,230	14,939	5672.77	5957.08	6255.23	6567.69	6894.92
SENIOR PLANNER	S	psrpln	12/17/2018	51-17	10,351	10,870	11,412	11,982	12,582	4777.38	5016.92	5267.08	5530.15	5807.08
WASTEWATER TREATMENT PLANT OPERATIONS SUPERVISOR	S	mwtpos	12/17/2018	52-17	13,389	14,056	14,759	15,497	16,273	6179.54	6487.38	6811.85	7152.46	7510.62
WATER/WASTEWATER SYSTEMS OPERATIONS & MAINTENANCE SUPERVISOR	S	mwwsom	12/17/2018	52-17	13,389	14,056	14,759	15,497	16,273	6179.54	6487.38	6811.85	7152.46	7510.62

RESOLUTION NO. 28-18

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ADOPTING A PAY SCHEDULE IN ACCORDANCE WITH CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5, AND RESCINDING RESOLUTION NO. 15-18

WHEREAS, the California Code of Regulations, Title 2, Section 570.5 requires the District's Board of Directors approve and adopt all pay schedules; and

WHEREAS, the Regulations require that the pay schedule be made public without reference to another document in disclosure of the pay rate; and

WHEREAS, by Resolution No. 15-18, the Board-adopted pay schedule was approved on March 6, 2018; and

WHEREAS, pursuant to District Code Section 6.10.010(C), the Board has the sole authority to approve job titles and compensation; and

WHEREAS, the District has established a classification and salary for the Laborer-Temporary/Retired Annuitant.

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

1. That the attached pay schedule titled "DSRSD Pay Schedule," set forth in Exhibit A, attached hereto and incorporated herein by reference, is approved and adopted, and Resolution No. 15-18, (attached as Exhibit B) is hereby rescinded.
2. That the pay schedule approved and adopted by this resolution shall be periodically updated by the Board of Directors, in accordance with the California Code of Regulations requirements.

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 5th day of June, 2018, and passed by the following vote:

AYES: 5 - Directors Madelyne A. Misheloff, Richard M. Halket, D.L. (Pat) Howard, Edward R. Duarte, Georgean M. Vonheeder-Leopold

NOES: 0

ABSENT: 0

ATTEST:


Nicole Genzale, District Secretary


Georgean M. Vonheeder-Leopold, President



TITLE: Establish Local and Regional Wastewater Capacity Reserve Fees and Rescind Resolution Nos. 27-10 and 28-10

RECOMMENDATION:

Staff recommends the Board of Directors adopt, by Resolution, Local and Regional Wastewater Capacity Reserve Fees under Sections 3.70.010.C and rescind Resolution Nos. 27-10 and 28-10.

SUMMARY:

District capacity reserve fees are periodically reviewed to ensure that the fees provide adequate revenue to fund capital improvements to meet future growth-related needs and that the necessary infrastructure to service new or expanded connections are provided in an equitable cost-based manner. The District engaged with HF&F Consultants (HF&H) to update Local and Regional Wastewater Capacity Reserve Fees, which were last reviewed in 2010.

For a single-family home, proposed local capacity reserve fees are increasing \$193 (10%) and proposed regional capacity reserve fees are decreasing -\$2,130 (-14%). Thus, proposed wastewater capacity reserve fees have a combined net decrease of -\$1,937 (-11%).

Single-Family Residential (SFR)	Current	Proposed	Variance (\$)	Variance (%)
Local Wastewater Capacity Reserve Fee	\$1,969	\$2,162	\$193	10%
Regional Wastewater Capacity Reserve Fee	\$15,501	\$13,371	-\$2,130	-14%
Total	\$17,470	\$15,533	-\$1,937	-11%

Staff has conducted the following public outreach in advance of tonight's recommendation:

- Preliminary regional capacity reserve fees were presented to City of Pleasanton staff on October 25.
- Public Notice was sent to all individuals or developers requesting notice regarding fees on November 16.
- The 2018 Local & Regional Wastewater Capacity Reserve Fee Update report was posted on the District's website on November 19.
- Presentation was made at the November 20 DSRSD Board of Directors meeting to review proposed fees and to schedule adoption at the December 4 Board of Directors meeting.
- Public Notice was published in local newspaper on November 24 and November 29.
- Public Notice was posted on the DSRSD website, with email notification to subscribers on November 24.

As of November 29, staff has not received any public input regarding the proposed fees. Staff recommends that the Board adopt the proposed wastewater capacity reserve fees with an effective date of January 1, 2019. Wastewater Capacity Reserve Fees are also proposed to be annually adjusted by the Engineering News Record (ENR) Construction Cost Index (CCI) beginning July 1, 2020. The annual adjustment would only apply to the buy-in and expansion components of the proposed fees; the Regional Livermore-Amador Valley Water Management Agency (LAVWMA) component would not be adjusted.

Originating Department: Administrative Services	Contact: H. Chen	Legal Review: Yes
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Local & Regional Wastewater Capacity Reserve Fee Update Attachment 2 – Notice of Opportunity for Public Comment	
		73 of 225



**Dublin San Ramon
Services District**

Water, wastewater, recycled water

DUBLIN SAN RAMON SERVICES DISTRICT

LOCAL & REGIONAL WASTEWATER CAPACITY RESERVE FEE UPDATE



November 13, 2018

FINAL REPORT



HF&H Consultants, LLC

DUBLIN SAN RAMON SERVICES DISTRICT

7051 Dublin Blvd.
Dublin, CA 94568-3018

**2018 LOCAL AND REGIONAL WASTEWATER
CAPACITY RESERVE FEE STUDY**

FINAL REPORT

November 13, 2018

HF&H CONSULTANTS, LLC

201 North Civic Drive, Suite 230
Walnut Creek, CA 94596



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November 13, 2018

Ms. Carol Atwood, Administrative Services Manager
Ms. Judy Zavadil, Engineering Services Manager
Dublin San Ramon Services District
7051 Dublin Blvd.
Dublin, CA 94568-3018

Subject: 2018 Local and Regional Wastewater Capacity Reserve Fee Study

Dear Ms. Atwood and Ms. Zavadil:

HF&H Consultants, LLC (HF&H) is pleased to submit this capacity reserve fee report to the Dublin San Ramon Services District (District). The report updates the District's local and regional capacity reserve fees based on the current value of current capacity in the District's wastewater system, as well as expanded capacity, that benefits new connections to the system. The report describes the background, approach, and calculation of each capacity reserve fee.

Very truly yours,

HF&H CONSULTANTS, LLC

John W. Farnkopf, P.E., Senior Vice President
Richard J. Simonson, C.M.C., Vice President

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APPENDIX

Appendix A.	Local Facilities Inventory
Appendix B.	Regional Facilities Inventory
Appendix C.	LAVWMA Asset Inventory

ACRONYMS

CIP	Capital Improvement Plan
BOD	Biochemical Oxygen Demand
DUE	Dwelling Unit Equivalent
ENR CCI	<i>Engineering News Record</i> Construction Cost Index
FY	Fiscal Year
GPD	Gallons per Day
LAVWMA	Livermore Amador Valley Water Management Agency
PAYGo	Pay-As-You-Go, a form of capital financing derived from equity and reserves as opposed to from borrowed funds
RCN	Replacement Cost New
TSS	Total Suspended Solids

I. INTRODUCTION

BACKGROUND

HF&H Consultants (HF&H) was retained to update the Dublin San Ramon Services District's (District's) local and regional wastewater capacity reserve fees. The local capacity reserve fee is a one-time charge to new or expanded connections to the District's wastewater collection system. The regional capacity reserve fee is a one-time charge to new or expanded connections that flow to the District's wastewater treatment plant for processing before being discharged to the Livermore Amador Valley Water Management Agency (LAVWMA).

The District's wastewater collection system serves the City of Dublin, portions of the City of San Ramon, the Parks Reserve Forces Training Area (Camp Parks) and the Alameda County Santa Rita Jail. The wastewater collection system includes approximately 207 miles of sanitary sewers from 4 to 48 inches in diameter and two lift stations.

The District provides wastewater treatment services to the collection system, as well as the City of Pleasanton by contract. The District's regional wastewater treatment facility has a current treatment capacity of 17.00 million gallons per day (MGD) and, in 2017, received an average daily flow of 11.01 MGD.

Local and regional capacity reserve fees were last studied in 2010 and have been adjusted annually by the change in the construction cost index for the San Francisco area, since adoption. **Figure I-1** summarizes the current capacity reserve fees.

Figure I-1. Current Local and Regional Capacity Reserve Fees

Customer Type	Local	Regional
Residential		
Single Family	\$1,969 per Dwelling Unit	\$15,501 per Dwelling Unit
Accessory Dwelling Unit	\$2.00 per sq ft	\$10.00 per sq ft
Condominiums	\$1,477 per Dwelling Unit	\$11,626 per Dwelling Unit
Apartments	\$1,298 per Dwelling Unit	\$10,215 per Dwelling Unit
Non-Residential [a]		
Flow	\$8.95 per gpd	\$65.71 per gpd
BOD		\$1,588.64 per lb/day
SS		\$835.95 per lb/day

[a] Estimated flows, Biochemical Oxygen Demands (BOD), and Suspended Solids (SS) are used to calculate fees for each individual commercial and industrial customer.

STUDY OBJECTIVES

Publicly-owned wastewater system's assets are typically paid for by the contributions of existing customers through rates, charges, and taxes. In service areas that incorporate new or expanding customers, the infrastructure developed by previous customers is generally extended towards the service of these new or expanding customers. Existing customers' investment in the existing system capacity allows newly connecting customers to take advantage of unused surplus capacity. To further economic equity among new and existing customers, in turn, new connectors will typically buy-in to the existing and pre-funded facilities, effectively putting them on par with existing customers. In other words, the new users are buying into the existing system through a payment for the portion of facilities that have already been constructed in advance of new development. In addition, current facilities may be expanded, or new facilities may be constructed to accommodate new or expanding customers.

Key objectives of the study include:

- Provide independent review of the District's current local and regional capacity reserve fees;
- Develop an appropriate approach/methodology for updating the District's capacity reserve fees;
- Develop updated capacity reserve fees that:
 - Determine the value of the facilities that provide capacity for growth, from existing facilities and future expansion.
 - Equitably recover such value from new connections;
 - Are consistent with industry-standard practices and methodologies;
 - Comply with government code.

LEGAL FRAMEWORK

Capacity fees are required to ensure that development pays its fair share of the costs associated with providing system capacity, both existing capacity and additional capacity built specifically for growth. Capacity fees are a type of development impact fee that public agencies may impose as a condition of development under the authority of California Government Code Section 66000 *et seq.*, the Mitigation Fee Act. The Act requires that "those fees or charges shall not exceed the estimated reasonable cost of providing the service"¹. Because the Act does not prescribe a formula or procedure for determining "the estimated reasonable cost," it is the responsibility of the local agency to employ a method that yields a reasonable result.

¹ Mitigation Fee Act Section 66013(a).

The courts generally regard fees as being reasonable if they are not capricious, arbitrary, or discriminatory. Fees are capricious if there is no factual basis for the underlying data used to make the calculations. Fees are arbitrary if there is no logical rationale for choosing among alternatives. Fees are discriminatory if they disproportionately allocate costs to one class of service at the expense of another class.

This report updates the District's local (collection services) and regional (treatment services) capacity reserve fees. The following sections provide summaries of the approach and resulting fees.

II. APPROACH

The purpose of this report is to document that the conditions have been met to establish that the District's capacity reserve fees recover the reasonable cost of providing capacity. This approach is the same for both the local wastewater collection and the regional wastewater treatment capacity reserve fee calculations.

ANALYTICAL APPROACH

Three steps are required to determine the reasonable costs that can be recovered with connection fees: (1) facilities that benefit growth must be identified, (2) the value of those facilities must be derived, and (3) the capacity provided by those facilities must be determined. The approach used in this report to address each of these steps is described below.

In establishing capacity fees, there are three generally accepted methods, as discussed in the American Water Works Association M-1 Manual:

- **Buy-in Method.** The buy-in method is based on the value of the existing system's capacity. This method is typically used when the existing system has remaining capacity to serve new development now and into the future.
- **Incremental Cost Method.** The incremental cost method is based on the value or cost to expand the existing system's capacity. This method is typically used when the existing system has limited or no capacity to serve new development.
- **Combined Method.** The combined approach is based on a blended value of both the existing and expanded system's capacity. This method is typically used where some capacity is available in parts of the existing system and new or incremental capacity will need to be built in other parts to serve new development at some point in the future.

The District has historically used the combined method for calculating its Capacity Reserve Fees. This capacity reserve fee update will continue to use the combined method as the District's existing system has some capacity still available to serve growth and has identified specific expansion-related capital projects, or portions of projects, that will be done in the future in order to accommodate new connections.

Buy-in Component Approach

For the buy-in component of the fees, the value of District's current system will be determined and then be divided by the total number of existing dwelling unit equivalents, which will determine the unit cost of capacity. In this way, the buy-in component of the fee is the average cost paid by today's connections, if no additional expansion to the system were required. There is currently capacity available to new

connections to join the system. In order to join the system, new connections need to pay the average cost so that they are at the same level of capital participation as existing connections and thereby have fully reimbursed existing customers so that all connections have borne an equivalent cost.

Value of the Current System (Buy-in Component)

The value of the current system is the numerator in determining the unit cost of capacity for the buy-in component. This value should reflect the original cost of constructing the facilities plus any subsequent costs incurred by rate payers to maintain the facilities so that they are capable of providing capacity for growth, when and if it occurs. A reasonable approach to determining this value is referred to as “replacement cost new” (RCN) by utility valuation specialists. RCN value represents the cost to construct capacity today. The incremental difference between the original cost and the RCN is presumed to recover the cost of maintenance, although no exacting calculation has been made of the amount of maintenance that has ensued since the original construction. By maintaining facilities, the capacity for both existing users and growth maintains its ability to provide service. Rate payers have no choice but to maintain not only the capacity they are using but also the unused capacity for growth. Rate payers are entitled to recover costs from growth for having maintained growth’s share of capacity. Such a calculation would be very difficult particularly if no data are available. However, for purposes of cost recovery the incremental difference is deemed to be a reasonable proxy.

Contributed capital from developers such as in-tract facilities, typically 8-inch and 10-inch wastewater collection pipes, are excluded as they do not provide system-wide capacity. In-tract facilities are facilities constructed by developers specifically for the benefit of subdivisions without any additional capacity for other connections. Data are often not available to estimate exactly how much capital was contributed by developers. However, reasonable estimates can be made to minimize how much contributed capital is included in the fee calculation so that double counting is avoided. For this analysis, to recognize developer contributions and to avoid double counting, the value of collection pipelines with a diameter of 10” or less have been excluded.

Capacity of Current System (Buy-in Component)

The capacity of the current system is the denominator in determining the unit cost of capacity. The current number of connections is converted to a standard connection referred to as a Dwelling Unit Equivalent (DUE). A DUE relates multi-family and commercial connections to an equivalent single family residential connection based on the ratio of the customer’s estimated daily water use and strength of sewage discharge compared to that of a single family residence.

Buy-in Component Unit Cost of Capacity

Dividing the value of the current system facilities by the number of DUEs served determines the buy-in component of the District's current local and regional systems. In effect, the buy-in component represents the unit cost associated with the capacity that rate payers have already funded. By paying this unit cost, each future connection attains the same level of capital participation in the facilities as an existing rate payer.

Incremental Component Approach (Expansion Component)

For the incremental component of the fees, the value of the expanded-capacity projects will be determined and divided by the number of additional DUEs until build-out. Capital improvements that expand system capacity to serve existing and future customers will be included proportionally to the percentage of the cost specifically required for expansion of the system. The portion of such capital improvement projects to serve existing customers are not included and will be primarily covered by rates from current customers.

Cost of the Incremental Facilities (Expansion Component)

The cost of the expansion-related facilities needed to accommodate growth is the numerator in determining the unit cost of capacity for the expansion component of the local and regional capacity reserve fees. The value of expansion-related projects for the local collection system is based on the capital improvement program, presented in current dollars, included in the District's 2018 Wastewater Collection System Master Plan being prepared by West Yost Associates concurrently with this study. The value of expansion-related projects, for the regional wastewater treatment facility, is based on the District's capital improvement program included in the District's 2017 Wastewater Treatment and Biosolids Facilities Master Plan prepared by West Yost and Associates and HDR, and recently updated by staff and West Yost.

The capital improvement programs used in this study include all projects through build-out, currently estimated to be 2031.

Capacity of Incremental Facilities (Expansion Component)

The capacity provided by the expansion projects is the denominator in determining the unit cost of capacity. The estimated DUEs through buildout are currently estimated to be 7,023 DUEs to connect to the District's local wastewater collection system and 9,033 DUEs to connect to the District's regional wastewater treatment system.

Expansion Component Unit Cost of Capacity

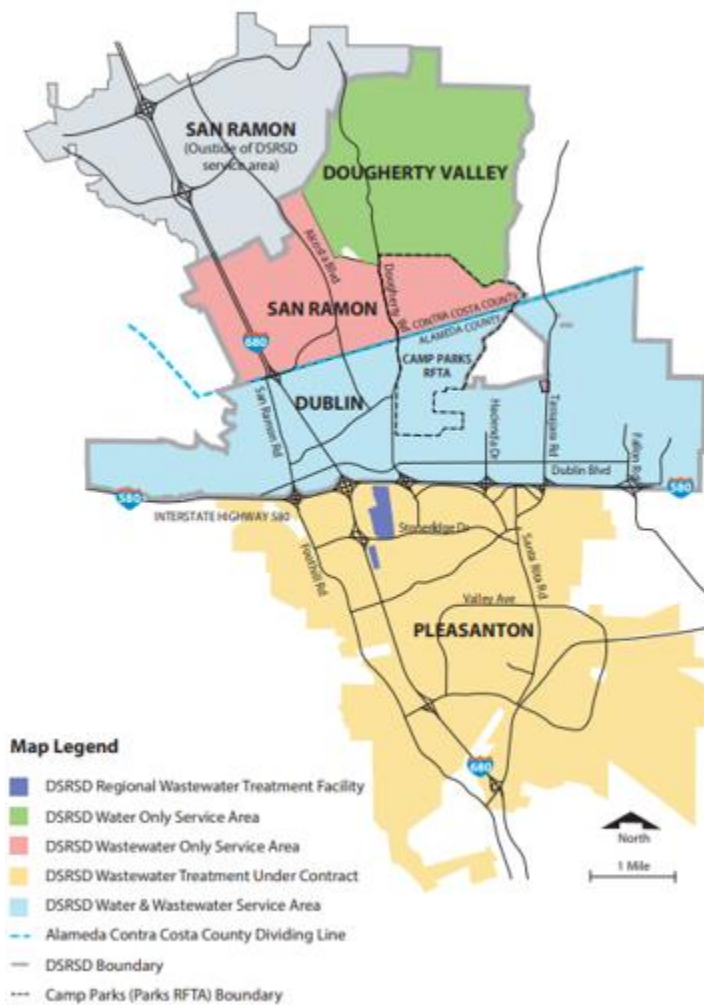
Dividing the value of the new facilities by the number of DUEs served determines the expansion component of the District's current local and regional systems. The expansion component represents what new or expanded connections should pay for the cost of additional capacity and expansions necessary to serve the new or expanded development.

The buy-in and expansion components will then be combined to determine the total local and regional capacity reserve fees.

III. CAPACITY RESERVE FEE CALCULATION – LOCAL

This section of the report presents the key assumptions in the calculation of the District's local wastewater collection capacity reserve fees. The calculation of the District's fees is based upon District specific accounting and planning information to provide wastewater collection service to the City of Dublin in Alameda County (blue area of **Figure III-1**), and the southern portion of the City of San Ramon in Contra Costa County (red area of **Figure III-1**). Wastewater collection service to the northern portion of San Ramon and the Dougherty Valley is provided by the Central Contra Costa Sanitary District. The District's wastewater service area includes Camp Parks and Alameda County's Santa Rita Jail facilities.

Figure III-1. DSRSD Service Area Map



Wastewater generated in the local collection system is conveyed to the District's wastewater treatment plant (WWTP) located south of Stoneridge Drive in Pleasanton, which also treats flows from the City of Pleasanton, under contract. Wastewater effluent is discharged to the Livermore Amador Valley Water Management Agency (LAVWMA) effluent disposal facilities for conveyance and discharge to San Francisco Bay.

Because not all wastewater treatment customers utilize the District's wastewater collection service (e.g., Pleasanton), separate local and regional capacity reserve fees are calculated. This section details the calculations for the local capacity reserve fee. See Section IV of this report for the details of the regional capacity reserve fee calculation.

BUY-IN COMPONENT

Value of Existing System

The first step is determining the value of the existing system. In order to join the system, new connections pay equitable costs to be at an equitable level of capital participation as existing connections and ensure that all connections have borne an equivalent cost.

The District's local wastewater collection system includes approximately 207 miles of sanitary sewers, from 4 to 48 inches in diameter, and two lift stations. One lift station is on Dublin Boulevard and the other is at South Terracina Drive and Croak Road in Dublin. The lift station located at South Terracina Drive has been excluded from this analysis as the lift station was built by a developer.

Other facilities used in the provision of wastewater collection services include the District administration office at 7051 Dublin Boulevard in Dublin and a field operations administrative office at 7035 Commerce Circle in Pleasanton.

The determination of reasonable costs begins by determining the net equity current customer have in the existing facilities described above.

Wastewater Collection Pipelines

The District's 207 miles of sanitary sewer pipelines were valued based on current constructions costs. Unit costs (dollar per linear foot) of construction costs were applied to an inventory of the pipelines to determine the RCN value. The unit costs were derived from the District's asset management program, which uses several sources to determine values: actual costs from recent replacements, capital improvement project costs, and project cost data developed by another third-party consultant working with District staff. Once the base construction costs were determined, "soft costs" were added for design and construction management (e.g., administration, engineering, and legal) and a 30% contingency for estimate uncertainties. **Figure III-2** summarizes the value of these pipelines. To recognize developer in-tract contributions, and to avoid double counting, the value of collection pipelines with a diameter of 10" or less have been excluded.

Figure III-2. Wastewater Collection Pipelines - RCN

Pipeline Diameter	Replacement Cost New
4"	\$37,830
6"	\$4,837,755
8"	\$216,953,949
10"	\$21,997,378
12"	\$14,089,768
15"	\$8,443,576
18"	\$3,965,907
21"	\$1,121,166
24"	\$8,754,287
27"	\$3,592,162
30"	\$3,150,042
33"	\$1,884,654
36"	\$17,524,458
39"	\$3,846,635
42"	\$5,564,359
Total	\$315,763,926
Less 10" dia. and smaller	(\$243,826,912)
RCN of District-funded pipelines	\$71,937,014

Other Facilities

The replacement cost for the Dublin Boulevard lift station is based on the actual June 2018 cost to construct the lift station.

The replacement cost for the District's administration office at 7051 Dublin Boulevard in Dublin and field operations administrative office at 7035 Commerce Circle in Pleasanton are based on valuations determined by the California Sanitation Risk Management Authority. Insured value serves as a readily accessible proxy for RCN value based on construction costs. The respective offices provide support not only to local wastewater collection activities, but also to the District's other activities (i.e., regional wastewater treatment, water, and recycled water services); therefore, 15% of the total value of the administration buildings, which is the local wastewater collection asset value as a percentage of total District assets was used in the study.

Fund Reserves

Lastly, we have added the minimum replacement fund reserve balance to recognize the contribution current ratepayers have made to maintain a healthy reserve balance which adds value to the system. Both existing and new or expanded connections customers will benefit from the reserves, therefore, new or expanded connections should contribute their fair share in order to establish equity in the reserves. The District's minimum reserve

balance is calculated at two times the average annual CIP expense in the District's 10-year CIP budget. The District's actual reserve balance at fiscal year end June 30, 2018 was higher than the minimum target balance. The balance fluctuates above and below the target during the year as projects are worked on and expenses incurred. To be conservative, we have assumed the minimum reserves balance instead of the higher year-end balance.

The net equity in the District's existing local wastewater collection system is summarized in **Figure III-3**.

Figure III-3. RCN of Existing Local Wastewater Collection System

Local Wastewater Collection System Assets	Replacement Cost New
Equity in Existing Assets	
Pipelines	\$71,937,014
Lift Station @ Dublin Blvd.	\$987,500
Administration Buildings	\$1,810,064
	<hr/> \$74,734,578
Replacement Fund Minimum Balance	<hr/> \$2,414,650
Net Equity in Existing System	\$77,149,228

Capacity in the Existing System

The next step in determining the buy-in component is to determine the current used capacity of the system. Dividing the value of the system by the capacity will provide a unit cost for the buy-in component of the capacity reserve fee. The current used capacity of the existing local wastewater collection system is 36,778 DUEs, which was provided by District staff, and based on 220 gallons per day of wastewater discharge by the average single family customer.

Local Buy-in Component Calculation

The value of the local wastewater collection system (**Figure III-3**) serves as the cost basis for the buy-in component of the local capacity reserve fee. The buy-in component is determined by dividing the net equity current connections have in the existing system (**Figure III-2**) by the total current used capacity in the system, 36,778 DUEs. The derivation of the buy-in component of \$2,098 per DUE is shown in **Figure III-4**.

A detailed listing of the inventory of the lift stations and administration buildings, and their respective insured values, is included in **Appendix A**.

Figure III-4. Local Buy-in Component Calculation

	Replacement Cost New	Current DUEs	Unit Cost \$/DUE
Equity in Existing Assets			
Pipelines	\$71,937,014	36,778	\$1,956
Lift Station @ Dublin Blvd.	\$987,500	36,778	\$27
Administration Buildings	\$1,810,064	36,778	\$49
Subtotal	\$74,734,578	36,778	\$2,032
Replacement Fund Minimum Balance	\$2,414,650	36,778	\$66
Net Equity in Existing System	\$77,149,228	36,778	\$2,098

EXPANSION COMPONENT

Value of Future Facilities

The next step is to determine the value of future growth-related capital improvements necessary to accommodate new or expanded connection through the District's planned build-out.

The District maintains an annual capital improvement plan (CIP) that addresses necessary capital improvement projects to maintain the current system in good working order, as well as projects needed to expand the collection system capacity through build-out. Recommended growth-related capital improvements and their respective percentages which are expansion-related are shown in **Figure III-5**. The total project costs are based on the updated valuations included in the 2018 Local Wastewater Collection System Master Plan being prepared by West Yost concurrently with this study. The allocated costs reflect only the proportionate share of the total costs of the project that are expansion related. All capital improvement projects will be funded on a PAYGo basis, no debt will be issued.

Figure III-5. Local Wastewater Expansion-Related CIP

Project Description	Year	Expansion- related %	Allocated Cost (2018\$)
Corporation Yard and Administrative Facilities	2018	5%	\$12,500
Field Operations Facility Security Systems Improvements	2018	5%	\$2,500
Wastewater Collection System Master Plan	2018	75%	\$513,750
Doughery Road Utilities	2018	5%	\$5,580
Village Pkwy - South of Dublin Blvd Sewer	2023	100%	\$2,832,000
Dublin Blvd - Amador Plaza Rd. to Village Pkwy Sewer	2023	100%	\$820,000
East Dublin	2023	100%	\$1,311,500
Dublin Trunk Relief Sewer	2027+	100%	\$6,745,000
Total			\$12,242,830

Fund Reserves

Next, we subtract the expansion fund reserve balance (as of June 30, 2018) to recognize the revenue that has already been contributed by developers towards the remaining capital projects necessary to accommodate the growth. The fund reserves include a \$4.2 million interfund loan repayment from the local replacement fund.

Figure III-6 summarizes the net growth-related capital projects necessary to provide service to the projected future users.

Figure III-6. Local Wastewater Expansion-Related CIP (net of reserve balance)

Component	\$ Value
Expansion Component (2018 through build-out)	
PAYGo-funded CIP	\$12,242,830
Less: Expansion Fund Reserve Balance	(\$11,792,965)
Subtotal, Expansion Component	\$449,865

Incremental Capacity

The next step in determining the expansion component is to determine the incremental capacity provided by the growth-related capital improvement projects identified in **Figure III-4**. Dividing the cost of growth-related projects by the additional capacity the projects will provide determines the unit cost for the expansion component of the capacity reserve fee. The current capacity of the existing local wastewater collection system is 36,778 DUEs and District staff currently estimates there will be 43,801 DUEs at total build-out of the District's service area by 2031; therefore, the additional capacity provided by the expansion-related projects is 7,023 DUEs.

Figure III-7. Determination of Growth-related DUEs

Year	DUEs	Additional DUEs
2018	36,778	
2019	37,845	1,067
2020	38,548	703
2021	39,081	533
2022	39,743	662
2023	40,126	383
2024	40,491	365
2025	40,846	355
2026	41,306	460
2027	41,946	640
2028	42,674	728
2029	43,364	690
2030	43,696	332
2031	43,801	105
Total Additional DUEs		7,023

Local Expansion Component Calculation

The expansion component is determined by dividing the net replacement cost new of the expansion-related capital improvement costs (**Figure III-5**) by the additional capacity provided, 7,023 DUEs. The derivation of the expansion component of \$64 per DUE is shown in **Figure III-8**.

Figure III-8. Local Expansion Component Calculation

	Replacement Cost New	Additional DUEs	Unit Cost \$/DUE
Capital Improvement Program (2018 through build-out)			
PAYGo-funded	\$12,242,830	7,023	\$1,743
Debt-funded	\$0	7,023	
Subtotal	\$12,242,830	7,023	\$1,743
Less: Expansion Fund Reserve Balance	(\$11,792,965)	7,023	(\$1,679)
Subtotal, Expansion Component	\$449,865	7,023	\$64

LOCAL CAPACITY RESERVE FEE CALCULATION

We add together the buy-in component and expansion-component, as shown in **Figure III-9**, to arrive at the proposed local capacity reserve fee of \$2,162 per DUE.

Figure III-9. Local Capacity Reserve Fee Calculation (\$ per DUE)

Component	\$/DUE
Buy-in Component	\$2,098
Expansion Component	\$64
Local Capacity Reserve Fee	\$2,162

Figure III-10 compares the proposed local capacity reserve fee to the current fees, by customer class, followed by descriptions of how the fees were determined for each customer class.

Figure III-10. Current and Proposed Local Capacity Reserve Fees

Customer Class	Current	Proposed
Residential		
Single Family	\$1,969 per DU	\$2,162 per DU
Condominiums	\$1,477 per DU	\$1,622 per DU
Apartments	\$1,298 per DU	\$1,427 per DU
Accessory Dwelling Unit	\$2.00 per sq ft	\$1.38 per sq ft
Non-Residential	\$8.95 per gpd	\$9.83 per gpd

Single Family Residential

A single family connection is charged 1.00 DUE or \$2,162 per connection.

Multi Family Residential

Condominium connections are charged 0.75 DUEs or \$1,622 per dwelling unit ($\$2,162 \times 0.75$ DUEs) based on an estimated 165 gpd and apartment connections are charged 0.66 DUEs or \$1,427 per dwelling unit ($\$2,162 \times 0.66$ DUEs) based on an estimated 145 gpd, which is consistent with the current fee structure and recent evaluations by District staff.

Reduced fees for multi family dwelling units is fairly common in the industry as multi family dwelling units discharge less wastewater than single family dwellings. On average, multi family dwelling units are smaller and have fewer persons per household than single family dwellings, thus resulting in less wastewater to be collected and transported through the District's wastewater collection system.

Non-Residential

Non-residential commercial customers are charged based on their estimated daily flow on a dollar per gallon basis and was calculated by dividing the \$2,162 fee per DUE by the average single family flow of 220 gpd.

Accessory Dwelling Units

The passage of SB 1069 in 2016 amended Section 65852.2 of the California Government Code. Section 65852.2(g)(2)(B) now requires:

Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

In order to comply with this new law, the District added a separate charge for accessory dwelling units based on a per square foot basis. The charge is based on the District's 2008 Second Unit Wastewater Generation Study, which found that second units, or accessory dwelling units, have an average square footage of 625 square feet and an average discharge of 88 gallons per day. Thus, accessory dwelling units are \$1.38 per square foot based on 0.40 DUEs (average discharge of 88 gpd ÷ 220 gpd) and an average size of an accessory dwelling unit of 625 square feet ($\$2,162 \times 0.40 \text{ DUEs} \div 625 \text{ sq. ft.}$), which is consistent with the current fee structure and recent evaluations by District staff. Past practice was to round such calculation to the nearest \$1. However, we are recommending use of significant figures, which results in a reduction in the rate per square foot for accessory dwelling units compared to the current rate.

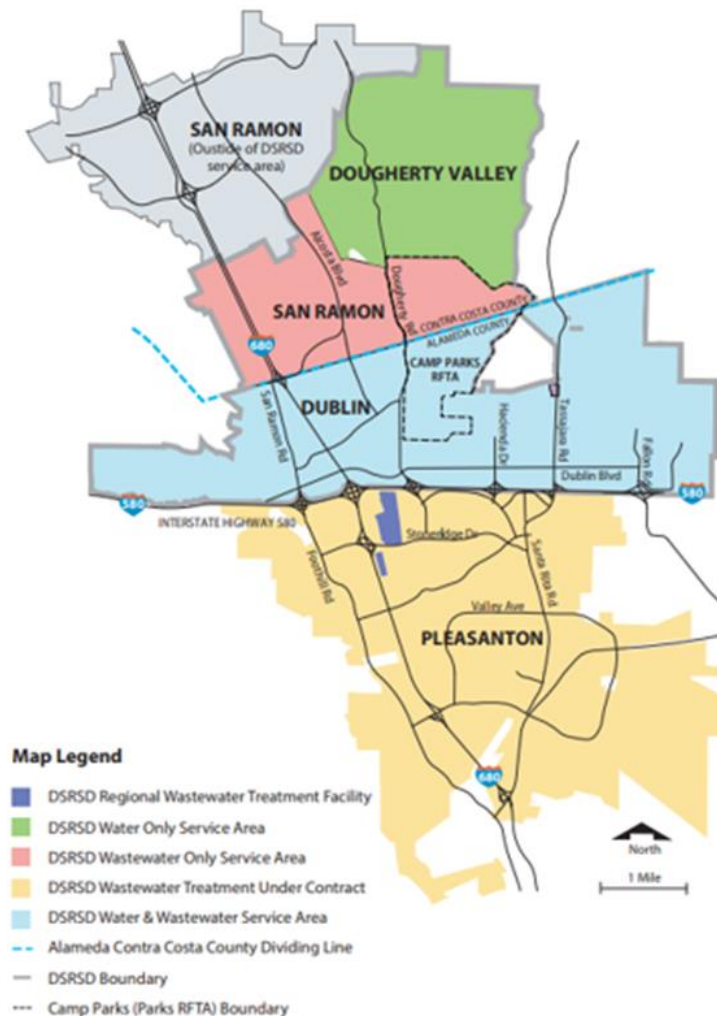
IMPLEMENTATION

It is our opinion that the local wastewater capacity reserve fees developed in this report are reasonable for the forthcoming year. In order to maintain the fees in current dollars going forward, we recommend that the District annually update the fees by the percentage change in the Engineering News Record Construction Cost Index (ENR CCI), San Francisco Bay Area, beginning July 1, 2020. In addition, we recommend that the District conduct a new connection fee study every five years or whenever a new facilities master plan is prepared.

IV. CAPACITY RESERVE FEE CALCULATION – REGIONAL

This section of the report presents the key assumptions in the calculation of the District's regional wastewater treatment capacity reserve fees. The calculation of the District's fees is based upon District specific accounting and planning information to treat wastewater flowing into the District's wastewater treatment plant (WWTP) located south of Stoneridge Drive in Pleasanton. Inflows to the WWTP come from the District's local wastewater collection system in southern San Ramon and Dublin (red and blue areas of **Figure IV-1**, respectively), as well as flows from the City of Pleasanton, under contract (yellow area of **Figure IV-1**). Wastewater effluent is discharged to the Livermore Amador Valley Water Management Agency (LAVWMA) effluent disposal facilities for conveyance and discharge to the San Francisco Bay.

Figure IV-1. DSRSD Service Area Map



This section of the report details the calculation of the regional wastewater treatment capacity reserve fee charged to new or expanding connections.

BUY-IN COMPONENT

Value of Existing System

The first step in calculating the regional wastewater treatment capacity reserve fee is determining the value of the existing wastewater treatment system. In order to join the system, new and expanded, connections need to pay the equitable average costs so that they are at the same level of capital participation as existing connections, so that all connections have borne an equivalent cost.

The current capacity of the District's WWTP is currently 17.00 MGD and serves approximately 160,000 people. The WWTP comprises two different sites: the main site is approximately 22 acres and located south of Stoneridge Drive and east of Interstate Highway 680 and a Dedicated Land Disposal (DLD) site located across Stoneridge Drive from the main WWTP.

In addition, LAWWMA export facilities and the District's administration office at 7051 Dublin Boulevard are also included in the provision of regional wastewater treatment services. 54% of the total value of the administration office, which is the regional wastewater treatment asset value as a percentage of total District assets was used in the study.

The determination of reasonable costs begins by determining the net equity current customer have in the existing facilities described above.

WWTP Facilities and Equipment

The RCN for facilities and equipment is based on the District's asset management system where the base unit costs are derived from the District's asset management program, which uses several sources to determine the value: actual costs from recent replacements, capital improvement project costs, and project cost data developed by another third-party consultant working with District staff. Once the base construction costs are determined, "soft costs" were added for design and construction management (e.g., administration, engineering, and legal) and a 30% contingency for estimate uncertainties.

Buildings - Operations and Administration

The replacement cost for the District's administration office at 7051 Dublin Boulevard in Dublin is based on insured value, as determined by CSRMA/Alliant in their valuation dated January 2018. Insured value serves as a readily accessible proxy for RCN value based on construction costs. The District office provides support not only to the regional wastewater treatment activities, but also to the District's other activities (i.e., local wastewater collection, water, and recycled water services); therefore, we have included

54% of the total value of the District office, which is the regional wastewater treatment asset value as a percentage of total District assets. The District's field operations administrative office does not provide any support to the District's wastewater treatment services; therefore, none of the field office costs have been allocated to the regional wastewater treatment capacity reserve fee.

A detailed listing of the inventory of regional facilities and the administration office, and their respective insured values, are included in **Appendix B**.

Regional Wastewater Treatment Pipelines

The District's process pipelines within the wastewater treatment plant were valued based on current construction costs. Unit costs of construction were applied to an inventory of the pipelines to determine their RCN value. The unit costs include all costs, such as construction costs and overheads for design and construction management. **Figure IV-2** summarizes the value of these pipelines.

Figure IV-2. Regional Wastewater Treatment Pipelines - RCN

Pipeline Diameter	Replacement Cost New
<=8"	\$8,372,618
10"	\$45,794
12"	\$1,091,075
14"	\$545,930
15"	\$321,504
16"	\$275,099
18"	\$195,524
24"	\$639,779
30"	\$339,046
36"	\$123,197
42"	\$4,963,893
48"	\$1,435,282
54"	\$1,215,781
Total	\$19,564,519

DSRSD and City of Pleasanton Equity in LAVWMA Facilities

The District, the City of Pleasanton, and the City of Livermore are member agencies in LAVWMA. LAVWMA facilities (i.e., export pipeline, dechlorination facility, and pump station) export wastewater effluent from the District's WWTP and the City of Livermore's WWTP. The value of the LAVWMA infrastructure was calculated by escalating the original construction costs, in their current fixed asset listing, to current year costs using the Engineering News Record Construction Cost Index (year-to-date average through October 2018) and only includes the combined member equity for the District and the

City of Pleasanton (69.90%), for joint-use facilities. The other 30.10%, for joint-use facilities, is allocated to the City of Livermore and not part of this calculation. There are other LAVWMA assets that are wholly used by the District and the City of Pleasanton, such assets are allocated 100% to the District and the City of Pleasanton. To avoid double counting, the calculated value excludes outstanding debt service on expansion-related assets included in the LAVWMA fixed asset listing.

A copy of the inventory of the LAVWMA assets, and their respective RCN, is included in **Appendix C**.

Fund Reserves

Lastly, we have added the minimum wastewater treatment replacement fund reserve balance to recognize the contribution current ratepayers have made to maintain a healthy reserve balance which adds value to the system. Both existing and new or expanded connections customers will benefit from the reserves, therefore, new or expanded connections should contribute their fair share in order to establish equity in the reserves. The District's minimum reserve balance is calculated at two times the average annual CIP in the District's 10-year CIP budget. The District's actual reserve balance at fiscal year end June 30, 2018 was higher than the minimum target balance. The balance fluctuates above and below the target during the year as projects are worked on and bills are paid. To be conservative, we have assumed the minimum reserves balance instead of the higher year-end balance.

The net equity in the District's existing regional wastewater treatment system is summarized in **Figure IV-3**.

Figure IV-3. RCN of Existing Regional Wastewater Treatment System

	Replacement Cost New
Equity in Existing DSRSD Assets	
WTPP Facilities/Equipment	\$81,453,770
Buildings - Operations	\$45,581,496
Building - Administration	\$3,434,013
Pipelines	\$19,564,519
Subtotal	\$150,033,798
Equity in Existing LAVWMA Assets	\$87,210,355
Replacement Fund Minimum Balance	\$9,628,454
Net Equity in Existing System	\$246,872,607

Capacity in the Existing System

The next step in determining the buy-in component is to determine the current used capacity of the system. Dividing the value of the system by the capacity will provide a unit cost for the buy-in component of the capacity reserve fee. The current used capacity of the existing regional wastewater treatment system is 70,296 DUEs.

Regional Buy-in Component Calculation

The value of the regional wastewater treatment system (**Figure IV-3**) serves as the cost basis for the buy-in component of the regional capacity reserve fee. The buy-in component is determined by dividing the net equity current connections have in the existing wastewater treatment system (**Figure IV-3**) by the total capacity in the system currently being used, 70,296 DUEs. The derivation of the buy-in component of \$3,512 per DUE is shown in **Figure IV-4**.

Figure IV-4. Regional Buy-in Component Calculation

	Replacement Cost New	Current DUEs	Unit Cost \$/DUE
Equity in Existing DSRSD Assets			
WTPP Equipment	\$81,453,770	70,296	\$1,159
Buildings - Operations	\$45,581,496	70,296	\$648
Building - Administration	\$3,434,013	70,296	\$49
Pipelines	\$19,564,519	70,296	\$278
Subtotal	\$150,033,798	70,296	\$2,134
Equity in Existing LAVWMA Assets	\$87,210,355	70,296	\$1,241
Replacement Fund Minimum Balance	\$9,628,454	70,296	\$137
Net Equity in Existing System	\$246,872,607	70,296	\$3,512

EXPANSION COMPONENT

Value of Future Facilities

The next step is to determine the value of future growth-related capital projects to the wastewater treatment system necessary to accommodate new or expanded connection through the District's planned build-out.

DSRSD Facilities

The District updates its capital improvement plan every two years. The plan addresses necessary capital improvement projects to maintain the current system in good working order, as well as projects needed to expand the treatment system capacity through build-out. Recommended growth-related capital improvements projects and their respective percentages which are expansion-related are shown in **Figure IV-5**. The total project costs

are based on the updated valuations included in the 2017 Wastewater Treatment and Biosolids Facilities Master Plan prepared by West Yost, in association with HDR. The allocated costs reflect only the proportionate share of the total costs of the project that are expansion related. All capital expansion projects will be funded on a PAYGo basis, no debt will be issued.

Figure IV-5. Regional Wastewater Treatment Expansion-Related CIP

Project Description	Year(s)	Expansion- related %	Allocated Cost (2018\$)
DSRSD Participation in Regional Biosolids Facility Project	2018-2019, 2027+	100%	\$171,054
Anaerobic Digester No. 4	2018	89%	\$8,453,919
Bio-Gas Treatment System Improvements	2018-2021	67%	\$2,666,600
Primary Sedimentation Expansion and Improvements	2018-2019	85%	\$18,360,000
WWF Capacity and Chlorine ContAct Tank Dewatering	2019	15%	\$67,500
Biosolids Dewatering Facility	2019-2020, 2027+	100%	\$26,545,000
Alum Addition	2019	25%	\$200,000
Emergency Power for Distribution Panel-D	2027+	100%	\$5,560,000
Cover Primary Clarifiers	2024	100%	\$4,964,000
Cover Settled Sewage Channel and Selector	2023	100%	\$2,358,000
Nutrient Removal	2027+	20%	\$8,556,000
WWTP/Biosolids Master Plan	2018	85%	\$21,250
WWTP/Biosolids Master Plan	2023	85%	\$850,000
Total			\$78,773,323

LAVWMA Facilities

The LAVWMA export pipeline which delivers wastewater effluent from the District's WWTP was funded through the issuance of a revenue bond, which will be paid off in 2032. The District and Pleasanton's share of the total outstanding principal and interest as of fiscal year ended June 2018, is \$80,961,661, of which 74.66% is expansion-related based on the work that was performed on the system.

Cash Reserves and other Credits

Next, we subtract the expansion fund reserve balance from the District's financial statements (for fiscal year ending June 30, 2018), to recognize the revenue that has already been contributed by growth towards the remaining PAYGo capital expansion projects and LAVWMA debt service payments. Note: the reserve balance for the PAYGO capital projects is net of a \$3,741,668 payment to reflect an advanced payment made to satisfy the outstanding principal and interest due to the East Bay Discharges Authority (EBDA), which is responsible for treating and discharging the wastewater flows from LAVWMA. This final payment was made subsequent to June 30, 2018.

Lastly, the RCN of the DSRSD portion of the expansion component was reduced by \$801,000 to reflect the value of advance sale capacity permits from an agreement between the City of Pleasanton and the District. The revenue foregone from this agreement must be recouped in some way to preserve the integrity of the regional wastewater treatment expansion fund. As such, the District's regional wastewater treatment operating fund is obligated to transfer \$890,000 to the expansion fund to pay for the remaining costs, in equal amounts over a ten-year period. The first transfer was made earlier this year and is reflected in the expansion fund reserve balance. The remaining nine payments (totaling \$801,000) has been included as a credit to reflect the payments that will be received between now and full buildout.

Figure IV-6 summarizes the net growth-related capital projects necessary to provide service to the projected future users, based on the valuations described above.

Figure IV-6. Regional Expansion-Related Costs
(net of reserves & other credits)

Components	\$ Value
DSRSD Capital Improvements	
(2018 through build-out)	
PAYGo-funded CIP	\$78,773,323
Less: Advance Capacity Sale Permits	(\$801,000)
Less: Expansion Fund Reserve Balance (for PAYGo)	(\$43,361,648)
Subtotal	\$34,610,675
LAVWMA Capital Improvements (Debt-funded)	
Outstanding Principal and Interest	\$60,445,976
Less: Expansion Fund Reserve Balance (for Debt)	(\$6,007,221)
Subtotal	\$54,438,755
Total Expansion Component	\$89,049,430

Incremental Capacity

The next step in determining the expansion component is to determine the incremental capacity provided by the capital improvement projects identified in **Figure IV-5**. Dividing the cost of the expansion-related CIP by the additional capacity the projects will provide, determines the unit cost for the expansion component of the capacity reserve fee. The capacity of the existing regional wastewater treatment system currently being used is 70,296 DUEs and District staff currently estimates there will be 79,329 DUEs at total build-out of the District's service area by 2031; therefore, the additional capacity provided by the expansion-related projects is 9,033 DUEs.

Figure IV-7. Determination of Growth-related DUEs

Fiscal Year	Dublin	South San Ramon	Pleasanton	Total
Current	27,432	6,480	36,384	70,296
Future				
2019	1,067	0	120	823
2020	703	0	100	633
2021	533	0	100	762
2022	662	0	150	533
2023	383	0	235	600
2024	365	0	235	590
2025	355	0	235	695
2026	460	0	235	875
2027	640	0	150	878
2028	728	0	150	840
2029	690	0	100	432
2030	332	0	100	205
2031	105	0	100	205
Subtotal, Future DUEs	7,023	0	2,010	9,033
Total DUEs at Buildout	34,455	6,480	38,394	79,329

Regional Expansion Component Calculation

The expansion component is determined by dividing the net replacement cost new of the expansion-related capital expansion costs (**Figure IV-5**) by the additional capacity provided, 9,033 DUEs. The derivation of the expansion component of \$9,858 per DUE is shown in **Figure IV-8**.

Figure IV-8. Regional Expansion Component Calculation

Components	\$ Value	Additional DUEs	Unit Cost \$/DUE
DSRSD Capital Improvements (2018 through build-out)			
PAYGo-funded CIP	\$78,773,323	9,033	\$8,721
Less: Advance Capacity Sale Permits	(\$801,000)	9,033	(\$89)
Less: Expansion Fund Reserve Balance (for PAYGo)	(\$43,361,648)	9,033	(\$4,800)
Subtotal	\$34,610,675	9,033	\$3,832
LAVWMA Capital Improvements (Debt-funded)			
Outstanding Principal and Interest	\$60,445,976	9,033	\$6,692
Less: Expansion Fund Reserve Balance (for Debt)	(\$6,007,221)	9,033	(\$665)
Subtotal	\$54,438,755	9,033	\$6,027
Total Expansion Component	\$89,049,430	9,033	\$9,858

REGIONAL CAPACITY RESERVE FEE CALCULATION

We add together the buy-in component and expansion-component, as shown in **Figure IV-9**, to arrive at the proposed regional capacity reserve fee of \$13,371 per DUE.

Figure IV-9. Regional Capacity Reserve Fee Calculation (\$ per DUE)

Component	\$/DUE
Buy-in Component	\$3,512
Expansion Component - DSRSD	\$3,832
Expansion Component - LAVWMA	\$6,027
Regional Capacity Reserve Fee	\$13,371

Figure IV-10 compares the proposed regional capacity reserve fee to the current fees, by customer class, followed by descriptions of how the fees were determined for each customer class.

Figure IV-10. Current and Proposed Regional Capacity Reserve Fees

Customer Class	Current	Proposed
Residential		
Single Family	\$15,501 per DU	\$13,371 per DU
Condominiums	\$11,626 per DU	\$10,028 per DU
Apartments	\$10,215 per DU	\$8,824 per DU
Accessory Dwelling Unit	\$10.00 per sq ft	\$8.56 per sq ft
Non-Residential		
Flow	\$65.71 per gpd	\$56.68 per gpd
BOD	\$1,588.64 per lb/day	\$1,370.26 per lb/day
SS	\$835.95 per lb/day	\$721.04 per lb/day

Single Family Residential

A single family connection is charged 1.00 DUE or \$13,371 per connection.

Multi Family Residential

Condominium connections are charged 0.75 DUEs or \$10,028 per dwelling unit (\$13,371 x 0.75 DUEs) based on an estimated 165 gpd and apartment connections are charged 0.66 DUEs or \$8,824 per dwelling unit (\$13,371 x 0.66 DUEs) based on an estimated 145 gpd, which is consistent with the current fee structure and recent observations by District staff. Reduced fees for multi family dwelling units is fairly common in the industry as multi family dwelling units discharge less wastewater than single family dwellings. On average, multi family dwelling units are smaller and have fewer persons per household than single family dwellings, thus resulting in less wastewater to be collected and transported through the District's wastewater collection system.

Non-Residential

Commercial customers are a less homogenous class of customers, the volume and strength of wastewater can vary considerably from one customer to the next. The regional capacity reserve fee for commercial customers shall be calculated based on the customer's estimated daily sewer flow, and strength of flow, at the rates shown in **Figure IV-9**. The flow and strength rates were derived by using the same assumptions for flow and strength of the wastewater discharged from a single family home (i.e., one DUE): 220 gpd of wastewater discharge; 240 mg/L of Biochemical Oxygen Demand (BOD); and, 240 mg/L of Total Suspended Solids (TSS). These assumptions were used to set the prior capacity fees, are typical of industry norms, and are being used again to maintain consistency.

Accessory Dwelling Units

The passage of SB 1069 in 2016 amended Section 65852.2 of the California Government Code. Section 65852.2(g)(2)(B) now requires:

Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

In order to comply with this new law, the District added a separate charge for accessory dwelling units based on a per square foot basis. The charge is based on the District's 2008 Second Unit Wastewater Generation Study, which finds that second units, or accessory dwelling units, have an average square footage of 625 square feet and an average discharge of 88 gallons per day. Thus, accessory dwelling units are \$8.56 per square foot based on 0.40 DUEs (average discharge of 88 gpd ÷ 220 gpd) and an average size of an accessory dwelling unit of 625 square feet ($\$13,371 \times 0.40 \text{ DUEs} \div 625 \text{ sq. ft.}$), which is consistent with the current fee structure and recent observations by District staff. However, past practice was to round such calculation to the nearest \$1. We are recommending use of significant figures.

IMPLEMENTATION

It is our opinion that the regional wastewater capacity reserve fees developed in this report are reasonable for the forthcoming year. In order to maintain the fees in current dollars going forward, we recommend that the District annually update the fees by the percentage change in the Engineering News Record Construction Cost Index (ENR CCI), San Francisco Bay Area, beginning July 1, 2020. In addition, we recommend that the District conduct a new connection fee study every five years or whenever a new facilities master plan is prepared.

Appendix A: Local Facilities Inventory

Dublin San Ramon Service District

Wastewater Capacity Reserve Fee -

Local

Fixed Asset Listing - Facilities

OPERATIONS

Facility Name	Facility Location	Installation Date	Replacement Cost		Notes
Lift Station #1	Dublin Boulevard, Dublin	June 2018	\$	987,500	Replaced/Relocated in June 2018 (actual cost used as basis for replacement cost)
Lift Station #2	S. Terracina Drive @ Croak Road, Dublin	January 2014	\$	987,500	This lift station was built by the developer, and is maintained by the District. Replacement cost should be omitted from the fee analysis
			Total:	\$ 1,975,000	
			Less Developer Contributed:	\$ (987,500)	Lift Station #2
			Net Facilities - Operations	\$ 987,500	to Figure III-3

ADMINISTRATION

Facility Name	Facility Location	Installation Date	Total CSRMA Valuation	\$ Alloc to Local	Notes
District Administration Offices	7051 Dublin Boulevard, Dublin	1990	\$ 6,359,283	\$ 953,892	Local portion = 15%. 85% allocated to Regional (54%) and Water (31%) Funds
Field Operations Department Administrative Office	7035 Commerce Circle, Pleasanton	1997	\$ 5,707,813	\$ 856,172	Local portion = 15%. 85% allocated to Water Fund
			Total Facilities - Administrative	\$ 1,810,064	to Figure III-3

Appendix B: Regional Facilities Inventory

Dublin San Ramon Service District

Wastewater Capacity Reserve Fee - Regional

Fixed Asset Listing - Facilities

OPERATIONS

<u>Building ID (Lucity)</u>	<u>Building Name</u>	<u>Year Built</u>	<u>Square Footage</u>	<u>Year Appraised</u>	<u>Real Property Value</u>	<u>Personal Property</u>	<u>Total</u>	<u>Source/Comments:</u>
WWTP - A	A- Operations Building	1961	16,472	2005	\$5,246,452	\$1,525,861	\$6,772,313	CSRMA - Includes Lab and Cogen
WWTP - B	B - Blower Building	1961	4,410	2005	\$772,694	\$4,717,109	\$5,489,803	CSRMA
WWTP - C	C- Bar Screen Building	2000	6,608	2005	\$2,610,772	\$1,837,065	\$4,447,837	CSRMA
WWTP - CP	CP - Maintenance Carport	2009	2,000	2005	\$52,464	\$0	\$52,464	CSRMA
WWTP - D	D - MCC D Building	1985	3,036	2005	\$1,026,481	\$192,070	\$1,218,551	CSRMA
WWTP - E	E - EALS/MCC Building	1968	324	1968	\$97,241	\$88,829	\$186,070	CSRMA
WWTP - F	F- Hypochlorite Storage/MCC F Building	1991	2,135	2005	\$622,922	\$154,075	\$776,997	CSRMA
WWTP - G	G - Sample Station/MCC Building	2004	1,107	2005	\$311,013	\$172,001	\$483,014	CSRMA
WWTP - H	H - Grit/MCC H Building	1985	2,184	2005	\$1,350,348	\$521,489	\$1,871,837	CSRMA
WWTP - I	I - Odor Reduction Tower (ORT)	1985	271	2005	\$882,379	\$4,014	\$886,393	CSRMA
WWTP - J	J - 750 Genset Building	2005	288	2005	\$81,146	\$286,669	\$367,815	CSRMA
WWTP - K	K - Air Compressor/MCC K Building	1985	672	2005	\$215,903	\$47,382	\$263,285	CSRMA
WWTP - L	L - MCC L White House	2000	100	n/a			\$60,000	Assumption \$600/sf
WWTP - M	M - MCC M	2005	1,008	2005	\$141,983	\$229,337	\$371,320	CSRMA
WWTP - N	N - MCC N	2005	1,008	2005	\$141,983	\$229,337	\$371,320	CSRMA
WWTP - O - DERWA	O - Comp/Chem Building	2005	858	2005	\$189,391	\$57,333	\$246,724	CSRMA - DERWA ASSET
WWTP - P - DERWA	P - UV Control Building	2005	1,868	2005	\$945,832	\$573,338	\$1,519,170	CSRMA - DERWA ASSET
WWTP - Q	Q - Fleet Maintenance Building	1989	3,000	2005	\$396,812	\$65,094	\$461,906	CSRMA
WWTP - R	R - Microfiltration UV Building		10,000				\$6,000,000	Assumption \$600/sf
WWTP - S	S - Maintenance Building	2009	12,250	2005	\$5,813,129	\$0	\$5,813,129	CSRMA
WWTP - T	T - Maintenance Shop	2009	7,200	2005	\$3,414,060	\$0	\$3,414,060	CSRMA
30-610-5850-BDG-01	Dissolved Air Flow Thickener Building (DAFT)	1985	3,017	2005	\$980,538	\$800,013	\$1,780,551	CSRMA
n/a	Headworks - Screen Room	1961	1,908	2005	\$1,113,398	\$0	\$1,113,398	CSRMA
n/a	Headwords - Raw Sewage Pump Room	1961	1,421	2005	\$828,628	\$331,857	\$1,160,485	CSRMA
n/a	Headworks - Equipment Gallery	1961	1,740	2005	\$1,015,361	\$408,895	\$1,424,256	CSRMA
n/a	Vactor Receiving Station				\$310,800		\$310,800	Assumption \$600/sf
n/a	Mixed Liquor Distribution Structure	1985	917	2005	\$276,117	\$5,327	\$281,444	CSRMA
n/a	Influent Waste Diversion Structure	2004	581	2005	\$169,294	\$33,154	\$202,448	CSRMA
TOTAL					\$29,007,141	\$12,280,249	\$47,347,390	

Less: DERWA assets

O - Comp/Chem Building (\$246,724)

P - UV Control Building (\$1,519,170)

Net Facilities - Operations **\$45,581,496** to Figure IV-3

ADMINISTRATION

<u>Facility Name</u>	<u>Facility Location</u>	<u>Installation Date</u>	<u>Total CSRMA Valuation</u>	<u>\$ Alloc to Regional</u>	<u>Notes</u>
District Administration Offices	7051 Dublin Boulevard, Dublin	1990	\$6,359,283	\$3,434,013	Regional portion = 54%. 46% allocated to Local (15%) and Water (31%) Funds
Field Operations Department Administrative Office	7035 Commerce Circle, Pleasanton	1997	\$5,707,813	\$0	Regional portion = 0%; Field Ops Admin office only allocated to Local and Water
Total Facilities - Administrative				\$3,434,013	to Figure IV-3

Appendix C: LAVWMA Asset Inventory

LAVWMA
Fixed Asset Schedule

Fixed Asset Schedule														
DESCRIPTION	Class	Year	Life	Final 2017	Accum. Depr.	Book Value 2017	Additions	Depr FY2018	Accum. Depr.	ENR Cost Factor	Estimated Replacement Cost	DSRSD Member Equity (RCN)	Pleasanton Member Equity (RCN)	Combined Member Equity (RCN)
Operations & Maint														
Intangibles	Int		33	10,000,000	6,060,605	3,939,395		303,030	6,363,635					
Total				10,000,000	6,060,605	3,939,395		303,030	6,363,635					
Joint Use Facilities												34.95%	34.95%	69.90%
Export Pump Station & Reservoirs	ps	1980	25	3,000,000	3,000,000	-		-	3,000,000	2.7545	\$ 8,263,474.73	\$ 2,888,084.42	\$ 2,888,084.42	\$ 5,776,168.84
Export Pump Station (rehab & expansion)	ps	2003	25	10,091,798	5,651,407	4,440,391		403,672	6,055,079	1.5461	\$ 15,603,270.07	\$ 5,453,342.89	\$ 5,453,342.89	\$ 10,906,685.78
Export Pump Station (24" flowmeter)	ps	2013	25	27,320	4,372	22,948	-	1,093	5,465	1.1458	\$ 31,303.37	\$ 10,940.53	\$ 10,940.53	\$ 21,881.05
San Leandro Sample Station (15kV)	ps	2015	20	14,024	1,753	12,271		701	2,454	1.0788	\$ 15,129.07	\$ 5,287.61	\$ 5,287.61	\$ 10,575.22
Basin #2 Exit Gate replacement	ps	2015	20	39,069	4,883	34,186		1,953	6,836	1.0788	\$ 42,147.58	\$ 14,730.58	\$ 14,730.58	\$ 29,461.16
Basin #3 Exit Gate replacement	ps	2015	20	52,161	6,520	45,641		2,608	9,128	1.0788	\$ 56,271.21	\$ 19,666.79	\$ 19,666.79	\$ 39,333.57
Pump #3 Repair	ps	2015	10	82,242	20,560	61,682		8,224	28,784	1.0788	\$ 88,722.55	\$ 31,008.53	\$ 31,008.53	\$ 62,017.06
Spare 2300 VAC Breaker	ps	2016	10	20,301	3,045	17,256		2,030	5,075	1.0472	\$ 21,259.14	\$ 7,430.07	\$ 7,430.07	\$ 14,860.14
Medium Voltage Cable replacement	ps	2017	50	591,051	5,911	585,140		11,821	17,732	1.0192	\$ 602,423.84	\$ 210,547.13	\$ 210,547.13	\$ 421,094.26
Actuator 72" valve	ps	2017	25	13,238	265	12,973		530	795	1.0192	\$ 13,492.72	\$ 4,715.71	\$ 4,715.71	\$ 9,431.41
Street Light replacement	ps	2018	25				21,632	433	433	1.0000	\$ 21,632.00	\$ 7,560.38	\$ 7,560.38	\$ 15,120.77
Breaker replacement	ps	2018	10				20,209	1,010	1,010	1.0000	\$ 20,209.00	\$ 7,063.05	\$ 7,063.05	\$ 14,126.09
Pump Rebuild #8	ps	2018	10				13,707	685	685	1.0000	\$ 13,707.00	\$ 4,790.60	\$ 4,790.60	\$ 9,581.19
Pump Rebuild #10	ps	2018	10				13,965	698	698	1.0000	\$ 13,965.00	\$ 4,880.77	\$ 4,880.77	\$ 9,761.54
Fiber Optic Cable	ps	2018	25				32,000	640	640	1.0000	\$ 32,000.00	\$ 11,184.00	\$ 11,184.00	\$ 22,368.00
Total				13,931,204	8,698,716	5,232,488	101,513	436,098	9,134,814					
Storage Reservoirs (expansion)	ef	1988	25	2,000,000	2,000,000	-		-	2,000,000	2.1008	\$ 4,201,587.48	\$ 1,468,454.82	\$ 1,468,454.82	\$ 2,936,909.65
Total				2,000,000	2,000,000	-	-	-	2,000,000					
Pipelines														
Combined Interceptor	ef	1977	50	39,100	31,280	7,820		782	32,062	3.5293	\$ 137,993.91	\$ 48,228.87	\$ 48,228.87	\$ 96,457.74
Export Pipeline	pipes	1996	50	3,741,500	1,571,430	2,170,070		74,830	1,646,260	1.8165	\$ 6,796,344.70	\$ 2,375,322.47	\$ 2,375,322.47	\$ 4,750,644.94
Export Pipeline	pipes	2007	50	108,269,544	12,992,346	95,277,198		2,165,391	15,157,737	1.3240	\$ 143,348,351.43	\$ 50,100,248.82	\$ 50,100,248.82	\$ 100,200,497.65
Western Term Pipe	pipes	2011	50	6,096,825	731,622	5,365,203		121,937	853,559	1.1838	\$ 7,217,245.78	\$ 2,522,427.40	\$ 2,522,427.40	\$ 5,044,854.80
Replacement AR Valves (10)	pipes	2015	20	116,440	14,555	101,885		5,822	20,377	1.0788	\$ 125,615.30	\$ 43,902.55	\$ 43,902.55	\$ 87,805.09
70"x70' manhole cover	pipes	2015	50	11,765	588	11,177		235	823	1.0788	\$ 12,692.06	\$ 4,435.88	\$ 4,435.88	\$ 8,871.75
Total				118,275,174	15,341,821	102,933,353	-	2,368,997	17,710,818					
Total Joint Use Facilities				134,206,378	26,040,537	108,165,841	101,513	2,805,095	28,845,632					
Dual use Facilities												50.00%	50.00%	100.00%
DSRSD-Pleasanton Interceptor	ef	1977	50	378,000	302,400	75,600		7,560	309,960	3.5293	\$ 1,334,058.73	\$ 667,029.37	\$ 667,029.37	\$ 1,334,058.73
Total Dual Use Facilities				378,000	302,400	75,600	-	7,560	309,960					
Sole Use Facilities												0.00%	0.00%	0.00%
Livermore Interceptor	ef	1977	50	3,350,400	2,680,320	670,080		67,008	2,747,328	3.5293	\$ 11,824,418.99	-	-	\$ -
Livermore Pump Station	ps	2009	25	4,867,342	1,168,164	3,699,178		194,694	1,362,858	1.2367	\$ 6,019,288.33	-	-	\$ -
Total Sole Use Facilities				8,217,742	3,848,484	4,369,258	-	261,702	4,110,186					
Grand Total				152,802,120	36,252,026	116,550,094	101,513	3,377,387	39,629,413		\$ 205,856,603.98	\$ 65,911,283.22	\$ 65,911,283.22	\$ 131,822,566.45

113,274,220

Debt Service 2011 LAVWMA Bonds (Outstanding Principal)

25.94%

45.71%	31.77%	Expansion Only
(20,392,242)	(14,173,299)	(44,612,211)

RCN value using LAVWMA Asset List \$ 87,210,355.41

DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors

**NOTICE OF OPPORTUNITY FOR PUBLIC COMMENT ON PROPOSED
AMENDMENT OF LOCAL AND REGIONAL WASTEWATER
CAPACITY RESERVE FEES**

DATE: Tuesday, December 4, 2018

TIME: 6 P.M.

***PLACE: Shannon Community Center, Ambrose Hall
11600 Shannon Avenue, Dublin, California***

NOTICE IS HEREBY GIVEN that the Board of Directors of the District is considering the adoption of a resolution amending fees relating to the Local and Regional Wastewater Capacity Reserve Fees, which fees are authorized by Section 3.70.010 of the District Code, at an open and public meeting, at which oral or written presentations can be made, as part of a Regular Meeting of the Board of Directors of Dublin San Ramon Services District at 6 p.m. on Tuesday, December 4th, 2018. Your participation is encouraged.

The proposed capacity fees for a Single Family Residential (SFR) is 11% lower than the current fee. Condominium and Apartment Residential are set at 66% and 75% of the proposed SFR fee, respectively. Commercial and Industrial Customers are charged based on their estimated daily flows, Biochemical Oxygen Demands (BOD) and Suspended Solids (SS). If adopted, the proposed capacity reserve fees will be effective January 1, 2019. The capacity reserve fees are also proposed for an annual adjustment based on the Engineering News-Record Construction Cost Index beginning July 1, 2020.

NOTICE IS FURTHER GIVEN that the District is providing the community with data indicating the estimated cost required to provide the service for which the fee or service charge is levied before the proposed amendments are approved. A public review draft of the 2018 Local and Regional Wastewater Capacity Reserve Fee Update explaining the analysis and calculations in detail is available on DSRSD's website, www.dsrsd.com/about-us/library/financial-information. The report and proposed changes are also available for review Monday through Friday between the hours of 8:30 am and 4:30 pm at the District's temporary Administrative Office located at 7035 Commerce Circle, Pleasanton.

***By: _____
Nicole Genzale
District Secretary***

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ESTABLISHING LOCAL AND REGIONAL WASTEWATER CAPACITY RESERVE FEES UNDER SECTION 3.70.010.C OF THE DISTRICT CODE AND RESCINDING RESOLUTION NOS. 27-10 AND 28-10

WHEREAS, Section 3.70.010.C of the District Code establishes wastewater capacity reserve fees, hereinafter referred to as capacity fees and provides for setting of fee amounts and other matters by resolution of the Board; and

WHEREAS, a local wastewater collection system with adequate capacity to meet anticipated demands is necessary to protect the public health and safety of residents of the District, and maintaining the adequacy of the wastewater collection system in the face of growth and new development requires that the system be expanded and extended commensurate with new development; and

WHEREAS, the purpose of local capacity fees is to protect the public health, safety, and general welfare by providing sufficient funding to enable the District to construct adequate wastewater collection facilities to satisfy the wastewater service needs of new development and to mitigate the effects of the connections made by new development on the District's wastewater collection facilities and improvements; and

WHEREAS, a regional wastewater treatment and disposal system with adequate capacity to meet anticipated demands is necessary to protect the public health and safety of residents of the District, and maintaining the adequacy of the wastewater treatment and disposal system in the face of growth and new development requires that the system be expanded and extended commensurate with new development; and

WHEREAS, the purpose of regional capacity fees is to protect the public health, safety, and general welfare by providing sufficient funding to enable the District to construct adequate wastewater treatment and disposal facilities to satisfy the wastewater service needs of new development and to mitigate the effects of the connections made by new development on the District's wastewater treatment and disposal facilities and improvements; and

WHEREAS, the local capacity fees currently in effect were established by the adoption of Resolution No. 27-10 and have since been adjusted as set forth therein; and

WHEREAS, the regional capacity fees currently in effect were established by the adoption of Resolution No. 28-10 and have since been adjusted as set forth therein; and

WHEREAS, the Local & Regional Wastewater Capacity Reserve Fee Update prepared by HF&H Consultants, LLC in November 2018 updates the capital costs of the local wastewater collection and regional wastewater treatment and disposal facilities of Dublin San Ramon Services District based on the best and most current engineering and financial information available and allocates them appropriately to new development; and

WHEREAS, the Board of Directors of the Dublin San Ramon Services District desires to adjust Local and Regional Wastewater Capacity Reserve Fees (authorized under Section 3.70.010.C of the Dublin San Ramon Services District Code) based on information and analysis contained in the Local & Regional Wastewater Capacity Reserve Fee Update, which information and analysis has been fully considered by the Board; and

WHEREAS, the local capacity fees collected pursuant to this resolution shall be used only to pay for local wastewater collection facilities and improvements serving the functions of those facilities and improvements identified in the capacity fee analysis set forth in the Local & Regional Wastewater Capacity Reserve Fee Update; and

WHEREAS, the regional capacity fees collected pursuant to this resolution shall be used only to pay for regional wastewater treatment and disposal facilities and improvements serving the functions of those facilities and improvements identified in the capacity fee analysis set forth in the Local & Regional Wastewater Capacity Reserve Fee Update; and

WHEREAS, there is a reasonable relationship between the types of development that will pay the capacity fees, the proposed use of the capacity fees, and the need for the facilities and improvements; and

WHEREAS, there is a reasonable relationship between the amount of the respective capacity fees and the cost of the respective facilities and improvements the need for which is attributable to the development that will pay the fees, such that the respective capacity fees do not exceed the estimated reasonable cost of providing the respective service for which the capacity fees are imposed and do not exceed the proportional benefit to the person being charged; and

WHEREAS, this resolution will continue the annual fee adjustment methodology previously adopted by the Board of Directors for capacity fees in the resolutions referenced above, and will apply this adjustment methodology to all components of the Local and Regional Capacity Fees other than the Regional Livermore-Amador Valley Water Management Agency (LAVWMA) component (as described on page 22, and as shown on Figure IV-9 on page 25, of the Local & Regional Wastewater Capacity Reserve Fee Update).

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 Engineering News-Record (ENR) Construction Cost Index (for San Francisco, CA) provides an appropriate and accurate measure of the increases in capital costs of facilities and improvements of the sort used to calculate the amount of the District's Local and Regional Wastewater Capacity Fees, and the Board therefore adopts said Construction Cost Index as the index for measuring increases in the cost of such facilities and improvements for the purpose of future annual adjustments to certain components of the District's Local and Regional Wastewater Capacity Reserve Fees as described below.

2. This resolution is effective immediately and the Local and Regional Wastewater Capacity Reserve Fees as shown in Exhibits A and B are hereby established, provided that such capacity reserve fees shall become operative January 1, 2019.

3. Beginning July 1, 2020, all components of the Local and Regional Wastewater Capacity Reserve Fees other than the Regional LAVWMA component (as shown in Exhibits A and B hereto) shall be annually adjusted in the manner described in the remainder of this subparagraph without further Board action or review. The General Manager is authorized to adjust all components of the local and regional capacity fees other than the Regional LAVWMA component effective each July 1 by the percentage increase in the most recent ENR Construction Cost Index (for San Francisco, CA) as of April 30 in relation to the most recent corresponding Construction Cost Index available the preceding April 30. The General Manager may round the local and regional capacity fees calculated in this manner, and shall post the new capacity fees on the District's website by May 31 of each year.

4. At any time that there is a material change in the actual or estimated costs of facilities identified in the capacity fee analysis, the Administrative Services Manager shall review the capacity fees and determine whether the change affects the amount of the capacity fees. If the capacity fees are significantly affected, or if the capacity fees exceed the reasonable cost of providing service or the proportional benefit to the persons being charged, the Administrative Services Manager will recommend to the Board a revised fee for its consideration.

5. When the capacity fees hereby established become operative, Resolution Nos. 27-10 and 28-10, attached as Exhibits C and D, are hereby rescinded.

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 4th day of December, 2018, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgan M. Vonheeder-Leopold, President

ATTEST: _____
Nicole Genzale, District Secretary

**Local Wastewater Capacity Reserve Fee
Under Dublin San Ramon Services District Code Section 3.70.010.C**

The owner of each parcel of land that connects to the District's Wastewater Collection System shall pay fees as follows:

Local Wastewater Capacity Reserve Fees (effective January 1, 2019)			
	Buy-In	Expansion	Total
Single-Family Home (1.00 DUE)	\$2,098	\$64	\$2,162
All other residential connections shall be assessed based on wastewater usage characteristics as follows: <ul style="list-style-type: none"> ▪ Condominiums (per unit): 0.75 DUEs ▪ Apartments (per unit): 0.66 DUEs ▪ Accessory Dwelling Unit (per square foot): 0.40 DUEs/625 square feet 			
All other non-residential connections shall be assessed a capacity reserve fee, as determined by the District Engineer, based on peak month flow, bio-oxygen demand (BOD) and suspended solids (SS) to be discharged to the wastewater collection system, at the rate of \$9.83 per gallon/day.			

Local Wastewater Capacity Reserve Fees shall be annually adjusted effective July 1, 2020 and each July 1 thereafter by the General Manager, who shall adjust fees by the percentage increase in the most recent Engineering News-Record (ENR) Construction Cost Index (San Francisco, CA City Index) as of April 30 in relation to the most recent corresponding ENR Construction Cost Index available the preceding April 30. The new local wastewater capacity reserve fee thus calculated shall be posted on the District's website by May 31 of each year.

**Regional Wastewater Capacity Reserve Fee
Under Dublin San Ramon Services District Code Section 3.70.010.C**

The owner of each parcel of land that connects to the District's Wastewater Treatment and Disposal System shall pay fees as follows:

Regional Wastewater Capacity Reserve Fees (effective January 1, 2019)				
	Buy-In	Expansion	LAVWMA	Total
Single-Family Home (1.00 DUE)	\$3,512	\$3,832	\$6,027	\$13,371
All other residential connections shall be assessed based on wastewater usage characteristics as follows: <ul style="list-style-type: none"> ▪ Condominiums (per unit): 0.75 DUEs ▪ Apartments (per unit): 0.66 DUEs ▪ Accessory Dwelling Unit (per square foot): 0.40 DUEs/625 square feet 				
All other non-residential connections shall be assessed a capacity reserve fee, as determined by the District Engineer, based on peak month flow, bio-oxygen demand (BOD) and suspended solids (SS) to be discharged to the wastewater treatment and disposal system as follows: <ul style="list-style-type: none"> ▪ Flow (gallon/day): \$56.68 gpd ▪ BOD (pound/day): \$1,370.26 lb/day ▪ SS (pound/day): \$721.04 lb/day 				

Regional Wastewater Capacity Reserve Fees shall be annually adjusted effective July 1, 2020 and each July 1 thereafter by the General Manager, who shall adjust fees by the percentage increase in the most recent Engineering News-Record (ENR) Construction Cost Index (San Francisco, CA City Index) as of April 30 in relation to the most recent corresponding ENR Construction Cost Index available the preceding April 30. The new regional wastewater capacity reserve fee thus calculated shall be posted on the District's website by May 31 of each year.

RESOLUTION NO. 27-10

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ESTABLISHING LOCAL SEWER CONNECTION FEES UNDER SECTION 7.6.02 (SEWER CONNECTION FEES) OF THE DISTRICT CODE

WHEREAS, Section 7.6.02 of the District Code of Regulations establishes sewer connection fees, hereinafter referred to as connection fees and provides for the setting of fee amounts and other matters by resolution of the Board; and

WHEREAS, the purpose of local sewer connection fees is to protect the public health, safety and general welfare by providing sufficient funding to enable the District to construct adequate wastewater collection facilities to satisfy the wastewater service needs of new development and to mitigate the effects on the District's wastewater collection facilities and improvements of the connections made by new development; and

WHEREAS, the Report on Development of Local Connection Fees prepared by District staff, and reviewed by HDR, in May 2010 updates the capital costs of the local wastewater collection facilities of Dublin San Ramon Services District based on the best engineering and financial information available and allocates them appropriately to new development; and

WHEREAS, the Board of Directors of Dublin San Ramon Services District desires to adjust the Local Sewer Connection fees (authorized under Section 7.6.02 of the Dublin San Ramon Services District Code) based on the information and analysis found in the Report on Development of Local Connection Fees, which information and analysis has been fully considered by the Board; and

WHEREAS, the sewer connection fees collected pursuant to this resolution shall be used only to pay for local wastewater collection facilities and improvements serving the functions of those facilities and improvements identified in the connection fee analysis set forth in the Development of Local Connection Fees; and

Res. No. 27-10

WHEREAS, there is a reasonable relationship between the types of development on which the connection fees are imposed, the proposed use of the connection fees, and the need for the facilities and improvements. A local wastewater collection system with adequate capacity to meet anticipated demands is necessary to protect the public health and safety of the residents of the District. Maintaining the adequacy of the wastewater collection system in the face of growth and new development requires that the system be expanded and extended commensurate with new development; and

WHEREAS, there is a reasonable relationship between the amount of the fee and the cost of the facilities and improvements the need for which is attributable to the developments against which the fees are imposed; and

WHEREAS, this resolution will continue the automatic fee adjustment methodology previously adopted by the Board for Connection Fees, and will apply this adjustment methodology to all components of the Local Sewer Connection fee.

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:

1. The Engineering News Record (ENR) Construction Cost Index, San Francisco Area, provides an appropriate and accurate measure of the increases in capital costs of facilities and improvements of the sort used to calculate the amount of the District's local sewer connection fees, and the Board therefore adopts said Construction Cost Index as the index for measuring increases in the cost of such facilities and improvements for the purpose of future automatic adjustments to the District's Local Sewer Connection Fees.

Res. No. 27-10

2. This resolution is effective immediately and the Local Sewer Connection Fees as shown in Exhibit 1 are hereby established, provided that such Local Sewer Connection Fees shall become operative July 1, 2010.
3. Beginning on July 1, 2011, all components of the Local Sewer Connection fee (as shown on Exhibit 1 hereto) shall be automatically adjusted effective each July 1 in the manner described in the remainder of this subparagraph without further Board action or review. The General Manager is authorized to adjust all components of the local sewer connection fee by the percentage increase in the most recent ENR Construction Cost Index for the San Francisco Bay Area as of April 30 in relation to the most recent corresponding Construction Cost Index available the preceding April 30. The General Manager may round the regional sewer connection fee thus calculated to whole dollars, and shall post the new regional sewer connection fee on the District's web site by May 31 of each year.
4. At any time that there is a material change in the actual or estimated costs of facilities identified in the connection fee analysis, the Financial Services Manager shall review the connection fees and determine whether the change affects the amount of the connection fees. If the connection fees are significantly affected, or if the connection fees exceed the reasonable cost of providing service, the Financial Services Manager will recommend to the Board a revised fee for their consideration.

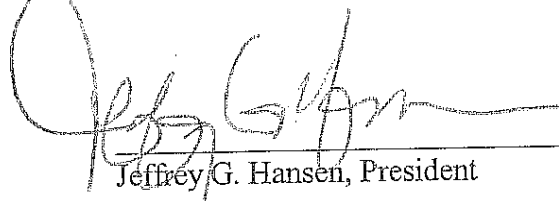
Res. No. 27-10

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 June 15, 2010, and passed by the following vote:

AYES: 4 - Directors Richard M. Halket, Georgean M. Vonheeder-Leopold,
D.L. (Pat) Howard, Jeffrey G. Hansen

NOES: 0

ABSENT: 1 - Director Daniel J. Scannell



Jeffrey G. Hansen, President

ATTEST: Nancy G. Hatfield
Nancy G. Hatfield, District Secretary

H:\Board\06-15-10\Local Connection Fees\2 Local Connection Resolution.doc

RESOLUTION NO. 28-10

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ESTABLISHING REGIONAL SEWER CONNECTION FEES UNDER SECTION 7.6.02 (SEWER CONNECTION FEES) OF THE DISTRICT CODE

WHEREAS, Section 7.6.02 of the District Code of Regulations establishes sewer connection fees, hereinafter referred to as connection fees and provides for the setting of fee amounts and other matters by resolution of the Board; and

WHEREAS, the purpose of Regional Sewer Connection fees is to protect the public health, safety and general welfare by providing sufficient funding to enable the District to construct wastewater treatment and disposal facilities adequate to satisfy the wastewater service needs of new development and to mitigate the effects on the District's wastewater facilities and improvements of the connections made by new development; and

WHEREAS, the Report on Development of Regional Connection Fees prepared by Black & Veatch in May 2010 updates the capital costs of the regional wastewater treatment and disposal facilities of the Dublin San Ramon Services District based on the best engineering and financial information available and allocates them appropriately to new development; and

WHEREAS, the Board of Directors of the Dublin San Ramon Services District desires to establish new Regional Sewer Connection fees (authorized under Section 7.6.02 of the Dublin San Ramon Services District Code) based on the information and analysis found in the Report on Development of Regional Connection Fees, which information and analysis has been fully considered by the Board; and

WHEREAS, the Regional Sewer Connection fees collected pursuant to this resolution shall be used only to pay for wastewater treatment and disposal facilities and improvements serving the functions of those facilities and improvements identified in the connection fee analysis set forth in

Res. No. 28-10

the Report on Development of Regional Connection Fees; and

WHEREAS, there is a reasonable relationship between the types of development on which the connection fees are imposed, the proposed use of the connection fees, and the need for the facilities and improvements. A wastewater treatment and disposal system with adequate capacity to meet anticipated demands is necessary to protect the public health and safety of the residents of the District. Maintaining the adequacy of the wastewater treatment and disposal system in the face of growth and new development requires that the system be expanded and extended commensurate with new development; and

WHEREAS, there is a reasonable relationship between the amount of the fee and the cost of the facilities and improvements the need for which is attributable to the developments against which the fees are imposed; and

WHEREAS, this resolution will continue the automatic fee adjustment methodology previously adopted by the Board for Regional Connection Fees, but, as described below, will apply this adjustment methodology to all components of the Regional Wastewater Connection fee other than the LAVWMA Component (as described on page 11, and as shown on Table 2 on page 10, of the Report on Development of Regional Connection Fees).

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:

1. The Engineering News Record (ENR) Construction Cost Index, San Francisco Area, provides an appropriate and accurate measure of the increases in capital costs of

Res. No. 28-10

facilities and improvements of the sort used to calculate the amount of the District's Regional Sewer Connection fees, and the Board therefore adopts said Construction Cost Index as the index for measuring increases in the cost of such facilities and improvements for the purpose of future automatic adjustments to certain components of the District's Regional Sewer Connection fees as described below.

2. This resolution is effective immediately and the Regional Sewer Connection Fees as shown in Exhibit 1 are hereby established, provided that such Regional Sewer Connection Fees shall become operative August 1, 2010.
3. Beginning on July 1, 2011, all components of the Regional Sewer Connection fee other than the LAVWMA Component (as shown on Exhibit 1 hereto) shall be automatically adjusted effective each July 1 in the manner described in the remainder of this subparagraph without further Board action or review. The General Manager is authorized to adjust all components of the Regional Sewer Connection fees other than the LAVWMA Component by the percentage increase in the most recent ENR Construction Cost Index for the San Francisco Bay Area as of April 30 in relation to the most recent corresponding Construction Cost Index available the preceding April 30. The General Manager may round the Regional Sewer Connection fee thus calculated to whole dollars, and shall post the new Regional Sewer Connection fee on the District's web site by May 31 of each year.
4. Unless otherwise acted upon by the Board, the amount of the fees will be automatically calculated on April 30, and the adjusted fee shall become operative on July 1, of each subsequent year in the manner described in the preceding

Res. No. 28-10

subparagraph.

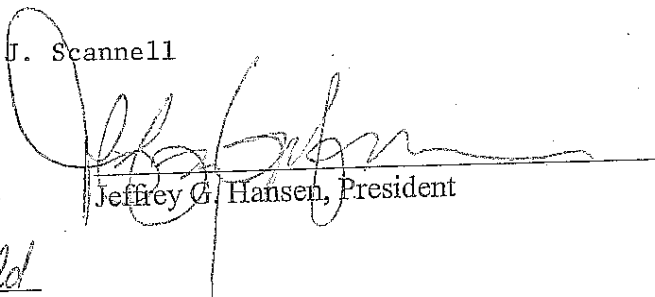
5. At any time that there is a material change in the actual or estimated costs of facilities identified in the Regional Sewer Connection fee analysis, the Financial Services Manager shall review the Regional Sewer Connection fees and determine whether the change affects the amount of the Regional Sewer Connection fees. If the Regional Sewer Connection fees are significantly affected, or if the Regional Sewer Connection fees exceed the reasonable cost of providing service, the Financial Services Manager will recommend to the Board a revised Regional Sewer Connection fee for their consideration.

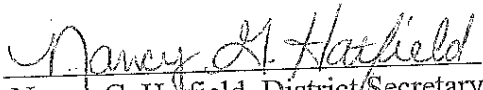
ADOPTED by the Board of Directors of the Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 15th day of June 2010, and passed by the following vote:

AYES: 4 - Directors Richard M. Halket, Georgean M. Vonheeder-Leopold,
D.L. (Pat) Howard, Jeffrey G. Hansen

NOES: 0

ABSENT: 1 - Director Daniel J. Scannell


Jeffrey G. Hansen, President

ATTEST: 
Nancy G. Hatfield, District Secretary



TITLE: Accept Basic Financial Statements for the Year Ended June 30, 2018 with Independent Auditor's Report and Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018

RECOMMENDATION:

Staff recommends the Board of Directors accept, by Motion, the Dublin San Ramon Services District's Basic Financial Statements for the Year Ended June 30, 2018 with Independent Auditor's Report and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018.

SUMMARY:

Maze and Associates has completed an audit of the District's financial position for the fiscal year ending June 30, 2018. The primary financial statements are aggregated into Water and Wastewater Enterprises with supplementary statements providing detail of individual funds. Maze and Associates has issued an unmodified opinion that the Fiscal Year 2018 financial statements present fairly, in all material respects, the financial position of the District.

A Memorandum on Internal Control and Required Communications for fiscal year ending 2018 was also issued. The memorandum did not identify any deficiencies in internal control that are considered material weaknesses during the audit. Also noted, there were no transactions during the year for which there was a lack of authoritative guidance or consensus, all significant transactions were recognized in the financial statements in the proper period, and financial statement disclosures are neutral, consistent, and clear.

Originating Department: Administrative Services	Contact: H. Chen	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Basic Financial Statements for the Year Ended June 30, 2018 Attachment 2 – Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018	

**DUBLIN SAN RAMON SERVICES DISTRICT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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**DUBLIN SAN RAMON SERVICES DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

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**DUBLIN SAN RAMON SERVICES DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Dublin San Ramon Services District (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2018 and required a restatement to the beginning net positions as discussed in Note 1M to the financial statements:

Statement 75 – *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. See Note 11 to the financial statements for relevant disclosures.

Statement 85 – *Omnibus 2017*. See Note 11 to the financial statements for relevant disclosures.

The emphasis of these matters does not constitute a modification to our opinion.

Other Matters

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section and Supplementary Information listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Maze + Associates

Pleasant Hill, California
November 26, 2018

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DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2018 and 2017

Financial Highlights for Fiscal Year 2018

- ✓ The District's net position increased \$8.8 million or 2.1% from \$425.1 million to \$433.9 million
- ✓ Service charge revenues increased \$4.7 million or 9.5% from \$49.2 million to \$54.1 million
- ✓ Capacity reserve fees increased \$9.6 million or 47.3% from \$20.3 million to \$29.9 million
- ✓ Operating expenses (excluding depreciation) increased \$1.8 million or 3.1% from \$57.7 million to \$59.5 million

Overview of the Financial Statements

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

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

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

The District is governed by a Board of Directors, which sets policy, adopts budgets and appoints a General Manager to direct operations. There are five Directors elected at-large to overlapping four-year terms.

Changes in Net Position

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

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2018 and 2017

TABLE 1

Condensed Statements of Net Position
(In millions of dollars)

Period ended June 30	2018	2017	Change in 2018		2016	Change in 2017	
			\$ Change	% Change		\$ Change	% Change
Current and restricted assets	\$199.3	\$179.3	\$ 20.0	11.2%	\$168.4	\$ 10.9	6.5%
Capital assets	329.8	322.1	7.7	2.4%	325.0	(2.9)	-0.9%
Other assets	0.2	12.7	(12.5)	-98.1%	12.7	(0.0)	-0.1%
Total assets	529.4	514.2	15.2	3.0%	506.2	8.0	1.6%
Deferred outflow of resources	16.2	15.0	1.2	8.1%	10.5	4.5	42.8%
Current and restricted liabilities	19.3	12.7	6.6	52.2%	12.9	(0.2)	-1.7%
Long-term liabilities	82.4	86.1	(3.6)	-4.2%	88.5	(2.5)	-2.8%
Total liabilities	101.7	98.8	3.0	3.0%	101.5	(2.7)	-2.7%
Deferred inflow of resources	9.9	5.2	4.7	88.6%	3.9	1.4	36.1%
Net Position							
Net investment in capital assets	264.0	253.8	10.2	4.0%	255.0	(1.1)	-0.4%
Restricted for expansion	79.5	75.6	3.8	5.0%	68.4	7.2	10.5%
Restricted for assessment district	1.1	0.8	0.3	45.8%	1.7	(0.9)	-54.5%
Unrestricted	89.4	94.9	(5.6)	-5.9%	86.3	8.6	9.9%
Total net position	\$433.9	\$425.1	\$ 8.8	2.1%	\$411.4	\$ 13.8	3.3%

During the fiscal year ended June 30, 2018 (FYE 2018), total assets increased 3.0% or \$15.2 million from June 30, 2017 (FYE 2017) compared to an increase of 1.6% or \$8.0 million over June 30, 2016 (FYE 2016). The increases over the past two years have been primarily in cash and investments as a result of rebounding water sales from the statewide drought and higher capacity reserve fees from continued strong development activity. For a more detailed look at the cash flows, see Statements of Cash Flows on page 13.

Total liabilities increased \$3.0 million or 3.0% during the FYE 2018 compared to a decreased of \$2.7 million or -2.7% during the FYE2017. The FYE2018 increase was due to higher account payables for wastewater capital improvement projects and Zone 7 Water Agency remittances connection fees. The FYE2017 decrease was due to the reduction in long-term debt (see Financial Statement Note #7 – Long-term Debt) and decreases to Unearned Revenues as developers used credits to offset capacity reserve fees (see Financial Statement Note #8 – Unearned Revenue and Other Liabilities).

Changes to the deferred inflows/outflows of resources are related to the District's pension and other post-employment benefits (OPEB) plans with the California Public Employees' Retirement System (CalPERS), for additional information see Financial Statement Note #10 – Pension Plan and Note #11 – Post Employment Health Care Benefits.

Overall, the District's total net position increased \$8.8 million or 2.1% during FYE 2018 and \$13.8 million or 3.3% during FYE2017.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2018 and 2017

TABLE 2

Condensed Statements of Revenues and Expenses and Changes in Fund Net Position
(In millions of dollars)

Period ended June 30	2018	2017	Change in 2018		2016	Change in 2017	
			\$ Change	% Change		\$ Change	% Change
Service charge revenues	\$ 54.1	\$ 49.2	\$ 4.9	9.9%	\$ 45.4	\$ 3.9	8.5%
Other revenues	8.8	10.4	(1.6)	-15.3%	9.1	1.3	13.9%
Investment income	0.7	0.4	0.3	96.3%	1.6	(1.3)	-78.4%
Capacity reserve fees	29.9	20.3	9.6	47.3%	34.5	(14.1)	-41.0%
Contributions	1.0	4.5	(3.5)	-78.1%	1.5	3.0	207.1%
Total revenues	94.5	84.8	9.8	11.5%	92.0	(7.3)	-7.9%
Operating expenses (excluding depreciation)	59.5	57.7	1.8	3.2%	44.1	13.5	30.6%
Depreciation	11.3	11.4	(0.1)	-1.0%	11.6	(0.2)	-1.8%
Non-operating expenses	1.7	2.0	(0.2)	-12.4%	1.9	0.0	1.3%
Total expenses	72.5	71.0	1.5	2.1%	57.7	13.3	23.1%
Changes in net position	22.0	13.8	8.3	60.3%	34.4	(20.6)	-60.0%
Beginning net position	425.1	411.4	13.8	3.3%	377.0	34.4	9.1%
Prior period adjustment	(13.2)	-	(13.2)		-	-	
Beginning net position, as restated	411.9	411.4	0.5	0.1%	377.0	34.4	9.1%
Ending net position	\$433.9	\$425.1	\$ 8.8	2.1%	\$411.4	\$ 13.8	3.3%

In FYE 2018, the District had an increase in total revenues of 11.5% or \$9.8 million compared to FYE 2017, while FYE2017 total revenues were -7.9% or -\$7.3 million lower than FYE2016. The fluctuation in revenues over the past two years is partially due to capacity reserve fees and the cyclical nature of development and partially due to a change in policy of when capacity reserve fees are due. Prior to November 2016 developers could pay capacity reserve fees when building permits were issued, thus avoiding any fee increases in future years as a development was built out; now developers pay the capacity reserve fee when they actually connect to the system. Service charge revenues increased 9.9% or \$4.9 million over FYE2017 primarily due to continued rebounding of water sales as a result of the state lifting water use restrictions implemented during the drought.

Total expenses increased by \$1.5 million or 2.1% during FYE 2018 compared to a \$13.3 million or 23.1% increase during FYE2017. The increase in FYE2018 was primarily due to higher water purchases from the Zone 7 Water Agency to meet rebounding water demand. In FYE2017, the District paid \$5.0 million to CalPERS towards the unfunded pension liability net of adjustments required by GASB 68 reporting (see Financial Statement Note #10 – Pension Plan), \$3.3 million for payment to the DERWA Joint Powers Authority for the its' share of expansion costs to the recycled water treatment plant, and \$2.5 million for payment to Zone 7 for reimbursement of state water project costs related to Dougherty Valley Assessment District.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2018 and 2017

Capital Assets and Debt

During FYE 2018, the District purchased, had contributed, or transferred from construction in progress the following assets:

Contributed sub-surface lines	\$982,000
Wastewater treatment plant improvements	308,886
Vehicles and equipment	94,291
Network Equipment	11,305
Wastewater line improvements	384,798
	<u>\$1,781,280</u>

In FYE 2018, the District had 12,526 linear feet of potable water line and 10,801 linear feet of sewer line contributed by developers valued at \$982,000. Wastewater treatment plant improvements of \$308,886 included replacement of equipment such as aerators, pumps, and mixers that had reached the end of their useful life. The District also completed an 8" sewer collection pipe project and replaced three vehicles that were over ten years old. For additional information on capital assets see Financial Statement Note 4 – Capital Assets.

In FYE 2018 the District had the following additions to construction in progress:

Wastewater Treatment Plant - Anaerobic Digester #4	\$6,990,591
Dublin Trunk Sewer Rehabilitation	5,352,907
Wastewater system expansion and improvements	2,478,427
Water system expansion and improvements	1,472,624
Facilities Relocation - Dublin Boulevard Widening	1,275,689
	<u>\$17,570,238</u>

The additions to construction in progress (CIP) reflect the cost of major projects such as the anaerobic digester and Dublin Trunk Sewer Rehabilitation. Water system expansion and improvement projects include improvements to the Supervisory Control and Data Acquisition (SCADA), which monitors instrumentation, pumps and valves at the Districts water and recycled water facilities, and wastewater system expansion and improvements includes the Primary Sedimentation Project.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2018 and 2017

During FYE 2018, the District issued \$33,590,000 of 2017 Water Revenue Refunding Bonds with proceeds used to advance refund the outstanding portion of the 2011 Water Revenue Refunding Bonds. Below is a recap of the District's current outstanding debt payable. For additional information on the District's debt obligations, see Financial Statement Note 7 – Long-term debt.

<u>Debt Payable</u>	<u>Balance at 6/30/2017</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance at 6/30/2018</u>
2011 LAVWMA Obligation	\$33,779,317		\$1,575,293	\$32,204,024
2011 Water Revenue Refunding Bonds	34,520,000		34,520,000	
2017 Water Revenue Refunding Bonds		33,590,000		33,590,000
	<u>\$68,299,317</u>	<u>\$33,590,000</u>	<u>\$36,095,293</u>	<u>\$65,794,024</u>

Rates and Other Economic Factors

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

Contacting the District

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

DUBLIN SAN RAMON SERVICES DISTRICT
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2018
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2017

	2018			2017
	Wastewater	Water	Totals	
ASSETS				
Current assets:				
Pooled cash	\$9,213,202	\$6,293,490	\$15,506,692	\$6,180,716
Pooled investments	100,150,400	68,509,101	168,659,501	159,135,228
Restricted cash - debt service		14,061	14,061	
Restricted investments	310,631	673,613	984,244	162,501
Accounts receivable	5,610,605	7,867,185	13,477,790	13,202,296
Interest receivable	478,365	129,797	608,162	535,976
Employee notes receivable	2,640		2,640	5,291
Deferred capacity reserve fees receivable	67,154		67,154	76,285
Prepaid expenses	2,453	1,482	3,935	9,575
Total current assets	115,835,450	83,488,729	199,324,179	179,307,868
Non-current assets:				
Capital assets:				
Property, plant and equipment	252,087,032	194,489,556	446,576,588	444,856,380
Less accumulated depreciation	102,643,712	59,855,735	162,499,447	151,267,437
Net property, plant and equipment	149,443,320	134,633,821	284,077,141	293,588,943
Land and construction in progress	24,529,523	21,207,075	45,736,598	28,551,157
Total capital assets	173,972,843	155,840,896	329,813,739	322,140,100
Other assets:				
Net OPEB asset				12,401,603
Deferred capacity reserve fees receivable - long term	240,167		240,167	307,668
Total other assets	240,167		240,167	12,709,271
Total non-current assets	174,213,010	155,840,896	330,053,906	334,849,371
Total assets	290,048,460	239,329,625	529,378,085	514,157,239
Deferred outflows of resources				
Deferred outflows pension related amounts	6,292,420	3,949,936	10,242,356	8,587,063
Deferred employer pension contributions	951,901	552,891	1,504,792	6,401,295
Deferred outflows OPEB related amounts	2,025,811	1,223,285	3,249,096	
Deferred employer OPEB contributions	756,138	456,594	1,212,732	
Total deferred outflows of resources	10,026,270	6,182,706	16,208,976	14,988,358

DUBLIN SAN RAMON SERVICES DISTRICT
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2018
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2017

	2018			2017
	Wastewater	Water	Totals	
LIABILITIES				
Current liabilities:				
Accounts payable	\$4,516,380	\$8,818,499	\$13,334,879	\$6,543,151
Contractor bonds and deposits	649,200	585,703	1,234,903	1,059,846
Accrued expenses	330,461		330,461	696,094
Accrued compensated absences	833,760	481,747	1,315,507	1,263,170
Interest payable		614,588	614,588	798,195
Current portion of long-term debt	1,655,028	410,000	2,065,028	1,880,292
Unearned revenue and other liabilities	432,606		432,606	458,978
Total current liabilities	8,417,435	10,910,537	19,327,972	12,699,726
Long term liabilities:				
Long-term debt				
less current portion	30,548,996	33,180,000	63,728,996	66,419,025
Net pension liability	6,794,767	3,589,975	10,384,742	12,957,822
Net OPEB liability	1,078,992	651,549	1,730,541	
DLD remediation reserve	1,678,756		1,678,756	1,637,877
Unearned revenue	240,167	4,645,129	4,885,296	5,036,429
Total long term liabilities	40,341,678	42,066,653	82,408,331	86,051,153
Total liabilities	48,759,113	52,977,190	101,736,303	98,750,879
Deferred inflows of resources				
Deferred inflows of resources - Pension	4,113,166	2,425,034	6,538,200	5,249,385
Deferred inflows of resources - OPEB	2,097,256	1,266,426	3,363,682	
Total deferred inflows of resources	6,210,422	3,691,460	9,901,882	5,249,385
NET POSITION				
Net investment in capital assets	141,768,819	122,250,896	264,019,715	253,840,783
Restricted for:				
Expansion	60,736,835	18,723,620	79,460,455	75,641,904
Debt service		14,061	14,061	
Assessment district		1,097,340	1,097,340	752,674
Unrestricted	42,599,541	46,757,764	89,357,305	94,909,972
Total net position	\$245,105,195	\$188,843,681	\$433,948,876	\$425,145,333

See accompanying notes to basic financial statements

DUBLIN SAN RAMON SERVICES DISTRICT
COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Wastewater	Water	Total	
OPERATING REVENUES				
Wastewater service charges	\$23,478,551		\$23,478,551	\$21,408,029
Water sales		\$30,651,524	30,651,524	27,831,941
Other revenues	2,720,033	5,411,132	8,131,165	10,368,926
Total operating revenues	26,198,584	36,062,656	62,261,240	59,608,896
OPERATING EXPENSES				
Personnel	12,963,440	7,790,916	20,754,356	20,186,984
Materials	2,738,353	15,675,648	18,414,001	16,271,615
Contractual services	8,877,238	11,032,965	19,910,203	20,729,632
Other	208,716	198,446	407,162	477,539
Depreciation	6,978,807	4,314,272	11,293,079	11,404,287
Total operating expenses	31,766,554	39,012,247	70,778,801	69,070,057
OPERATING INCOME (LOSS)	(5,567,970)	(2,949,591)	(8,517,561)	(9,461,161)
NONOPERATING REVENUES (EXPENSE)				
Investment income	418,557	277,116	695,673	354,329
Gain (loss) on sale of assets	16,165	10,705	26,870	(36,732)
Gain (loss) on debt refinance		625,000	625,000	
Interest expense		(1,711,942)	(1,711,942)	(1,917,985)
Total non-operating revenues (expense), net	434,722	(799,121)	(364,399)	(1,600,388)
(LOSS) BEFORE CONTRIBUTIONS	(5,133,248)	(3,748,712)	(8,881,960)	(11,061,549)
Non-cash contributions	442,000	540,000	982,000	4,485,119
Capital contributions - capacity reserve fees	17,171,983	12,772,225	29,944,208	20,330,328
Changes in net position	12,480,735	9,563,513	22,044,248	13,753,898
TOTAL NET POSITION, BEGINNING OF YEAR	241,632,264	183,513,069	425,145,333	411,391,435
Prior period adjustment	(9,007,804)	(4,232,901)	(13,240,705)	
TOTAL NET POSITION, BEGINNING OF YEAR AS RESTATED	232,624,460	179,280,168	411,904,628	411,391,435
TOTAL NET POSITION, END OF YEAR	\$245,105,195	\$188,843,681	\$433,948,876	\$425,145,333

See accompanying notes to basic financial statements

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Wastewater	Water	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers, users and joint powers authorities	\$24,658,989	\$37,332,397	\$61,991,386	\$58,060,965
Payments for services and supplies	(8,291,297)	(23,798,038)	(32,089,335)	(37,727,712)
Payments to or on behalf of employees	(2,965,222)	(2,743,203)	(5,708,425)	(23,065,327)
Net Cash Provided (Used) by Operating Activities	13,402,470	10,791,156	24,193,626	(2,732,074)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Net proceeds from issuance of debt		33,398,475	33,398,475	
Payment to bond escrow agent		(34,520,000)	(34,520,000)	
Principal paid on long-term debt	(1,575,293)	(930,000)	(2,505,293)	(1,787,499)
Interest paid on long-term debt		(1,895,549)	(1,895,549)	(1,922,819)
Acquisition and construction of capital assets	(16,729,995)	(2,236,723)	(18,966,718)	(4,011,578)
Capacity reserve fees collected	17,001,478	12,688,593	29,690,071	19,544,453
Net Cash Provided (Used) by Financing Activities	(1,303,810)	6,504,796	5,200,986	11,822,557
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,132,798	774,591	1,907,389	1,557,435
Purchase of investment securities	(34,149,250)	(23,350,750)	(57,500,000)	(92,000,000)
Redemptions of investment securities	27,764,825	18,985,175	46,750,000	84,755,000
(Purchase) of other investments	(1,168,110)	(9,357,464)	(10,525,574)	
(Purchase) of LAIF investments	(415,998)	(284,453)	(700,451)	(343,150)
Net Cash Provided (Used) by Investing Activities	(6,835,735)	(13,232,901)	(20,068,636)	(6,030,715)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,262,925	4,063,051	9,325,976	3,059,768
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,950,277	2,230,439	6,180,716	3,120,948
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$9,213,202</u>	<u>\$6,293,490</u>	<u>\$15,506,692</u>	<u>\$6,180,716</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	(\$5,567,970)	(\$2,949,591)	(\$8,517,561)	(\$9,461,161)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	6,978,807	4,314,272	11,293,079	11,404,287
(Increase) decrease in accounts receivable	(1,543,115)	1,267,621	(275,494)	(1,544,166)
Decrease in employees notes receivable	2,651		2,651	(2,770)
Decrease in prepaid expenses	3,520	2,120	5,640	(3,765)
Decrease in net OPEB asset	8,484,359	3,917,244	12,401,603	(92,364)
Decrease in deferred outflows of resources - employer contributions - pension	2,918,433	1,978,070	4,896,503	718,956
(Increase) decrease in deferred outflows of resources - employer contributions - OPEB	(756,138)	(456,594)	(1,212,732)	
(Increase) in deferred outflows of resources - other pension amounts	(1,032,075)	(623,218)	(1,655,293)	(5,208,414)
(Increase) in deferred outflows of resources - other OPEB amounts	(2,025,811)	(1,223,285)	(3,249,096)	
Increase (decrease) in accounts payable	3,752,777	3,038,951	6,791,728	(192,890)
(Decrease) increase in contractor bonds and deposits payable	104,987	70,070	175,057	(13,821)
(Decrease) increase in accrued expenses	(365,633)		(365,633)	(66,492)
Increase in compensated absences	31,291	21,046	52,337	54,456
Increase in DLD remediation reserve	40,879		40,879	24,277
(Decrease) in net pension liability	(1,604,316)	(968,764)	(2,573,080)	259,072
Increase in net OPEB liability	1,078,992	651,549	1,730,541	
Increase (decrease) in deferred inflows of resources - pension related amounts	803,576	485,239	1,288,815	1,392,721
Increase in deferred inflows of resources - OPEB related amounts	2,097,256	1,266,426	3,363,682	
Total adjustments	18,970,440	13,740,747	32,711,187	6,729,087
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$13,402,470</u>	<u>\$10,791,156</u>	<u>\$24,193,626</u>	<u>(\$2,732,074)</u>
NON CASH TRANSACTIONS:				
Fair market value adjustment increase	\$1,132,798	\$774,591	\$1,907,389	\$1,636,221
Contributed assets	442,000	540,000	982,000	4,485,119

See accompanying notes to basic financial statements

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DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

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

B. Basis of Accounting

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

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

The District reports the following major Proprietary Funds:

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

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

C. Measurement Focus

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Reporting Entity

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria prescribed by Generally Accepted Accounting Principles (GAAP). As required by GAAP, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Financial accountability is interpreted to mean appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that there is a financial benefit or burden on the primary government.

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

E. Capital Assets

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

The District defines capital assets as assets with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of one year.

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

Land Improvements	15-25 years
Buildings	10-50 years
Equipment	5-25 years
Sub-surface lines	25-50 years
Intangibles - Reclaimed Water Rights	41 years
Intangibles – Sewer Capacity Rights	20 years

F. Cash Flows Defined

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accounts Receivable

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

H. Accrued Compensated Absences

The liability for vested vacation pay is calculated and accrued on an annual basis. The amount is computed using current employee accumulated leave hours (excluding sick leave which does not vest) at current pay rates. Full-time employees accrue sick leave at the rate of eight (8) hours per month credited in hour increments per pay period.

I. Estimates

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

J. Deferred Outflows/Inflows of Resources

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

K. Prior Year Summarized Information

The financial statements for the prior year are included for comparative purposes only.

L. Pension

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Prior Period Adjustment

In fiscal year 2018, the District implemented GASB Statement No. 75 which required the District to make prior year adjustments. As a result, the beginning net positions of the Wastewater Fund and Water Fund were restated and reduced by \$9,007,804 and \$4,232,901, respectively. See Note 11 for additional information.

NOTE 2 - CASH AND INVESTMENTS

A. Policies

California Law generally requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution. As of June 30, 2018, the District's cash in bank was insured or collateralized as discussed above.

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

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

B. Classification

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

Cash and cash equivalents	\$15,506,692
Restricted cash	14,061
Investments	168,659,501
Restricted investments	984,244
Total cash and investments	<u>\$185,164,498</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

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

The table below identifies those investments authorized by the Board of Directors in the District's investment policy, which was last adopted July 17, 2018. Maturities on investments are limited to five years except that up to 10% of the portfolio is deemed the "long-term" portfolio and may be invested up to seven years.

Limit	Minimum Rating	Minimum Credit Quality	Authorized Investment Type
None	None	5 years	Bonds issued by the District
None	None	5 years	U.S. Treasury Notes, Bills, or Certificates of Indebtness
None	None	5 years	Registered state warrants or treasury notes or bonds of this state
None	None	5 years	Registered treasury notes or bonds of the other 49 United States
None	None	5 years	Bonds , notes, warrants or evidences of indebttness of a local agency within the state
30%	None	5 years	Negotiable Certificates of Deposit by nationally or state chartered bank or a savings association or federal association or a state or general credit union or by a state licenses branch of a foreign bank
30%	A	5 years	Medium-term notes, defined as all corporate and depository institution debt securities
None	None	5 years	Deposits with bank and savings and loan associations, including certificates of deposits, where deposits are insured by FDIC
Maximum Allowed by LAIF	None	N/A	The State of California Local Agency Investment Fund
None	None	N/A	Shares in California Asset Management Program (CAMP)

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 2 - CASH AND INVESTMENTS (Continued)

D. Interest Rate Risk

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

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

Investment Type	12 Months or less	13 - 24 Months	25 - 60 Months	Total
Securities of U.S. Government Agencies				
Callable	\$14,849,985	\$9,773,705	\$65,700,589	\$90,324,279
Corporate Bonds	2,983,657	7,669,100	5,864,171	16,516,928
State of California Securities		7,013,779	2,928,090	9,941,869
<i>Not rated</i>				
California Asset Management Program	7,137,904			7,137,904
California Local Agency Investment Fund	38,047,693			38,047,693
Negotiable Certificates of Deposit	2,236,789	2,493,647	1,960,392	6,690,828
<i>Total Unrestricted Investments</i>	<u>\$65,256,028</u>	<u>\$26,950,231</u>	<u>\$76,453,242</u>	<u>\$168,659,501</u>

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2018, these investments matured in an average of 193 days.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 2 - CASH AND INVESTMENTS (Continued)

The District is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2018, the fair value approximated is the District's cost. At June 30, 2018, these investments have an average maturity of 46 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2018 for each investment type as provided by Standard and Poor's.

Investment Type	AAA	AA+	AA	AA-	A+	Total
Corporate Bond	\$3,918,680	\$6,659,733	\$2,954,858	\$2,983,657		\$16,516,928
Callable	4,857,770	85,466,509				90,324,279
State of California Securities			5,046,659	2,928,090	\$1,967,120	9,941,869
<i>Not rated</i>						
California Local Agency Investment Fund	38,047,693					38,047,693
California Asset Management Program	7,137,904					7,137,904
Negotiable Certificates of Deposit	6,690,828					6,690,828
Total Unrestricted Investments	\$60,652,875	\$92,126,242	\$8,001,517	\$5,911,747	\$1,967,120	\$168,659,501

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 2 - CASH AND INVESTMENTS (Continued)

F. Concentration Risk

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

Reporting Unit	Issuer	Investment Type	Reported Amount
District-Wide			
	Federal Home Loan Mortgage Corporation	Federal Agency Securities	\$30,248,151
	Federal Home Loan Bank	Federal Agency Securities	22,588,340
	Federal National Mortgage Association	Federal Agency Securities	14,583,070
	Federal Farm Credit Bank	Federal Agency Securities	22,993,872

G. Investment Valuation

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2018 are described below.

	Level 2	Total
Investments by Fair Value		
Corporate Bonds	\$16,516,928	
U.S. Agency Securities	90,324,279	
State of California Securities	9,941,869	
Negotiable Certificates of Deposit	6,690,828	
	<u>\$123,473,904</u>	\$123,473,904
Investments Measured at Net Asset Value Per Share:		
California Asset Management Program		7,137,904
External Investment Pool (Exempt):		
California Local Agency Investment Fund		38,047,693
Cash in Banks and On Hand		<u>16,504,997</u>
Total Cash and Investments		<u>\$185,164,498</u>

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 3 - RESTRICTED ASSETS AND RESTRICTED NET POSITION

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

<u>Capital Expansion</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Local Sewer Expansion	\$7,626,298	\$7,277,035
Regional Sewer Expansion	53,110,537	51,284,172
Water Expansion	18,723,620	17,080,697
	<u>79,460,455</u>	<u>75,641,904</u>
 <u>Debt Service</u>	 <u>14,061</u>	 <u></u>
 <u>Assessment District</u>		
Dougherty Valley Assessment District	<u>1,097,340</u>	<u>752,674</u>
	<u>1,097,340</u>	<u>752,674</u>
 Total Restriction on Net Position	 <u><u>\$80,571,856</u></u>	 <u><u>\$76,394,578</u></u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 4 - CAPITAL ASSETS

Changes in capital assets accounts are summarized below:

	Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
Capital assets being depreciated:					
Land Improvements	\$9,562,400				\$9,562,400
Buildings	131,360,773	\$36,671			131,397,444
Equipment	83,680,502	377,808	(\$61,069)		83,997,241
Sub-surface lines	155,276,825	982,000		\$384,798	156,643,623
Intangibles	64,975,880				64,975,880
Total capital assets being depreciated:	444,856,380	1,396,479	(61,069)	384,798	446,576,588
Less accumulated depreciation for:					
Land Improvements	(5,486,624)	(307,322)			(5,793,946)
Buildings	(42,330,299)	(2,832,461)			(45,162,760)
Equipment	(40,892,974)	(2,341,447)	61,069		(43,173,352)
Sub-surface lines	(47,484,385)	(3,177,709)			(50,662,094)
Intangibles	(15,073,155)	(2,634,140)			(17,707,295)
Total accumulated depreciation	(151,267,437)	(11,293,079)	61,069		(162,499,447)
Net capital assets being depreciated	293,588,943	(9,896,600)		384,798	284,077,141
Capital assets not being depreciated:					
Land	7,712,945				7,712,945
Construction in progress	20,838,212	17,570,239		(384,798)	38,023,653
Total capital assets not being depreciated	28,551,157	17,570,239		(384,798)	45,736,598
Total capital assets, net	\$322,140,100	\$7,673,639			\$329,813,739

The District has included as intangible assets in the above table \$24,000,786 for DERWA capacity rights (see Note 6B) and \$40,975,094 for LAVWMA transmission rights (see Note 6A).

The District had outstanding construction commitments on capital projects totaling \$6,041,042 at June 30, 2018.

Depreciation expense for the District for June 30, 2018 and June 30, 2017 are as follows:

	June 30, 2018	June 30, 2017
Water Fund	\$4,314,272	\$4,406,616
Wastewater Fund	6,978,807	6,997,671
Total Depreciation expense	\$11,293,079	\$11,404,287

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 5 - DEFERRED CAPACITY RESERVE FEES RECEIVABLE

In fiscal year ended June 30, 1997, the District implemented a deferred payment program for regional sewer capacity reserve fees as a means to attract new business to the area. The program was modified in subsequent years and is now designed for commercial and affordable housing with regional sewer capacity reserve fees owed between \$25,000 and \$100,000. Loans bear an interest rate of 5%. Customers make a 20% down payment of regional sewer capacity reserve fees owed and enter into an agreement with the District to pay the balance over a maximum of ten years. The capacity reserve fee revenue is recognized as it is received. The portions outstanding are recorded as deferred capacity reserve fees receivable, which amounted to \$307,321 at June 30, 2018, of which \$67,154 is the current portion.

NOTE 6 - JOINT POWERS AUTHORITIES

A. LAVWMA

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

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

LAVWMA issued \$105,345,000 principal amount of 2011 Sewer Revenue Refunding Bonds on September 28, 2011. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Under the Amended And Restated Sewer Service Contract dated October 1, 2011, between LAVWMA and Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2011 Bonds, a lien on the Net Revenues of their respective wastewater systems (the "Sewer Systems"), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2011 Bonds. (See Note 7.)

Effective October 17, 2016, the LAVWMA Board entered into an agreement to retain the District's Administrative Services Manager as LAVWMA's Treasurer.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 6 - JOINT POWERS AUTHORITIES (Continued)

Financial information for LAVWMA summarized below is as of and for the year ended June 30, 2018:

Total liabilities	\$97,832,644
Total net position	37,008,737
Total operating revenue	11,613,795
Total operating expenses	(6,268,924)
Total non-operating revenue	235,625
Total non-operating expenses	<u>(3,587,823)</u>
Net gain	<u><u>\$1,992,673</u></u>

B. DERWA

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

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

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

DERWA has outstanding state loans totaling \$12,317,919. The District's share of the total debt is 49.23% or \$6,064,111.

Financial information for DERWA summarized below is as of and for the year ended June 30, 2018:

Total assets	\$77,417,994
Total liabilities	12,642,854
Total net position	64,775,145
Total operating revenue	14,581,107
Total operating expenses	(4,733,651)
Total non-operating expenses	<u>(307,948)</u>
Net gain	<u><u>9,539,508</u></u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 7 - LONG-TERM DEBT

	Original Issue Amount	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Amount due within one year
2011 LAVWMA Obligation						
2% - 5%, due 8/1/2031	\$40,975,094	\$33,779,317		\$1,575,293	\$32,204,024	\$1,655,028
2011 Water Revenue Refunding Bonds						
4%-6%, due 8/1/2041	35,620,000	34,520,000		34,520,000		
2017 Water Revenue Refunding Bonds						
2%-5%, due 8/1/2041	33,590,000		\$33,590,000		33,590,000	410,000
Total long-term debt		<u>\$68,299,317</u>	<u>\$33,590,000</u>	<u>\$36,095,293</u>	<u>\$65,794,024</u>	<u>\$2,065,028</u>

A. 2011 LAVWMA Obligations

The District's contribution toward debt service due on debt issued by LAVWMA (see Note 6) is payable from draws from a Rate Stabilization Fund (Regional Expansion Fund). At the end of each fiscal year, if the balance in the District's Regional Expansion Fund is in excess of two times maximum annual debt service on the District's contribution toward LAVWMA's debt, then the total amount paid from that fund towards debt service is considered a draw from reserves. Debt service not covered from the draw is included in Rate Covenant Debt Service subject to a coverage requirement of 1.1 times debt services. This coverage calculation is shown on the next page.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 7 - LONG-TERM DEBT (Continued)

Rate Stabilization Fund/Regional Expansion Fund

Maximum Annual Debt Payments payable from the Rate Stabilization Fund:

2011 LAVWMA Bonds	\$4,332,552
	<u>\$4,332,552</u>

Target Level of Rate Stabilization Fund (2X)	<u>\$8,665,104</u>
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Working Capital at June 30, 2018	<u>\$51,765,660</u>
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Actual Debt Paid from the Rate Stabilization Fund:

LAVWMA 2011 Bonds	\$4,313,856
	<u>\$4,313,856</u>

If the Working Capital balance exceeds the Target Level, all debt paid from the Rate Stabilization Fund is considered a draw and is excluded from the coverage requirement shown below.

Coverage Calculation (Total Sewer):

Wastewater Operating Revenues	\$26,198,584
Wastewater Non-Operating Revenues (excluding gain on sale of assets)	418,557
Capacity Reserve Fees	17,171,983
Less Regional Expansion Capacity Reserve Fees	<u>(13,279,254)</u>
Total Available Revenues	<u>30,509,870</u>

Wastewater Operating Expenses	31,766,554
Less Regional Expansion Costs for:	
Debt Payments to LAVWMA	(4,313,856)
Other Operating Costs	(3,466,409)
Less Depreciation	<u>(6,978,807)</u>
Operations & Maintenance Costs	<u>17,007,482</u>
Net Available Revenue	<u>\$13,502,388</u>

Rate Covenant Debt Service:

LAVWMA 2011 Bonds (repair portion)	\$1,464,483
	<u>\$1,464,483</u>

Coverage on Rate Covenant Debt Service	<u>9.2</u>
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DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 7 - LONG-TERM DEBT (Continued)

B. 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 (Note 6), to refund and retire the Water-Reuse Finance Authority Obligation, and to pay costs of issuance. Interest rates range from 4% to 6%. Principal payments are due annually beginning August 1, 2013 through August 1, 2041. On December 1, 2017, proceeds from the 2017 Water Revenue Refunding Bonds (described below) were used to refund \$34,520,000 of the 2011 Water Revenue Refunding Bonds. The refunding resulted in an economic gain of \$2,745,178. The refunding resulted in a net present value savings in debt service to the District of \$815,570.

C. 2017 Water Revenue Refunding Bonds

The District issued \$33,590,000 of 2017 Water Revenue Refunding Bonds on December 1, 2017. Proceeds of the issuance were used to refund the outstanding portion of the 2011 Water Revenue Refunding Bonds and pay costs of issuance. Interest rates range from 2% to 4%. Principal payments are due annually beginning August 1, 2018 through August 1, 2041.

The issuance is payable from a pledge of fees, charges and other amounts received from the available Net Revenue of the water enterprise. The pledge of future Water Fund Revenues ends upon repayment of the \$55,785,937 in remaining debt service on the bonds that is scheduled to occur in 2041. The refunding will save the District an estimated \$9.84 million.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 7 - LONG-TERM DEBT (Continued)

D. Segment Reporting

The Regional Wastewater Expansion Fund and Water Fund represent segments reported within the Wastewater Enterprise Fund and Water Enterprise Fund, respectively, which had debt outstanding, with the revenue pledge streams discussed above. In addition, the Regional Wastewater Expansion Fund's and Water Enterprise Fund's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. Condensed financial information for each segment is presented below:

	Wastewater Expansion	Water
Condensed Statement of Net Position		
Assets:		
Current	\$55,447,699	\$82,185,597
Capital	33,322,773	155,840,896
Other non current	205,679	
Total assets	88,976,151	238,026,493
Deferred outflows of resources	58,203	4,502,827
Liabilities:		
Current liabilities	3,682,039	10,713,228
Long term liabilities	25,208,512	41,415,104
Total liabilities	28,890,551	52,128,332
Deferred inflows of resources	28,319	2,425,034
Net position:		
Net investment in capital assets	7,004,947	122,250,896
Restricted	53,110,537	18,737,681
Unrestricted		46,987,377
Total net position	\$60,115,484	\$187,975,954
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Operating revenue	\$43,063	\$33,811,705
Operating expenses	(5,140,651)	(37,180,939)
Operating loss (gain)	(5,097,588)	(3,369,234)
Nonoperating revenues (expenses):		
Interest income	219,490	273,819
Gain on sale of assets		10,705
Gain on debt refinance		625,000
Interest expense		(1,711,942)
Non-cash contributions		540,000
Capital contributions - capacity reserve fees	13,279,254	12,772,225
Transfers in	88,919	4,907,250
Transfers out		(4,907,250)
Change in net position	8,490,075	9,140,573
Beginning net position	51,625,409	178,835,381
Ending net position	\$60,115,484	\$187,975,954
Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	(\$1,895,963)	\$1,025,030
Noncapital financing activities	(6,948,765)	871,327
Capital financing activities	13,666,133	12,674,757
Investing activities	(2,010,136)	(10,502,596)
Net cash flows	2,811,269	4,068,518
Beginning cash and cash equivalents	1,789,399	2,095,781
Ending cash and cash equivalents	\$4,600,668	\$6,164,299

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 7 - LONG-TERM DEBT (Continued)

D. LAVWMA Pledge Obligation

As discussed in Note 6, the District is a member of LAVWMA and LAVWMA issued \$105,345,000 of 2011 Sewer Revenue Refunding Bonds (2011 LAVWMA Bonds) on September 28, 2011. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Principal payments are due annually beginning August 1, 2012 through August 1, 2031.

Debt service on the 2011 LAVWMA Bonds is payable from Agency Net Revenues which are defined as Gross Revenues less Maintenance and Operations costs, excluding in all cases depreciation, replacement and obsolescence charges or reserves thereon, debt service, amortization of intangibles or other book-keeping entries of a similar nature, and costs paid out of the Sole-Use, Dual-Use and Joint-Use Replacement Funds.

Member liens for repayment of 2011 Bonds: Under an amended and restated Amended And Restated Sewer Service Contract dated October 1, 2011, between the Agency and Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2011 LAVWMA Bonds, a lien on the Net Revenues of their respective wastewater systems (the "Wastewater Systems"), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2011 LAVWMA Bonds. There are three important limitations with respect to this pledge of Net Revenues. First, this lien is subordinate to the Members' existing obligations payable from their Net Revenues, as well as obligations payable from their Net Revenues to be issued in the future by the Members to finance or refinance improvements to their respective Wastewater System. Second, for DSRSD and Pleasanton, "Net Revenues" are not defined in the Wastewater Service Contract to include all of the fees, rates and charges collected by DSRSD and Pleasanton in connection with their Wastewater System; DSRSD and Pleasanton have only pledged regional service charges as security for their obligation to make the payments. Third, Pleasanton, in its capacity as the largest customer of DSRSD's Wastewater System, is only obligated to levy regional charges and fees established by DSRSD and to transfer the amount collected to DSRSD.

As a result of the District's pledge of its regional service charges, the District is considered to be obligated in some manner for its portion of the 2011 LAVWMA Bonds and accordingly has recorded its share of those bonds as the LAVWMA Pledge Obligation. Concurrently, the District has also recorded its transmission rights provided to it under the terms of the Amended and Restated Sewer Service Contract (See Note 4).

Pursuant to the official statement, each member agency is required to set rates to achieve coverage of 1.1 times debt service.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 7 - LONG-TERM DEBT (Continued)

E. Repayment Schedule

Shown below are maturities for the District's debt issues:

For The Year Ending June 30	Principal	Interest	Total
2019	\$2,065,028	\$2,929,069	\$4,994,097
2020	2,160,600	2,833,779	4,994,379
2021	2,265,060	2,729,512	4,994,572
2022	2,376,467	2,615,649	4,992,116
2023	2,495,652	2,493,846	4,989,498
2024-2028	15,557,706	10,555,441	26,113,147
2029-2033	19,288,511	6,064,000	25,352,511
2034-2038	10,015,000	2,795,440	12,810,440
2039- 2042	9,570,000	609,052	10,179,052
Total payments due	<u>\$65,794,024</u>	<u>\$33,625,788</u>	<u>\$99,419,812</u>

NOTE 8 - UNEARNED REVENUE AND OTHER LIABILITIES

Unearned revenue and other liabilities for the year ended June 30, 2018 totaled \$5,317,902.

As of June 30, 2018, the Wastewater Fund recorded \$365,452 from developers for future capacity reserve fee credits. When utilized in the future, 100% of the cost of the current capacity reserve fee will be paid for with the credit and the revenue will be recorded at that time.

Wastewater Fund deferred revenue for the Deferred Capacity Reserve Fee Program was also recorded in the amount of \$307,321 (see Note 5). The current portion of this balance at June 30, 2018 is \$67,154.

As of June 30, 2018, the Water Fund recorded \$4,645,129 from developers for future capacity reserve fee credits. When utilized in the future, 50% of the cost of the current capacity reserve fee will be paid for with the credit and the revenue will be recorded at that time.

NOTE 9 - COMPENSATED ABSENCES

As of June 30, 2018, accrued compensated absences are as follows:

	Business Type Activities		Total
	Sewer	Water	
Summary of activity:			
Beginning balance	\$802,469	\$460,701	\$1,263,170
Additions	939,309	558,229	1,497,538
Payments	<u>(908,018)</u>	<u>(537,183)</u>	<u>(1,445,201)</u>
Ending balance - due within one year	<u>\$833,760</u>	<u>\$481,747</u>	<u>\$1,315,507</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 10 - PENSION PLAN

A. Plan Description

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

B. Benefits provided

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

Active plan members in the Miscellaneous Plan (Tier 1 for members hired before January 1, 2013 and Tier 2 for members hired on or after January 1, 2013) are required to contribute 8% and 6.25%, respectively, of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

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

The District has agreed to cost sharing with employees to implement the new retirement formula. The increased cost on an annual basis to implement the program is approximately 7% and is spread over the next 10 years, which is the period over which CalPERS allows an agency to satisfy the increased liability.

The cost sharing was negotiated with all employee bargaining groups and continues the employer-employee partnership of jointly funding retirement benefits.

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 10 - PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	Prior To	On or After
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	11.63%	6.533%

Starting in fiscal year 2016, the required employer contribution rate was separated into an Employer Normal Cost Rate and a fixed dollar payment of the unfunded liability. For fiscal year 2018, the District paid \$273,705 towards the unfunded liability.

C. Contributions

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

For the year ended June 30, 2018, the contributions recognized as deferred outflows for the Plan, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2019 were as follows:

	Miscellaneous
Contributions - employer	\$1,504,792

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$10,384,742
Total Net Pension Liability	\$10,384,742

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 10 - PENSION PLAN (Continued)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability of the CalPERS pooled plans. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on the District's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2016	0.3730%
Proportion - June 30, 2017	0.2634%
Change - Increase (Decrease)	-0.1096%

For the year ended June 30, 2018, the District recognized pension expense of \$3,461,737. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$1,504,792	
Differences between actual and expected experience	33,870	(\$485,245)
Changes of assumptions	4,202,429	(320,439)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	5,055,640	
Net differences between projected and actual earnings on plan investments	950,417	
Change's in employer's proportion		(5,732,516)
Total	<u>\$11,747,148</u>	<u>(\$6,538,200)</u>

\$1,504,792 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 10 - PENSION PLAN (Continued)

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

Measurement Period Ended June 30:	Deferred Outflows (Inflows) of Resources
2019	\$948,394
2020	2,113,404
2021	1,206,636
2022	(564,278)
Total	<u>\$3,704,156</u>

- E. Actuarial Assumptions** – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.375%
Mortality	Derived by CalPERS Membership Data for all funds

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

- F. Discount Rate** - The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF).

The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 10 - PENSION PLAN (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

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

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

	Miscellaneous All Tiers
1% Decrease	6.15%
Net Pension Liability	\$24,237,146
Current Discount Rate	7.15%
Net Pension Liability	\$10,384,742
1% Increase	8.15%
Net Pension Liability	(\$1,088,078)

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 10 - PENSION PLAN (Continued)

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

Payable to the Pension Plan

At June 30, 2018, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

NOTE 11 - POST EMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description and Benefits Provided

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

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

As of June 30, 2018, 76 retirees are receiving medical benefits, and 84 are receiving dental benefits, and there are 116 active participants eligible for future benefits.

B. Net OPEB Liability

Actuarial Methods and Assumptions

The District's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2016 that was rolled forward to determine the June 30, 2017 total OPEB liability based on the following actuarial methods and assumptions: (a) 6.5% investment rate of return, (b) 3.25% projected annual salary increase, (c) 2.75% inflation rate, and (d) 5% health inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The District's OPEB liability is being amortized as a level percentage of projected payrolls using a 30 year closed amortization period.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 11 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

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

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Asset Class	Target Allocation	Long-term expected real rate of return	Long-Term Expected Rate of Return (with the effect of inflation)
Global Equity	24%	3.95%	6.95%
Fixed Income	39%	0.70%	3.70%
TIPS	26%	-0.10%	2.90%
Commodities	3%	1.10%	4.10%
REITs	8%	2.60%	5.60%
Total	100%		

Assumed Long-Term Rate of Inflation	3.00%
Discount Rate	7.00%

The Expected Long-Term Rate of Return is provided by CalPERS' Strategic Asset Allocation Overview in August 2014 – Strategy 1.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 11 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

C. Changes in Net OPEB Liability

The changes in the Net OPEB Liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at 6/30/2016 (Valuation Date)	\$23,058,823	\$21,139,640	\$1,919,183
Changes Recognized for the Measurement Period:			
Service Cost	848,840		848,840
Interest on the total OPEB liability	1,701,163		1,701,163
Difference between expected and actual experience	(3,586,818)		(3,586,818)
Changes of assumptions	4,149,122		4,149,122
Contributions from the employer		1,080,081	(1,080,081)
Net investment income		2,232,198	(2,232,198)
Administrative expenses		(11,330)	11,330
Benefit payments and refunds	(1,080,081)	(1,080,081)	-
Net Changes during fiscal year 2017	2,032,226	2,220,868	(188,642)
Balance at 6/30/2017 (Measurement Date)	\$25,091,049	\$23,360,508	\$1,730,541

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds include implied subsidy benefit payments in the amount of \$292,688.

Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate is always recognized over 5 years. The five-year period is a GASB 75 requirement.

D. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1% (5.5 %)	Current Discount Rate (6.5%)	Discount Rate +1% (7.5%)
\$5,097,295	\$1,730,541	\$1,042,560

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 11 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

E. Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (4 percent) or 1-percentage-point higher (6 percent) than the current healthcare cost trend rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1% (4%)	Health Care Cost Trend Rates (5%)	Discount Rate +1% (6%)
\$1,406,711	\$1,730,541	\$5,778,661

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

For the year ended June 30, 2018, the District recognized OPEB Expense of \$1,006,025. As of fiscal year ended June 30, 2018, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$3,249,096	
Differences between expected and actual experience		(\$2,808,766)
Net difference between projected and actual earnings on OPEB plan investments		(554,916)
Employer contributions made subsequent to the measurement date	1,212,732	
Total	\$4,461,828	(\$3,363,682)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life for the June 30, 2017 measurement period is 4.61 years for deferred resources arising in the fiscal year. Specifically, liability changes due to (1) plan experience that differs from what was assumed in the prior year and (2) assumption changes during the year are recognized over the EARSL period.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 11 - POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

\$1,212,732 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2019	(\$16,755)
2020	(16,755)
2021	(16,755)
2022	(64,321)
	<u>(\$114,586)</u>

G. Payable to the OPEB Plan

At June 30, 2018, the District reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2018.

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District joined together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 54 member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays annual premiums to CSRMA for its general, liability, property damage and workers compensation insurance.

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

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 12 - RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies carried by the District as of June 30, 2018:

Company Names	Insurance Program Type of Coverage	Limits	Deductibles
Great American Excess & Surplus Company	Excess liability	\$10,000,000	None
Alliant Property Insurance Program (APIP)	Special form property	171,115,049	\$25,000
Illinois Union Insurance Company (APIP)	Public entity pollution liability (claims made & reported)	25,000,000	None
Lloyd's of London Beazley Syndicate	Cyber liability coverage	2,000,000	None
Travelers Property and Casualty	Public official bond	100,000	None
National Union Fire Insurance Co.	ACIP CSRMA master crime policy	2,000,000	2,500
Safety National Casualty Corporation	Excess workers' compensation employers' liability	Statutory	None
Travelers Insurance Company	ID fraud master policy identify theft	25,000	None
<u>Pooled Insurance Program</u>			
CSRMA Pooled Liability			
Munich American Reinsurance Co.	Errors & omissions and employment practices liability	15,000,000	100,000
CSRMA Pooled Workers' Compensation	Workers' compensation employers' liability	750,000	None

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

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

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

	2018	2017
Balance at July 1	\$325,225	\$291,949
Net change in liability for claims and claims incurred but not reported	466,660	552,478
Claims paid	(461,424)	(519,202)
Balance at June 30	<u>\$330,461</u>	<u>\$325,225</u>

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES

The District purchases water from the Alameda County Flood Control and Water Conservation District (Zone 7) under a thirty-year contract, which expires August 23, 2024. Under the terms of the contract, subject to various exceptions, the District is required to purchase all of its water from Zone 7. During fiscal year ended June 30, 2018, the District's water purchases from Zone 7 amounted to \$14,415,428.

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

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

The present value of these closure and post closure costs, discounted at 5 percent amounted to \$1,678,757 as of June 30, 2018. The District is required by State and federal laws and regulations to make annual funding contributions to finance closure and post-closure care. The District is in compliance with these requirements for the year ended June 30, 2018 with the establishment of the fully-funded liability for this purpose.

NOTE 14 – SUBSEQUENT EVENT

In August 2018, DERWA completed an \$18.8 million expansion that increased recycled water production from 9.7 million gallons per day to \$16.2 million gallons per day.

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2018

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2018	2017	2016	2015
Proportion of the net pension liability	0.263435%	0.149748%	0.185007%	0.220496%
Proportionate share of the net pension liability	10,384,742	12,957,811	12,698,750	13,720,257
Covered payroll	12,592,116	12,033,906	12,009,479	11,779,808
Proportionate Share of the net pension liability as percentage of covered payroll	82.47%	107.68%	105.74%	116.47%
Plan's Fiduciary net position	79,197,801	76,197,801	72,030,535	67,123,838
Plan Fiduciary net position as a percentage of the total pension liability	89.69%	74.06%	78.40%	79.82%

Notes to schedule:

Benefits changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies to for voluntary benefit changes as well as any offers of two years additional service credit (a.k.a Golden Handshakes).

Changes in assumptions. The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

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

SCHEDULE OF CONTRIBUTIONS

	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$1,504,792	\$1,401,296	\$2,120,252	\$1,716,224
Contribution in relation to the actuarially determined contributions	1,504,792	6,401,296	7,120,252	6,716,224
Contributions deficiency (excess)	\$0	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Covered payroll	\$12,592,116	\$12,033,906	\$12,009,479	\$11,779,808
Contributions as a percentage of covered-employee payroll	11.53%	50.39%	59.17%	55.92%

Notes to Schedule

Valuation date: June 30, 2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	(1)
Investment rate of return	7.375%
Mortality	Derived using CalPERS Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Depending on age, service and type of employment

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

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

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2018

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

Last 10 years*

Measurement Date	6/30/17*
Total OPEB Liability	
Service Cost	\$848,840
Interest	1,701,163
Differences between expected and actual experience	(3,586,818)
Changes in assumptions	4,149,122
Benefit payments	(1,080,081)
Changes in benefits	-
Net change in total OPEB liability	2,032,226
Total OPEB liability - beginning	23,058,823
Total OPEB liability - ending (a)	<u>\$25,091,049</u>
OPEB fiduciary net position	
Contributions - employer	\$1,080,081
Net investment income	2,232,198
Administrative expense	(11,330)
Benefit payments, including refunds of employee contributions	(1,080,081)
Net change in plan fiduciary net position	2,220,868
Plan fiduciary net position - beginning	21,139,640
Plan fiduciary net position - ending (b)	<u>\$23,360,508</u>
 Net OPEB liability - ending (a)-(b)	 <u>\$1,730,541</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 <u>93%</u>
 Covered-employee payroll	 <u>\$12,531,924</u>
 Net OPEB liability as a percentage of covered-employee payroll	 <u>13.81%</u>

Notes to schedule:

* - Fiscal year 2018 was the first year of implementation.

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2018

SCHEDULE OF CONTRIBUTIONS

Last 10 years*

Fiscal Year Ended June 30,	2018
Actuarially determined contribution	\$1,212,732
Contributions in relation to the actuarially determined contributions	<u>1,212,732</u>
Contribution deficiency (excess)	<u>\$0</u>
Covered-employee payroll	<u>\$13,112,995</u>
Contributions as a percentage of covered-employee payroll	9.25%

Notes to Schedule

Valuation date:

Methods and assumptions used to determine contribution rates:

Actuarial Date	July 1, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	5 year straight line recognition
Asset Valuation Method	Market value of Assets
Inflation	2.75% per year
Payroll Growth	3.25% per year
Investment Rate of Return	6.5%
Healthcare cost-trend rates	Medical plan premiums and claims costs by age are assumed to increase once each year.
Retirement Age	65 years old
Mortality	MacLeod Watts Scale 2017 applied generationally

* - Fiscal year 2018 was the first year of implementation.

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SUPPLEMENTARY INFORMATION

DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
ASSETS					
Current assets:					
Pooled cash	\$8,171,501	\$978,247	\$49,817	\$13,637	\$9,213,202
Pooled investments	89,432,797	10,717,603			100,150,400
Restricted investments	310,631				310,631
Accounts receivable	5,105,742	230,382	274,481		5,610,605
Interest receivable	441,614	36,339		412	478,365
Employee notes receivable	2,640				2,640
Deferred capacity reserve fees receivable	67,154				67,154
Prepaid expense			2,453		2,453
Total current assets	103,532,079	11,962,571	326,751	14,049	115,835,450
Non-current assets:					
Capital assets:					
Property, plant and equipment	195,272,582	56,814,450			252,087,032
Less accumulated depreciation	77,207,428	25,436,284			102,643,712
Net property, plant and equipment	118,065,154	31,378,166			149,443,320
Construction in progress	14,203,974	10,325,549			24,529,523
Total capital assets	132,269,128	41,703,715			173,972,843
Other assets:					
Deferred capacity reserves receivable - long term	240,167				240,167
Total other assets	240,167				240,167
Total non-current assets	132,509,295	41,703,715			174,213,010
Total assets	236,041,374	53,666,286	326,751	14,049	290,048,460
Deferred outflows of resources					
Deferred outflows pension related amounts	5,349,222	943,198			6,292,420
Deferred employer pension contributions	727,630	224,271			951,901
Deferred outflows OPEB related amounts				2,025,811	2,025,811
Deferred employer OPEB contributions				756,138	756,138
Total deferred outflows of resources	6,076,852	1,167,469		2,781,949	10,026,270

DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$4,050,501	\$395,574	\$70,305		\$4,516,380
Contractor bonds and deposits	649,200				649,200
Accrued expenses	330,461				330,461
Accrued compensated absences	497,360	79,954	256,446		833,760
Current portion of long-term debt	1,655,028				1,655,028
Unearned revenue	67,154	365,452			432,606
Total current liabilities	7,249,704	840,980	326,751		8,417,435
Long term liabilities:					
Long-term debt					
less current portion	30,548,996				30,548,996
Net pension liability	5,302,539	1,492,228			6,794,767
Net OPEB liability				\$1,078,992	1,078,992
DLD remediation reserve	1,678,756				1,678,756
Unearned revenue	240,167				240,167
Total long term liabilities	37,770,458	1,492,228		1,078,992	40,341,678
Total liabilities	45,020,162	2,333,208	326,751	1,078,992	48,759,113
Deferred inflows of resources					
Deferred inflows of resources - Pension	3,370,548	742,618			4,113,166
Deferred inflows of resources - OPEB				2,097,256	2,097,256
Total deferred inflows of resources	3,370,548	742,618		2,097,256	6,210,422
NET POSITION					
Net investment in capital assets	100,065,104	41,703,715			141,768,819
Restricted for:					
Expansion	53,110,537	7,626,298			60,736,835
Unrestricted	40,551,875	2,427,916		(380,250)	42,599,541
Total net position	\$193,727,516	\$51,757,929		(\$380,250)	\$245,105,195

DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
OPERATING REVENUES					
Wastewater service charges	\$20,945,618	\$2,532,933			\$23,478,551
Other revenues	894,840	707,353	\$1,117,840		2,720,033
Total operating revenues	21,840,458	3,240,286	1,117,840		26,198,584
OPERATING EXPENSES					
Personnel	7,457,477	2,400,842	3,234,003	(\$128,882)	12,963,440
Materials	2,428,918	152,208	157,227		2,738,353
Contractual services	7,772,279	400,948	704,011		8,877,238
Other	152,014	21,080	35,622		208,716
Overhead Charges	2,266,412	746,611	(3,013,023)		
Depreciation	5,863,899	1,114,908			6,978,807
Total operating expenses	25,940,999	4,836,597	1,117,840	(128,882)	31,766,554
OPERATING INCOME (LOSS)	(4,100,541)	(1,596,311)		128,882	(5,567,970)
NONOPERATING REVENUES (EXPENSE)					
Investment income	367,563	50,253		741	418,557
Gain (Loss) on sale of assets	7,921	8,244			16,165
Total non-operating revenues (expense), net	375,484	58,497		741	434,722
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(3,725,057)	(1,537,814)		129,623	(5,133,248)
Non-cash contributions		442,000			442,000
Capital contributions - capacity reserve fees	15,507,697	1,664,286			17,171,983
Transfers in	2,798,919	639,072			3,437,991
Transfers (out)	(2,798,919)	(639,072)			(3,437,991)
Changes in net position	11,782,640	568,472		129,623	12,480,735
TOTAL NET POSITION, BEGINNING OF YEAR	181,944,876	51,189,457		8,497,931	241,632,264
Prior period adjustment				(9,007,804)	(9,007,804)
TOTAL NET POSITION, BEGINNING OF YEAR AS RESTATED	181,944,876	51,189,457		(509,873)	232,624,460
TOTAL NET POSITION, END OF YEAR	\$193,727,516	\$51,757,929		(\$380,250)	\$245,105,195

DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
ASSETS					
Current assets:					
Pooled cash	\$736,810	\$659,218	\$2,174,805	\$4,600,668	\$8,171,501
Pooled investments	8,010,766	7,217,809	23,812,370	50,391,852	89,432,797
Restricted investments			276,462	34,169	310,631
Accounts receivable	5,033,262		10,294	62,186	5,105,742
Interest receivable	27,938	25,901	86,462	301,313	441,614
Employee notes receivable	2,640				2,640
Deferred capacity reserve fees receivable			9,643	57,511	67,154
Total current assets	13,811,416	7,902,928	26,370,036	55,447,699	103,532,079
Non-current assets:					
Capital assets:					
Property, plant and equipment	161,786,848			33,485,734	195,272,582
Less accumulated depreciation	66,324,853			10,882,575	77,207,428
Net property, plant and equipment	95,461,995			22,603,159	118,065,154
Land and construction in progress	56,014		3,428,346	10,719,614	14,203,974
Total capital assets	95,518,009		3,428,346	33,322,773	132,269,128
Other assets:					
Deferred capacity reserves receivable - long term			34,488	205,679	240,167
Total other assets			34,488	205,679	240,167
Total non-current assets	95,518,009		3,462,834	33,528,452	132,509,295
Total assets	109,329,425	7,902,928	29,832,870	88,976,151	236,041,374
Deferred outflows of resources					
Deferred outflows pension related amounts	5,297,043			52,179	5,349,222
Deferred employer pension contributions	721,606			6,024	727,630
Total deferred outflows of resources	6,018,649			58,203	6,076,852

DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$949,756		\$832,734	\$2,268,011	\$4,050,501
Contractor bonds and deposits	647,886			1,314	649,200
Accrued expenses	330,461				330,461
Accrued compensated absences	494,682			2,678	497,360
Current portion of long-term debt	302,503			1,352,525	1,655,028
Unearned revenue			9,643	57,511	67,154
Total current liabilities	<u>2,725,288</u>		<u>842,377</u>	<u>3,682,039</u>	<u>7,249,704</u>
Long term liabilities:					
Long-term debt					
less current portion	5,583,695			24,965,301	30,548,996
Net pension liability	5,265,007			37,532	5,302,539
DLD remediation reserve	1,678,756				1,678,756
Unearned revenue			34,488	205,679	240,167
Total long term liabilities	<u>12,527,458</u>		<u>34,488</u>	<u>25,208,512</u>	<u>37,770,458</u>
Total liabilities	<u>15,252,746</u>		<u>876,865</u>	<u>28,890,551</u>	<u>45,020,162</u>
Deferred inflows of resources					
Deferred inflows of resources - Pension	3,342,229			28,319	3,370,548
Total deferred inflows of resources	<u>3,342,229</u>			<u>28,319</u>	<u>3,370,548</u>
NET POSITION					
Net investment in capital assets	89,631,811		3,428,346	7,004,947	100,065,104
Restricted for:					
Expansion				53,110,537	53,110,537
Unrestricted	<u>7,121,288</u>	<u>\$7,902,928</u>	<u>25,527,659</u>		<u>40,551,875</u>
Total net position	<u>\$96,753,099</u>	<u>\$7,902,928</u>	<u>\$28,956,005</u>	<u>\$60,115,484</u>	<u>\$193,727,516</u>

DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
OPERATING REVENUES					
Wastewater service charges	\$20,945,618				\$20,945,618
Other revenues	851,777			\$43,063	894,840
Total operating revenues	21,797,395			43,063	21,840,458
OPERATING EXPENSES					
Personnel	7,403,195			54,282	7,457,477
Materials	2,387,562		\$40,851	505	2,428,918
Contractual services	4,130,861		253,475	3,387,943	7,772,279
Other	152,014				152,014
Overhead charges	2,242,733			23,679	2,266,412
Depreciation	4,189,657			1,674,242	5,863,899
Total operating expenses	20,506,022		294,326	5,140,651	25,940,999
OPERATING INCOME (LOSS)	1,291,373		(294,326)	(5,097,588)	(4,100,541)
NONOPERATING REVENUES (EXPENSE)					
Investment income	8,882	\$33,901	105,290	219,490	367,563
Gain (Loss) on sale of assets	7,921				7,921
Total non-operating revenues	16,803	33,901	105,290	219,490	375,484
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,308,176	33,901	(189,036)	(4,878,098)	(3,725,057)
Capital contributions - capacity reserve fees			2,228,443	13,279,254	15,507,697
Residual equity transfer	311,319		(311,319)		
Transfers in			2,710,000	88,919	2,798,919
Transfers (out)	(2,798,919)				(2,798,919)
Changes in net position	(1,179,424)	33,901	4,438,088	8,490,075	11,782,640
TOTAL NET POSITION, BEGINNING OF YEAR	97,932,523	7,869,027	24,517,917	51,625,409	181,944,876
TOTAL NET POSITION, END OF YEAR	\$96,753,099	\$7,902,928	\$28,956,005	\$60,115,484	\$193,727,516

DUBLIN SAN RAMON SERVICES DISTRICT
LOCAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Total
ASSETS					
Current assets:					
Pooled cash	(\$5,961)	\$36,966	\$685,403	\$261,839	\$978,247
Pooled investments	(63,287)	407,032	7,502,141	2,871,717	10,717,603
Accounts receivable	230,382				230,382
Due from Other Funds - Current				833,333	833,333
Interest receivable	1,621	1,220	26,422	7,076	36,339
Total current assets	162,755	445,218	8,213,966	3,973,965	12,795,904
Non-current assets:					
Capital assets:					
Property, plant and equipment	56,814,450				56,814,450
Less accumulated depreciation	25,436,284				25,436,284
Net property, plant and equipment	31,378,166				31,378,166
Land and construction in progress	850,893		8,700,232	774,424	10,325,549
Total capital assets	32,229,059		8,700,232	774,424	41,703,715
Other assets:					
Due from Other Funds - Long term				4,166,667	4,166,667
Total other assets				4,166,667	4,166,667
Total non-current assets	32,229,059		8,700,232	4,941,091	41,703,715
Total assets	32,391,814	445,218	16,914,198	8,915,056	54,499,619
Deferred outflows of resources					
Deferred outflows pension related amounts	688,191			255,007	943,198
Deferred employer pension contributions	182,488			41,783	224,271
Total deferred outflows of resources	870,679			296,790	1,167,469
LIABILITIES					
Current liabilities:					
Accounts payable	21,452		324,455	49,667	395,574
Accrued compensated absences	70,423			9,531	79,954
Due to Other Funds - Current			833,333		833,333
Unearned revenue				365,452	365,452
Total current liabilities	91,875		1,157,788	424,650	1,674,313
Long term liabilities:					
Due to Other Funds - Long term			4,166,667		4,166,667
Net pension liability	1,268,489			223,739	1,492,228
Total long term liabilities	1,268,489		4,166,667	223,739	5,658,895
Total liabilities	1,360,364		5,324,455	648,389	7,333,208
Deferred inflows of resources					
Deferred inflows pension related amounts	579,883			162,735	742,618
Total deferred inflows of resources	579,883			162,735	742,618
NET POSITION					
Net investment in capital assets	32,229,059		8,700,232	774,424	41,703,715
Restricted for:					
Expansion				7,626,298	7,626,298
Unrestricted	(906,813)	445,218	2,889,511		2,427,916
Total net position	\$31,322,246	\$445,218	\$11,589,743	\$8,400,722	\$51,757,929

DUBLIN SAN RAMON SERVICES DISTRICT
LOCAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Total
OPERATING REVENUES					
Wastewater service charges	\$2,532,933				\$2,532,933
Other revenues	8,694			\$698,659	707,353
Total operating revenues	2,541,627			698,659	3,240,286
OPERATING EXPENSES					
Personnel	1,916,291			484,551	2,400,842
Materials	138,448		\$11,043	2,717	152,208
Contractual services	169,604			231,344	400,948
Other	20,907			173	21,080
Overhead charges	623,867			122,744	746,611
Depreciation	1,114,908				1,114,908
Total operating expenses	3,984,025		11,043	841,529	4,836,597
OPERATING INCOME (LOSS)	(1,442,398)		(11,043)	(142,870)	(1,596,311)
NONOPERATING REVENUES					
Investment income	(989)	\$2,275	\$56,106	(7,139)	50,253
Gain (Loss) on sale of assets	8,244				8,244
Total non-operating revenues	7,255	2,275	56,106	(7,139)	58,497
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,435,143)	2,275	45,063	(150,009)	(1,537,814)
Non-cash contributions	442,000				442,000
Capital contributions - capacity reserve fees			843,793	820,493	1,664,286
Residual equity transfer	391,428		(391,428)		
Transfers in	355,122		283,950		639,072
Transfers (out)	(283,950)	(355,122)			(639,072)
Changes in net position	(530,543)	(352,847)	781,378	670,484	568,472
TOTAL NET POSITION, BEGINNING OF YEAR	31,852,789	798,065	10,808,365	7,730,238	51,189,457
TOTAL NET POSITION, END OF YEAR	<u>\$31,322,246</u>	<u>\$445,218</u>	<u>\$11,589,743</u>	<u>\$8,400,722</u>	<u>\$51,757,929</u>

DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
ASSETS					
Current assets:					
Pooled cash	\$6,164,299	\$90,874	\$30,082	\$8,235	\$6,293,490
Pooled investments	67,507,092	1,002,009			68,509,101
Restricted Cash - Debt Service	14,061				14,061
Restricted Investments	673,613				673,613
Accounts receivable	7,701,440		165,745		7,867,185
Interest receivable	125,092	4,457		248	129,797
Prepaid expenses			1,482		1,482
Total current assets	82,185,597	1,097,340	197,309	8,483	83,488,729
Non-current assets:					
Capital assets:					
Property, plant and equipment	194,489,556				194,489,556
Less accumulated depreciation	59,855,735				59,855,735
Net property, plant and equipment	134,633,821				134,633,821
Land and construction in progress	21,207,075				21,207,075
Total capital assets	155,840,896				155,840,896
Total non-current assets	155,840,896				155,840,896
Total assets	238,026,493	1,097,340	197,309	8,483	239,329,625
Deferred outflows of resources					
Deferred outflows pension related amounts	3,949,936				3,949,936
Deferred employer pension contributions	552,891				552,891
Deferred outflows OPEB related amounts				1,223,285	1,223,285
Deferred employer OPEB contributions				456,594	456,594
Total deferred outflows of resources	4,502,827			1,679,879	6,182,706

DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$8,776,045		\$42,454		\$8,818,499
Contractor bonds and deposits	585,703				585,703
Accrued compensated absences	326,892		154,855		481,747
Interest payable	614,588				614,588
Bonds payable - current portion	410,000				410,000
Total current liabilities	10,713,228		197,309		10,910,537
Long term liabilities:					
Bonds payable - less current portion	33,180,000				33,180,000
Net pension liability	3,589,975				3,589,975
Net OPEB liability				\$651,549	651,549
Unearned revenue	4,645,129				4,645,129
Total long term liabilities	41,415,104			651,549	42,066,653
Total liabilities	52,128,332		197,309	651,549	52,977,190
Deferred inflows of resources					
Deferred inflows of resources - Pension	2,425,034				2,425,034
Deferred inflows of resources - OPEB				1,266,426	1,266,426
Total deferred inflows of resources	2,425,034			1,266,426	3,691,460
NET POSITION					
Net investment in capital assets	122,250,896				122,250,896
Restricted for:					
Expansion	18,723,620				18,723,620
Debt service	14,061				14,061
Assessment district		\$1,097,340			1,097,340
Unrestricted	46,987,377			(229,613)	46,757,764
Total net position	\$187,975,954	\$1,097,340		(\$229,613)	\$188,843,681

DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
OPERATING REVENUES					
Wastewater service charges					
Water sales	\$30,651,524				\$30,651,524
Other revenues	3,160,181	\$1,575,942	\$675,009		5,411,132
Total operating revenues	33,811,705	1,575,942	675,009		36,062,656
OPERATING EXPENSES					
Personnel	5,915,891		1,952,851	(\$77,826)	7,790,916
Materials	15,580,706		94,942		15,675,648
Contractual services	9,373,723	1,234,125	425,117		11,032,965
Other	176,935		21,511		198,446
Overhead charges	1,819,412		(1,819,412)		
Depreciation	4,314,272				4,314,272
Total operating expenses	37,180,939	1,234,125	675,009	(77,826)	39,012,247
OPERATING INCOME (LOSS)	(3,369,234)	341,817		77,826	(2,949,591)
NONOPERATING REVENUES (EXPENSE)					
Investment income	273,819	2,849		448	277,116
Gain on sale of assets	10,705				10,705
Gain (loss) on debt refinance	625,000				625,000
Interest (expense)	(1,711,942)				(1,711,942)
Total non-operating revenues (expenses), net	(802,418)	2,849		448	(799,121)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(4,171,652)	344,666		78,274	(3,748,712)
Non-cash contributions	540,000				540,000
Capital contributions - capacity reserve fees	12,772,225				12,772,225
Transfers in	4,907,250				4,907,250
Transfers (out)	(4,907,250)				(4,907,250)
Changes in net position	9,140,573	344,666		78,274	9,563,513
TOTAL NET POSITION, BEGINNING OF YEAR	178,835,381	752,674		3,925,014	183,513,069
Prior period adjustment				(4,232,901)	(4,232,901)
TOTAL NET POSITION, BEGINNING OF YEAR AS RESTATED	178,835,381	752,674		(307,887)	179,280,168
NET POSITION, END OF YEAR	\$187,975,954	\$1,097,340		(\$229,613)	\$188,843,681

DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
ASSETS					
Current assets:					
Pooled cash	\$1,021,472	\$1,139,770	\$1,959,172	\$2,043,885	\$6,164,299
Pooled investments	11,177,194	12,490,973	21,463,617	22,375,308	67,507,092
Restricted cash - debt service				14,061	14,061
Cash in escrow				673,613	673,613
Accounts receivable	6,257,875			1,443,565	7,701,440
Interest receivable	42,876	45,324	80,556	(43,664)	125,092
Total current assets	18,499,417	13,676,067	23,503,345	26,506,768	82,185,597
Non-current assets:					
Capital assets:					
Property, plant and equipment	170,488,770			24,000,786	194,489,556
Less accumulated depreciation	55,465,347			4,390,388	59,855,735
Net property, plant and equipment	115,023,423			19,610,398	134,633,821
Land and construction in progress	6,806,038		11,891,724	2,509,313	21,207,075
Total capital assets	121,829,461		11,891,724	22,119,711	155,840,896
Total non-current assets	121,829,461		11,891,724	22,119,711	155,840,896
Total assets	140,328,878	13,676,067	35,395,069	48,626,479	238,026,493
Deferred outflows of resources					
Deferred outflows pension related amounts	3,538,697			411,239	3,949,936
Deferred employer pension contributions	497,806			55,085	552,891
Total deferred outflows of resources	4,036,503			466,324	4,502,827
LIABILITIES					
Current liabilities:					
Accounts payable	6,184,684		239,937	2,351,424	8,776,045
Contractor bonds and deposits	585,703				585,703
Accrued compensated absences	313,382			13,510	326,892
Interest payable				614,588	614,588
Bonds payable - current portion				410,000	410,000
Total current liabilities	7,083,769		239,937	3,389,522	10,713,228
Long term liabilities:					
Bonds payable - less current portion				33,180,000	33,180,000
Net pension liability	3,231,039			358,936	3,589,975
Unearned revenue				4,645,129	4,645,129
Total long term liabilities	3,231,039			38,184,065	41,415,104
Total liabilities	10,314,808		239,937	41,573,587	52,128,332
Deferred inflows of resources					
Deferred inflows of resources - Pension	2,173,210			251,824	2,425,034
Total deferred inflows of resources	2,173,210			251,824	2,425,034
NET POSITION					
Net investment in capital assets	121,829,461		11,891,724	(11,470,289)	122,250,896
Restricted for:					
Expansion				18,723,620	18,723,620
Debt service				14,061	14,061
Unrestricted	10,047,902	13,676,067	23,263,408		46,987,377
Total net position	\$131,877,363	\$13,676,067	\$35,155,132	\$7,267,392	\$187,975,954

DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
OPERATING REVENUES					
Water sales	\$30,651,524				\$30,651,524
Other revenues	717,448	\$787,062	\$3,875	\$1,651,796	3,160,181
Total operating revenues	31,368,972	787,062	3,875	1,651,796	33,811,705
OPERATING EXPENSES					
Personnel	5,272,547			643,344	5,915,891
Materials	14,976,588		121,630	482,488	15,580,706
Contractual services	3,359,146		45,153	5,969,424	9,373,723
Other	140,572	35,537		826	176,935
Overhead charges	1,646,894			172,518	1,819,412
Depreciation	3,728,887			585,385	4,314,272
Total operating expenses	29,124,634	35,537	166,783	7,853,985	37,180,939
OPERATING INCOME (LOSS)	2,244,338	751,525	(162,908)	(6,202,189)	(3,369,234)
NONOPERATING REVENUES (EXPENSE)					
Investment income	53,002	55,594	76,334	88,889	273,819
Gain on sale of assets	10,705				10,705
Gain (Loss) on Debt Refinance				625,000	625,000
Interest Expense				(1,711,942)	(1,711,942)
Total non-operating revenues (expenses)	63,707	55,594	76,334	(998,053)	(802,418)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND					
TRANSFERS	2,308,045	807,119	(86,574)	(7,200,242)	(4,171,652)
Non-cash contributions	540,000				540,000
Capital contributions - capacity reserve fees			3,847,967	8,924,258	12,772,225
Residual equity transfer	96,532		(96,532)		
Transfers in			4,401,000	506,250	4,907,250
Transfers (out)	(4,907,250)				(4,907,250)
Changes in net position	(1,962,673)	807,119	8,065,861	2,230,266	9,140,573
TOTAL NET POSITION, BEGINNING OF YEAR	133,840,036	12,868,948	27,089,271	5,037,126	178,835,381
TOTAL NET POSITION, END OF YEAR	\$131,877,363	\$13,676,067	\$35,155,132	\$7,267,392	\$187,975,954

DUBLIN SAN RAMON SERVICES DISTRICT
ALLOCATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Administrative Cost Center	OPEB Fund	Total
ASSETS			
Current assets:			
Pooled cash	\$79,899	\$21,872	\$101,771
Pooled investments			
Accounts receivable	440,226		440,226
Interest receivable		660	660
Prepaid expense	3,935		3,935
Total current assets	524,060	22,532	546,592
Total assets	524,060	22,532	546,592
Deferred outflows of resources			
Deferred outflows OPEB related amounts		3,249,096	3,249,096
Deferred employer OPEB contributions		1,212,732	1,212,732
Total deferred outflows of resources		4,461,828	4,461,828
LIABILITIES			
Current liabilities:			
Accounts payable	112,759		112,759
Accrued compensated absences	411,301		411,301
Total current liabilities	524,060		524,060
Long term liabilities:			
Net OPEB liability		1,730,541	1,730,541
Total long term liabilities		1,730,541	1,730,541
Total liabilities	524,060	1,730,541	2,254,601
Deferred inflows of resources			
Deferred inflows of resources - OPEB		3,363,682	3,363,682
Total deferred inflows of resources		3,363,682	3,363,682
NET POSITION			
Unrestricted		(609,863)	(609,863)
Total net position		(\$609,863)	(\$609,863)

DUBLIN SAN RAMON SERVICES DISTRICT
ALLOCATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Administrative Cost Center	OPEB Fund	Total
OPERATING REVENUES			
Other revenues	\$1,792,849		\$1,792,849
Total operating revenues	1,792,849		1,792,849
OPERATING EXPENSES			
Personnel	5,186,854	(\$206,708)	4,980,146
Materials	252,169		252,169
Contractual services	1,129,128		1,129,128
Other	57,133		57,133
Overhead charges	(4,832,435)		(4,832,435)
Total operating expenses	1,792,849	(206,708)	1,586,141
OPERATING INCOME		206,708	206,708
NONOPERATING REVENUES			
Investment income		1,189	1,189
Total non-operating revenues		1,189	1,189
Changes in net position		207,897	207,897
TOTAL NET POSITION, BEGINNING OF YEAR		12,422,945	12,422,945
Prior period adjustment		(13,240,705)	(13,240,705)
TOTAL NET POSITION, BEGINNING OF YEAR AS RESTATED		(817,760)	(817,760)
TOTAL NET POSITION, END OF YEAR		(\$609,863)	(\$609,863)

DUBLIN SAN RAMON SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2018

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**DUBLIN SAN RAMON SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2018

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MEMORANDUM ON INTERNAL CONTROL

Board of Directors
Dublin San Ramon Services District
Dublin, California

In planning and performing our audit of the basic financial statements of the Dublin San Ramon Services District (District) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze + Associates' in a cursive, stylized font.

Pleasant Hill, California
November 26, 2018

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REQUIRED COMMUNICATIONS

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

We have audited the basic financial statements of the Dublin San Ramon Services District (District) for the year ended June 30, 2018. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and *Government Auditing Standards*.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

GASB 75 – Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions - The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This pronouncement required the District to make a prior period adjustment. As a result, the beginning net position of the District was reduced by \$13,240,705. See Note 1M and 11 for additional information.

GASB 85 – Omnibus 2017 - The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement had no effect on the financial statements.

This pronouncement became effective, but did not have a material effect on the financial statements.

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension assets and liabilities and deferred outflows/inflows of resources are disclosed in Note 10 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Other Post-Employment Benefit Plan (OPEB) Liability and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net OPEB liability and deferred outflows/inflows of resources are disclosed in Note 11 to the financial statements and are based on actuarial studies determined by a consultant, which is based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Fair Value of Investments: As of June 30, 2018, the District held approximately \$185.2 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2018. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2018.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 4 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgement, could have a significant effect, either individually or in the aggregate, on the District's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated November 26, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information, which accompany the financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Pleasant Hill, California
November 26, 2018

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TITLE: Approve Continuation of Emergency Action Procurement by General Manager for Repair of District Office and Find that the Need for the District Office Flooding Emergency Still Exists

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Motion, a continuation of the Emergency Action as declared in Board Resolution No. 53-18 and find that there exists a need for continuing the District Office flooding emergency which the Board confirmed on November 20, 2018.

SUMMARY:

On Sunday, November 11, 2018, the District Office flooded due to a leak in the fire service line. After a passerby reported water exiting the building, DSRSD on-call staff arrived at the District Office around 2 p.m. The General Manager, as the District's Emergency Manager per the District's Emergency Response Plan policy (P300-16-2 – Attachment 1), immediately proclaimed a District State of Emergency to reduce potential further property damage due to water exposure and to minimize the time to restore core business operations. As the Emergency Manager, the General Manager is charged with managing all emergency operations and making decisions to allocate resources and expend funds as necessary to meet the needs of the emergency.

Per the District's Purchasing policy (P500-18-1 – Attachment 2) and in accordance with Public Contract Code Section 22050, in case of an emergency the General Manager may let contracts for any amount without giving notice for bids for repair or replacement of a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes. On November 20, 2018, the Board of Directors approved Resolution No. 53-18 (Attachment 3) approving emergency action procurement by the General Manager for restoration of the District Office. Per the Public Contract Code, at every regularly scheduled meeting after the initial emergency action the Board is to review and determine by a four-fifths vote, that there is a need to continue the emergency action.

The District needs to continue the emergency action to: 1) remove carpet, vinyl wall paper, and sheet rock which have taken on and are retaining moisture, and 2) evaluate the movement of the floor slab in the southeast section of the building and the extent of moisture under the slab to determine measures to assure the integrity of the foundation and prevent future vapor intrusion. It is imperative that moisture trapped in the building and slab be removed to avoid further damage that would result with the growth of mold. A delay in the work will increase the scale of damage, adding cost, and adding more time for the ultimate rehabilitation of the building. Moreover, all core business functions need to be restored at the District Office at the earliest opportunity for the convenience of the public, as well as the efficient and effective operation of the District's business.

Further detail is reflected in the attached staff report.

Originating Department: Engineering Services		Contact: J. Zavadil	Legal Review: Yes
Cost: \$373,100 (initial contracts issued to date)		Funding Source: Insurance Claim	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)		Attachment 1 – Emergency Response Plan policy (P300-16-2) Attachment 2 – Purchasing policy (P500-18-1) Attachment 3 – Resolution No. 53-18	

STAFF REPORT



District Board of Directors
December 4, 2018

Approve Continuation of Emergency Action Procurement by General Manager for Repair of District Office and Find that the Need for the District Office Flooding Emergency Still Exists

BACKGROUND

On Sunday, November 11, 2018, the District Office flooded due to a leak in the fire service line. The General Manager, as the District's Emergency Manager per the District's Emergency Response Plan policy, immediately proclaimed a District State of Emergency to reduce potential further property damage due to water exposure and to minimize the time to restore core business operations. As the Emergency Manager, the General Manager is charged with managing all emergency operations and making decisions to allocate resources and expend funds as necessary to meet the needs of the emergency.

Per the District's Purchasing policy, in case of an emergency and in accordance with Public Contract Code Section 22050, the General Manager may let contracts for any amount without giving notice for bids for repair or replacement of a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes. On November 20, 2018, the Board of Directors approved Resolution No. 53-18 approving emergency action procurement by the General Manager for restoration of the District Office. Per the Public Contract Code, at every regularly scheduled meeting after the initial emergency action the Board is to review and determine by a four-fifths vote, that there is a need to continue the emergency action.

DISCUSSION

RESTORATION UPDATE

All furnishings with the exception of built-in cabinets have been removed from the building and either disposed of or stored at the District's Field Operations Facility or at the contractor's storage facility. The contractor continues to operate desiccant dehumidifiers to control the indoor environment. The next step is removal of the carpet, vinyl wall paper, and sheet rock up to a height of 18 to 24 inches on all walls. Staff is also working with a structural/geotechnical firm, California Engineering and Geology, to evaluate the extent of the movement of the floor slab in the southeast section of the building and the extent of moisture under the slab to determine measures to assure the integrity of the foundation and prevent future vapor intrusion. Full restoration of the building is estimated to take two to six months from the date of this report under accelerated contracting and repair procedures.

NEED FOR CONTINUING EMERGENCY

The District needs to continue the emergency to complete the work described in the paragraph above as expeditiously as possible. It is imperative that moisture trapped in the building and slab be removed to avoid further damage that would result with the growth of mold. A delay in the work will increase the scale of damage, adding cost, and adding more time for the ultimate rehabilitation of the building. Moreover, all core business functions need to be restored at the District Office at the earliest opportunity for the convenience of the public, as well as the efficient and effective operation of the District's business.

RESTORATION COST AND REIMBURSEMENT

DSRSD is insured through the California Sanitation Risk Management Authority (CSRMA). Staff have been working closely with the insurance adjuster and anticipates the cost of the initial clean-up, the drying operations, packing and storing of furnishings and equipment, and renovation. The insurance will not cover the cost to repair the fire service line, as the policy does not cover remediating the cause of the damage. The District will receive insurance payments at key milestones in the restoration.

OTHER CONSIDERATIONS

With the loss and damage to much of the furnishings and equipment at the District Office, it might be worth considering a comprehensive purchase of new matching furnishings and equipment throughout the District Office. In this case, insurance proceeds for the furnishings and equipment that was disposed would be combined with District funding for new furnishings and equipment. The existing damage has not been fully quantified yet, and thus the incremental cost to the District is not yet known. Staff will report on this option with a future report.

A second option is to explore the possibility of a more comprehensive remodel of the District Office. Prior to the flooding damage, renovations and remodeling work was anticipated over the next five to ten years as renewal and replacement funding allowed. Given that the District Office is unoccupied during repairs, it is worth evaluating the possibility of completing remodeling work concurrently with repairs, particularly if repairs will take some time.

Staff has contracted with ID Architecture to provide recommendations on replacement carpet and furnishings as well as evaluate options and costs for a more comprehensive remodel to better meet the needs of current and future staff.

RECOMMENDATION

Staff recommends the Board of Directors approve, by Motion, a continuation of the State of Emergency as declared by Board Resolution No. 53-18 and find that there exists a need for continuing the District Office flooding emergency which the Board confirmed on November 20, 2018.



Policy

Policy No.: P300-16-2	Type of Policy: Operations
Policy Title: Emergency Response Plan (ERP)	
Policy Description: Designation of District Emergency Manager and authorization to manage emergency operations	
Approval Date: 5/1/2012	Last Review Date: 2016
Approval Resolution No.: 14-12	Next Review Date: 2020
Rescinded Resolution No.: 2-06	Rescinded Resolution Date: 1/10/2006

It is the policy of the Board of Directors of Dublin San Ramon Services District:

The General Manager or successor is designated as the District's Emergency Manager who will direct District emergency response activities after natural or malevolent emergency events.

1. Under emergency conditions in which immediate action must be taken to protect lives and property, respond to emergencies, and to restore essential services for public health and safety, the Emergency Manager may proclaim a District State of Emergency and activate the Dublin San Ramon Services District Emergency Response Plan.

2. Upon activation of the District Emergency Response Plan, the Emergency Manager will direct and manage all emergency operations and make decisions to allocate resources and expend funds as necessary to meet the needs of the emergency.

3. During any state of emergency, the District's priorities will be to: (1) protect human life and health, (2) protect property, and, (3) protect the environment while at all times protecting the safety of our work force. After the state of emergency has been stabilized, DSRSD will take action to ensure its customers will have confidence in the water supply and in DSRSD.

4. The Board of Directors shall meet within ten (10) days of the Declaration of Emergency to proclaim by official Board resolution the Declaration of the District State of Emergency and to authorize continued emergency operations and recovery operations.

Policy No.: P300-16-2

Policy Title: Emergency Response Plan (ERP)

5. The Declaration of the District State of Emergency shall remain in effect for fourteen (14) days from the date of Board resolution and shall be renewed by the Board of Directors every fourteen (14) days, unless terminated by the Emergency Manager and the Board of Directors.

6. The General Manager shall have the ongoing responsibility to ensure District compliance with evolving emergency response and preparedness legislation and regulation.

Policy is current and no changes need to be adopted by the Board of Directors. <u>Status Quo Chronology:</u>	
Date Adopted:	
May 1, 2012	
Reviewed by Committee or Board:	Date:
Board	August 2, 2016



Policy

Policy No.: P500-18-1	Type of Policy: Purchasing
Policy Title: Purchasing	
Policy Description: Purchasing of Materials, Supplies, Services and Equipment	
Approval Date: 3/20/2018	Last Review Date: 2018
Approval Resolution No.: 18-18	Next Review Date: 2022
Rescinded Resolution No.: 13-17	Rescinded Resolution Date: 3/21/2017

It is the policy of the Board of Directors of Dublin San Ramon Services District that the District:

- Perform purchasing activities with the highest ethical standards.
- Purchase materials, supplies, non-professional services, technical services and equipment using processes to ensure the appropriate quality is received for a reasonable price.
- Secure professional services using an equitable, quality-based selection process.
- Incorporate environmental sustainability into purchasing decisions as a Green Business practice.
- Provide fair and open competition.
- Define authority for the purchasing function.

Purchasing Agent

The General Manager is designated as Purchasing Agent. The Purchasing Agent shall:

1. Establish written purchasing guidelines and update them as needed, in conformance with the California Uniform Construction Cost Accounting Act (the Act), District Code Chapter 7.40, this policy, and applicable laws.
2. Negotiate and execute contracts, including purchase orders, work orders, task orders and agreements, within the authority outlined in the Act, District Code Chapter 7.40, and this policy.
3. Purchase or contract for supplies, services and equipment required by the District, in accordance with the Act, District Code Chapter 7.40, and this policy.

Policy No.: P500-18-1

Policy Title: Purchasing

Purchasing Authority

1. The Purchasing Agent, or designee is authorized to negotiate and execute all contracts including purchase orders, work orders, task orders and agreements, made in conformance with the purchasing guidelines up to \$175,000.
2. The Purchasing Agent or designee is authorized to negotiate and execute contracts in any amount for recurring, operational purchases such as:
 - Utility payments
 - Scheduled debt payments and related debt administration services
 - Chemical purchases
 - Payments to a District Joint Powers Agency within contractual agreements
 - Water purchase
 - Insurance payments
 - Retirement contributions
 - Payroll
 - Dougherty Valley Standby Charge District
3. In case of an emergency:
 - a. In accordance with Public Contract Code 22050 the General Manager may let contracts for any amount without giving notice for bids for repair or replacement of a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes.
 - b. Any emergency action taken by the General Manager shall be reviewed by the Board of Directors no later than seven days after the action or at its next regularly scheduled meeting if that meeting will occur no later than fourteen day after the action.

Credit Cards

The General Manager is authorized on behalf of the District to enter into credit card agreements, designate who may receive and use credit cards issued on behalf of the District, execute security agreements with respect to the District's credit card accounts and otherwise bind the District with respect to its credit card accounts.

Adjustment of Contracts

For those contracts in excess of \$175,000 that were originally approved by the Board, the General Manager has the authority to make adjustments of up to \$175,000, unless additional authority is delegated in an approving resolution.

Public Works Contracts

The General Manager is authorized to award, and make associated decisions relating to, Public Works Contracts up to his purchasing authority of \$175,000 in accordance with the California Uniform

Policy No.: P500-18-1**Policy Title:** Purchasing

Construction Cost Accounting Act, District Code Chapter 7.40, and this policy. In addition, the General Manager is authorized to adjust Public Works Contracts in excess of \$175,000 that were originally approved by the Board, by a maximum adjustment of \$175,000, unless additional authority is delegated in an approving resolution. This delegation expressly encompasses related discretionary decisions such as the responsibility to accept one of two or more tied bids, to reject all bids, to require bid bonds, to utilize emergency procedure set forth in the Code, sole source findings, post award determinations regarding subcontractor substitutions, determining whether to waive irregularities, determining whether to accept or reject a bid protest, and making determinations regarding the substitution of a subcontractor claimed to have been inadvertently listed under the procedures set forth in Public Contract Code section 4107.5. However, in the case where a bid protest is filed, the General Manager shall refer approval of the Public Works contract to the Board of Directors.

RESOLUTION NO. 53-18

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING EMERGENCY ACTION PROCUREMENT BY THE GENERAL MANAGER FOR REPAIR OF THE DISTRICT OFFICE

WHEREAS, on November 11, 2018, the District Office sustained major damage caused by a leak in the fire service line; and

WHEREAS, the District Emergency Response Plan policy (P300-16-2) designates the General Manager as the District's Emergency Manager, charged with managing all emergency operations and making decisions to allocate resources and expend funds as necessary to meet the needs of the emergency; and

WHEREAS, the General Manager declared a District State of Emergency on November 11, 2018, and has taken action to reduce potential further property damage due to water exposure and to minimize the time to restore core business operations; and

WHEREAS, as the District's Emergency Manager, in accordance with Public Contract Code Section 22050 and the District Purchasing policy (P500-18-1), the General Manager may let contracts for any amount without giving notice for bids for repair or replacement of a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes; and

WHEREAS, the Purchasing policy, in accordance with Public Contract Code Section 22050, specifies that the Board of Directors must review any emergency action taken by the General Manager no later than seven days after the action or at its next regularly scheduled meeting if that meeting will occur no later than fourteen days after the action; and

WHEREAS, the General Manager has procured services as an emergency action to prevent further damage to, and restore the District Office.

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 Board of Directors confirms the State of Emergency declared by the General Manager on November 11, 2018.
2. The emergency action procurement by the General Manager for the prevention of further damage to, and restoration of the District Office, as stated above, is hereby approved.
3. The General Manager is authorized to enter into contracts for continuing actions to

prevent further damage to, and continue the restoration of, the District Office building and furnishings under District emergency procedures and policies.

4. The General Manager is directed to report the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids at least at every regularly scheduled meeting until the District State of Emergency is terminated.

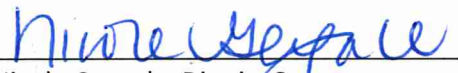
ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its special meeting held on the 20th day of November, 2018, and passed by the following vote:

AYES: 4 - Edward R. Duarte, Madelyne A. Misheloff, Richard M. Halket,
Georgean M. Vonheeder-Leopold

NOES: 0

ABSENT: 1 - D. L. (Pat) Howard

ATTEST:


Nicole Genzale, District Secretary


Georgean M. Vonheeder-Leopold, President



TITLE: Approve Proclamation Honoring Board Director Dwight L. "Pat" Howard upon His Retirement

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Motion, a Proclamation honoring Board Director Dwight L. "Pat" Howard upon his retirement.

SUMMARY:

At the July 17, 2018 DSRSD Board of Directors meeting, Director Howard announced he would not seek re-election and would retire from his 14 years of service on the Board. Director Howard has served on the DSRSD Board since 2004, including as President in 2007, 2011, and 2016, and has helped make significant contributions to the District. He shared that it was a great honor to serve on the DSRSD Board.

Originating Department: Office of the General Manager	Contact: D. McIntyre	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input checked="" type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	224 of 225	



Proclamation

Honoring

Dwight L. “Pat” Howard

In Recognition of His Service to Dublin San Ramon Services District and to the Community

WHEREAS, Dwight L. “Pat” Howard was first elected to the Board of Directors of Dublin San Ramon Services District (DSRSD) in 2004, and served as Board President in 2007, 2011, and 2016; and

WHEREAS, Dwight L. “Pat” Howard served on the Dublin San Ramon Services District•East Bay Municipal Utility District Recycled Water Authority (DERWA) Board of Directors, as Chair in 2014 and 2018, overseeing the production and distribution of recycled water for civic and commercial irrigation through the San Ramon Valley Recycled Water Program; and

WHEREAS, Dwight L. “Pat” Howard served on the DSRSD Board during the 2006 opening and the 2018 expansion of the Jeffrey G. Hansen Water Recycling Plant, which has remained an incredibly successful venture for the District and partnership with the East Bay Municipal Utility District; and

WHEREAS, under Dwight L. “Pat” Howard’s leadership, the District continued to expand and improve the Regional Wastewater Treatment Facility, completing a new digester and receiving station for fats, oils, and grease in 2018 to increase DSRSD’s ability to convert biosolids into renewable fuel; and

WHEREAS, during Dwight L. “Pat” Howard’s tenure, DSRSD rehabilitated the major Dublin trunk sewer pipeline, extending its life for an additional 50 years; and

WHEREAS, Dwight L. “Pat” Howard steadfastly served on the DSRSD Board in the face of both the great recession and extreme drought of 2014; and

WHEREAS, Dwight L. “Pat” Howard served on the Livermore-Amador Valley Water Management Agency Board of Directors, as Chair in 2006-07 and 2009-10, steering the joint powers agency comprised of the District and the Cities of Pleasanton and Livermore to convey treated wastewater to a deepwater outfall in the San Francisco Bay; and

WHEREAS, Dwight L. “Pat” Howard served on DSRSD’s Water Resources Committee, guiding the District’s water, recycled water, and wastewater services, including water resource planning; and

WHEREAS, Dwight L. “Pat” Howard served on DSRSD’s Finance Committee, Wastewater Committee, and Executive Committee, and he served as a liaison to the Cities of San Ramon and Pleasanton, as well as to the San Ramon Valley Unified School District; and

WHEREAS, Dwight L. “Pat” Howard encouraged providing clean potable water, environmentally safe wastewater treatment, and expanding the use of recycled water; and

WHEREAS, Dwight L. “Pat” Howard was always supportive of staff, backing many creative projects during his tenure including encouraging a potable reuse project and advocating for investing in water supply reliability; and

WHEREAS, Dwight L. “Pat” Howard was often quiet and reserved, but when he did speak, his comments were strong and wise, and everyone listened; and

WHEREAS, on the occasion of Dwight L. “Pat” Howard’s retirement from the DSRSD Board, the District shall name a facultative sludge lagoon dredge the “USS Howard” in his honor.

NOW, THEREFORE BE IT PROCLAIMED that the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, thanks

Dwight L. “Pat” Howard

for his 14 years of hard work, insight, and leadership and commends him for fulfilling his responsibilities with integrity, diplomacy, and unwavering commitment to public service.

Adopted this 4th day of December, 2018

Georgean M. Vonheeder-Leopold, President

Madelyne A. Misheloff, Vice President

Edward R. Duarte, Director

Richard M. Halket, Director

Nicole Genzale, District Secretary