

## **AGENDA**

### **NOTICE OF REGULAR MEETING**

**TIME:** 6 p.m.

**DATE:** Tuesday, June 18, 2019

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

**Our mission is to protect public health and the environment by providing reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and fiscally responsible manner.**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL – Members: Duarte, Halket, Johnson, Misheloff, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)  
At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight's agenda. Comments should not exceed five minutes. 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.
6. REPORTS
  - 6.A. Reports by Staff
    - Event Calendar
    - Correspondence to and from the Board
  - 6.B. Joint Powers Authority and Committee Reports
  - 6.C. Agenda Management (consider order of items)
7. 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.
  - 7.A. Approve Regular Meeting Minutes of June 4, 2019  
**Recommended Action:** Approve by Motion
  - 7.B. Accept Regular and Recurring Reports: Warrant List and Unexpected Asset Replacement  
**Recommended Action:** Accept by Motion

8. BOARD BUSINESS

- 8.A. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists  
**Recommended Action:** Approve by Motion
- 8.B. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the Jeffrey G. Hansen Water Recycling Plant and Find that the Need for the Electrical Power Supply Failure Emergency Still Exists  
**Recommended Action:** Approve by Motion
- 8.C. Public Hearing: Consider Establishing Water Rates under Chapter 4.40 of the District Code and Rescinding Resolution No. 2-17  
**Recommended Action:** Hold Public Hearing and Approve by Resolution
- 8.D. Approve the Levy of the Dougherty Valley Incremental State Water Project Charge in the Dougherty Valley Standby Charge District 2001-1 for Non-governmental Parcels on the Contra Costa County Property Tax Roll and for Government Potable Water Customers on Utility Bills  
**Recommended Action:** Approve by Resolution

9. BOARD MEMBER ITEMS

- Submittal of Written Reports for Day of Service Events Attended by Directors
- Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

10. CLOSED SESSION

- 10.A. Conference with Legal Counsel - Anticipated Litigation  
Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Potential Case
- 10.B. Public Employee Performance Evaluation Pursuant to Government Code Section 54957  
Title: General Manager

11. REPORT FROM CLOSED SESSION

12. 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 REGULAR MEETING OF THE BOARD OF DIRECTORS**

**June 4, 2019**

1. CALL TO ORDER

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

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Madelyne A. (Maddi) Misheloff, Vice President Edward R. Duarte, Director Ann Marie Johnson, and Director Richard M. Halket.

Director Georgean M. Vonheeder-Leopold 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; Robert B. Maddow, Assistant General Counsel; and Vivian Chiu, Administrative Analyst I.

Prior to roll call, Administrative Analyst I Chiu announced that the scheduled teleconference would not be held due to Director Vonheeder-Leopold no longer being able to participate.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:01 p.m. No public comment was received.

6. REPORTS

6.A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre had nothing to report.
- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject	Response
5/28/19	Letter	Director Jack Burgett, North Coast County Water District	Honorable Board Member	ACWA Region 5 Board Candidate	N/A

6.B. Joint Powers Authority and Committee Reports – None

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

7. CONSENT CALENDAR

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

- 7.A. Regular Meeting Minutes of May 21, 2019 – Approved
- 7.B. Approve Suspension of a Local Wastewater Operating Fund Transfer and Related Budget Adjustment for Fiscal Year Ending 2019 – Approved

8. BOARD BUSINESS

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

Engineering Services Manager Zavadil reviewed the item for the Board.

Director Halket MOVED to 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. Vice President Duarte SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Vonheeder-Leopold).

- 8.B. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the Jeffery G. Hansen Water Recycling Plant and Find that the Need for Electrical Power Supply Failure Emergency Still Exists

Operations Manager Carson reviewed the item for the Board.

Vice President Duarte MOVED to Approve Continuation of Emergency Action Procurement by General Manager for Repair of the Jeffrey G. Hansen Water Recycling Plant and Find that the Need for the Electrical Power Supply Failure Emergency Still Exists. Director Johnson SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Vonheeder-Leopold).

- 8.C. Receive Presentation on the Zone 7 Water Agency 2019 Annual Review of Sustainable Water Supply

Engineering Services Manager Zavadil reviewed the item for the Board. She gave a presentation (handed out to the Board) based on Zone 7 Water Agency's (Zone 7) annual water supply report to its Board. Compared to last year, there is more snow pack and above-average precipitation, leading to a near-capacity storage level at Lake Oroville. Ms. Zavadil remarked that 83,500 acre feet of water is available to Zone 7 this year. She provided details on the water supplies and water demands, and explained how Zone 7 determines its water sustainability for the next five years.

The Board and staff discussed the water storage, carryover, and transfers, and commented on the importance of conservation despite the short-term positive outlook.

- 8.D. Receive Presentation on the Operating Budget for Fiscal Years Ending 2020 and 2021 and Provide Direction

Administrative Services Manager Atwood reviewed the item for the Board. She noted that the public hearing for the budget adoption is on June 18. She gave a presentation (handed

out to the Board). She provided an overview of how the budget was developed, the areas of emphasis, and the major conclusions; presented the actual revenues and expenditures for fiscal years ending 2017 and 2018, estimated numbers for fiscal year ending 2019, and proposed figures and assumptions for fiscal years ending 2020 and 2021; and summarized the key aspects of the operating budget.

The Board and staff discussed the purpose for the three enterprise funds, then discussed the likelihood of completing all the projects included in the Capital Improvement Program (CIP) budget. The Board requested more information regarding the CIP budget at the June 18 meeting.

9. BOARDMEMBER ITEMS

- Submittal of Written Reports for Day of Service Events Attended by Directors

President Misheloff and Director Johnson remarked on the fun Employee Recognition Event at the Shannon Community Center in Dublin on Wednesday, May 29.

Director Johnson submitted a written report to Administrative Analyst I Chiu for her attendance of the East Bay Municipal Utility District Director John Coleman's briefing at the Lafayette Public Library on Thursday, May 23.

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

10. CLOSED SESSION

At 7:21 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: Dublin Unified School District

11. REPORT FROM CLOSED SESSION

At 7:40 p.m. the Board came out of Closed Session. President Misheloff announced that there was no reportable action.

12. ADJOURNMENT

President Misheloff adjourned the meeting at 7:41 p.m.

Submitted by,

Vivian Chiu, MMC  
Administrative Analyst I

FOR: Nicole Genzale, CMC  
Executive Services Supervisor/District Secretary



**TITLE:** Accept Regular and Recurring Reports: Warrant List and Unexpected Asset Replacement

**RECOMMENDATION:**

Staff recommends the Board of Directors accept, by Motion, the attached regular and recurring reports.

**SUMMARY:**

To maximize openness and transparency and to allow the Board to be informed about key aspects of District business, the Board directed that various regular and recurring reports be presented for Board acceptance at regular intervals. This item is routinely presented to the Board at the second meeting of each calendar month.

The reports presented this month for acceptance are noted below and are submitted as part of Attachment 1:

Ref Item A: Warrant List

Ref Item L: Unexpected Asset Replacement

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 to S&R– Summary of Regular and Recurring Reports	

**SUMMARY OF REGULAR AND RECURRING REPORTS**

Ref.	Description	Frequency	Authority	Last Acceptance	Acceptance at this Meeting?	Next Acceptance
A	Warrant List	Monthly	Board Direction	May 2019	Yes	July 2019
B	District Financial Reports <sup>1</sup>	Quarterly	Board Direction	May 2019		August 2019
C	Low Income Assistance Program Report	Annually – Fiscal Year	Resolution 41-10	July 2018		July 2019
D	Strategic Work Plan Accomplishments Report	Annually – Fiscal Year	Resolution 24-17	August 2018		August 2019
E	Outstanding Receivables Report	Annually – Fiscal Year	District Code 1.50.050	July 2018		July 2019
F	Employee and Director Reimbursements greater than \$100 <sup>2</sup>	Annually – Fiscal Year	CA Government Code 53065.5	August 2018		August 2019
G	Utility Billing Adjustments <sup>3</sup>	Annually – Fiscal Year	Utility Billing Adjustment Policy	August 2018		August 2019
H	Annual Rate Stabilization Fund Transfer Calculation	Annually – After Audit	Financial Reserves Policy	January 2019		December 2019
I	“No Net Change” Operating Budget Adjustments	As they occur but not more frequently than monthly	Board Direction Budget Accountability Policy (See table below)	November 2017		Before end of month after occurrence
J	Capital Outlay Budget Adjustments			July 2018		
K	Capital Project Budget Adjustments			April 2019		
L	Unexpected Asset Replacements			May 2018	Yes	

For the fiscal year ending 2019, the totals for these reports are as follows:

Category	YTD	This Meeting	Total
Capital Outlay Budget Adjustments	\$327,800	\$0	\$327,800
Capital Project Budget Adjustments	\$6,055,000	\$0	\$6,055,000
Unexpected Asset Replacements	\$0	\$24,100	\$24,100

<sup>1</sup> Financial reporting changed from monthly to quarterly reporting.

<sup>2</sup> Reimbursements also reported monthly in the Warrant List (Item B). Presented to Board as separate agenda item.

<sup>3</sup> Per the policy a report will be presented to the Board if total credits in preceding fiscal year exceeded \$25,000

apCkHistDesc

## Check History Description Listing

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Printed on: 06/10/2019 8:38AM

Dublin San Ramon Services District

From: 5/13/2019 To: 6/9/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
05/13/2019	8160	05511 DISBURSEMENT UNIT CALIFORNIA	CHILD SUPPORT GARNISHMENT: PAYMENT	699.23	699.23
05/13/2019	1001315626	00494 PERS	RETIREMENT: PAYMENT	100,518.47	100,518.47
05/14/2019	5142019	03718 HR SIMPLIFIED	IRS 125 04/28/19 - 05/11/19 DCA/FSA/POS	2,188.67	2,188.67
05/14/2019	484107847	00558 IRS - PAYROLL TAXES	FEDERAL WITHHOLDING TAXES: PAYMENT	168,453.88	168,453.88
05/14/2019	694277312	00559 EDD - PAYROLL	CALIFORNIA STATE TAXES: PAYMENT	33,974.81	33,974.81
05/16/2019	100562	04483 AA OFFICE EQUIPMENT CO, INC	CUBICLES FOR MAINTENANCE DIV	6,098.34	6,098.34
05/16/2019	100563	00031 ALLIED FLUID PRODUCTS CORP	DERWA: PACKING FOR POLY PUMPS	126.47	126.47
05/16/2019	100564	07499 MAYETTE BAILEY	BAILEY REIMB EXP AT CALPERS 3/05/19 & FI	238.81	238.81
05/16/2019	100565	01013 BARRETT BUSINESS SERVICES	P. MULLEN: WE 04/21/19	1,632.27	1,632.27
05/16/2019	100566	01013 BARRETT BUSINESS SERVICES	D. FRIGARD-SILVA: WE 04/21/19	1,196.00	8,314.35
			H. BIRDSELL: W/E 4/21/19	1,048.32	
			R. HUNG: WE 04/21/19	956.80	
			L. GOSS: W/E 4/21/19	832.00	
			B. YENOKIDA: W/E 4/21/19	832.00	
			J. CHAMBERS JR: W/E 4/21/19	832.00	
			L. RUMMEL: WE 04/21/19	676.86	
			M. ZAKLAN: WE 04/21/19	483.84	
			J. HAYES: WE 04/21/19	453.41	
			S. MONTAGUE: W/E 04/21/19	390.00	
			A. GEHMLICH: WE 04/21/19	348.16	
			N. POON: WE 04/21/19	264.96	
05/16/2019	100567	07954 BENEFIT COORDINATORS CORP	5/19 - EE LIFE & DISABILITY INSURANCE PR	11,798.55	11,798.55
05/16/2019	100568	04691 INC. EQUIFAX INFORMATION SV	EQUIFAX RED FLAG	436.40	436.40
05/16/2019	100569	05509 FULL SPECTRUM ANALYTICS, IN	GCMS INSTRUMENT SERVICE CONTRACT	3,148.56	3,148.56



Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
05/16/2019	100570	00937 GRAINGER, INC.	WWTP PAINT	226.75	
			SPARE FAN MOTOR FOR SAMPLER 5	32.54	259.29
05/16/2019	100571	04424 GRAYBAR ELECTRIC COMPANY	ELECTRIC SHOP SUPPLIES	432.56	432.56
05/16/2019	100572	07109 DANIEL MCINTYRE	MCINTYRE MILEAGE REIMB FOR APR 2019	163.35	163.35
05/16/2019	100573	00666 RUDY PORTUGAL	R. PORTUGAL REIMB CLAIM @ SEMINAR 5/02/1	21.03	21.03
05/16/2019	100574	01403 PRAXAIR DISTRIBUTION INC 186	ARGON GAS AND CYLINDER RENTAL	81.55	81.55
05/16/2019	100575	00805 SUE STEPHENSON	S. STEPHENSON REIMB CLAIM @ ACWA MAY 201	54.00	54.00
05/16/2019	100576	00843 THE COVELLO GROUP INC	17-P004 T.O. OC-11 3/1/19 TO 3/28/19	6,744.50	
			16-R014 T.O. 1 3/1/19 TO 3/28/19	3,742.06	
			15-P018 T.O. 2 3/1/19 TO 3/28/19	2,150.00	
			16-P028 T.O. OC-10 3/1/19 TO 3/28/19	1,365.00	14,001.56
05/16/2019	100577	02880 WUNDERLICH-MALEC SYSTEMS	05-3103 T.O. OC-2 SERVICES THROUGH 4/30/	10,536.82	10,536.82
05/16/2019	100578	01719 A & M PRINTING, INC.	PRINTING: BILL INSERTS - 2018 AWQR & TRA	1,644.04	1,644.04
05/16/2019	100579	00019 A-1 ENTERPRISES	LAVBWMA MONTHLY STREET SWEEPING APR '19	394.00	394.00
05/16/2019	100580	08340 AIR FILTER SUPPLY, INC.	AIR FILTERS FOR STOCK WATER PUMP STATION	190.80	190.80
05/16/2019	100581	07554 AIRGAS USA, LLC	PROPANE FOR FORK LIFT & WELDING WIRE FOR	233.82	233.82
05/16/2019	100582	02158 AMADOR VALLEY INDUSTRIES	DO GARBAGE SVC - FOR APR. 2019	379.77	379.77
05/16/2019	100583	00058 ARROWHEAD MOUNTAIN SPRING	LAB WATER COOLER APR '19	44.31	44.31
05/16/2019	100584	00058 ARROWHEAD MOUNTAIN SPRING	LAVWMA BOTTLED WATER SERVICE APR '19	16.38	16.38
05/16/2019	100585	00058 ARROWHEAD MOUNTAIN SPRING	BLDG T WATER BOTTLE & UNIT RENTAL APR '1	9.82	9.82
05/16/2019	100586	06211 ASSOCIATED SERVICES CO.	MONTHLY BEVERAGE DELIVERY SERVICE FOR DO	394.37	394.37
05/16/2019	100587	00622 AT&T	AT&T VIOP SERVICE DO 04/01/19-04/30/19	97.43	
			AT&T VIOP SERVICE CC 04/01/19-04/30/19	97.43	194.86

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Date	Check #	Vendor	Description	Amount Paid	Check Total
05/16/2019	100588	08663 AWARDS NETWORK	2019 EMPLOYEE SERVICE AWARDS (JAN - APR)	655.50	655.50
05/16/2019	100589	01289 BURLINGAME ENGINEERS INC	230 GALLON POLY PROCESSING VERTICAL HYPO	3,207.90	3,207.90
05/16/2019	100590	05404 CALIFORNIA FIRST AID & SAFET	NEW FIRST AID KIT FOR FOF	256.74	256.74
05/16/2019	100591	00105 DEPT 34261 CAL-STEAM	PARTS FOR PIPE CHASE OUTSIDE DAFT	148.20	
			PARTS FOR POLYMER AREA CHANGES	41.02	189.22
05/16/2019	100592	00118 CALTEST ANALYTICAL LAB	SAMPLE ANALYSES	184.30	184.30
05/16/2019	100593	00136 CDW GOVERNMENT INC.	BUSINESS VEEAM BACKUP RENEWAL 3/29/2019-	3,968.52	
			18-W018 CISCO AIRONET 1542I AND PRIME IN	1,210.20	
			18-P008 CISCO INDUSTRIAL 4000 SWITCH & A	795.50	5,974.22
05/16/2019	100594	08447 CHEMTRADE CHEMICALS US LL	4180.988 ALUM SULFATE FOR DERWA DELV 4-2	3,672.49	
			3882.731 ALUM SULFATE DELV 4-25-19	3,410.50	7,082.99
05/16/2019	100595	00014 GSA COUNTY OF ALAMEDA	FY 2019 FUELING -FOD/INSP/CFRS-MAR. 2019	2,479.96	2,479.96
05/16/2019	100596	00237 EBMUD MAIL REMITTANCE DERV	DERWA 2017-2018 OPERATION & MAINTENANCE	73,383.99	73,383.99
05/16/2019	100597	09094 DUBLIN VENTURES LTD PARTNE	16-A002 GRANT OF EASEMENT FOR VEHICLE AC	5,000.00	5,000.00
05/16/2019	100598	05839 EUROFINS EATON ANALYTICAL I	UCMR4_AM2_04-17-19	680.00	
			UCMR4_AM1_04-17-19	370.00	1,050.00
05/16/2019	100599	05495 EWING IRRIGATION & LANDSCAI	SPRINKLERS FOR DO - DROUGHT GARDEN PROJE	514.17	514.17
05/16/2019	100600	02656 FASTENAL COMPANY	MISC SAFETY ITEMS	314.98	
			MISC SAFETY ITEMS	150.48	
			MISC SAFETY ITEMS	114.81	580.27
05/16/2019	100601	00314 FEDEX	OVERNIGHT DELIVERY SERVICE	9.14	9.14
05/16/2019	100602	05630 FOOTHILL LOCKSMITHS INC.	MASTER KEY & CYLINDER BLDG E & REPLACE L	691.16	691.16
05/16/2019	100603	00368 HACH COMPANY	REAGENT FOR PORTABLE CL2 ANALYZER	92.26	92.26
05/16/2019	100604	09070 HARRY L. MURPHY, INC	REPAIR TO DAMAGED LAB FLOORING	1,000.00	1,000.00

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
05/16/2019	100605	03149 HDS WHITE CAP CONST SUPPLY	SQWINCHER ZERO QUIK STIK ELECTROLYTE POW	137.34	137.34
05/16/2019	100606	07844 ICE SAFETY SOLUTIONS INC.	HEAT ILLNESS PREVENTION TRAINING - APRIL	1,800.00	1,800.00
05/16/2019	100607	07523 ID ARCHITECTURE	19-A005 T.O. OC-7 MARCH DESIGN SERVICES	18,798.00	18,798.00
05/16/2019	100608	00425 INDUSTRIAL WIPER & SUPPLY IN	RAGS FOR MAINT SHOP	329.64	329.64
05/16/2019	100609	01225 KAESER COMPRESSORS, INC	PLANT (DAFT) AIR COMPRESSOR PARTS	47.61	47.61
05/16/2019	100610	00468 CORP KAMAN INDUSTRIAL TECH	BREATHERS FOR MIXER GEAR BOXES	932.82	
			SEALS FOR SLUDGE PUMPS	40.79	973.61
05/16/2019	100611	00468 CORP KAMAN INDUSTRIAL TECH	BEARINGS FOR 7 SERIES PUMPS (SLUDGE)	422.71	422.71
05/16/2019	100612	07330 LIBERTY PROCESS EQUIPMENT,	SLUDGE PUMP STATOR (P2)	1,281.52	1,281.52
05/16/2019	100613	03958 LIVERMORE AUTO GROUP	VEHICHL E #71 FUEL PUMP	487.80	
			2 KEYS FOR VEHICLE #111	294.89	782.69
05/16/2019	100614	00536 MC MASTER-CARR SUPPLY CO.	WELDING FABRICATION SUPPLIES	154.49	
			PARTS FOR HYPO SYSTEM	16.87	171.36
05/16/2019	100615	05897 MERIT RESOURCE GROUP	A. MCCAFFERY: WE 05/12/19	1,423.13	1,423.13
05/16/2019	100616	04231 MSC INDUSTRIAL SUPPLY CO	SAFETY SUPPLIES	668.33	
			STORAGE BINS FOR CONEX BY SHOP	445.61	
			PPE STORAGE BAGS	360.47	
			FLUIDS FOR SHOP	324.44	
			FSL MIXERS CABLE CLIP	129.13	
			WELDING FABRICATION SUPPLIES	76.37	2,004.35
05/16/2019	100617	04796 NAPA AUTO PARTS	HITCH STOCK	494.59	
			VEHICLE #6 PARTS	95.43	
			STOCK FILTERS	40.34	
			VEHICLE #6 FUEL FILTER	33.50	
			TRAILER LIGHT ADAPTER SHOP TRACK #55	25.12	

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			OIL FILTERS - STOCK	15.23	
			CAP FOR UNIT 412G	12.83	
			INV #6189 200A PUMP STATION 407G GENERAT	6.41	
			CREDIT/RETURNED OIL FILTER	-19.45	704.00
05/16/2019	100618	00591 NEOPOST USA INC.	NEOPOST QUARTERLY FEE 5/22/19 - 8/21/19	260.81	260.81
05/16/2019	100619	03987 OLIN CHLOR ALKALI PRODUCTS	2480.000 BACTICIDE DELV 4/25/19	1,758.40	
			2468.000 BACTICIDE DELV 4/25/19	1,749.89	3,508.29
05/16/2019	100620	00620 P G & E	WWTP ELECTRICITY - APR 2019	31,068.31	
			RESERVOIR R100 ELECTRICITY - MAY 2019	36.01	
			DISTRICT OFFICE GAS SERVICE - APR 2019	32.19	
			DO UTILITY BLDG. GAS SERVICE - APR 2019	14.31	31,150.82
05/16/2019	100621	08356 PACE SUPPLY	MISC SUPPLIES	178.13	
			MISC SUPPLIES	31.99	210.12
05/16/2019	100622	04211 PLATT ELECTRIC SUPPLY	STOCK TERMINAL BLOCKS	155.14	155.14
05/16/2019	100623	00663 PLEASANTON GARBAGE SVC IN	WWTP GARBAGE PICK-UP & RENTAL ON BOXES A	4,991.94	4,991.94
05/16/2019	100624	01195 POWERSTRIDE BATTERY CO., IN	STOCK ORDER	238.98	
			410G BATTERY	185.25	
			CREDIT FOR DOUBLE PMT FOR INV#A516543, D	-340.28	83.95
05/16/2019	100625	06886 RALPH ANDERSEN & ASSOCIATE	DERWA GM RECRUITMENT SERVICES	17,250.00	17,250.00
05/16/2019	100626	02316 RECORDS CONTROL SERVICES	PHYSICAL RECORDS INVENTORY & IMPROVEMENT	757.12	757.12
05/16/2019	100627	05841 SABAH INTERNATIONAL, INC.	FIRE: WWTP SEMI-ANNUAL FIRE ALARM TESTIN	1,260.00	
			FIRE: DERWA FACILITY SEMI-ANNUAL FIRE AL	315.00	1,575.00
05/16/2019	100628	09064 SUNSOURCE	RAMS FOR DREDGE	1,567.18	
			CREDIT FOR ITEMS INCORRECTLY PRICED ON I	-59.06	1,508.12
05/16/2019	100629	06948 TECHNICAL SAFETY SERVICES,	ANNUAL FUME HOOD CERTIFICATIONS	991.00	991.00

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
05/16/2019	100630	05690 TRACKER	ANNUAL SUBSCRIPTION FEE 06/01/19-06/01/2	3,300.00	3,300.00
05/16/2019	100631	09004 VALLEJO ELECTRIC MOTOR INC	COGEN #1 GENERATOR SERVICE	6,637.97	6,637.97
05/16/2019	100632	00924 VERIZON WIRELESS	CELL PHN SVC AND EQUPTMNT CHARGES 4/04/	4,416.07	4,416.07
05/16/2019	100633	08423 WATERTALENT LLC	M. MAESTAS: WE 04/21/19	4,725.00	4,725.00
05/16/2019	100634	02884 WEST VALLEY CONSTRUCTION	15-W004 POTABLE METER CONVERSION TO RW @	1,822.57	1,822.57
05/16/2019	100635	00957 WEST YOST & ASSOCIATES	16-R018 T.O. OC-13 3/9/19 TO 4/5/19	4,195.00	4,195.00
05/16/2019	100636	00987 ATTN: ACCOUNTING ZONE 7 WA	APR. 2019 CONNECTION FEES	4,055,608.20	4,055,608.20
05/23/2019	100637	00019 A-1 ENTERPRISES	WWTP STREET SWEEPING - APR '19	250.00	250.00
05/23/2019	100638	07554 AIRGAS USA, LLC	ACETYLENE FOR SHOP	270.80	
			CYLINDER RENTAL APR '19	143.77	
			CYLINDER RENTAL APR '19	79.15	493.72
05/23/2019	100639	06552 SOLUTIONS INC. AMERICAN COI	AQUAHAWK PORTAL MONTHLY LICENSING & MAIN	2,421.00	2,421.00
05/23/2019	100640	09040 ANDERSON PACIFIC ENGINEERI	17-P004 - PP#1 03/20/19-04/30/19	456,000.00	456,000.00
05/23/2019	100641	06211 ASSOCIATED SERVICES CO.	BEVERAGE SERVICEWWTP & FOF 5-19	640.87	640.87
05/23/2019	100642	00622 AT&T	MANAGED INTERNET SERVICES 04/01/19-04/3	2,164.63	2,164.63
05/23/2019	100643	00079 BAY AREA AIR QUALITY MGMT.	ANNUAL PERMIT RENEWAL SITE # B5889 JULY	589.00	589.00
05/23/2019	100644	08684 BIOGAS ENGINEERING	16-P028 T.O. 1 4/30/19 SERVICES	7,746.15	7,746.15
05/23/2019	100645	00091 & JUDSON BOLD, POLISNER, MA	MONTHLY LEGAL SERVICES - 04/2019	48,328.50	48,328.50
05/23/2019	100646	07138 CALIFORNIA WATER TECHNOLO	41,380.00 FERROUS CHLORIDE DELV 4-30-19	5,209.73	5,209.73
05/23/2019	100647	01085 CALPERS LONG-TERM CARE PR	LONG-TERM CARE: PAYMENT	68.12	68.12
05/23/2019	100648	00136 CDW GOVERNMENT INC.	18-P008 CISCO INDUSTRIAL 4000 SWITCH & A	2,826.94	2,826.94
05/23/2019	100649	08447 CHEMTRADE CHEMICALS US LL	3925.852 ALUM SULFATE DELV 4-30-19	3,448.38	
			3855.780 ALUM SULFATE DELV 5-3-19	3,386.83	6,835.21

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05/23/2019	100650	01167 CITY OF DUBLIN	ENCROACHMENT PERMIT FOR REPAIR @ 11963 W ENCROACHMENT PERMIT: 6830 SAGE COURT	908.00 566.00	1,474.00
05/23/2019	100651	02804 ATTN: FINANCE DEPARTMENT C	LEADERSHIP ACADEMY 2018-2019 - STEVE DEL	1,050.00	1,050.00
05/23/2019	100652	03760 DOSH - ERT UNIT DEPT. OF INDU	FOF ELEVATOR PERMIT CONVEYANCE #109889	125.00	125.00
05/23/2019	100653	00302 EQUIPCO	YSI SENSOR ASSEMBLY	447.28	447.28
05/23/2019	100654	00307 FAIRWAY EQUIPMENT & SUPPLY	PARTS FOR PLEASANTON LINE HYPO INJECTION	1,109.71	1,109.71
05/23/2019	100655	02656 FASTENAL COMPANY	MISC SAFETY ITEMS MISC SAFETY ITEMS MISC SAFETY ITEMS	524.18 503.28 108.10	1,135.56
05/23/2019	100656	02914 STATE OF CALIFORNIA FRANCHISE	FRANCHISE TAX BOARD: PAYMENT	150.00	150.00
05/23/2019	100657	00352 GOLDEN STATE FLOW MEASUREMENT	120 SENSUS IPERL 1" METERS	25,647.09	25,647.09
05/23/2019	100658	00368 HACH COMPANY	PORTABLE CL2 ANALYZER FOR I&C MAINTENANCE PORTABLE CL2 ANALYZER FOR CALIBRATION OF	529.45 529.45	1,058.90
05/23/2019	100659	09059 HART HIGH-VOLTAGE	TESTING OF XFMR-6, REPLACEMENT OF THE ME	4,854.60	4,854.60
05/23/2019	100660	06732 HIRERIGHT, INC.	EMPLOYMENT BACKGROUND SCREENING SERVICES	244.50	244.50
05/23/2019	100661	07848 JARVIS, FAY & GIBSON, LLP	GENERAL COUNSEL SVCS - APRIL 2019	140.00	140.00
05/23/2019	100662	01225 KAESER COMPRESSORS, INC	PLANT AIR COMPRESSOR PARTS	1,235.51	1,235.51
05/23/2019	100663	08876 KIDS FOR THE BAY	ACL ORDER # R2-2018-1006 DSRSD - MILESTONE	10,799.52	10,799.52
05/23/2019	100664	07193 LAI & ASSOCIATES	FIELD DENSITY TESTING - DUBLIN BLVD & IR	1,332.96	1,332.96
05/23/2019	100665	00536 MC MASTER-CARR SUPPLY CO.	SAND FILTER FLOAT SWITCH REPLACEMENT PRV FOR THE SURGE TANK AT PS	341.25 184.77	526.02
05/23/2019	100666	01272 MCH ELECTRIC	RTND MTR 1629933	904.12	904.12
05/23/2019	100667	04231 MSC INDUSTRIAL SUPPLY CO	10 IGLOO BEVERAGE JUGS	163.11	

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			LEAK REPAIR @ PAC TANKS	59.04	222.15
05/23/2019	100668	04796 NAPA AUTO PARTS	TRIANGLE KIT #80 & FIRE EXT. #78	115.34	115.34
05/23/2019	100669	00589 NCL OF WISCONSIN, INC.	STANDARD SOLUTIONS AND LAB SUPPLIES	169.43	169.43
05/23/2019	100670	03987 OLIN CHLOR ALKALI PRODUCTS	4928.000 HYPO FOR DERWA DELV. 5/1/19	3,198.27	
			2512.000 HYPO DELV 5/3/19	1,781.09	
			2480.000 HYPO DELV. 5/3/19	1,758.40	
			2494.000 SDG SODIUM HYPO FOR DERWA DELV	1,618.61	8,356.37
05/23/2019	100671	08356 PACE SUPPLY	FLUSHING SUPPLIES	128.07	
			MISC SUPPLIES - SPRAY BOTTLE, LUBRICANT,	104.75	232.82
05/23/2019	100672	02095 PG&E	16-A005 SERVICE RELOCATION @ 7035 COMMER	1,833.76	1,833.76
05/23/2019	100673	04211 PLATT ELECTRIC SUPPLY	STOCK TERMINAL BLOCKS	2,068.10	
			TOOLS FOR LINO LANTIN AND JASON BERTACCH	185.69	
			STOCK TERMINAL BLOCKS	184.20	
			DERWA PART	35.80	2,473.79
05/23/2019	100674	04951 PLEASANTON TRUCKING	17-P004 CONEX MOVE	440.00	440.00
05/23/2019	100675	08649 ROUNTREE PLUMBING AND HEA	DISTRICT OFFICE BOILER REPLACEMENT	50,514.00	50,514.00
05/23/2019	100676	05841 SABAH INTERNATIONAL, INC.	FIRE ALARM REPAIR FOD	690.00	
			WWTP BLDG G REPLACE 2 12V 7AH BATTERIES	166.06	856.06
05/23/2019	100677	00696 TRAVERSO'S WORK SHOE HQ	DAISY THACH SAFETY SHOES	188.32	188.32
05/23/2019	100678	01222 IRS UNITED STATES TREASURY	GARNISHMENT - IRS: PAYMENT	420.50	420.50
05/23/2019	100679	00556 UNITED WAY OF THE BAY AREA	UNITED WAY: PAYMENT	175.07	175.07
05/23/2019	100680	06004 VANGUARD CLEANING SYSTEMS	WWTP JANITORIAL SERVICE MAY '19	3,045.00	
			FOF JANITORIAL SERVICE MAY '19	2,845.00	
			LAVWMA JANITORIAL SERVICE FOR MAY '19	275.00	6,165.00
05/23/2019	100681	00920 VASCO ROAD LANDFILL	UNLOADING OF WWTP SOLIDS/GRIT:MAY '19	606.07	606.07

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05/23/2019	100682	08561 VERIZON CONNECT	GPS TRACKING SYSTEM APR. 19	1,339.85	1,339.85
05/23/2019	100683	00933 VWR INTERNATIONAL, INC.	STANDARD SOLUTIONS AND LAB SUPPLIES	695.69	
			STANDARD SOLUTIONS AND LAB SUPPLIES	438.51	
			STANDARD SOLUTIONS AND LAB SUPPLIES	240.23	
			STANDARD SOLUTIONS AND LAB SUPPLIES	183.21	1,557.64
05/23/2019	100684	08423 WATERTALENT LLC	M. MAESTAS: WE 04/28/19	5,400.00	5,400.00
05/23/2019	100685	04061 WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES	1,133.68	1,133.68
05/23/2019	100686	00957 WEST YOST & ASSOCIATES	07-3203 T.O. OC-18 4/6/19 TO 5/3/19	12,644.33	
			TO NO. OC-4: SSMP UPDATE PROF SVCS 1/05/	312.00	12,956.33
05/23/2019	100687	03460 ACCO ENGINEERED SYSTEMS II	BLDG K AC REPAIR	1,661.00	1,661.00
05/23/2019	100688	03460 ACCO ENGINEERED SYSTEMS II	TROUBLESHOOT: BLDG M & N TOO HOT 4-22-19	624.58	
			TROUBLESHOOT: FOF BUILDING TOO COLD	545.00	1,169.58
05/23/2019	100689	03460 ACCO ENGINEERED SYSTEMS II	TROUBLESHOOT BLDG K UNIT NOT WORKING 4-9	545.00	545.00
05/23/2019	100690	01013 BARRETT BUSINESS SERVICES	P. MULLEN: WE 04/28/19	1,871.14	1,871.14
05/23/2019	100691	01013 BARRETT BUSINESS SERVICES	D. FRIGARD-SILVA: WE 04/28/19	1,196.00	
			R. HUNG: WE 04/28/19	1,196.00	
			H. BIRDSSELL: W/E 4/28/19	1,164.80	
			L. GOSS: W/E 4/28/19	832.00	
			B. YENOKIDA: W/E 4/28/19	832.00	
			A. GEHMLICH: WE 04/28/19	435.20	
			S. MONTAGUE: W/E 04/28/19	390.00	
			N. POON: WE 04/28/19	345.60	
			L. RUMMEL: WE 04/28/19	300.83	
			M. ZAKLAN: WE 04/28/19	172.80	6,865.23
05/23/2019	100692	00319 ACCT # 217838-001 FISHER SCIE	STANDARD SOLUTION AND LABORATORY SUPPLIE	143.58	143.58



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05/23/2019	100693	00335 LEVI FULLER	L. FULLER REMIB EXP @ ACWA CONFERENCE 05	84.96	84.96
05/23/2019	100694	00937 GRAINGER, INC.	FILTERS FOR BLDG A WATER	435.34	
			INSECT SPRAY	74.07	
			SHOP STOCK MATERIAL	46.08	555.49
05/23/2019	100695	04424 GRAYBAR ELECTRIC COMPANY	SHOP STOCK MATERIAL	764.77	764.77
05/23/2019	100696	06791 HYLAND SOFTWARE, INC.	PROFESSIONAL SVCS - JOSEPH TANIS - 3/11/	13,994.51	13,994.51
05/23/2019	100697	03853 ICMA	ICMA 457 DEFERRED COMPENSATION: PAYMENT	55,259.31	55,259.31
05/23/2019	100698	00439 IUOE LOCAL 39	LOCAL 39 UNION DUES: PAYMENT	4,881.58	4,881.58
05/23/2019	100699	00456 MARK JOHNSTON	JOHNSTON COMPUTER LOAN	545.16	545.16
05/23/2019	100700	00485 KOFF & ASSOCIATES INC.	CLASSIFICATION STUDY	1,040.00	1,040.00
05/23/2019	100701	03653 LORI MARTIN	L. MARTIN REIMB EXP FOR 2018 EMPLOYEE RE	3,100.00	3,100.00
05/23/2019	100702	07745 ROBYN MUTOBE	R. MUTOBE MILEAGE REIMB FOR CCCSD LEADER	25.17	25.17
05/23/2019	100703	01293 PK SAFETY SUPPLY	SAFETY VESTS	168.57	168.57
05/23/2019	100704	01403 PRAXAIR DISTRIBUTION INC 186	ARGON GAS AND CYLINDER RENTAL	706.97	706.97
05/23/2019	100705	00762 TEST AMERICA LABORATORIES	SAMPLE ANALYSES	137.50	137.50
05/23/2019	100706	00843 THE COVELLO GROUP INC	15-P018 T.O. 2 12/28/19 TO 1/31/19	3,970.00	
			15-P018 T.O. 2 2/1/19 TO 2/28/19	430.00	4,400.00
05/23/2019	100707	05026 UNIVAR USA INC.	95 GAL 12.5% SODIUM HYPOCHLORITE - RES1A	462.13	462.13
05/23/2019	100708	07290 V. W. HOUSEN & ASSOCIATES, IN	15-W017 T.O. OC-4 3/1/19 THROUGH 3/31/19	1,998.56	1,998.56
05/23/2019	100709	06643 WEIR TECHNICAL SERVICES	MANAGEMENT SERVICES - APRIL 2019	6,275.67	6,275.67
05/23/2019	100710	02880 WUNDERLICH-MALEC SYSTEMS	05-3103 FSL SCADA IMPROVEMENTS	9,141.45	9,141.45
05/23/2019	100711	03622 JUDY ZAVADIL	J. ZAVADIL REIMB EXP @ 2019 ACWA SPRING	177.91	177.91
05/24/2019	8163	05511 DISBURSEMENT UNIT CALIFORN	CHILD SUPPORT GARNISHMENT: PAYMENT	699.23	699.23

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05/24/2019	1001324036	00494 PERS	RETIREMENT: PAYMENT	99,557.74	99,557.74
05/28/2019	557784256	00559 EDD - PAYROLL	CALIFORNIA STATE TAXES: PAYMENT	29,737.48	29,737.48
05/28/2019	801615508	00558 IRS - PAYROLL TAXES	FEDERAL WITHHOLDING TAXES: PAYMENT	147,935.57	147,935.57
05/30/2019	100712	06091 TRAINING CENTER ALAMEDA CC	TRAINING FOR K. PRUITT 12/04/19	600.00	600.00
05/30/2019	100713	00045 ANDREWS GLASS CO	CYANIDE MIDI DISTILLATION SYS PARTS/GLAS	141.70	141.70
05/30/2019	100714	02062 ASSOCIATED RIGHT OF WAY	17-W003 T.O. 1 4/1/19 TO 4/30/19	1,665.00	1,665.00
05/30/2019	100715	00622 AT&T	C3 - TELE SVCS 04/13/19-05/12/19	665.37	665.37
05/30/2019	100716	08663 AWARDS NETWORK	RETIREMENT GIFT - BOB BROUGH	273.13	273.13
05/30/2019	100717	07590 BIG BOARDS!	ADVERTISING: ANNUAL FEE FOR WELCOME BOX	600.00	600.00
05/30/2019	100718	08428 CAL ENGINEERING & GEOLOGY,	DOFLOOD T.O. OC-4 4/1/19 THROUGH 4/30/19	9,351.10	9,351.10
05/30/2019	100719	05404 CALIFORNIA FIRST AID & SAFET	FOF FA KIT RESTOCK	51.57	51.57
05/30/2019	100720	00105 DEPT 34261 CAL-STEAM	PARTS FOR REPAIRS	30.69	30.69
05/30/2019	100721	00136 CDW GOVERNMENT INC.	SOPHOS RENEWAL 5YR	24,857.90	24,857.90
05/30/2019	100722	08447 CHEMTRADE CHEMICALS US LL	3911.479 ALUM SULFATE DELV. 5-9-19	3,435.76	10,195.21
			3882.731 ALUM SULFATE DELV 5-7-19	3,410.50	
			3,812.658 ALUM SULFATE DELV 5-10-19	3,348.95	
05/30/2019	100723	01167 CITY OF DUBLIN	ENCROACHMENT PERMIT FOR REPAIR @ 8391 MU	566.00	566.00
05/30/2019	100724	00157 CITY OF PLEASANTON	FOF IRRIGATION WATER BILL	373.98	1,167.29
			WWTP WATER BILL	245.18	
			FOD WATER BILL	229.70	
			WWTP DERWA WATER BILL	166.49	
			LAVWMA WATER BILL	151.94	
05/30/2019	100725	08924 CRYSTAL COMMUNICATIONS	P25 RADIO ACCESSORY	80.55	80.55

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05/30/2019	100726	05495 EWING IRRIGATION & LANDSCAPE	PARTS FOR DROUGHT GARDEN PROJECT	141.35	
			IRRIGATION PIPING FOR DROUGHT GARDEN PRO	33.87	175.22
05/30/2019	100727	02656 FASTENAL COMPANY	CHEMICAL RESISTANT GLOVES, SFTY GLASSES,	77.92	77.92
05/30/2019	100728	00314 FEDEX	EXPRESS SHIPPING 5-19	18.65	18.65
05/30/2019	100729	00352 GOLDEN STATE FLOW MEASUREMENT	SENSUS METERS	5,506.20	
			3 H2 HYDRANT METER 1 CF W/ CONNECTIONS	2,974.23	8,480.43
05/30/2019	100730	03149 HDS WHITE CAP CONST SUPPLY	CONCRETE SUPPLIES FOR DROUGHT GARDEN	891.47	891.47
05/30/2019	100731	07481 J.N. ABBOTT DISTRIBUTOR, INC.	COGEN LUBE OIL	4,636.13	4,636.13
05/30/2019	100732	05851 JENFITCH, LLC	DERWA JC 1679 CATIONIC COAGULANT	5,620.49	5,620.49
05/30/2019	100733	02353 KELLY-MOORE PAINT CO., INC.	COATING FOR DREDGE	224.55	224.55
05/30/2019	100734	03958 LIVERMORE AUTO GROUP	SO SENSOR FOR VEHICLE #93	68.51	68.51
05/30/2019	100735	03127 LUHDORFF & SCALMANINI INC.	DLD GROUNDWATER MONITORING SPRING 2019 T	1,982.50	1,982.50
05/30/2019	100736	05897 MERIT RESOURCE GROUP	A. MCCAFFERY: WE 05/26/19	1,449.00	
			A. MCCAFFERY: WE 05/19/19	1,311.00	2,760.00
05/30/2019	100737	04231 MSC INDUSTRIAL SUPPLY CO	TOOLS FOR NEW EMPLOYEES	460.16	
			REPLACEMENT TOOLS FACILITIES	350.44	
			TOOLS FOR ISIDRO'S CART	246.99	
			PVC PRIMER MATERIAL & POLYMER SINK REPAIR	200.39	1,257.98
05/30/2019	100738	04796 NAPA AUTO PARTS	FLEET SUPPLIES	153.45	
			FLEET SUPPLIES	90.55	244.00
05/30/2019	100739	03987 OLIN CHLOR ALKALI PRODUCTS	2498.000 SDG HYPO DELV 5-10-19	1,771.16	1,771.16
05/30/2019	100740	03987 OLIN CHLOR ALKALI PRODUCTS	2490.000 SDG HYPO DELV 5-10-19	1,765.49	1,765.49
05/30/2019	100741	00620 P G & E	LAVWMA PS FEEDER A - MAY 2019	46,638.91	
			LAVWMA PS FEEDER B - MAY 2019	45,535.83	

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			MISC PUMP STNS; COMM CIR ELECTRICITY - A	25,053.25	
			PUMP STATION R200B ELECTRIC - MAY 2019	4,168.48	
			DISTRICT OFFICE ELECTRICITY - APR 2019	2,419.01	
			FSL AERATORS; LAB HVAC; FLEET - APR 2019	1,129.12	
			DO UTILITY BLDG. ELECTRICITY - APR 2019	100.92	
			RESERVOIR 3A ELECTRICITY - APR 2019	52.46	125,097.98
05/30/2019	100742	09098 PATRIOT PEST MANAGEMENT	WWTP GENERAL PEST CLEAN OUT 4-13-19	560.00	
			FOF PEST CONTROL: GENERAL PEST CLEAN OUT	320.00	
			WWTP MONTHLY SERVICE MAY '19	236.00	
			FOF MONTHLY SERVICE - MAY '19	145.00	1,261.00
05/30/2019	100743	07334 PATTERSON ENTERPRISES	3 MEDIC BASIC PLUS CPR/AED/FA TRAINING	207.00	207.00
05/30/2019	100744	04211 PLATT ELECTRIC SUPPLY	SHOP TOOLS	185.69	185.69
05/30/2019	100745	09023 QUENCH USA, INC.	WWTP BLDG T WATER FILTRATION SERVICE MAY	65.55	
			FOF WATER FILTRATION SERVICE MAY '19	65.55	131.10
05/30/2019	100746	04105 R & B COMPANY	BRASS COUPLING, BRASS SQ HEAD CORED PLUG	1,189.08	
			1X100' BLUE CTS PE TUBING 250PSI	268.76	1,457.84
05/30/2019	100747	07455 SAFETY CENTER INCORPORATE	EXCAVATION TRAINING ON 5/1/19	1,350.00	1,350.00
05/30/2019	100748	08339 SAN FRANCISCO ELEVATOR INC	ELEVATOR MAINTENANCE MAY 2019	492.00	492.00
05/30/2019	100749	08010 SLOAN SAKAI YEUNG & WONG L	LABOR RELATED LEGAL FEES (04/19)	128.10	128.10
05/30/2019	100750	02444 DEPT LA 1368 STAPLES ADVANT	2X3 DRY ERASE BOARD	61.17	61.17
05/30/2019	100751	06240 SWINERTON BUILDERS	19-A005 SERVICES THROUGH 4/30/19	19,447.00	19,447.00
05/30/2019	100752	00829 T & T VALVE & INSTRUMENTS IN	REPLACEMENT VALVES FOR MF/CIP	1,505.47	1,505.47
05/30/2019	100753	01202 TELEDYNE ISCO	REFRIGERATED SAMPLER FOR OPERATIONS DEPT	6,092.33	6,092.33
05/30/2019	100754	06650 TOKAY SOFTWARE	TOKAY WEB TEST REPORTS ENTERED APRIL 201	140.00	140.00
05/30/2019	100755	01806 U.S. BANK EQUIPMENT FINANCE	COPIER LEASE LAB/CUST SVC/EXEC - 05/01/1	1,680.27	1,680.27

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05/30/2019	100756	08626 U.S. SAWS, INC.	BO BOPPER VALVE COVER REMOVER W. HAMMER	1,175.52	1,175.52
05/30/2019	100757	08423 WATERTALENT LLC	M. MAESTAS: WE 05/05/19	5,400.00	5,400.00
05/30/2019	100758	04061 WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES	615.30	615.30
05/30/2019	100759	02780 WORKSMART AUTOMATION INC.	INSTALLATION OF REPORTBUILDER 1 DAY ONSI	1,348.00	
			INSTALLATION OF REPORTBUILDER 1 DAY ONSI	750.00	2,098.00
05/30/2019	100760	00987 ATTN: ACCOUNTING ZONE 7 WA	TREATED WATER SERVICE FOR APRIL 2019	1,070,043.37	1,070,043.37
05/30/2019	100761	01013 BARRETT BUSINESS SERVICES	P. MULLEN: WE 05/05/19	1,393.40	1,393.40
05/30/2019	100762	01013 BARRETT BUSINESS SERVICES	D. FRIGARD-SILVA: WE 05/05/19	1,196.00	
			L. RUMMEL: WE 05/05/19	902.48	
			L. GOSS: W/E 5/5/19	832.00	
			B. YENOKIDA: W/E 5/5/19	832.00	
			A. GEMHLICH: WE 05/05/19	544.00	
			N. POON: WE 05/05/19	437.76	
			S. MONTAGUE: W/E 05/05/19	429.00	
			M. ZAKLAN: WE 05/05/19	276.48	5,449.72
05/30/2019	100763	00103 C. OVERAA & CO.	DOFLOOD SLAB REPLACEMENT AT DISTRICT OFF	127,237.00	127,237.00
05/30/2019	100764	03614 CAROLLO ENGINEERS INC.	07-3203 T.O. 2 4/1/19 TO 4/30/19	16,135.01	
			15-P018 T.O. OC-20 4/1/19 TO 4/30/19	5,460.00	
			16-R014 T.O. 1 3/1/19 TO 4/30/19	4,922.00	26,517.01
05/30/2019	100765	00299 ENVIRONMENTAL RESOURCE A	STANDARD SOLUTIONS AND PROFICIENCY TESTI	561.84	561.84
05/30/2019	100766	00937 GRAINGER, INC.	LOCKS	145.52	145.52
05/30/2019	100767	04424 GRAYBAR ELECTRIC COMPANY	SHOP STOCK MATERIAL	341.45	341.45
05/30/2019	100768	03853 ICMA	ICMA 457 DEFERRED COMPENSATION: PAYMENT	40.00	40.00
05/30/2019	100769	01242 INFOSEND, INC	UTILITY BILL & PD NOTICE PRINT & MAIL	3,422.56	3,422.56

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
05/30/2019	100770	00485 KOFF & ASSOCIATES INC.	SENIOR ENGINEER/PLANNING & PERMITTING SU	10,000.00	
			SENIOR ENGINEER/PLANNING & PERMITTING SU	5,000.00	15,000.00
05/30/2019	100771	02703 RAY ROBLES	R. ROBLES REIMB EXP @ CRWA EXPO 04/22-04	324.92	324.92
05/30/2019	100772	02470 SHRED-IT USA LLC	SHREDDING SERVICE - MAY 2019 INVOICE	121.89	121.89
05/30/2019	12745028	00591 NEOPOST USA INC.	POSTAGE ADVANCE 05/30/2019	500.00	500.00
06/04/2019	30318309	00558 IRS - PAYROLL TAXES	FEDERAL WITHHOLDING TAXES: PAYMENT	459.10	459.10
06/04/2019	1354718400	00559 EDD - PAYROLL	CALIFORNIA STATE TAXES: PAYMENT	40.00	40.00
06/06/2019	100773	09103 WAQAS ALAM	REFUND FOR 5590 EL DORADO LN	9.18	9.18
06/06/2019	100774	07831 ALBOUM & ASSOCIATES	TRANSLATION SERVICES FOR NEW SERVICE APP	153.24	153.24
06/06/2019	100775	03035 ALPHA ANALYTICAL LABS INC	SAMPLE ANALYSES	400.00	400.00
06/06/2019	100776	01076 ALSCO INC	FOF MAY '19 TOWEL & MAT SERVICE	631.76	631.76
06/06/2019	100777	01076 ALSCO INC	WWTP MAY '19 TOWEL & MAT SERVICE	478.08	478.08
06/06/2019	100778	09003 AMERICAN METALS	HAND RAIL FOR FOD	760.79	
			MATERIAL FOR OMEGA BLOWER FRAME	432.64	1,193.43
06/06/2019	100779	01954 ANDERSON'S UNIFORMS	UNIFORM ITEMS FOR CHRIS PEZZONI	459.65	
			S. KOZANDA - UNIFORM ITEMS	306.51	766.16
06/06/2019	100780	00058 ARROWHEAD MOUNTAIN SPRING	LAB BOTTLED WATER MAY '19	70.29	70.29
06/06/2019	100781	00058 ARROWHEAD MOUNTAIN SPRING	FOF BOTTLED WATER MAY '19	64.65	64.65
06/06/2019	100782	00622 AT&T	LAVWMA PS PHONE & DSL - MAY '19	486.41	486.41
06/06/2019	100783	03049 BABBITT BEARING CO, INC	REPAIR DAMAGED 7 SERIES ROTOR	1,497.75	
			REPAIR BEARING SHAFT (PACKING WEAR)	654.63	2,152.38
06/06/2019	100784	09104 PATRICIA BANSE	REFUND FOR 11332 ROLLING HILLS DR	71.09	71.09
06/06/2019	100785	00079 BAY AREA AIR QUALITY MGMT.	ANNUAL PERMIT RENEWAL PLANT #A1371 7/01/	21,734.00	

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			ANNUAL PERMIT RENEWAL SITE #15892 5/1/19	342.00	22,076.00
06/06/2019	100786	09058 BAY PACIFIC PIPELINES INC.	15-P018 PP#1 04/11/19-04/30/19	269,249.00	269,249.00
06/06/2019	100787	09116 ELISABETH R BEATTY	REFUND FOR 3381 MONAGHAN ST	56.70	56.70
06/06/2019	100788	07365 BILL'S ACE TRUCKBOX	DEFENDER SIDE BOX FOR TRUCKS #128 & #115	3,386.71	3,386.71
06/06/2019	100789	09110 JON BLACKETT	REFUND FOR 2479 WHITEHORSE WAY	152.64	152.64
06/06/2019	100790	07825 C & R TRUCKING INC.	HAULING REPAIR MATERIALS TO FOF YARD	2,319.32	2,319.32
06/06/2019	100791	01085 CALPERS LONG-TERM CARE PR	LONG-TERM CARE: PAYMENT	68.12	68.12
06/06/2019	100792	09102 KENNETH CASE	REFUND FOR 11775 REGIO DR	64.20	64.20
06/06/2019	100793	09118 CHARITY CICA	REFUND FOR 3705 CENTRAL PKWY	104.55	104.55
06/06/2019	100794	02639 CITY OF SAN RAMON	ENCROACHMENT PERMITS FOR FY18 ROOT FOAMI	1,800.00	1,800.00
06/06/2019	100795	08926 CORT	DOFLOOD: FOF CUBICLE RENTAL APRIL 2019	15,896.88	15,896.88
06/06/2019	100796	01633 CPS HUMAN RESOURCE SVCS	OPERATOR IN TRAINING RECRUITMENT TEST MA	2,194.50	2,194.50
06/06/2019	100797	00229 DELL MARKETING LP	QTY (10) DELL P2419H MONITORS FOR IT STO	2,623.68	2,623.68
06/06/2019	100798	06283 STATE OF CALIFORNIA DEPARTM	SUROS - P.E. LICENSE RENEWAL DUE 06/30/	115.00	115.00
06/06/2019	100799	00237 EBMUD MAIL REMITTANCE DERI	DERWA - APRIL 2019	289,186.46	289,186.46
06/06/2019	100800	00277 EAST BAY MUNICIPAL UTILITY DI	LAVWMA LEWELLING WTR & SWR 03/11/19 - 05	173.13	173.13
06/06/2019	100801	00280 ECOWATER SYSTEMS	OPS LAB 6 TANKS WATER SOFTNER EXCH TANK	217.20	
			RO TANKS EXCH QTRLY-MAINT JUN '19	21.00	238.20
06/06/2019	100802	09120 WERLA EUSEBIO	REFUND FOR 318 STANFORTH CT	112.19	112.19
06/06/2019	100803	05495 EWING IRRIGATION & LANDSCAI	IRRIGATION PIPING FOR DO DROUGHT GARDEN	320.09	
			IRRIGATION PIPING FOR DO DROUGHT GARDEN	43.30	363.39
06/06/2019	100804	08029 ATTN: TREASURY MANAGEMEN	16-R014 PP#23 C. OVERAA ESCROW ACCT	5,073.29	5,073.29
06/06/2019	100805	00307 FAIRWAY EQUIPMENT & SUPPLY	PARTS TO UPGRADE THE SEAL WATER CONNCETI	1,381.33	1,381.33

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
06/06/2019	100806	02656 FASTENAL COMPANY	BLDG S PPE	299.56	
			FOF PPE	187.40	486.96
06/06/2019	100807	02914 STATE OF CALIFORNIA FRANCHISE	FRANCHISE TAX BOARD: PAYMENT	150.00	150.00
06/06/2019	100808	08623 GOLD STAR PAINTING	PUMP CASING REPAIR PROJECT FOR PRESSURIZ	4,200.00	4,200.00
06/06/2019	100809	00368 HACH COMPANY	OPD CL2 CALIBRATION STANDARDS	129.94	
			LAMP FOR PORTABLE TURBIDITY ANALYZER	127.55	257.49
06/06/2019	100810	09112 SABEEH HARIS	REFUND FOR 5836 SOUTHBRIDGE WAY	79.75	79.75
06/06/2019	100811	05553 JIA HE	REFUND FOR 1026 HOSKINS LN	57.43	57.43
06/06/2019	100812	09099 LIGIA HERRERA	REFUND FOR 7588 HILLROSE DR	48.60	48.60
06/06/2019	100813	09101 KEVIN HUNT	REFUND FOR 7349 HANSEN DR	52.72	52.72
06/06/2019	100814	09114 JAVED IQBAL	REFUND FOR 6043 ROUND HILL DR	53.77	53.77
06/06/2019	100815	06061 JACKSON LEWIS LLP	GENERAL LEGAL FEES (04/19)	315.00	315.00
06/06/2019	100816	00468 CORP KAMAN INDUSTRIAL TECH	BELTS FOR AIR HANDLER ON BUILDING S	116.07	116.07
06/06/2019	100817	00468 CORP KAMAN INDUSTRIAL TECH	NITZCH PARTS	77.51	77.51
06/06/2019	100818	09113 RAHUL KUMAR	REFUND FOR 5963 TOPSFIELD CIR	58.74	58.74
06/06/2019	100819	09100 LLW LLC	REFUND FOR 6355 GATWICK CT	112.04	112.04
06/06/2019	100820	09117 NATALIJA MIRAKAJ	REFUND FOR 4234 FITZWILLIAM ST	45.24	45.24
06/06/2019	100821	04231 MSC INDUSTRIAL SUPPLY CO	REPLACEMENT FOR MISSING HAND TRUCK	429.17	429.17
06/06/2019	100822	04796 NAPA AUTO PARTS	TRUCK #109 RED CAMEL FUEL FILTER	130.55	
			FLEET STOCK	16.64	147.19
06/06/2019	100823	03987 OLIN CHLOR ALKALI PRODUCTS	2508.000 SDG BACTICIDE DELV. 5-16-19	1,778.25	
			2486.000 SDG BACTICIDE DELV 5-16-19	1,762.65	3,540.90
06/06/2019	100824	00620 P G & E	MISC PUMP STNS; RESERVOIRS; TO'S ELEC -	53,488.52	



Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			LAVWMA PIPELINE & LIVERMORE LINE - MAY 2	478.99	53,967.51
06/06/2019	100825	09122 ROBERT PALLEN	REFUND FOR 3518 SANDALFORD WAY	241.60	241.60
06/06/2019	100826	09109 PARRY PANDHER	REFUND FOR 4455 SUNSET VIEW DR	131.37	131.37
06/06/2019	100827	09123 PEARSON PROPERTIES	REFUND FOR 2039 WATERMILL RD	109.26	109.26
06/06/2019	100828	04211 PLATT ELECTRIC SUPPLY	LIGHT FIXTURES FOR COGEN AREA	6,074.78	
			TOOLS	708.73	
			SURGE ARRESTOR FOR DPM	595.50	
			SHOP STOCK MATERIAL	207.64	7,586.65
06/06/2019	100829	00663 PLEASANTON GARBAGE SVC IN	DSRSD OWNED 20 YARD DROP BOX PICK-UP - L	627.80	627.80
06/06/2019	100830	01195 POWERSTRIDE BATTERY CO., IN	STOCK ORDER	257.06	257.06
06/06/2019	100831	05543 PREFERRED BENEFIT INSURAN	JUNE 2019 - DENTAL	24,622.50	24,622.50
06/06/2019	100832	04105 R & B COMPANY	MUELLER GATE VALVES	823.75	
			4 SSS 316 HEX BOLT & NUT KIT (QTY. 30)	426.08	
			2" INSERT-55 FORD SS INSERT F/CTS PE TUB	382.38	1,632.21
06/06/2019	100833	08901 BECKY RYAN	REFUND FOR 8449 DEERVALE RD	1,533.75	1,533.75
06/06/2019	100834	09121 SALLY SABA	REFUND FOR 2300 OLEASTER DR	112.19	112.19
06/06/2019	100835	08117 SOLVAY FLUORIDES, LLC	HYDROFLUOSILICIC ACID AT \$2.57/GALLON PE	10,252.58	10,252.58
06/06/2019	100836	09115 MELANIE SOONTHORNSAWAD	REFUND FOR 3378 MONAGHAN ST	54.64	54.64
06/06/2019	100837	02444 DEPT LA 1368 STAPLES ADVANT	1" BINDERS & 2X3 DRY ERASE BOARD	105.20	
			9V BATTERIES	75.51	
			COFFEE SUPPLIES	63.86	244.57
06/06/2019	100838	08898 SHARLEE STEMMONS	REFUND FOR 3327 MIDDLEBROOK WAY	225.86	225.86
06/06/2019	100839	00810 STUDIO BLUE REPROGRAPHICS	19-P001 BID DOCUMENT	79.61	79.61
06/06/2019	100840	05433 TAYLOR MORRISON	REFUND FOR 3382 DUBLIN BLVD	89.16	

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			REFUND FOR 3983 MERIDIAN ST	84.83	
			REFUND FOR 3985 EMINENCE ST	84.83	258.82
06/06/2019	100841	09105 TAYLOR MORRISON	REFUND FOR 3945 MERIDIAN ST	54.51	54.51
06/06/2019	100842	09108 TAYLOR MORRISON	REFUND FOR 4226 TROLAN LN	38.14	38.14
06/06/2019	100843	09106 TRUMARK HOMES	REFUND FOR 4009 ST HELENA WAY	107.03	107.03
06/06/2019	100844	09107 TRUMARK HOMES	REFUND FOR 4060 ST HELENA WAY	52.66	52.66
06/06/2019	100845	00903 UNITED RENTALS, INC.	EQUIPMENT FOR DROUGHT GARDEN PROJECT	1,307.53	
			RENTAL EQUIPMENT FOR DROUGHT GARDEN PROJ	1,140.30	
			EQUIPMENT FOR DROUGHT GARDEN PROJECT	135.42	2,583.25
06/06/2019	100846	01222 IRS UNITED STATES TREASURY	GARNISHMENT - IRS: PAYMENT	420.50	420.50
06/06/2019	100847	00556 UNITED WAY OF THE BAY AREA	UNITED WAY: PAYMENT	175.07	175.07
06/06/2019	100848	00912 OCC SERVICES VALLEY CARE H	PRE-EMPLOYMENT PHYSICAL - H. BIRDSSELL	204.00	
			BLOOD BORNE PATHOGEN - HEP B VACCINATION	80.80	284.80
06/06/2019	100849	06004 VANGUARD CLEANING SYSTEM	CARPET CLEANING @ FOF 1ST & 2ND FLOORS 5	1,975.00	1,975.00
06/06/2019	100850	00920 VASCO ROAD LANDFILL	UNLOADING OF WWTP SOLIDS/GRIT:MAY '19	261.53	261.53
06/06/2019	100851	00933 VWR INTERNATIONAL, INC.	STANDARD SOLUTIONS AND LAB SUPPLIES	783.02	
			STANDARD SOLUTIONS AND LAB SUPPLIES	14.96	797.98
06/06/2019	100852	09119 PING WANG	REFUND FOR 1125 ROSAMUND DR	201.29	201.29
06/06/2019	100853	08423 WATERTALENT LLC	M. MAESTAS: WE 05/12/19	2,970.00	2,970.00
06/06/2019	100854	06839 WINDSOR PACIFIC PROP MGMT	REFUND FOR 5468 BELLEVUE CIR	53.87	53.87
06/06/2019	100855	09111 YIQUAN YU	REFUND FOR 3186 MADDEN WAY	521.96	521.96
06/06/2019	100856	00987 ATTN: ACCOUNTING ZONE 7 WA	FYE19 - MONTHLY O&M COST SHARE: PERIOD 0	3,806.27	3,806.27
06/06/2019	100857	03460 ACCO ENGINEERED SYSTEMS II	FY19 HVAC QUARTERLY MAINTENANCE CONTRACT	358.00	358.00

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
06/06/2019	100858	07499 MAYETTE BAILEY	M. BAILEY TUITION REIMB 1/25/19-5/31/19	5,250.00	5,250.00
06/06/2019	100859	01013 BARRETT BUSINESS SERVICES	D. FRIGARD-SILVA: WE 05/12/19	1,196.00	
			L. GOSS: W/E 5/12/19	832.00	
			B. YENOKIDA: W/E 5/12/19	832.00	
			S. MONTAGUE: W/E 05/12/19	702.00	
			M. ZAKLAN: WE 05/12/19	518.40	
			L. RUMMEL: WE 05/12/19	513.91	
			N. POON: WE 05/12/19	437.76	
			A. GEHMLICH: WE 05/12/19	326.40	5,358.47
06/06/2019	100860	01013 BARRETT BUSINESS SERVICES	P. MULLEN: WE 05/19/19	238.87	238.87
06/06/2019	100861	06176 BAY VALVE SERVICE & ENG'G LL	UPGRADED ACTUATED VALVES TO REPLACE FAIL	4,325.33	4,325.33
06/06/2019	100862	07954 BENEFIT COORDINATORS CORP	6/19 - EE LIFE & DISABILITY INSURANCE PR	11,633.29	11,633.29
06/06/2019	100863	00103 C. OVERAA & CO.	16-R014 PP#23/FINAL 02/01/19-04/30/19	96,362.51	96,362.51
06/06/2019	100864	00937 GRAINGER, INC.	BOX FOR EIS CART	149.60	
			AIR COUPLER FOR FLEET SHOP	20.21	
			EYE WASH SHOWER PRESERVATIVE	19.67	189.48
06/06/2019	100865	04424 GRAYBAR ELECTRIC COMPANY	SHOP STOCK MATERIAL	368.61	368.61
06/06/2019	100866	03853 ICMA	ICMA 457 DEFERRED COMPENSATION: PAYMENT	59,523.63	59,523.63
06/06/2019	100867	01242 INFOSEND, INC	UTILITY BILL & PD NOTICE PRINT & MAIL	5,786.73	5,786.73
06/06/2019	100868	08903 ROPER MACARAEG	R. MACARAEG REIMB EXP FOR MILEAGE AND FO	113.43	113.43
06/06/2019	100869	01171 MCGUIRE & HESTER	FY19 ON-CALL WATER & SEWER REPAIRS - MAR	138,628.50	138,628.50
06/06/2019	100870	07109 DANIEL MCINTYRE	D. MCINTYRE REIMB EXP @ ACWA CONFERENCE	335.16	335.16
06/06/2019	100871	02076 NORTHERN TOOL & EQUIPMENT	FY19 DIV53 BPO: SMALL TOOLS FOR DROUGHT	706.84	706.84
06/06/2019	100872	09134 EDWARD PADILLA	E. PADILLA REIMB EXP @ CRWA EXPO 4/22/19	246.73	246.73

## Check History Description Listing

Dublin San Ramon Services District

From: 5/13/2019

To: 6/9/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
06/06/2019	100873	00762 TEST AMERICA LABORATORIES	SAMPLE ANALYSES	150.00	150.00
06/06/2019	100874	05127 VISION SERVICE PLAN - CA (VSF	JUNE 2019 - VISION	3,088.49	3,088.49
06/06/2019	100875	00957 WEST YOST & ASSOCIATES	16-R018 T.O. OC-13 4/6/19 TO 5/3/19	9,924.50	9,924.50
326 checks in this report				<b>Total Checks:</b>	<b>8,308,440.63</b>

## UNEXPECTED ASSET REPLACEMENT REQUEST

**Unexpected Asset Replacement:** The budget contains funding for capital outlay items that are expected to be replaced due to age or obsolescence. Occasionally, items in the replacement program fail unexpectedly and need to be replaced. If this happens during a budget cycle, replacement funds may be used for the replacement of the item if the General Manager determines that it is advantageous to the District to replace rather than repair said item, and if the Finance Officer determines that the replacement program has sufficient funds for the item.

**Instructions:** This form must be completed PRIOR to the purchase of the item. Contact the Accountant to assist you with completing sections two through five. After completing sections one through eight, obtain your Department Manager's signature, then route to the Accountant. Once the Finance Officer and General Manager's approvals are obtained, the Accountant will forward you a copy of the approved form. You may then purchase your replacement item following the normal purchasing guidelines. If this is an URGENT or mission critical replacement, please note that on the form so we can expedite your request.

1. Item Description	Perkin Elmer Atomic Absorption Spectrometer 5100ZL w/ Flow Injection Analysis System (FIAS 100) for Mercury and AS 90 Autosampler
2. Asset Number	
3. Original Cost	
4. Depreciation (funding) to date	
5. Funding Source	
6. Estimated Cost of New Item	\$24,100
7. Requestor's Name / Date	Diane Griffin - 06/10/2019
8. Reason for Replacement	Due to age (acquired in 1996), the instrument is unable to achieve the sensitivity and precision required to analyze mercury using the prescribed EPA methods specified in the permits. Also, the instrument's software which runs on Windows XP is incompatible with the current version of operating system used by the District.

Department Manager Approval / Date	
Finance Officer Approval / Date	<i>Carol Otwood</i> 6/10/2019
General Manager Approval / Date	<i>Samuel M. [Signature]</i> 6/10/2019

**For Accounting Use:**

Date routed to Finance Officer	
Date information put in Board box	



# Quotation

PerkinElmer Health Sciences Inc.  
710 Bridgeport Avenue  
Shelton, CT 06484-4794

Phone: 1-800-762-4000  
Fax: 203-944-4904

To: CONNIE SANCHEZ  
DUBLIN SAN RAMON SVCS DISTRICT  
7399 JOHNSON DR  
SHELTON CT 06484

Quotation No.: 21715049  
Quotation Valid To: 05/20/2019  
Quotation Date: 03/25/2019  
Payment Terms: Due Upon Receipt  
Freight Terms: FOB Factory - Freight Quoted  
Ultimate Destination: UNITED STATES OF AMERICA

Telephone No.: 925-875-2325

Fax No.:

Your Reference:

ITEM	MATERIAL	DESCRIPTION	QTY/EA	UNIT PRICE	TOTAL
1	B0509550	<p>FIMS-100 Flow Injection Mercury System</p> <p>Compact atomic absorption spectrometer with integrated FIMS-100 Flow Injection System for cold vapor mercury AA. It incorporates high performance optics with low pressure Hg lamp and solar-blind detector with maximum sensitivity at 254 nm. Automatic baseline offset correction (B.O.C.) immediately before each measurement provides exceptional short and long term baseline stability. Built-in power supply and control electronics based on SMD (surface mounted device) technology. Full control of the spectrometer, FI components, autosampler and other accessories via an industry standard personal computer (required option) using PerkinElmer Syngistix for AA system software (required option) based on the Microsoft Windows operating environment.</p> <p>One stepper motor driven peristaltic with a maximum of 8 channels for tubing with 0.13 to 3.18 mm inner diameter. The speed of revolution is selectable from 30 to 120 rpm. FI switching valve with 5 ports and exchangeable sample loops. (A 500uL loop supplied as standard).</p> <p>Features and Benefits:</p> <ul style="list-style-type: none"> <li>- Automatic B.O.C.</li> <li>- Peristaltic pump supporting up to eight channels</li> <li>- Five-port switching valve with interchangeable sample loop</li> </ul> <p>Power Requirements: 115-230V 50/60Hz Power Cords included: USA and European power cord Dimensions: Width 42 cm, Depth 41 cm, Height 26 cm (with sample tray) Product Weight: 19 Kg</p>	1	15,400.00	
<p>SEND PURCHASE ORDERS TO:</p> <p>PerkinElmer Health Sciences, Inc. 710 Bridgeport Ave. Shelton, CT 06484-4794 Phone: 1-800-762-4000 Fax: 203-944-4904 Email: USInstrumentOrders@perkinelmer.com</p> <p>SALES REPRESENTATIVE: LANCE JARVIS PREPARED BY: Natasha Harrison</p>					



PerkinElmer Health Sciences Inc.  
710 Bridgeport Avenue  
Shelton, CT 06484-4794

Phone: 1-800-762-4000  
Fax: 203-944-4904

PAGE 2 of 3

## Quotation

To: CONNIE SANCHEZ  
DUBLIN SAN RAMON SVCS DISTRICT

Quotation No.: 21715049  
Quotation Valid To: 05/20/2019  
Quotation Date: 03/25/2019

ITEM	MATERIAL	DESCRIPTION	QTY/EA	UNIT PRICE	TOTAL
		<p>Warranty: Includes PerkinElmer 1 Year Warranty</p> <p>Installation: Required but not included</p> <p>Requires but not included: Syngistix for AA software and computer</p> <p>Sales Discount: -4,158.00</p> <p>11,242.00</p>			11,242.00
2	N1010302	Syngistix for AA Standard SW Assembly	1	3,024.00	3,024.00
3	REGDELAA	Regular Delivery	1	715.59	715.59
4	N2020005	<p>PerkinElmer S10 Autosampler for AA</p> <p>The S10 Autosampler is a free standing computer-controlled autosampler for use with the PinAAcle family of AA systems and flow Injection atomic absorption spectrometry with the FIAS-100/400 or FIMS-100/400. The autosampler automates standard and sample introduction for instrument calibration and sample analysis, extending the spectrometer's capabilities to those of a fully automated analytical workstation. An advanced drive system with high-precision motors moves the sampling arm of the S10 in the X and Y coordinates simultaneously, minimizing changeover time between samples. Random-access programming gives the user exceptional flexibility in the placement of samples and reference solutions.</p> <p>The S10 autosampler has a built-in peristaltic pump for continuous rinsing of the sampling capillary between samples to significantly reduce the risk of carryover. The sample probe, including the sample transport capillary tubing, is acid- and solvent-resistant for long-term operation. Sample trays are easily interchangeable with optional trays providing 144, 98, or 36 sample positions; eight positions for standards; and one position for a 250-mL wash vessel.</p> <p>The S10 includes one 98-position tray, FEP sample probes, capillary tubing, 50 sample vessels (15-mL each), and a 250-mL wash vessel. The S10 provides programmable random access sampling when used with computer-controlled systems.</p> <p>Features and Benefits:</p> <ul style="list-style-type: none"> <li>- Large, flexible sampling capacity</li> <li>- Fast, accurate random access</li> <li>- Corrosion-resistant sampling components</li> <li>- Automatic rinsing</li> <li>- Flow through rinse station to minimize sample-to-sample contamination</li> </ul>	1	8,000.00	8,000.00



# Quotation

PerkinElmer Health Sciences Inc.  
710 Bridgeport Avenue  
Shelton, CT 06484-4794

Phone: 1-800-762-4000  
Fax: 203-944-4904

To: CONNIE SANCHEZ  
DUBLIN SAN RAMON SVCS DISTRICT

Quotation No.: 21715049  
Quotation Valid To: 05/20/2019  
Quotation Date: 03/25/2019

ITEM	MATERIAL	DESCRIPTION	QTY/EA	UNIT PRICE	TOTAL
		Power Requirements: Autosampler: External Power Supply (included), Input power: 100-240V +/- 10%, 50-60Hz Power Cords included: USA, European, UK, Australia, Japan power cord Dimensions: Width 460 mm, Depth 378 mm, Height 530 mm Product Weight: 8 Kg Warranty: Includes PerkinElmer 1 Year Warranty			
5	TAXADJ	BILLABLE TAX	1	1,039.89	1,039.89

**Total Net Price in USD: 24,021.48**

For your convenience, most orders placed with PerkinElmer can be easily tracked using our Self Service Portal located at <http://selfservice.perkinelmer.com/>. Simply enter your sales order number (provided with your order confirmation information) in combination with your purchase order number or postal code, and discover the current status of your shipment!

Did you know that you can order selected products online at [www.perkinelmer.com/shop](http://www.perkinelmer.com/shop)?

The amount displayed does not include tax charges. These charges will be added to the invoice if applicable.

\*

Includes installation and one year warranty (parts, labor and travel).

\*

Please include our quotation number on your Purchase Order for reference.

\*

Terms subject to credit approval.

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LANCE JARVIS





**TITLE:** Approve Continuation of Emergency Action Procurement by General Manager for Repair of the 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 last confirmed on June 4, 2019.

**SUMMARY:**

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.

The District Office is closed for restoration and repair. Staff is requesting the Board of Directors find that there still exists a need for continuing the State of Emergency reflected by Board Resolution No. 53-18. Expedited action, including the emergency procurement of equipment, furnishings, services, supplies, and repairs, is necessary to bring about re-occupancy of the District Office by staff at the earliest opportunity, in order to restore normal operations and core services. Delay in restoration and repair will have an unacceptable adverse impact on the services provided by the District.

Further detail on the emergency and the current state of restoration is reflected in the attached staff report.

Originating Department: Engineering Services	Contact: J. Ching	Legal Review: Not Required
Cost: \$0	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 type="checkbox"/> Other (see list on right)	33 of 119	

# STAFF REPORT



District Board of Directors  
June 18, 2019

## **Approve Continuation of Emergency Action Procurement by General Manager for Repair of the 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 adopted 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 AND RENOVATION UPDATE

Because the District Office is over 27 years old and much of the building systems and furnishing are original, staff recommended completing a building renovation along with the flood restoration work. On February 14, 2019, the Board approved an amendment to the Capital Improvement Program (CIP) to add the District Office Renovation Project (CIP 19-A005). The restoration of the building will be paid for through an insurance claim, and the renovation work will be paid for through the CIP project.

The restoration of the subgrade and the floor slab in the southeast area of the building that was damaged by the flooding was completed by Overaa Construction on April 11, 2019.

Three task orders for the District Office Renovation Project have been issued to date. A task order for ID Architecture, in an amount not to exceed \$124,600 for design services, was executed on March 19, 2019. A second task order for Swinerton Builders, DBA Swinerton Management & Consulting was executed on the same date in an amount not to exceed \$366,178 for construction management including constructability review, design cost estimates, hazardous materials clearance, and project inspection. The city will require full-time project inspection because the building is considered an essential facility. Finally, a third task order for Sausal Corporation, in an amount not to exceed \$126,506 for pre-construction design services, was executed on April 11, 2019.

Through the emergency action procurement, the District is able to complete the work using an expedited design build process. Design is in progress, and design drawings are expected to be ready for submission to the City of Dublin in mid-June 2019.

Staff is working closely with the insurance adjuster to segregate the costs between restoration and renovation work. The original project approach intended that the design drawings submitted to the City of Dublin would be representative of a scope of work and cost that is within the insurance allowance and District budget. The insurance adjuster, however, continues to evaluate the design drawings to determine the portion of the construction cost that will be covered by the insurer. To ensure that the project does not experience any unnecessary delays, staff intends to submit the design drawings to the City of Dublin upon their completion. Adjustments to the scope of work and/or budget, therefore, may be required when the determination of the insurance adjuster becomes available. Construction is anticipated to commence during the first quarter of fiscal year 2020.

#### NEED FOR CONTINUING EMERGENCY

The District Office is closed until further notice. Displaced District Office staff have been assigned to the Regional Wastewater Treatment Facility, the Field Operations Facility, the utility building behind the District Office, and Dublin City Hall. District administrative operations and customer service have been hampered in the following ways:

- The Board's customary meeting place for Board meetings is unavailable for use, inconveniencing the public who might wish to attend Board meetings;
- Customer service functions related to "in-person" bill payment have been suspended, because the Field Operations Facility where the Customer Services & Billing Division has been temporarily relocated to cannot accommodate in-person payment of water and sewer bills. Thus, one form of payment (in-person) is not available to the District's customers;
- There is minimal meeting space for staff for internal meetings, to meet with developer representatives and contractors, and to confer with other agency personnel;
- Work units in the Engineering Department, the Administrative Services Department, the Executive Services Division, and the Communications Division are located in inefficient and inconvenient locations at the Field Operations Facility, the Regional Wastewater Treatment Plant, and Dublin City Hall. The convenience of working in close proximity, with adequate work space, is hampered. Natural work efficiencies are degraded because of location of staff in scattered and inadequate work facilities;
- Many supervisory staff have lost use of their individual offices for confidential meetings pertaining to performance management, coaching, and recruiting;
- Through relocation of some District staff to the Field Operations Facility Training Room, space for large group training activities has been lost. Moreover, meeting space for regional meetings has been lost (neither the Boardroom nor the Field Operations Facility Training Room are available).

Based on the above consequences of the District Office being closed for restoration and repair, staff is requesting the Board of Directors find that there still exists a need for continuing the State of Emergency reflected by Board Resolution No. 53-18. Expedited action, including the emergency procurement of equipment, furnishings, services, supplies, and repairs, is necessary to bring about re-occupancy of the District Office by staff at the earliest opportunity, in order to restore normal operations and core services. Delay in restoration and repair will have an unacceptable adverse impact on the services provided by the District.

## **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 at the previous regularly scheduled meeting on June 4, 2019. A four-fifths vote by the Board of Directors is required to continue the State of Emergency.



**TITLE:** Approve Continuation of Emergency Action Procurement by General Manager for Repair of the Jeffrey G. Hansen Water Recycling Plant and Find that the Need for the Electrical Power Supply Failure 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. 16-19 and find that there exists a need for continuing the electrical power supply failure emergency at the Jeffrey G. Hansen Water Recycling Plant which the Board last confirmed on June 4, 2019.

## **SUMMARY:**

On Sunday, April 7, 2019, a catastrophic power supply failure occurred at the Jeffrey G. Hansen Water Recycling Plant due to a ground fault in the external electrical bus ducting connection the main transformer to switchgear in Building M (also known as west cable bus duct). This loss of power primarily affected the Effluent Pumps (EPS2), the Tertiary Influent Pumps (TIPS), the recycled water ballasted flocculation and sand filters, and supervisory control and data acquisition (SCADA) equipment in Building M, reducing production output from the water recycling plant by approximately 80 percent.

At a special Board meeting on April 16, 2019, the DERWA Board of Directors authorized emergency actions and expenditures necessary to make all repairs, up to \$1,000,000.

The Jeffrey G. Hansen Water Recycling Plant continues to produce uninterrupted recycled water to meet the system demands by the use of a rental portable emergency generator from Peterson Power Systems Inc.

Contractor D.W. Nicholson and District electrical staff are finishing the west side plant electrical installation to tie the transformer back to the switchgear bus. It is anticipated the work, including startup, will be completed the week of June 10. Regarding the east side of the plant, the contractor has submitted a labor and materials proposal of \$177,444 to correct the electrical findings. The east side proposal work includes a termination box that will allow a portable emergency generator connection. To date, District staff has logged 395.5 hours of labor for this emergency.

The following purchase orders have been issued specific to the DERWA emergency. In addition, a total of \$1,941 have been paid out of existing blanket purchase orders.

VENDOR	DESCRIPTION	PO AMOUNT
TJC AND ASSOCIATES, INC.	DERWA Recycled Water Treatment Facility Repair: Task Order No. 1 to Agreement dated 5/16/19 for Structural and Electrical Engineering Support for Emergency Bus Duct Replacement	\$17,260.00
HART HIGH-VOLTAGE	TESTING OF XFMR-6, REPLACEMENT OF THE MED VOLTAGE FUSES IN MVS-6A & B & OIL SAMPLE TESTING; TAX & FREIGHT NOT INCLUDED	\$4,854.60
D. W. NICHOLSON	DERWA EMERGENCY REPAIR: 06T001, 3200A CABLE-BUS SYSTEM INSTALLATION	\$100,217.00
PETERSON POWER SYSTEMS INC	RENTAL GENERATOR FOR THE DERWA EMERGENCY	\$189,770.40
<b>TOTALS</b>		<b>\$312,102.00</b>

A four-fifths vote is necessary to extend the emergency.

Originating Department: Operations	Contact: J. Carson	Legal Review: Not Required
Cost: \$314,043	Funding Source: Water Replacement (Fund 600)	
Attachments: <input checked="" 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 type="checkbox"/> Other (see list on right)	37 of 119	



**TITLE:** Public Hearing: Consider Establishing Water Rates under Chapter 4.40 of the District Code and Rescinding Resolution No. 2-17

**RECOMMENDATION:**

Staff recommends the Board of Directors: 1) Hold a public hearing to consider proposed water rates, and 2) establish by Resolution, water rates under Chapter 4.40 of the District Code and rescind Resolution No. 2-17.

**SUMMARY:**

Dublin San Ramon Services District (District) conducts water rate studies approximately every five years to ensure financial sufficiency to meet operation and maintenance (O&M) and capital asset replacement costs, achieve policy reserve fund targets, realign rates to more closely reflect costs incurred, and adequately recover the water enterprise's revenue requirements. The District engaged with Raftelis Financial Consultants (RFC) to complete a comprehensive review of water rates, which were last updated in 2013.

At the February 5, 2019 and April 2, 2019 Board meetings, staff requested guidance on several policy issues to provide the framework for RFC to conduct the water rate study. Staff incorporated Board guidance into the draft *2019 Comprehensive Water Cost of Service Study*, which was presented at the April 16, 2019 Board meeting. The proposed rates will generate approximately the same amount of total water revenue as current rates. The Board authorized a Proposition 218 Notice and set a Public Hearing for June 18, 2019. If adopted, the new water rates are proposed to be effective July 1, 2019.

In accordance with Proposition 218, District property owners are allowed an opportunity to address the Board during the public hearing. However, only valid written protests that are received timely will be counted as formal protests of the proposed rates. Protests will be tabulated in accordance with Board policy *Proposition 218 Receipt, Tabulation and Validation of Written Protests*. As of the deadline for agenda preparation, a total of four apparent protests have been received; comments made in those protests are summarized in *Summary of Comments Made in Protest Letters Related to June 18, 2019 Water Rate Proposal* (Attachment 3). Protests will continue to be accepted in accordance with policy; any received after the deadline will be reported at the Board meeting.

Originating Department: Administrative Services	Contact: H. Chen	Legal Review: Yes
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 – 2019 Comprehensive Water Cost of Service Study Attachment 2 – Proposition 218 Notice Attachment 3 – Summary of Comments Made in Protest Letters Related to June 18, 2019 Water Rate Proposal Attachment 4 – Proposition 218 Receipt, Tabulation and Validation of Written Protests Policy	

# STAFF REPORT



District Board of Directors  
June 18, 2019

## **Public Hearing: Consider Establishing Water Rates under Chapter 4.40 of the District Code and Rescinding Resolution No. 2-17**

### **BACKGROUND**

DSRSD water rates are periodically reviewed to ensure financial sufficiency to meet operation and maintenance (O&M) and capital asset replacement costs, achieve policy reserve fund targets, realign rates to more closely reflect costs incurred, and adequately recover the water enterprise's revenue requirements. DSRSD retained Raftelis Financial Consultants (Raftelis) to complete a comprehensive review of water rates, which were last comprehensively updated in 2013 when the last water rate study was completed. Since the last study, DSRSD has limited annual water rate adjustments from 2014 to 2018 to inflation (typically 2-3%) based on the Consumer Price Index and did not adjust water rates at all in 2019.

At the February 5, 2019 and April 2, 2019 Board meetings, staff requested Board guidance on several policy issues to provide the framework for Raftelis to conduct the water rate study. The guidance received from the Board has been incorporated into the *2019 Comprehensive Water Cost of Service Study* (Study) (Attachment 1) and is reflected in the proposed water rates. At the April 16, 2019 Board of Directors meeting, a Proposition 218 notice was authorized and a public hearing to consider the proposed water rates was set for June 18, 2019. The proposed effective date of the new rates would be July 1, 2019.

### **DISCUSSION**

Based on projected water demand, account growth, and operating expenses, DSRSD is currently in a strong financial position with healthy reserves. As a public agency, DSRSD cannot collect more revenue than is necessary to recover the costs of providing those services. Because of this, the Study proposes to realign and streamline water rates without increasing overall revenues. The proposed rates will generate approximately the same amount of total water revenue as current rates. However, as rates are realigned among the different customer classes, some customers will see increased bills.

Below is a summary of the Board guidance incorporated into the *2019 Comprehensive Water Cost of Service Study*.

#### **Potable Consumption Charges**

The Study proposes consolidation of the District's potable tiered and seasonal commercial consumption charges into a uniform consumption charge. Potable irrigation charges are proposed to remain separate to account for higher peaking costs. The proposed uniform consumption charges treats all potable customer classes (single-family residential, commercial, industrial, institutional, and multi-family residential) equally, but will result in a reallocation of costs among low and high consumption customers and among various customer classes. The proposed uniform consumption charge reduces and simplifies the number of charges on customer water bills, making them easier to understand and administer.

<b>Variable Charge (per unit)</b>	<b>Proposed Eff. 7/1/2019</b>
<b>Potable Consumption</b>	\$1.30
<b>Potable Irrigation</b>	\$1.66

### **Recycled Water Charge**

The recycled water charge is currently calculated based on ninety percent of the sum of the Zone 7 Water Agency (Zone 7) cost of water plus the District component potable irrigation charge. The Board directed staff to develop a cost of service basis for the recycled water charge.

The Study proposes revising the recycled water charge to be based on the cost of service for recycled water (similar to the basis for potable rates) instead of the existing formula. The proposed recycled water rate is based on DSRSD's share of the Dublin San Ramon Services District-East Bay Municipal Utilities District Recycled Water Authority (DERWA) Joint Powers Authority operation costs and estimated recycled water capital reinvestments. The Study proposes a \$0.19 per unit decrease to the recycled water charge.

<b>Variable Charge (per unit)</b>	<b>Proposed Eff. 7/1/2019</b>
<b>Recycled Water</b>	\$4.38

### **Fixed/Variable Charge Allocation**

The Study proposes a 20% fixed/80% variable allocation for the 2019 water rate study. The reallocation will result in lower fixed service charges, which will be offset by higher variable charges.

<b>Meter Size (bimonthly)</b>	<b>Proposed Eff. 7/1/2019</b>
5/8"	\$35.16
3/4"	\$49.03
1"	\$76.76
1-1/2"	\$146.08
2"	\$229.27
3"	\$610.56
4"	\$1,047.31
6"	\$2,225.83
8"	\$3,889.63
10"	\$5,830.73

### **Power Charge**

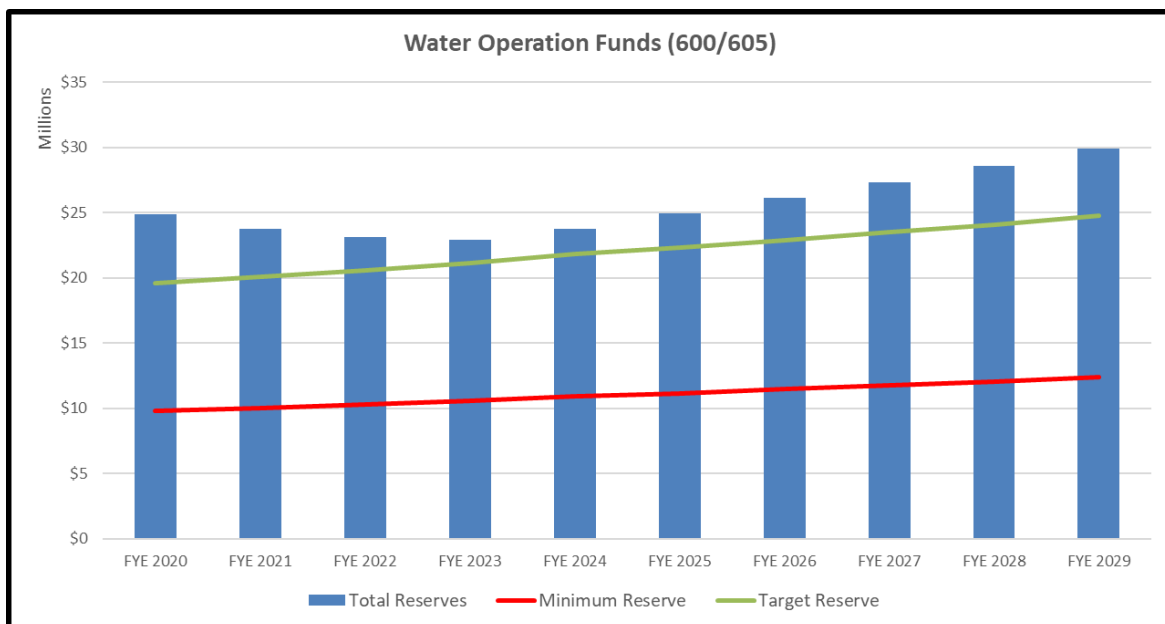
The Study proposes to maintain the current methodology of a single uniform power charge for customers in higher elevations. Based on projected energy costs, the Study proposes a \$0.02 per unit decrease to the power charge.

<b>Variable Charge (per unit)</b>	<b>Proposed Eff. 7/1/2019</b>
<b>Power Charge</b>	\$0.26



## Zone 7 Fixed Charge

The Board directed staff to continue “blending” Zone 7 fixed and variable charges to minimize impacts to low consumption customers. Since the Zone 7 component is a pass-through that will be adjusted annually based on actual water demand and State Water Project (SWP) costs, the current rate (\$3.48) was used for the five-year Study period. The Board also directed the use of reserves to smooth the impact of the rate restructuring for lower end users. The Study assumes a FYE 2019 ending balance of approximately \$16.9 million in the Water Rate Stabilization (Fund 605) and \$9.2 million in the Water Enterprise (Fund 600). As part of budget development for FYE 2020 and FYE 2021, staff updated the estimated FYE 2019 ending balance to \$14.6 million (Fund 605) and \$9.0 million (Fund 600). The updated ending balance estimates are not materially different from the assumptions in the Study and do not affect the Study’s recommendations. DSRSD’s policy reserve target for each fund is \$10.0 million. The Study projects DSRSD will be able to draw down \$6.8 million from these funds over the next five years (\$1.4 million per year) while maintaining reserves above the policy targets. Water enterprise reserves are projected to remain above target levels as defined in DSRSD’s *Financial Reserves* policy during the five-year Study period.



## Forego Rate Adjustment in 2020

DSRSD did not adjust rates in 2019. The Study proposes to forego a rate adjustment in 2020 and limit future increases to inflation to minimize the bill impact to low usage customers. Water rates are proposed to be adjusted annually based on the August Consumer Price Index (All Urban Consumers for San Francisco-Oakland-Hayward) beginning in January 1, 2021 and continuing through January 1, 2024.

## Funding for an Alternative Water Supply Project

The Board directed staff to evaluate funding of an alternative water supply over a longer time period. The Study adjusts replacement allocations (transfers) to the Water Replacement (Fund 610). The proposed replacement allocation schedule is sufficient to fund replacement capital improvement projects including the \$30 million portion of an alternative water supply project.

## Dougherty Valley Standby Charge District (DVSCD)

The Board directed staff to retain the DVSCD and assessment limit, and to institute a separate charge for the additional cost increment resulting from State Water project costs having outstripped the original 2001 estimates (which were then thought to be conservatively high). Staff has been evaluating the administrative options for collecting that additional cost increment separately from the Study. The amounts in the table below are estimates used for Proposition 218 noticing purposes. A separate report will be prepared annually based on projections, provided by Zone 7, of the State Water Project costs to be collected from Dougherty Valley. A portion of these costs are proposed to be collected through the DV Incremental SWP Charge. For governmental potable water customers in DVSCD, a proportionate share of the costs of the State Water Project to be collected through utility bills, and will be comprised of the sum of the amount of the standby charge assessment and the amount of the DV Incremental SWP Charge. Non-governmental parcel owners in the DVSCD will be levied the DV Incremental SWP Charge separately from the standby charge assessment on the Contra Costa County property tax roll. Staff has been evaluating administrative options for charging this additional increment, separately from the Study, and recommendations are presented as a separate Board agenda item at this meeting.

<b>Dougherty Valley Incremental State Water Project Charge</b>	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>
Estimated (bimonthly)	\$2.55	\$6.20	\$10.22	\$14.65	\$19.51
Estimated (annual equivalent)	\$15.28	\$37.22	\$61.34	\$87.88	\$117.08

## Water Shortage Condition Charges

Water shortage condition rates are also proposed to ensure DSRSD generate sufficient revenue to cover the cost of providing water service during water shortage emergencies such as droughts. These contingency rates are only implemented during water shortage emergencies and require a declaration from the DSRSD Board. In response to statewide drought, the DSRSD Board last declared a water emergency and implemented water shortage condition charges in 2014.

<b>Water Shortage Condition Charges</b>	<b>NORMAL</b>	<b>STAGE ONE</b>	<b>STAGE TWO</b>	<b>STAGE THREE</b>	<b>STAGE FOUR</b>
<b>Water Reduction Goal</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35%</b>	<b>50%</b>
Potable Consumption	\$1.30	\$1.45	\$1.63	\$2.00	\$2.60
Potable Irrigation	\$1.66	\$1.85	\$2.08	\$2.56	\$3.32
Power Charge	\$0.26	\$0.29	\$0.33	\$0.40	\$0.52

## Customer Impact

The bimonthly water bill for an average single-family residential customer with a 5/8" meter and using 18 units of water will increase by \$6.81 per bill as shown below:

<b>Single-Family Residential (18 units bimonthly)</b>	<b>Current</b>	<b>Proposed Eff. 7/1/2019</b>
Service Charge (5/8")	\$36.45	\$35.16
Zone 7 Cost of Water	\$62.64	\$62.64
Tier 1	\$5.70	\$23.40
Tier 2	\$9.60	
Total Bimonthly Bill	\$114.39	\$121.20

## **Proposition 218 Notice**

Proposition 218, passed by California voters in 1996, amended the State of California Constitution and placed requirements on how various governmental charges can be increased. For water and sewer utilities, Proposition 218 requires that the local agency proposing any increase to a rate or charge to set a public hearing to receive public comment, and to mail a public notice of the public hearing to all affected property owners at least 45 days prior to the public hearing date. Many elements of the public notice are mandated by Proposition 218, and subsequent implementing legislation. Among the mandated requirements are notification that property owners may file a formal written protest to any increased rate or charge. If a “majority protest” (as defined by Proposition 218) is received from affected property owners, then the agency may not impose the proposed increase to rates or fees.

A Proposition 218 Notice (Attachment 2) was mailed to all property owners in the District’s water service area. In accordance with Proposition 218, District property owners are allowed an opportunity to address the Board during the public hearing. However, only valid written protests that are timely received will be counted as formal protests of the proposed rates. Protests will be tabulated in accordance with Board policy *Proposition 218 Receipt, Tabulation and Validation of Written Protests* (Attachment 4). As of the deadline for agenda preparation, a total of four apparent protests have been received; comments made in those protests are summarized in Summary of Comments Made in Protest Letters Related to June 18, 2019 Water Rate Proposal. Protests will continue to be accepted in accordance with the above policy; any protests received after the deadline will be reported at the Board meeting.

## **RECOMMENDATION**

Staff recommends the Board of Directors hold a public hearing to consider adopting water rates under Chapter 4.40 of the District Code and adopt a resolution implementing the new rates and rescinding Resolution No. 2-17.

# Dublin San Ramon Services District

## Comprehensive Water Cost of Service Study

Final Report / May 24, 2019



May 24, 2019

Ms. Carol Atwood  
Administrative Services Manager  
Dublin San Ramon Services District  
7051 Dublin Boulevard  
Dublin, CA 94568-3018

**Subject: Comprehensive Water Cost of Service Study Report**

Dear Ms. Atwood,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Comprehensive Water Cost of Service Report (Report) for the Dublin San Ramon Services District (District). This Report includes a comprehensive review of the District's financial plan, available usage data, customer accounts, capital improvement plan, and reserves in both the short-term and long-term planning horizons. The proposed rate structures and resulting rates were derived based on the cost of service principles and are proportionate and in compliance with Proposition 218.

The major objectives of the study include the following:

- Develop financial plans for the water utility to ensure financial sufficiency, meet operation and maintenance (O&M) costs, meet debt obligations, maintain reserves above policy targets, and ensure sufficient funding for system improvement and capital needs.
- Review current rate structures for the water utility and determine any adjustments to the rates to more closely reflect costs incurred and adequately recover the revenue requirements over the planning period.
- Develop an administrative record that demonstrates the nexus between the District's costs and rates, in compliance with Proposition 218.

The Report summarizes the key findings and recommendations related to the development of rates for the water utility.

It has been a pleasure working with you, and we thank you, Herman Chen, Mayette Bailey and other District Staff for the support provided during this study.

Sincerely,



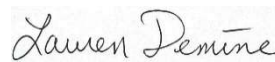
**Sanjay Gaur**  
Vice President

24640 Jefferson Avenue, Suite 207  
Murrieta, CA 92562

[www.raftelis.com](http://www.raftelis.com)



**Andrea Boehling**  
Manager



**Lauren Demine**  
Consultant



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# 1. Executive Summary

## 1.1. BACKGROUND

In 2018, Dublin San Ramon Services District (District) engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a comprehensive Water Rate Study (Study), which includes a twenty-year financial plan, cost of service analysis, and rate derivation. The District utilizes a long-term financial planning process to project future financial conditions, provide guidance in the decision-making process, and ultimately to ensure the continued financial stability of the District. This Water Rate Study Report (Report) presents the current and recommended financial plan and proposed rates for implementation on July 1, 2019.

This Executive Summary is an overview of the District's water rate-making process, containing a description of the Study, methodology, results, and recommendations for near-term District water rates. The District process establishes fair and equitable rates that:

- Provide necessary revenues to meet the District's operational and capital expenses, as well as reserve requirements to ensure the financial stability of the District
- Are easy to implement, update in the future, and convey to customers
- Proportionally allocates costs of providing service in accordance with Article XIII D of the California Constitution, commonly known as Proposition 218

## 1.2. PROCESS

Raftelis worked closely with District staff on an ongoing basis via scheduled in-person meetings and webinars. During the kick-off meeting, the major drivers for the study were determined and key information was discussed. Raftelis used the knowledge gained during the kick-off meeting, as well as subsequent meetings, in conjunction with historical financial information, economic and demographic characteristics, industry standards, engineering planning and estimates, and assumptions defined by District staff to develop a long-term financial plan.

Raftelis hosted financial plan webinars with District staff to present the preliminary results of the financial plan, receive feedback from District staff, and determine the scenarios to examine moving forward. During the workshop, key inputs, assumptions, revenues, and expenditures were reviewed. In addition, rate funded capital investment scenarios were evaluated, and reserve targets were discussed. Working collaboratively with District staff, Raftelis refined the financial plan to:

- Account for projected water demand as provided by District staff
- Adjust the account growth and timing of new accounts based on District provided estimates
- Smooth capital contributions for water and recycled system reinvestments to show a steady measured approach
- Meet or exceed the reserve targets identified during the five-year Study Period (FYE 2020 – FYE 2024)

Based on the financial plan forecast and input from District management, Raftelis proposes rate adjustments based on the percentage change of the Consumer Price Index for San Francisco – Oakland – Hayward (CPI) beginning in January of FYE 2021. Doing so should allow the District to maintain its strong financial position for the next five years and ensure that the projected operating and capital reinvestments are met, and the reserve targets identified during the Study Period are maintained.

The results of the financial plan and revenue adjustments determine the revenue requirements (revenue needed to be recovered from rates). Raftelis provided the proposed financial plan to District staff for review and signoff before developing the cost of service analysis. Similar to financial plan workshops, Raftelis hosted cost of service and rate design workshops. During these workshops, the following main rate objectives were determined, and the cost of service was refined:

- Simplify the rate structure
- Maintain a pass-through Zone 7 Cost of Water Charge and recover all purchased water costs on a variable charge
- Update recycled water rates to recover the District's share of projected contributions to Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA) and recycled water capital reinvestments
- Recover approximately 20% of the revenue needs through fixed charges and the remaining 80% over the variable charges

### 1.3. METHODOLOGY

The water rates were developed using cost of service principles set forth by the American Water Works Association M1 Manual titled Principles of Water Rates, Fees and Charges (AWWA M1 Manual). Cost of service principles distribute costs to customer classes in accordance with the way each class uses the water system. This methodology is described in Sections 4 and 5. For this Study, the Base-Extra Capacity Method of the AWWA M1 Manual was used for distributing costs. Costs were separated into three main components<sup>1</sup> : (1) base costs, (2) extra capacity costs, and (3) customer costs. Base costs are costs associated with meeting average daily demand needs and include operations, maintenance, and capital costs designed to accommodate average demand conditions. Extra capacity costs are costs associated with meeting peak demand conditions. Customer costs are costs associated with serving customers, such as meter reading, billing, customer service, and other such services.

The rates are designed to meet the requirements of Proposition 218; all rates are charged to customers based on the identified cost of providing comprehensive water service.

### 1.4. RESULTS AND RECOMMENDATIONS

Table 1-1 summarizes the financial plan rate adjustment recommendations. For financial forecasting purposes, 3% is assumed as the annual CPI adjustment, however, rates will be based on the actual CPI percentage change for each applicable year. Any increases from Zone 7 will be automatically passed-through to customers when known and are in addition to the proposed adjustments. The Zone 7 rate increases will take into account Zone 7 fixed costs, Zone 7 variable costs, and changes in the District's total water demand.

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<sup>1</sup> Other rate components were used to appropriately distribute costs to customers, see Section 5 for additional information.

**Table 1-1: Financial Plan Rate Adjustment Recommendations**

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Effective Date	7/1/2019	1/1/2021	1/1/2022	1/1/2023	1/1/2024
Rate Adjustments	0%	3%	3%	3%	3%
Pass-Through of Zone 7 costs	Yes <sup>2</sup>	Yes	Yes	Yes	Yes

Table 1-2 shows the targets for the operating reserves according to the District's *Financial Reserves* policy. The District intends to maintain reserves above policy targets throughout the Study period.

**Table 1-2: Recommended Reserves**

Reserves	Target	FYE 2020 Target Balance	FYE 2021 Target Balance	FYE 2022 Target Balance	FYE 2023 Target Balance	FYE 2024 Target Balance
Water Enterprise Fund (600)	4 months of operating expenses	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609
Rate Stabilization Fund (605)	4 months of operating expenses	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609
<b>Total</b>		<b>\$19,580,053</b>	<b>\$20,041,816</b>	<b>\$20,595,043</b>	<b>\$21,150,697</b>	<b>\$21,851,218</b>

### 1.4.1. Factors Affecting Revenue Adjustments

The following factors affect revenue requirements (i.e. costs) and thus the water rates. District expenses include Operation and Maintenance (O&M) expenses, capital expenses, debt service costs, and purchased water costs from Zone 7.

- **O&M Expenses:** Overall, the District's O&M expenses are expected to increase by approximately 6% from FYE 2019 to FYE 2020 primary due to Board guidance regarding advanced funding of pension unfunded actuarial liabilities (UAL) and staffing that will be included in the proposed FYE 2020 and FYE 2021 operating budget.
- **Capital Investments:** The District is planning to fund approximately \$21.6 Million of water system capital expenditures and approximately \$5.4 Million of recycled water system capital expenditures through rates and/or reserves during the Study Period. Reinvestment in the system is a key factor in providing safe and reliable water to the District's customers. Additional capital funding will be provided through capacity fee and other revenue sources. These additional revenues help offset the funding needed through rates and reserves and therefore mitigate the impact to existing customers.
- **Reserve Funding:** The financial plan reflects operating reserve target according to the District's *Financial Reserves* policy and summarized in Table 1-2. The District plans to use reserves early in the Study Period and will replenish the reserves so that they stay above the target levels through the Study Period.
- **Projected Water Sales:** Through discussions with District Staff, FYE 2020 potable water consumption was increased by four percent (4%) over projected FYE 2019 usage to reflect recent consumption patterns of the District's customers and to account for expected growth. The projected usage for each year of the Study Period was based on estimates from District staff.
- **Water Purchase Costs:** Purchased water costs represent approximately 50% of the operating costs of the District's Water Enterprise Fund (600). These costs are outside of the control of the District,

<sup>2</sup> Rates for FYE 2020 include the cost of purchased water at the CY 2019 Zone 7 rates, any increases above these rates should be automatically passed through to customers.

therefore, to mitigate risks, Raftelis recommends continuing to automatically pass-through increases in these costs. Existing water costs from Zone 7 are factored into the proposed water rates. Any increases beyond what was projected in the study will automatically be passed-through to customers.

## 1.5. PROPOSED WATER RATES

Through discussions with District staff, a key objective of the study is to develop rates that are easy to update and easily understood by customers. Based on these discussions, Raftelis recommends simplifying the District's rate structure. The proposed water rates modify the District's current rate structure from a tiered single-family residential (SFR) and seasonal (Winter and Summer) Non-Residential (Commercial, Institutional, and Industrial) rate structure to a uniform rate structure and contain the following three charges:

1. A bi-monthly fixed charge based on the size of the meter that is intended to recover the costs related to meter maintenance and reading, customer service, and billing.
2. Uniform commodity or volumetric charges that vary by customer type (Potable Domestic, Potable Irrigation, or Recycled Water) and recovers the remaining costs related to water supply, base delivery, and extra capacity.
3. Uniform power charge or pumping charge (applicable to all customer types) recovers the energy costs associated with pumping water to customers in certain elevated areas in the District.

Rate structures consisting of a fixed monthly or bi-monthly charge by meter size and a volumetric charge based on usage are the most common and accepted rate structures in the industry<sup>3</sup>. The fixed charge provides revenue stability while the volumetric charge encourages conservation.

Table 1-3 shows the current and proposed fixed meter charges. The proposed rates will be effective July 1<sup>st</sup>, 2019 with future rate increases occurring January 1<sup>st</sup> of each year beginning in 2021.

**Table 1-3: Current and Proposed Bi-Monthly Fixed Meter Charges (\$/Meter)**

Meter Size	Current Fixed Charge	FY 2020 Proposed Fixed Charge
Effective Date		7/1/2019
5/8"	\$36.45	<b>\$35.16</b>
3/4"	\$54.70	<b>\$49.03</b>
1"	\$91.15	<b>\$76.76</b>
1-1/2"	\$182.25	<b>\$146.08</b>
2"	\$291.59	<b>\$229.27</b>
3"	\$637.91	<b>\$610.56</b>
4"	\$1,822.50	<b>\$1,047.31</b>
6"	\$3,644.99	<b>\$2,225.83</b>
8"	\$6,378.73	<b>\$3,889.63</b>
10"	\$10,023.72	<b>\$5,830.73</b>

Table 1-4 details the current and proposed commodity charges. The FYE 2020 proposed commodity charges have been adjusted to recover the costs known at the time of the study from Zone 7. Future increases from Zone 7 will be in addition to the proposed rates shown below.

<sup>3</sup> More than 90% of water providers in the US have either uniform or tier/block rates – 2016 Water and Wastewater Rate Survey, Table III-18 conducted by AWWA and Raftelis

**Table 1-4: Current and Proposed Bi-Monthly Commodity Charges(\$/CCF)**

Customer Class	Current Commodity Charges	FY 2020 Proposed Commodity Charges
Effective Date		7/1/2019
<b>Zone 7 Cost of Water Charge</b>	\$3.48	\$3.48
<b>Single Family Residential</b>		<b>\$1.30</b>
Tier 1	\$0.57	-
Tier 2	\$1.20	-
Tier 3	\$1.60	-
<b>Non-Residential</b>		<b>\$1.30</b>
Winter	\$1.15	-
Summer	\$1.38	-
<b>Potable Irrigation</b>	\$1.60	<b>\$1.66</b>
<b>Recycled Water</b>	\$4.57	<b>\$4.38</b>
<b>Pumping Charge</b>	\$0.28	<b>\$0.26</b>

Pumping/power expenses account for approximately 3% of the District's operating expenses. Since these costs are unavoidable costs and specific to only customers within an elevation zone, they were recovered through a separate pumping/power charge. The total commodity charge for potable customers (Single Family Residential, Non-Residential, and Potable Irrigation) includes the Zone 7 Cost of Water Charge plus each customer classes uniform charge. For example, the total proposed FY 2020 commodity charge for Single Family Residential customers is \$4.78 (\$3.48 + \$1.30). In this example, if the customer were within an elevation zone, their total commodity charge is \$5.04 (\$3.48 + \$1.30 + \$0.26).



## 2. Introduction

### 2.1. BACKGROUND

Dublin San Ramon Services District (District) provides potable water, wastewater, and recycled water services to approximately 186,000 residents in Dublin, southern San Ramon, Dougherty Valley, and Pleasanton. Types of customers include residential, commercial, industrial, and institutional. The District receives wholesale treated water from Zone 7 Water Agency (Zone 7). The District also partners with East Bay Municipal Utility District (EBMUD) and the City of Pleasanton to produce and distribute recycled water through the Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA), a joint-powers authority (JPA) formed in 1995. The District operates and maintains its potable and recycled water distribution facilities and has approximately 321 miles of potable water pipeline and 68 miles of recycled water pipeline.

In view of this background, the District engaged Raftelis to develop a long-term financial plan and perform a comprehensive cost of service analysis. The major objectives of the study include the following:

- Develop a financial plan for the water utility to ensure financial sufficiency, meet operation and maintenance (O&M) costs, meet existing and new debt obligations, ensure sufficient funding for system improvement and capital needs, and maintain the financial health of the utility.
- Develop fair and equitable water rates compliant with the requirements of California Constitution Article XIII D, Section 6 (commonly referred to as Proposition 218)
- To the extent possible, simplify the rate structure to ease customer understanding and ease administration

### 2.2. LEGAL REQUIREMENTS

#### 2.2.1. California Constitution - Article XIII D, Section 6 (Proposition 218)

Proposition 218, reflected in the California Constitution as Article XIII D, was enacted in 1996 to ensure that rates and fees are reasonable and proportional to the cost of providing service. The principal requirements for fairness of the fees, as they relate to public water or wastewater services are as follows:

1. Revenues derived from the charge shall not exceed the costs required to provide the property related service.
2. Revenues derived from the charge shall not be used for any purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of property.
5. No charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.
6. A public agency must hold a public hearing to consider the adoption of the proposed new or increase in an existing charge; written notice of the public hearing and proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing; if the public agency receives

written protests to the proposed charge from a majority of the property owners, the charge may not be imposed.

As stated in AWWA's *M1 Manual*, "water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." Prop 218 requires that water rates cannot be "arbitrary and capricious," meaning that the rate-setting methodology must be sound and that there must be a nexus between costs and the rates charged. Raftelis followed industry standard rate setting methodologies set forth by the AWWA *M1 Manual* to ensure this study meets Proposition 218 requirements and creates rates that do not exceed the proportionate cost of providing water services.

In addition, the San Juan Capistrano decision (*Capistrano Taxpayers Assn v. City of San Juan Capistrano*, Cal.App.4 (Apr 20, 2015, 4<sup>th</sup> DCA Case No. G048969) clarifies Proposition 218 requirements so that tiered rates (as well as rates for the remaining classes) need to be based on the proportionate costs incurred to provide water to each customer class and each tier in order to achieve compliance with Proposition 218.

### **2.2.2. California Constitution - Article X, Section 2**

Article X, Section 2 of the California Constitution states the following:

"It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare."

Article X, section 2 of the State Constitution institutes the need to preserve the State's water supplies and to discourage the wasteful or unreasonable use of water by encouraging conservation. As such, public agencies are constitutionally mandated to maximize the beneficial use of water, prevent waste, and encourage conservation.

In connection with meeting the objectives of Article X, section 2, Water Code Sections 370 and 375 et seq. authorize a water purveyor to utilize its water rate design to incentivize the efficient use of water. Although incentives to conserve water may be provided by implementing a higher rate as consumption increases, a nexus between the rates and costs incurred to provide the water must be developed to achieve compliance with Proposition 218.

### **2.2.3. Cost-Based Rate Setting Methodology**

As stated in the AWWA M1 Manual, "the costs of water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." To develop utility rates that comply with Proposition 218 and industry standards while meeting other emerging goals and objectives of the District, there are four major steps discussed below.

#### **1. Calculate Revenue Requirement**

The rate-making process starts by determining the test year (rate setting year) revenue requirement, which for this study is FYE 2020. The revenue requirement should sufficiently fund the utility's O&M, debt service, capital expenses, and reserves.

## 2. Cost of Service Analysis (COS)

The annual cost of providing service is distributed among customer classes commensurate with their service requirements. A COS analysis involves the following:

- a) Functionalize costs. Examples of functions are supply, treatment, transmission, distribution, storage, meter servicing, and customer billing and collection.
- b) Allocate functionalized costs to cost causation components. Cost causation components include, but are not limited to, supply, base<sup>4</sup>, maximum day, maximum hour<sup>5</sup>, meter capacity, and customer service.
- c) Distribute the cost causation components. Distribute cost components, using unit costs, to customer classes in proportion to their demands on the system. This is described in the M1 Manual.

A COS analysis for water considers both the average quantity of water consumed (base costs) and the peak rate at which it is consumed (peaking or capacity costs as identified by maximum day and maximum hour demands).<sup>6</sup> Peaking costs are costs that are incurred during peak times of consumption. There are additional costs associated with designing, constructing, and operating and maintaining facilities large enough to meet peak demands. These peak demand costs need to be allocated to those imposing such costs on the utility. In other words, not all customer classes share the same responsibility for peaking related costs.

## 3. Rate Design and Calculations

Rates do more than simply recover costs. Within the legal framework and industry standards, properly designed rates should support and optimize a blend of various utility objectives, such as deterring water waste, supporting affordability for essential needs, and ensuring revenue stability among other objectives. Rates may also act as a public information tool in communicating these objectives to customers.

## 4. Rate Adoption

Rate adoption is the last step of the rate-making process to comply with Proposition 218. Raftelis documents the rate study results in this Study Report to serve as the District's administrative record and a public education tool about the proposed changes, the rationale and justifications behind the changes, and their anticipated financial impacts.

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<sup>4</sup> Base costs are those associated with meeting average day demands and unrelated to meeting peaking demands.

<sup>5</sup> Collectively maximum day and maximum hour costs are known as peaking costs or capacity costs.

<sup>6</sup> System capacity is the system's ability to supply water to all delivery points at the time when demanded. Coincident peaking factors are calculated for each customer class at the time of greatest system demand. The time of greatest demand is known as peak demand. Both the operating costs and capital asset related costs incurred to accommodate the peak flows are generally allocated to each customer class based upon the class's relative demands during the peak month, day, and hour event.

## 3. Water System

This section describes the water system, customer account and water usage assumptions, and account and water usage projections used in the study.

### 3.1. WATER SOURCES

The District relies entirely on treated water purchased from Zone 7, which receives its water from the State Water Project. The District receives its recycled water from the DERWA JPA. The DERWA recycled water treatment plant began operation in 2006 and delivers recycled water to irrigation customers.

Currently, the rate structure consists of both fixed bi-monthly charges based on the meter size and variable commodity charges based on the units of water. Additionally, the rates include a pumping/power charge to account for the costs of pumping water to certain elevated areas within the District.

### 3.2. ACCOUNT GROWTH AND WATER USE ASSUMPTIONS

The revenue calculated for each fiscal year in the financial plan is a function of the number of accounts, account growth, water use, timing of the water use, and existing rates. Table 3-1 summarizes the key assumptions used in determining the number of accounts and projected usage. Usage for FYE 2020 is expected to increase from FYE 2019 usage by about four percent (4%) and will fluctuate between increases of two and five (2% - 5%) percent in future years. These estimates were based on information provided by the District.

**Table 3-1: Account Growth and Demand Assumptions**

Escalation Factors	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
<b>Account Growth</b>					
Single Family Residences	0.8%	0.9%	1.5%	0.7%	0.8%
<b>Demand Factor</b>					
Potable Water	4%	2%	3%	3%	5%
Recycled Water	0%	0%	0%	0%	0%

### 3.3. NUMBER OF ACCOUNTS

Raftelis projected the number of accounts for each year of the Study Period by increasing the number of residential accounts provided by the District by the account growth assumptions from Table 3-1. Through discussions with District staff, future growth is expected mostly within the residential customer class, therefore, all other classes were held constant during the Study Period. The number of accounts is used to forecast the amount of fixed revenue the District will receive from the bi-monthly fixed charges. Table 3-2 shows the projected number of potable water accounts by meter size and Table 3-3 shows the projected number of recycled water accounts by meter size for each year of the Study Period. As shown in Table 3-3, the number of recycled water accounts was held constant during the Study Period, meaning the District will not rely on growth to occur to meet the Revenue Requirements. Assuming zero recycled growth is a conservative approach and is reasonable and appropriate given the District has reached capacity and cannot provide additional recycled water without expanding their system or purchasing recycled water from other sources.

**Table 3-2: Projected Potable Water Customer Accounts**

Meter Size	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
5/8"	21,880	22,084	22,404	22,569	22,754
3/4"	107	107	107	107	107
1"	313	313	313	313	313
1-1/2"	403	403	403	403	403
2"	375	375	375	375	375
3"	59	59	59	59	59
4"	6	6	6	6	6
6"	3	3	3	3	3
8"	2	2	2	2	2
10"	0	0	0	0	0
<b>Total</b>	<b>23,148</b>	<b>23,352</b>	<b>23,672</b>	<b>23,837</b>	<b>24,022</b>

**Table 3-3: Projected Recycled Water Customer Accounts**

Meter Size	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
5/8"	9	9	9	9	9
3/4"	12	12	12	12	12
1"	100	100	100	100	100
1-1/2"	185	185	185	185	185
2"	108	108	108	108	108
3"	20	20	20	20	20
4"	5	5	5	5	5
6"	0	0	0	0	0
8"	0	0	0	0	0
10"	0	0	0	0	0
<b>Total</b>	<b>439</b>	<b>439</b>	<b>439</b>	<b>439</b>	<b>439</b>

### 3.4. WATER DEMAND

Raftelis worked closely with the District to determine the appropriate level of usage during the Study Period. An increase of usage by four percent (4%) was applied to all potable customer classes in FYE 2020 (see Table 3-1) and increases between two and five percent (2% - 5%) were applied in future years. The demand factor was held constant for all recycled customers throughout the Study Period. Table 3-4 details the projected usage for each customer class during the Study Period.

**Table 3-4: Projected Billable Water Usage (CCF)**

Customer Class	Tier Width (ccf)	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
<b>Single Family Residential</b>						
Tier 1	0-10	1,233,697	1,262,033	1,304,421	1,344,350	1,407,580
Tier 2	>10-34	1,090,574	1,115,623	1,153,093	1,188,390	1,244,285
Tier 3	>34	220,739	225,809	233,393	240,537	251,851
<b>Non-Residential</b>						
Winter (November – April)	Uniform	541,312	553,745	572,344	589,864	617,608
Summer (May – October)	Uniform	579,179	592,482	612,382	631,127	660,811
<b>Potable Irrigation</b>	Uniform	463,070	473,706	489,617	504,604	528,338
<b>Total Potable Usage (Zone 7)</b>		<b>4,128,570</b>	<b>4,223,398</b>	<b>4,365,249</b>	<b>4,498,872</b>	<b>4,710,472</b>
<b>Recycled Usage</b>	Uniform	<b>1,184,092</b>	<b>1,184,092</b>	<b>1,184,092</b>	<b>1,184,092</b>	<b>1,184,092</b>
<b>Power Charge Usage</b>	Uniform	<b>3,011,167</b>	<b>3,080,330</b>	<b>3,183,789</b>	<b>3,281,246</b>	<b>3,435,577</b>

## 4. Financial Plan

This section describes the development of the water utility financial plan, the results of which were used to determine the revenue adjustments needed to meet ongoing expenses and provide fiscal sustainability to the District. The review involves analysis of projected annual operating revenues under the current rates, O&M expenses, capital expenditures, transfers between funds, and reserve requirements.

### 4.1. KEY ASSUMPTIONS

The Study uses the District's FYE 2019 amended budget as the base year and the model projects the District's revenue requirements through FYE 2040. Certain cost escalation assumptions and inputs were incorporated into the Study to adequately model expected future expenses. To ensure that future costs are reasonably projected, inflationary assumptions are utilized with input from District staff. Table 4-1 shows the inflationary assumptions that were utilized to inflate the expenses for future years (FYE 2020 and onward) in the financial plan. Based on Raftelis' experience, the inflationary assumptions used are within the typical range utilized by other California water agencies.

**Table 4-1: Water Expense Escalation Factor Assumptions**

Escalation Factors	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
General <sup>7</sup>	3.0%	3.0%	3.0%	3.0%	3.0%
Salary	3.0%	3.0%	3.0%	3.0%	3.0%
Benefits	5.0%	5.0%	5.0%	5.0%	5.0%
Utilities	5.0%	5.0%	5.0%	5.0%	5.0%
Capital <sup>8</sup>	2.9%	2.9%	2.9%	2.9%	2.9%

Table 4-2 details inflationary assumptions for the District's revenues.

**Table 4-2: Water Revenue Inflationary Assumptions**

Escalation Factors	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Non-Rate Revenues	2.0%	2.0%	2.0%	2.0%	2.0%
Reserve Interest Rate	1.0%	1.0%	1.0%	1.0%	1.0%

### 4.2. REVENUES

#### 4.2.1. Revenues from Current Rates

Currently, the rate structure consists of both fixed bi-monthly charges based on the meter size and variable commodity charges based on the units of water. Potable water customers also pay a charge per ccf for treated water purchased from Zone 7. Additionally, the rates include a pumping/power charge to account for the costs of pumping water to certain elevations within the District. The following tables summarize the current water rate structure of the District that are used to calculate the revenues under status quo conditions. Table 4-3 identifies the bi-monthly service charges by meter size for potable and recycled water customers and Table 4-4 shows the volume charges per hundred cubic foot (ccf) for all customer classes.

<sup>7</sup> Based on Consumer Price Index for San Francisco – Oakland – Hayward (CPI)

<sup>8</sup> Based on Engineering News Record Construction Cost Index San Francisco 20-Year Annual Average (ENR CCI)

**Table 4-3: Current Bi-Monthly Meter Service Charge (\$/Meter)**

Meter Size	Bi-Monthly Service Charge
5/8"	\$36.45
3/4"	\$54.70
1"	\$91.15
1-1/2"	\$182.25
2"	\$291.59
3"	\$637.91
4"	\$1,822.50
6"	\$3,644.99
8"	\$6,378.73
10"	\$10,023.72

**Table 4-4: Current Variable Usage Charge (\$/ccf)**

Customer Class	Tier Width (ccf)	Usage Charge per ccf
<b>Zone 7 Cost of Water Charge</b>		\$3.48
<b>Single Family Residential</b>		
Tier 1	0-10	\$0.57
Tier 2	>10-34	\$1.20
Tier 3	>34	\$1.60
<b>Non-Residential</b>		
Winter (November – April)	Uniform	\$1.15
Summer (May – October)	Uniform	\$1.38
<b>Potable Irrigation</b>	Uniform	\$1.60
<b>Recycled Water</b>	Uniform	\$4.57
<b>Power Charge – Elevated Areas</b>	Uniform	\$0.28

Table 4-5 shows the calculated water rate revenues for each of the charges. The fixed charge revenue is calculated by multiplying the number of accounts in Table 3-2 and Table 3-3 by the bi-monthly fixed charge in Table 4-3 and then multiplying the result by the number of billable months in the fiscal year (6). The usage charge revenue is calculated by multiplying the projected water usage in Table 3-4 by the usage charge in Table 4-4. All potable usage (Single Family Residential, Non-Residential, and Potable Irrigation) are charged the Zone 7 Cost of Water Charge.



**Table 4-5: Calculated Rate Revenues**

Calculated Rate Revenues	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
<b>Fixed Revenues</b>					
Potable Water	\$6,521,711	\$6,566,514	\$6,636,288	\$6,672,539	\$6,712,966
Recycled Water	\$583,069	\$583,069	\$583,069	\$583,069	\$583,069
<b>Subtotal Fixed Revenues</b>	<b>\$7,104,780</b>	<b>\$7,149,583</b>	<b>\$7,219,357</b>	<b>\$7,255,608</b>	<b>\$7,296,034</b>
<b>Commodity Revenues</b>					
Zone 7 Cost of Water Charge	\$14,367,423	\$14,697,427	\$15,191,068	\$15,656,073	\$16,392,444
Single-Family Residential	\$2,365,077	\$2,419,400	\$2,500,660	\$2,577,207	\$2,698,423
Non-Residential	\$1,421,776	\$1,454,432	\$1,503,282	\$1,549,298	\$1,622,168
Potable Irrigation	\$740,912	\$757,930	\$783,387	\$807,367	\$845,340
Recycled Water	\$5,411,299	\$5,411,299	\$5,411,299	\$5,411,299	\$5,411,299
Power Charge	\$843,127	\$862,492	\$891,461	\$918,749	\$961,961
<b>Subtotal Usage Revenues</b>	<b>\$25,149,614</b>	<b>\$25,602,980</b>	<b>\$26,281,157</b>	<b>\$26,919,992</b>	<b>\$27,931,637</b>
<b>Total Revenue from Rates</b>	<b>\$32,254,393</b>	<b>\$32,752,563</b>	<b>\$33,500,514</b>	<b>\$34,175,600</b>	<b>\$35,227,671</b>

Table 4-6 shows the District's projected revenues over the Study period. To project non-rate revenues for future years, Raftelis utilizes the inflationary assumptions in Table 4-2<sup>9</sup>. Contract customer revenues from Limited Access and Alameda County Recycled Water as well as revenues from Private Fireline's, are calculated the same way as other charges. These revenues have been shown below the total revenue from rates and will be treated as "Other Revenues" since contract rates and Private Fireline rates were not evaluated as a part of this study.

**Table 4-6: Projected Water Revenues (at current rates)**

Revenues	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
<b>Total Rate Revenues</b>	<b>\$32,254,393</b>	<b>\$32,752,563</b>	<b>\$33,500,514</b>	<b>\$34,175,600</b>	<b>\$35,227,671</b>
<b>Other Revenues</b>					
Limited Access (Contract)	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265
Alameda County Recycled Water (Contract)	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548
Fire Protection	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850
Plan Check / Inspection Fees	\$343	\$350	\$357	\$364	\$371
Interest	\$107,238	\$81,505	\$61,158	\$43,437	\$30,169
Fees	\$10,695	\$10,909	\$11,128	\$11,350	\$11,577
Miscellaneous Revenue	\$376,332	\$383,859	\$391,536	\$399,367	\$407,354
<b>Subtotal Other Revenues</b>	<b>\$1,221,271</b>	<b>\$1,203,286</b>	<b>\$1,190,841</b>	<b>\$1,181,181</b>	<b>\$1,176,134</b>
<b>Total Revenues</b>	<b>\$33,475,664</b>	<b>\$33,955,850</b>	<b>\$34,691,355</b>	<b>\$35,356,781</b>	<b>\$36,403,805</b>

### 4.3. O&M EXPENSES

The District's FYE 2019 amended budget values and the assumed escalation factors (Table 4-1) for the Study Period were used as the basis for projecting O&M costs. Table 4-7 shows the total projected O&M expenses for FYE 2020 through FYE 2024<sup>10</sup>.

<sup>9</sup> Tables within this report are summary tables, for additional information regarding each individual line item, see the Dublin Water Model on file with the District.

<sup>10</sup> Although only the Study Period is shown here, Raftelis projected the revenues through FYE 2040.

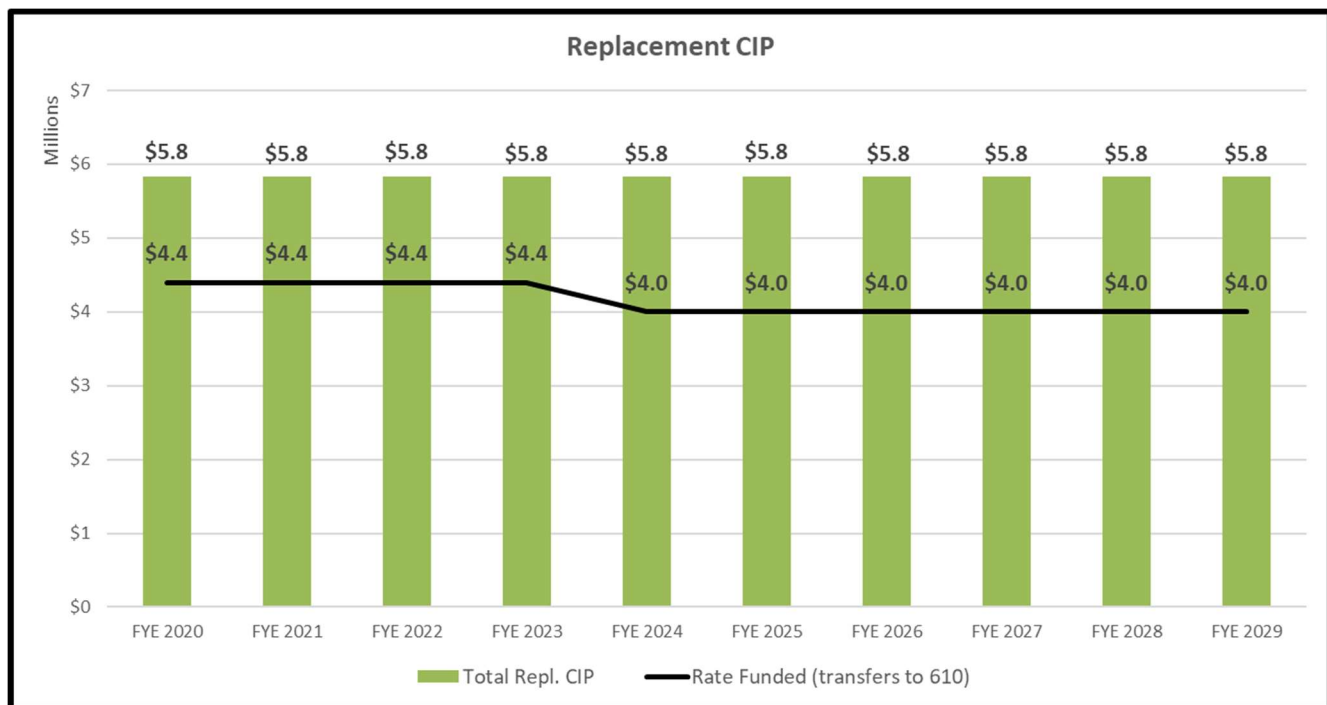
**Table 4-7: Projected Water O&M Expenses**

O&M Expense	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Purchased Water – Fixed Cost	\$5,898,775	\$6,075,738	\$6,258,010	\$6,445,751	\$6,639,123
Purchased Water – Variable Cost	\$8,763,325	\$8,975,209	\$9,292,160	\$9,590,725	\$10,063,525
Utilities	\$776,311	\$833,429	\$903,846	\$977,471	\$1,073,621
Salaries & Benefits	\$6,250,413	\$6,471,026	\$6,699,914	\$6,937,405	\$7,183,846
Central Services	\$2,310,661	\$2,374,689	\$2,440,491	\$2,508,117	\$2,577,617
Operations	\$3,199,864	\$3,101,751	\$3,005,443	\$2,910,347	\$2,817,575
Recycled Water (Contributions to JPA)	\$2,170,731	\$2,230,882	\$2,292,699	\$2,356,230	\$2,421,521
<b>Subtotal Operating Expenditures</b>	<b>\$29,370,079</b>	<b>\$30,062,724</b>	<b>\$30,892,564</b>	<b>\$31,726,046</b>	<b>\$32,776,827</b>
Debt Service	\$674,856	\$674,856	\$674,830	\$673,663	\$673,888
<b>Total Expenses</b>	<b>\$30,044,936</b>	<b>\$30,737,581</b>	<b>\$31,567,394</b>	<b>\$32,399,709</b>	<b>\$33,450,715</b>

## 4.4. CAPITAL IMPROVEMENT PLAN (REPLACEMENT)

The District provided the adopted FYE 2018-2027 capital expenditures to address future capital improvement project related to replacement needs. Raftelis worked closely with District staff to adjust the Capital Improvement Plan (CIP) to reflect a measured multi-year approach. Based on discussions with District staff, ten-year average of CIP for the Water Replacement fund was used as the baseline CIP costs for each year of the Study Period. Figure 4-1 summarizes the average replacement CIP needs. The amount of CIP funded by rates (i.e. transfers from the operating to Fund 610) is represented by the black trend line. The remaining capital is anticipated to be funded through the buy-in portion of the capacity reserve fees and other sources of revenue. In addition to the water replacement needs, the District anticipates funding approximately \$1.1 million each year of recycled capital reinvestments. The detailed capital improvement plan used to calculate the 10-Year Average can be found in Appendix A – Exhibit A-1.

**Figure 4-1: Water Replacement Capital Improvement Plan**



## 4.5. RESERVE REQUIREMENTS

Reserve requirements establish reserve targets and provide guidelines for sound financial management. The overall long-term aim is to maintain financial solvency and mitigate financial risks associated with working capital requirements, revenue instability, sudden or significant capital costs, and emergencies. Additionally, adopting and adhering to sustainable reserve requirements helps to achieve and maintain a favorable credit rating for future debt issues.

The appropriate amount of reserves and reserve types are determined by a variety of factors, such as size of the operating budget, planned capital improvements, amount of debt, type of rate structure, frequency of customer billing, and risk of natural disaster. Typically, reserves for water utilities fall into the following categories: O&M, rate stabilization, capital, debt service, and emergency. Currently, the District maintains a Water Enterprise Fund (Fund 600), a Rate Stabilization Fund (Fund 605), a Water Replacement Fund (Fund 610), and a Water Expansion Fund (Fund 620). Reserves can offset unanticipated reductions in revenues, fluctuations in costs of providing services, and fiscal emergencies such as revenue shortfalls, asset failures, and natural disasters. Capital reserves set funds aside for replacement of capital assets as they age, as well as for new capital projects.

Through discussions with District staff, this study focused on the operating reserves. The District's existing operating reserve policy is summarized in Table 4-8. As part of Best Management Practices of utilities, it is recommended that a utility have at least 90-180 days of operating reserves as well as sufficient funds available to ensure that the utility's capital plan can move forward as scheduled and is not delayed due to insufficient funds on hand.

**Table 4-8: Existing Operating Reserve Policies**

Reserves	Policy
<b>Water Enterprise Fund (Fund 600)</b>	<b>Minimum:</b> Two months of operating expenses <b>Target:</b> Four months of operating expenses <b>Maximum:</b> Six months of operating expenses
<b>Rate Stabilization Fund (Fund 605)</b>	Same as Fund 600 with a maximum of 12 months of operating expenses for combined Operation Funds (600 + 605)

## 4.6. CURRENT FINANCIAL PLAN

Based on the financial plan review, the District is currently in a strong financial position and only modest revenue adjustments are needed to ensure that the District maintains its strong financial position moving forward. These modest adjustments will allow the District to continue to reinvest in the water utility system in the out years. Figure 4-2 illustrates the operating position of the utility, where expenses, inclusive of reserve funding, are shown by stacked bars and the total revenues at current rates are shown by the horizontal orange trend line. Current revenue is insufficient to recover expenses resulting in negative cashflow for each year of the Study period.

**Figure 4-2: Water Operating Financial Position at Current Rates**

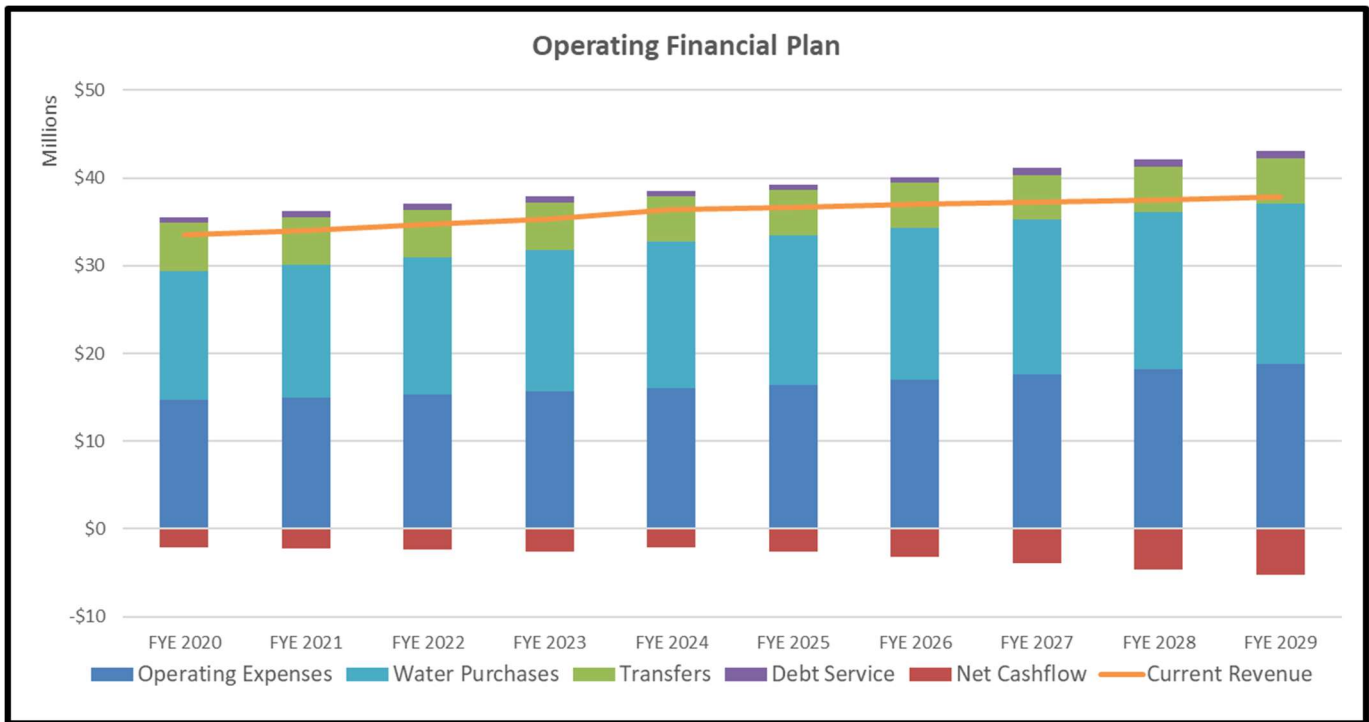
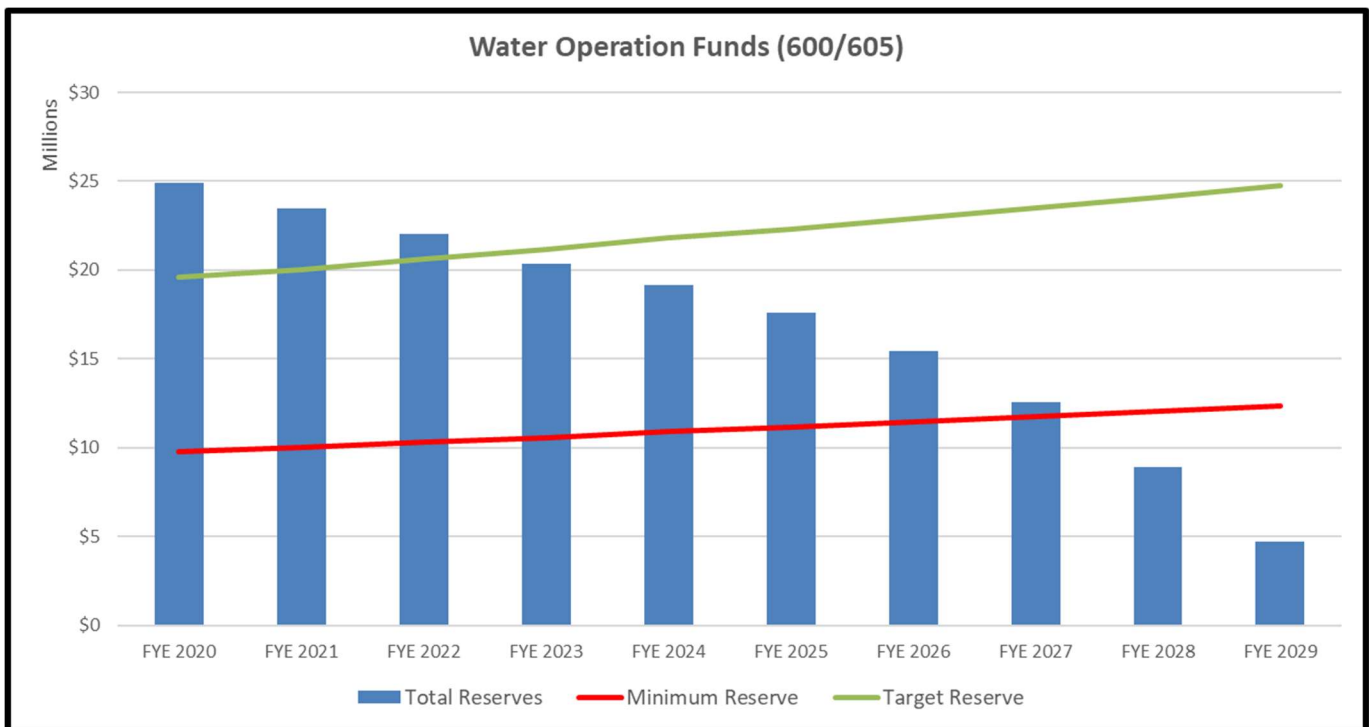


Figure 4-3 illustrates the ending total reserve balances for the Water Operation Funds (Funds 600 & 605) for each fiscal year after operating expenses and transfers to replacement capital are funded. The financial plan projects reserves will fall below policy target in FYE 2023 and below policy minimum in FYE 2028.

**Figure 4-3: Projected Ending Water Utility Reserves**



## 4.7. PROPOSED FINANCIAL PLAN

The proposed revenue adjustments provide adequate revenue to fund operating expenses, capital expenditures, and recommended reserve targets. The financial plan assumes there will be no rate adjustment in FYE 2020 followed by automatic CPI rate adjustments occurring on January 1 each year thereafter beginning in FYE 2021. The proposed rate adjustments enable the District to fund approximately \$21.6 million of water-related capital reinvestments and approximately \$5.4 million of recycled capital reinvestments during the Study Period. In addition, the proposed adjustments allow the District to meet or exceed the reserve targets.

Table 4-9 shows the recommended financial plan, which includes assumed CPI rate adjustments of 3.0%<sup>11</sup>. The rates presented in Section 5.4 are based on this financial plan.

**Table 4-9: Financial Plan Rate Adjustment Recommendations**

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Effective Month	July	January	January	January	January
Rate Adjustments	0%	3.0%	3.0%	3.0%	3.0%
Pass-through of Zone 7 Costs	Yes <sup>12</sup>	Yes	Yes	Yes	Yes

Applying these adjustments results in the proposed financial plan in Table 4-10 (see Appendix A – Exhibit A-2 for a detailed financial plan). While FYE 2020 through 2023 will draw down reserves, the District will stay above its target reserve balance and will see positive cash balances in the out years. The line for Rate Revenues includes the additional revenue from the proposed revenue adjustments assuming they become effective January 1 of each year.

Based on discussions with District staff, this study only focused on the operating reserves, Water Operating Fund and Rate Stabilization Fund (Funds 600 and 605). Raftelis recommends maintaining an operating reserve of approximately 180 days of operating expenses. Due to the frequency of the billing (bi-monthly), the District will see considerable delays from the time they purchase water and deliver water to customers and when they receive payment. The goal of maintaining sufficient operating reserves is to provide liquid funds for the continued operations and to ensure the utility can continue in the event of unforeseen costs or interruptions. Rate stabilization reserves are typically based on each agencies risk tolerance, objectives, and other factors.

<sup>11</sup> The assumed CPI adjustments were based on the 20-Year average CPI. Rate adjustments beginning in FYE 2021 will be based on the most recent annual CPI figures.

<sup>12</sup> Rates for FYE 2020 include the cost of purchased water at the CY 2019 Zone 7 rates, any increases above these rates should be automatically passed through to customers.

**Table 4-10: Recommended Water Financial Plan**

Category	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
<b>Revenues</b>					
Rate Revenues	\$17,886,970	\$18,325,964	\$19,141,610	\$19,942,077	\$20,890,487
Zone 7 Revenues	\$14,367,423	\$14,697,427	\$15,191,068	\$15,656,073	\$16,392,444
Other Revenues	\$1,221,271	\$1,203,286	\$1,190,841	\$1,181,181	\$1,176,134
<b>Total Revenues</b>	<b>\$33,475,664</b>	<b>\$34,226,677</b>	<b>\$35,523,519</b>	<b>\$36,779,331</b>	<b>\$38,459,066</b>
<b>Less: Expenditures</b>					
Purchased Water – Fixed Cost	\$5,898,775	\$6,075,738	\$6,258,010	\$6,445,751	\$6,639,123
Purchased Water – Variable Cost	\$8,763,325	\$8,975,209	\$9,292,160	\$9,590,725	\$10,063,525
Recycled Water (Contributions to JPA)	\$2,170,731	\$2,230,882	\$2,292,699	\$2,356,230	\$2,421,521
Other O&M	\$12,537,249	\$12,780,895	\$13,049,694	\$13,333,340	\$13,652,658
<b>Subtotal Operating Expenditures</b>	<b>\$29,370,079</b>	<b>\$30,062,724</b>	<b>\$30,892,564</b>	<b>\$31,726,046</b>	<b>\$32,776,827</b>
Total Debt Service	\$674,856	\$674,856	\$674,830	\$673,663	\$673,888
<b>Total Expenditures</b>	<b>\$30,044,936</b>	<b>\$30,737,581</b>	<b>\$31,567,394</b>	<b>\$32,399,709</b>	<b>\$33,450,715</b>
<b>Net Cashflow (before Transfers)</b>	<b>\$2,526,045</b>	<b>\$2,593,695</b>	<b>\$3,037,833</b>	<b>\$3,437,681</b>	<b>\$4,041,823</b>
Transfers to Water Replacement Fund (610)	(\$4,400,000)	(\$4,400,000)	(\$4,400,000)	(\$4,400,000)	(\$4,000,000)
Transfers to DERWA Recycled Replacement Fund (610)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)
<b>Net Cashflow (after Transfers)</b>	<b>(\$2,063,960)</b>	<b>(\$2,005,592)</b>	<b>(\$1,538,562)</b>	<b>(\$1,115,066)</b>	<b>(\$86,337)</b>
<b>Water Enterprise Fund (600)</b>					
Beginning Balance	\$9,182,522	\$7,118,562	\$5,112,970	\$3,574,408	\$2,459,341
Net Cashflow (after Transfers)	(\$2,063,960)	(\$2,005,592)	(\$1,538,562)	(\$1,115,066)	(\$86,337)
Transfers (to)/from Rate Stabilization	\$2,671,464	\$2,236,474	\$1,788,461	\$1,343,681	\$369,120
<b>Ending Balance</b>	<b>\$9,790,026</b>	<b>\$10,020,908</b>	<b>\$10,297,521</b>	<b>\$10,575,349</b>	<b>\$10,925,609</b>
<b>Rate Stabilization Fund (605)</b>					
Beginning Balance	\$16,920,166	\$15,094,345	\$13,730,956	\$12,810,978	\$12,335,900
Transfers (to)/ from Water Enterprise Fund	(\$2,671,464)	(\$2,236,474)	(\$1,788,461)	(\$1,343,681)	(\$369,120)
Fund Revenues <sup>13</sup>	\$905,418	\$934,516	\$958,331	\$982,698	\$1,007,600
Fund Expenditures	(\$59,775)	(\$61,431)	(\$63,133)	(\$64,883)	(\$66,681)
<b>Ending Balance</b>	<b>\$15,094,345</b>	<b>\$13,730,956</b>	<b>\$12,810,978</b>	<b>\$12,335,900</b>	<b>\$12,840,222</b>
<b>Total Operating Reserves – Ending Balance</b>	<b>\$24,884,371</b>	<b>\$23,751,864</b>	<b>\$23,108,499</b>	<b>\$22,911,248</b>	<b>\$23,765,831</b>
<b>Total Operating Reserves Target</b>	<b>\$19,580,053</b>	<b>\$20,041,816</b>	<b>\$20,595,043</b>	<b>\$21,150,697</b>	<b>\$21,851,218</b>

Figure 4-4 and Figure 4-5 display the FYE 2020 through FYE 2024 financial plan in graphical format. Figure 4-4 illustrates the operating position of the District where expenses, inclusive of reserve funding, are shown by stacked bars and total revenues at both current rates and recommended rates are shown by the horizontal trend lines. No new debt is recommended to be issued as part of the recommended five-year financial plan. The District will use reserves from FYE 2020 to FYE 2023 to help mitigate the impacts to customers. Beginning in FYE 2024, the District's projected revenues will meet or exceed the projected expenditures.

<sup>13</sup> Detailed Fund Revenues and Expenditures for can be found in Appendix A – Exhibit A-3.

**Figure 4-4: Proposed Operating Financial Plan**

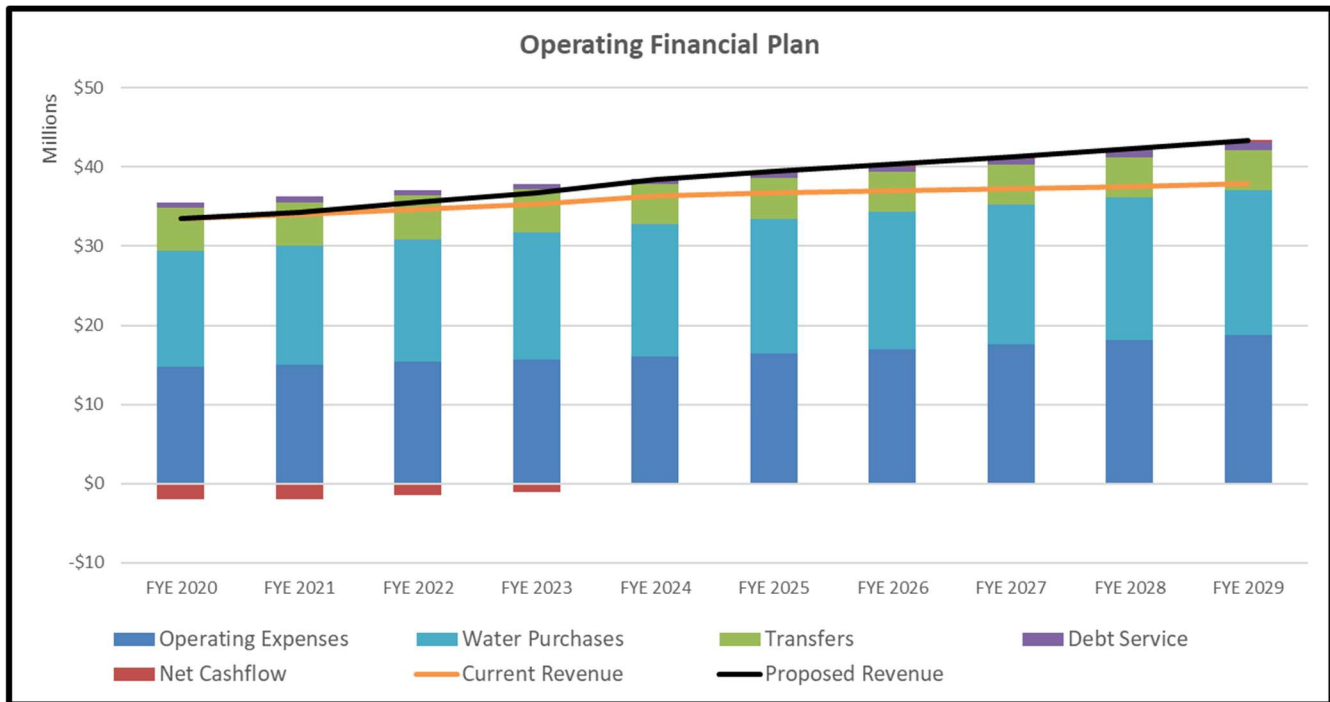
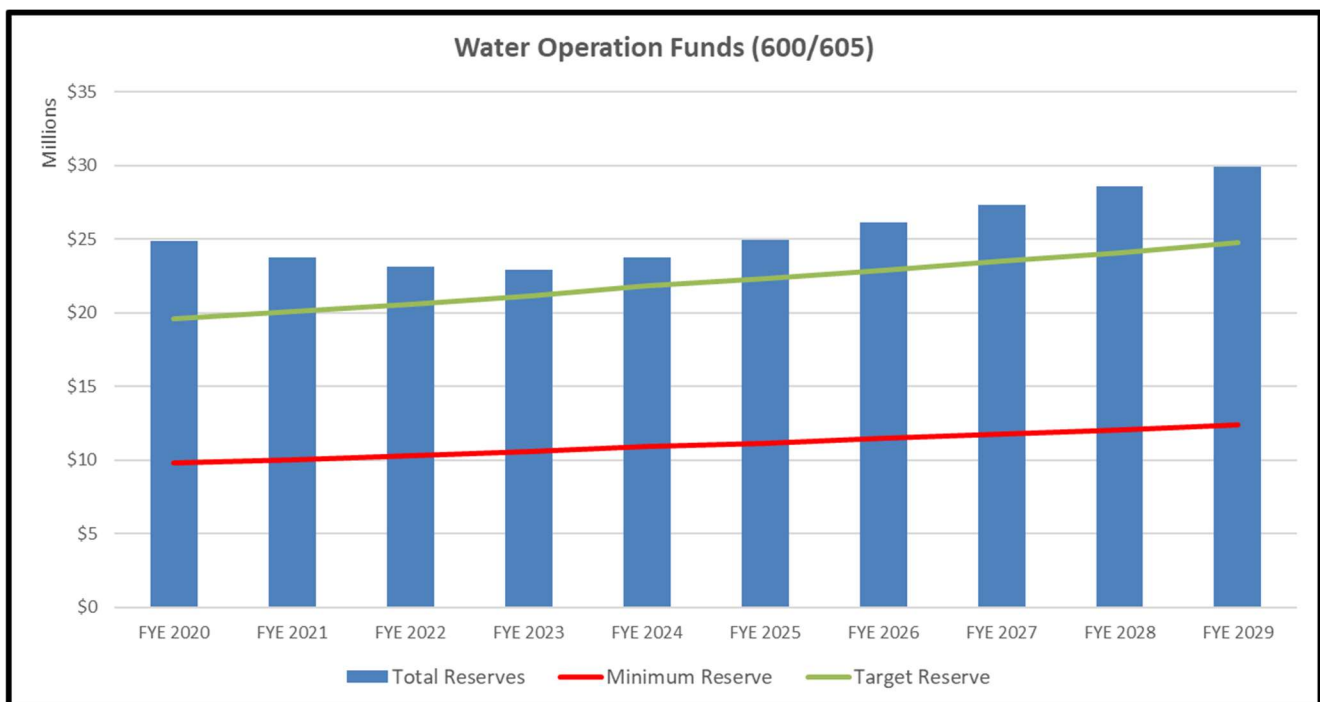


Figure 4-5 displays the projected yearly ending balance for the operating funds (Fund 600 & Fund 605). The horizontal trend lines indicate the minimum and target reserve balances and the bars indicate the ending reserve balance. The District's objectives are to meet or exceed the target reserve (represented by the green horizontal line) to ensure prudent financial planning. Under the proposed rate adjustments, the District will be drawing from reserves in FYE 2020 through FYE 2023, contributing to reserves beginning in FYE 2014, and meet or exceed the targets each year of the study period.

**Figure 4-5: Projected Operating Fund Ending Balances**





## 5. Cost of Service Study

This Rate Study conforms to the principles set forth in the enabling statutes and the rates abide by the cost-of-service provisions of Proposition 218.

### 5.1. PROPORTIONALITY

Demonstrating proportionality when calculating rates is a critical factor of ensuring compliance with Proposition 218. For costs that are recovered through the District's proposed fixed meter charge, the Study spread the costs either over all accounts or by meter size, depending on the type of expense. As such, customer classes and usage are not considered nor necessary for calculating each customer's fixed charge. Conversely, costs that were determined as variable, are allocated among customer classes based on their demand on the system and water supply. As stated in the Manual M1, the AWWA Rates and Charges Subcommittee agree with Proposition 218 that "the costs of water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." The District's revenue requirements are, by definition, the cost of providing service. This cost is then used as the basis to develop unit costs for the water components and to allocate costs to the various customer classes in proportion to the water services rendered.

Individual customer demands vary depending on the nature of the utility use at the location where service is provided. For example, water service demand for a family residing in a typical single-family home is different than the water service demand for an irrigation customer, primarily due to peak use behavior which drives the need for and costs of sizing infrastructure to meet this demand. The concept of proportionality requires that cost allocations consider both the average quantity of water consumed (base) and the peak rate at which it is consumed (peaking). Use of peaking is consistent with the cost of providing service because a water system is designed to meet peak demands, and the additional costs associated with designing, constructing and maintaining facilities required to meet these peak demands need to be allocated to those customers whose usage requires the need to size facilities to meet peak demand.

In allocating the costs of service, the industry standard, as promulgated by AWWA's M1 Manual, is to group customers with similar system needs and demands into customer classes. Rates are then developed for each customer class, with each individual customer paying the customer class' proportionate, average allocated cost of service.

Generally speaking, customers place the following demands on the District's water system and water supply:

- The system capacity<sup>14</sup> (for treatment, storage, and distribution) that must be maintained to provide reliable service to all customers at all times.
- The level of water efficiency as a collective group.
- The number of customers requiring customer services such as bill processing, customer service support, and other administrative services.

A customer class consists of a group of customers, with common characteristics, who share responsibility for certain costs incurred by the utility. Joint costs are proportionately shared among all customers in the system based on their service requirements.

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<sup>14</sup> System capacity is the system's ability to supply water to all delivery points at the time when demanded. The time of greatest demand is known as peak demand.



## 5.2. COST OF SERVICE PROCESS

A cost of service analysis distributes a utility's revenue requirements (costs) to each customer class. Figure 5-1 provides a general overview of a cost-of-service analysis. Each step shown below will be described in greater detail in the next section.

**Figure 5-1: Cost of Service Process**



## 5.3. COST OF SERVICE ANALYSIS

### 5.3.1. Step 1 – Determine Revenue Requirement

In this Study, water rates are calculated for FYE 2020 (known as the Test Year), by using the District's current FYE 2019 amended budget and inflationary factors. Board guidance regarding advanced funding of pension unfunded actuarial liabilities (UAL) and staffing that will be included in the proposed FYE 2020 and FYE 2021 operating budgets have also been included in the Study. Test Year revenue requirements are used in the cost allocation process. Subsequent years' revenue adjustments are incremental and the rates for future years will be based on CPI. The District should review the cost of service analysis at least once every five years to ensure that the rates are consistent with the costs of providing service.

The revenue requirement determination is based upon the premise that the utility must generate annual revenues to meet Supply, O&M expenses, any debt service needs, reserve levels, and capital investment needs. Deductions are made to account for the required net cashflows (found in Table 4-10) and any mid-year adjustment<sup>15</sup>. FYE 2020 cost of service to be recovered from the District's water customers is shown in Table 5-1.

<sup>15</sup> The revenue requirement needs to be based on the revenue needs for a full fiscal year. Since the rates in FYE 2020 were assumed to be in effect for 12 months, there is no mid-year adjustment.

**Table 5-1: Revenue Requirements**

Revenue Requirements	FYE 2020			
	Specific Allocation	Operating	Capital	Total
<b>Revenue Requirements</b>				
Utilities – Power	\$776,311			\$776,311
Purchased Water – Fixed Cost	\$5,898,775			\$5,898,775
Purchased Water – Variable Cost	\$8,763,325			\$8,763,325
Salaries and Benefits		\$6,250,413		\$6,250,413
Central Services		\$2,310,661		\$2,310,661
Operations		\$3,199,864		\$3,199,864
Contributions to JPA	\$2,170,731			\$2,170,731
<b>Subtotal Revenue Requirements</b>	<b>\$17,609,142</b>	<b>\$11,760,938</b>	<b>\$0</b>	<b>\$29,370,079</b>
<b>Debt Service</b>				
DSRSD 2017 Water Revenue Refunding Bonds			\$674,856	\$674,856
<b>Subtotal Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$674,856</b>	<b>\$674,856</b>
<b>Direct Transfers</b>				
Transfers to Water Replacement Fund 610			\$4,400,000	\$4,400,000
Transfers to DERWA Recycled Replacement Fund 610	\$1,094,688			\$1,094,688
<b>Subtotal Direct Transfers</b>	<b>\$1,094,688</b>	<b>\$0</b>	<b>\$4,400,000</b>	<b>\$5,494,688</b>
<b>Total Revenue Requirements</b>	<b>\$18,703,830</b>	<b>\$11,760,938</b>	<b>\$5,074,856</b>	<b>\$35,539,624</b>
<b>Less: Revenue Offsets</b>				
Limited Access Revenue	\$326,709	\$89,556		\$416,265
Alameda County Recycled Water Revenue	\$75,822	\$2,726		\$78,548
Fire Protection Revenue	\$3,483	\$228,367		\$231,850
Plan Check / Inspection Fees		\$343		\$343
Interest		\$107,238		\$107,238
Fees		\$10,695		\$10,695
Miscellaneous Revenue		\$376,332		\$376,332
<b>Total Revenue Offsets</b>	<b>\$406,110</b>	<b>\$815,162</b>	<b>\$0</b>	<b>\$1,221,271</b>
<b>Less: Adjustments</b>				
Adjustment for Net Cashflow		\$2,063,960		\$2,063,960
Adjustment for Mid-Year Increase		\$0		\$0
<b>Total Adjustments</b>	<b>\$0</b>	<b>\$2,063,960</b>	<b>\$0</b>	<b>\$2,063,960</b>
<b>Revenue Requirements from Rates</b>	<b>\$18,319,992</b>	<b>\$8,859,544</b>	<b>\$5,074,856</b>	<b>\$32,254,393</b>

### 5.3.2. Step 2 – Functionalize Costs

#### O&M Functionalized Expenses

A cost of service analysis distributes a utility's revenue requirements (costs) to each customer class. After determining a utility's revenue requirement, the total cost of water service is analyzed by system functions to proportionately distribute costs in relation to how that cost is generally incurred. The water utility costs were categorized into the following **functions**:

- **Utilities-Power** – Utility costs related to pumping water to customers in elevated areas within the District.
- **Purchased Water-Fixed Costs** – Fixed costs incurred to purchase Zone 7 water.
- **Purchased Water-Variable Costs** – Water usage costs to purchase Zone 7 water.
- **Operations & Maintenance (O&M) Expenses**
  - **Salaries and Benefits** – Includes salaries and benefits costs for water operations staff
  - **Central Services** – Overhead costs, such as finance, administration, human resources, etc.
  - **Operations** – Includes supply and material costs, tools and equipment, contract service costs, and other costs related to maintaining water system facilities and meters.
- **Contributions to JPA** – District contributions to DERWA for recycled water
- **Debt Service** – Principle and Interest costs related to existing/outstanding debt
- **Direct Transfers** – Transfers from the District Water Enterprise Fund (600) to the Water Replacement Fund (610) to fund CIP

Table 5-2 summarizes the functionalized costs prior to any offset adjustments (from Table 5-1).

**Table 5-2: Functionalized Expenses**

Functionalized Expenses	FYE 2020 Functionalized Expenses
Utilities – Power	\$776,311
Purchased Water – Fixed Cost	\$5,898,775
Purchased Water – Variable Cost	\$8,763,325
Salaries and Benefits	\$6,250,413
Central Services	\$2,310,661
Operations	\$3,199,864
Contributions to JPA	\$2,170,731
Debt Service	\$674,856
Direct Transfers	\$5,494,688
<b>Total O&amp;M Expenses</b>	<b>\$35,539,624</b>

### Functionalized Assets

Similar to O&M, assets are also functionalized. The District provided Raftelis with a comprehensive listing of assets<sup>16</sup> for the water utility, which were functionalized based on the asset's purpose. Table 5-3 summarizes the functionalized assets.

**Table 5-3: Functionalized Assets**

Functionalized Assets	FYE 2020 Functionalized Assets
Distribution	\$16,008,200
Mains	\$488,865,460
Reservoirs	\$9,821,125
Pump Stations	\$20,325,247
Admin	\$6,823,019
<b>Total Assets</b>	<b>\$541,843,051</b>

<sup>16</sup> A detailed asset listing is on file with the District.

### 5.3.3. Step 3 – Allocate Functionalized Costs to Cost Components

The functionalization of costs allows us to better allocate the costs based on how the costs are incurred. This is commonly referred to as **cost causation**. Essentially, cost causation means that the District incurs a cost of providing service because of the demands or burdens the customer places on the system and water resources. Raftelis used the Base-Extra Capacity method to allocate the functionalized costs to various rate components (cost causation components), as described in the M1 Manual. The District's costs were allocated to the following cost causation components:

1. **Customer Service** includes customer-related costs such as billing, collecting, customer accounting, and customer call center. These costs are incurred at the same level regardless of the type of land use or the total amount of water that the utility delivers.
2. **Meter Capacity** includes maintenance and capital costs associated with serving meters. These costs are assigned based on the meter size or equivalent meter capacity.
3. **Recycled Water** represents the costs incurred by contributing to the DERWA JPA for recycled water. These costs will be specifically allocated to promote transparency and clearly show the costs that are out of the District's control. In addition to the DERWA costs, the transfers to fund recycled capital reinvestments were allocated specifically to the recycled rate component based on the three-year average depreciation of DERWA assets.
4. **Base** are those operating and capital costs of the system associated with serving customers at a constant, or average, rate of use. These costs tend to vary with the total quantity of water used.
5. **Peaking Costs** or Extra Capacity Costs represent those costs incurred to meet customer peak demands for water in excess of average day usage. Total extra capacity costs are subdivided into costs associated with maximum day and maximum hour demands. The maximum day demand is the maximum amount of water used in a single day in a year. The maximum hour (Max Hour) demand is the maximum usage in an hour on the maximum usage day (Max Day). Various facilities are designed to meet customer peaking needs. For example, reservoirs are designed to meet Max Day requirements and have to be designed larger than they would be if the same amount of water were being used at a constant rate throughout the year. The cost associated with constructing a reservoir is based on system-wide peaking factors. For example, if the Max Day factor is 2.0, then certain system facilities must be designed larger than what would be required if the system only needed to accommodate average daily demand. In this case, half of the cost would be allocated to Base (or average day demand) and the other half allocated to Max Day. The calculation of the Max Hour and Max Day demands is explained below.

Allocating costs into these components allows us to distribute these cost components to the various customer classes based on their respective base, extra capacity, and customer requirements for service.

To allocate costs to delivery and peaking cost components, system peaking factors are used. The base demand is assigned a value of 1.0 signifying no peaking demands. The Max Day and Max Hour factors shown in Table 5-4 were based on the District's Waster Master Plan Update. A max day peaking factor of 2.0 means that the system delivers approximately 2.0 times the average daily demand during a peak day.

**Table 5-4: System-Wide Peaking Factors**

	Factor	Base	Max Day	Max Hour
Base	1.00	100%	0%	0%
Max Day	2.00	50%	50%	0%
Max Hour	2.40	42%	42%	17%

### Specific Allocation

The Specific Allocation expenses consist of five functionalized categories: Utilities – Power, Contributions to JPA, Purchased Water – Fixed Cost, Purchased Water – Variable Cost, and Transfers to DERWA. Table 5-5 details the breakdown of these specific allocation costs. The resulting Specific Allocation (%) will be used to allocate the Specific Allocation Requirement, including any revenue offsets or adjustments, from the revenue requirements (Table 5-1). The Purchased Water costs were each allocated 100% to the Zone 7 Variable cost component as the District recovers these costs through a commodity charge only. The Contributions to JPA and Transfers to DEWRA costs were allocated 100% to the Recycled Water cost component as these costs are directly related to the cost of providing recycled water. To ensure the pumping/power component of the proposed rate structure only reflects the energy costs incurred to pump water to elevated areas in the District, Raftelis specifically allocated pumping/power costs. This prevents the pumping/power component from being impacted by revenue adjustments, revenue offsets, or mid-year adjustments.

**Table 5-5: Specific Allocation**

	Cost Components			
Functionalized Expenses	Zone 7	Recycled Water	Pumping	Total
% Allocation				
Utilities – Power			100%	100%
Contributions to JPA		100%		100%
Purchased Water – Fixed Cost	100%			
Purchased Water – Variable Cost	100%			
Transfer to DERWA Replacement		100%		100%
\$ Allocation				
Utilities – Power			\$776,311	\$776,311
Contributions to JPA		\$2,170,731		\$2,170,731
Purchased Water – Fixed Cost	\$5,898,775			
Purchased Water – Variable Cost	\$8,763,325			
Transfer to DERWA Replacement		\$1,094,688		\$1,094,688
Total Specific Allocation	\$14,662,100	\$3,265,419	\$776,311	\$18,703,830
Specific Allocation (%)	78.4%	17.5%	4.2%	100%

### O&M Allocation

The O&M expenses consist of three functionalized categories: Salaries and Benefits, Central Services, and Operations. Raftelis reviewed the budget details related to the Operating Expenses to determine the most appropriate method for allocating the functional costs to cost causation components. Table 5-6 summarizes the

percent allocations for the District O&M Expenses, the costs (prior to offsets and adjustments) allocated to the cost components, and the resulting O&M Allocation (%). The O&M Allocation (%) will be used to allocate the Operating Requirement, including any revenue offsets or adjustments, from the revenue requirements (Table 5-1). Table 5-6 allocates the O&M expenses to each cost causation component. The estimated portion of Salaries and Benefits, Central Services, and Operations costs related to customer service and billing were allocated to the Customer Service cost component<sup>17</sup>. The remaining costs for Salaries and Benefits and Central Services were allocated to the Meter Capacity component and a portion was also allocated to the Base component based on discussion with District staff. The remaining costs for Operations were allocated based on Max Hour since the system was designed to meet max hour requirements<sup>18</sup>.

**Table 5-6: O&M Allocation**

	Cost Components					
Functionalized Expenses	Customer Service	Meter Capacity	Base	Max Day	Max Hour	Total
% Allocation						
Salaries and Benefits	14%	74%	13%			100%
Central Services	15%	74%	11%			100%
Operations	5%		39%	39%	16%	100%
\$ Allocation						
Salaries and Benefits	\$867,190	\$4,594,053	\$789,169			\$6,250,413
Central Services	\$356,309	\$1,698,336	\$256,017			\$2,310,661
Operations	\$170,590		\$1,262,198	\$1,262,198	\$504,879	\$3,199,864
Total O&M Expense	\$1,394,088	\$6,292,389	\$2,307,383	\$1,262,198	\$504,879	\$11,760,938
O&M Allocation (%)	11.9%	53.5%	19.6%	10.7%	4.3%	100%

## Capital Allocation

Table 5-7 summarizes the percent allocation for the capital assets, the replacement cost less depreciation of the asset values by asset category as provided within the District's detailed asset listing, allocated to the cost causation components, and the resulting total Capital Allocation (%). The Capital Allocation (%) will be used to allocate the Capital Requirement, including any revenue offsets or adjustments, from the revenue requirements (Table 5-1).

<sup>17</sup> Estimates of costs associated with Customer Service were provided by the District.

<sup>18</sup> The Base, Max Day, and Max Hour %'s shown for the Operations expense line item are different then what was shown in Table 5-4 because they first were reduced by the amount related to customer service. For example, Base % was determined by multiplying the remaining allocation (100%-5%=90%) by the Base % from Table 5-4 of 42% (90% x 42% = 39%)

**Table 5-7: Capital Allocation**

	Cost Components				
Capital Assets	Meter Capacity	Base	Max Day	Max Hour	Total
% Allocation					
Distribution	13%	36%	36%	15%	100%
Mains	13%	44%	44%		100%
Reservoirs		50%	50%		100%
Pump Stations		42%	42%	17%	100%
Admin	100%				100%
\$ Allocation					
Distribution	\$2,068,315	\$5,808,285	\$5,808,285	\$2,323,314	\$16,008,200
Mains	\$63,163,124	\$212,851,168	\$212,851,168		\$488,865,460
Reservoirs		\$4,910,562	\$4,910,562		\$9,821,125
Pump Stations		\$8,468,853	\$8,468,853	\$3,387,541	\$20,325,247
Admin	\$6,823,019				\$6,823,019
Total Capital Assets	\$72,054,459	\$232,038,868	\$232,038,868	\$5,710,855	\$541,843,051
Capital Allocation (%)	13.3%	42.8%	42.8%	1.1%	100%

The next step is to use the allocation percentages developed in the preceding section to allocate the Test Year revenue requirements to cost components. The Revenue Requirements (Table 5-1) were allocated to cost components as summarized in Table 5-8. Specific revenue requirements were allocated based on the Specific Allocation percent from Table 5-5. Operating revenue requirements were allocated based on the O&M Allocation percent from Table 5-6 and Capital revenue requirements were allocated based on the Capital Allocation percent from Table 5-7. The Zone 7 and Recycled Water cost components each have specific revenue offsets related to the revenues from contract customers, Limited Access and Alameda County Recycled Water, respectively. The detail on how these revenue offsets were calculated can be found in Appendix A – Exhibit A-4.

**Table 5-8: Cost of Service Requirements**

	Fixed (20%)		Variable (80%)						
Revenue Requirement	Customer Service	Meter Capacity	Zone 7	Recycled Water	Base	Max Day	Max Hour	Pumping	Total
Specific Allocation			\$14,662,100	\$3,265,419				\$776,311	\$18,703,830
Specific Revenue Offset			(\$330,193)	(\$53,645)					(\$388,838)
Operating	\$1,050,170	\$4,740,073		\$0	\$1,738,158	\$950,817	\$380,327		\$8,859,544
Capital		\$674,856		\$0	\$2,173,257	\$2,173,257	\$53,487		\$5,074,856
Cost of Service Requirement	\$1,050,170	\$5,414,929	\$14,331,907	\$3,211,774	\$3,911,414	\$3,124,073	\$433,814	\$776,311	\$32,254,393

Before we can allocate the net revenue requirements from Table 5-8 to customer class we first need to define the rate structure. Therefore, Step 4 will be discussed in Section 5.4.6.



## **5.4. RATE DESIGN**

A key component of the Study includes evaluating the current rate structures and determining the most appropriate structures to model moving forward. In this step, we have some flexibility as Proposition 218 does not specify the type of rate structure so long as the rates are based on the cost of service (as developed in the preceding section).

The District's main rate objectives include implementing rates that are easy to understand, easy to implement, and equitable. A uniform rate structure meets the requirements of Proposition 218 and the District's rate objectives. Raftelis has revised the existing rate structure to include a bi-monthly fixed charge that varies by meter size, uniform commodity charges based on customer class and usage, and a pumping/power charge per unit of usage. In addition, the District wants to continue the automatic pass-through provision to mitigate the risks of increased purchased water costs from Zone 7.

The following subsections discuss the proposed rate structures and customer classes for the water utility. Similar to the District's current rate structure, the proposed rates will include a Bi-monthly Service Charge, Zone 7 variable Cost of Water Charge with an automatic pass-through provision, District variable usage charge for potable and recycled water, and a pumping charge for customers in elevations that require additional pumping.

### **5.4.1. Residential Water Rate Structure**

Single-Family Residential customers are currently charged a volumetric use charge on an inclining 3-tier rate structure, where price per unit increases with each tier. Raftelis recommends moving to a uniform rate structure for all residential customers. The proposed rate structure provides a straight-forward connection between the one available water supply (purchased water from Zone 7) and the cost per unit of water. As part of the water rate design restructuring, the net amount of available potable water is apportioned evenly to all potable water accounts.

### **5.4.2. Non-Residential Water Rate Structure**

Raftelis recommends moving from a seasonal rate structure to a uniform rate for Non-Residential (Commercial, Institutional, Industrial) accounts. Although implementing uniform rates is recommended, it is important to note that the customer class is still paying its proportionate share of the costs of providing the service based on the demand and burdens the class places on the system and is not being subsidized by another customer class. A uniform rate provides the most appropriate and equitable rate structure between accounts within this customer class.

### **5.4.3. Potable Irrigation Water Rate Structure**

Raftelis recommends maintaining a Potable Irrigation uniform rate.

### **5.4.4. Recycled Water Rate Structure**

Similar to Potable Irrigation, Raftelis recommends maintaining a Recycled uniform rate structure.



### 5.4.5. Usage Under Proposed Rate Structure

The proposed rate structure eliminates Tier 2 and Tier 3 for Single-Family Residential customers. For example, an SFR customer using 20 units under the current structure would be billed 10 units at the Tier 1 charge and 10 units at the Tier 2 charge. Under the proposed structure, the same customer using 20 units would be billed entirely at one charge. Table 5-9 shows the proposed tier structure, current usage by customer class, and projected usage by customer class under the new structure.

**Table 5-9: Usage by Customer Class**

Customer Class	Current Tier Structure	FYE 2020 Projected Tiered Usage (ccf)	Proposed Tier Structure	Projected Usage (ccf)
<b>Single Family Residential</b>				
Tier 1	0-10 ccf	1,233,697	Uniform	2,545,009
Tier 2	>10-34 ccf	1,090,574		N/A
Tier 3	>34 ccf	220,739		N/A
<b>Non-Residential</b>	Uniform	<b>1,120,491</b>	Uniform	1,120,491
<b>Potable Irrigation</b>	Uniform	463,070	Uniform	463,070
<b>Subtotal Potable Water</b>		<b>4,128,570</b>		<b>4,128,570</b>
<b>Recycled Water</b>	Uniform	1,184,092	Uniform	1,184,092
<b>Total</b>		<b>5,312,661</b>		<b>5,312,661</b>

### 5.4.6. Step 4 – Distribute Cost Components to Customer Classes

To allocate costs to different customer classes, unit costs of service need to be developed for each cost causation component. The unit costs of service are developed by dividing the total annual costs allocated to each parameter by the total annual service units of the respective component. The annual units of service for each cost component from Table 5-8 are derived below and have been rounded up to the nearest whole penny.

#### Customer Service

These costs are incurred at the same level regardless of the type of land use or the total amount of water that the utility delivers, therefore, the Customer Service allocation is based on the number of bills and does not fluctuate with increases in meter size. The number of bills can be determined by multiplying the number of accounts, 23,587 (23,148 Potable + 439 Recycled), times the number of billing periods, six (6), in a year. The total Customer Service revenue requirement from Table 5-8 of \$1,050,170 is divided by the number of bills to determine the unit cost of service shown in Table 5-10.

**Table 5-10: Customer Service– Unit Cost**

Customer Service	
Customer Service Revenue Requirements	\$1,050,170
÷ # of Bills (23,587 x 6)	141,520
<b>Monthly Unit Cost</b>	<b>\$7.43</b>

### Meter Capacity

The Meter Capacity allocation includes costs related to maintenance, capital costs, and a portion of the peaking costs. Raftelis allocated these costs based on meter size. In order to create parity across the various meter sizes, each meter size is assigned a factor relative to a 5/8" meter, which is given a value of one (1). Larger meters have the potential to demand more capacity, or said differently, exert more peaking characteristics compared to smaller meters. The potential capacity demand (peaking) is proportional to the potential flow through each meter size. For the purposes of this study, the safe maximum operating capacity by meter type, as identified in the AWWA M1 Manual, 6th Edition, Table B-2, was used as a basis for calculating the equivalent meter ratio for both Potable and Recycled meters. As shown in Table 5-11, the safe maximum operating capacity for each meter was divided by the base meters safe operating capacity (20 gpm) to determine the equivalent meter ratio. The ratios represent the potential flow through each meter size compared to the flow through a 5/8" meter. Multiplying the number of meters by the AWWA Ratio results in the Equivalent Meter Units (EMUs).

**Table 5-11: Equivalent Meter Units**

Meter Size	AWWA Capacity (gpm) [A]	Capacity Ratio [B] (A ÷ 20)	Number of Accounts [C]	Equivalent Meter Units [D] (B x C)	Annual EMU [E] (D x 6)
5/8"	20	1.00	21,889	21,888	131,328
3/4"	30	1.50	119	178	1,068
1"	50	2.50	413	1,032	6,192
1-1/2"	100	5.00	588	2,940	17,640
2"	160	8.00	483	3,864	23,184
3"	435	21.75	79	1,717	10,302
4"	750	37.50	11	412	2,472
6"	1600	80.00	3	240	1,440
8"	2800	140.00	2	280	1,680
10"	4200	210.00	0	0	0
<b>Total</b>			<b>23,587</b>	<b>32,551</b>	<b>195,306</b>

Based on these ratios and taking into consideration the number of billing periods, the total annual equivalent meters equals 195,306 (see Table 5-11). Table 5-12 shows the Meter Capacity costs from Table 5-8 allocated over the total annual equivalent meters.

**Table 5-12: Meter Capacity– Unit Cost**

Meter Capacity	
Meter Capacity Revenue Requirements	\$5,414,929
÷ # of Bills (23,587 x 6)	195,306
<b>Monthly Unit Cost</b>	<b>\$27.73</b>

### Zone 7 Variable Supply

The District recovers all Zone 7 purchased water costs (as shown in Table 5-5) through a variable charge from its potable water customers; therefore, the Zone 7 Supply cost is based on the total units of potable water sold (see Table 5-9) irrespective of customer class. Recycled water usage of 1,184,092 ccf was not included because recycled water usage does not contribute to the purchased water from Zone 7. Table 5-13 shows the Zone 7 costs from Table 5-8 allocated over the total projected units of potable water to determine the Zone 7 Cost of Water Charge.

**Table 5-13: Zone 7 Variable– Unit Cost**

Zone 7 Variable	
Zone 7 Variable Revenue Requirements	\$14,331,907
÷ Total Projected Potable Water Sales (ccf)	4,128,570
<b>Unit Cost (per ccf)</b>	<b>\$3.48</b>

### Recycled Water

The District partners with EBMUD and the City of Pleasanton to produce and distribute recycled water through the DERWA JPA. Since these costs are incurred specifically for the recycled customers, the costs have been allocated to only the recycled customers. In addition, the District plans to fund recycled capital investments of approximately \$1.1 million each year. Table 5-14 summarizes the determination of the unit cost for the Recycled Water allocation.

**Table 5-14: Recycled Water – Unit Cost**

Recycled Water	
Recycled Water Revenue Requirements	\$3,211,774
÷ Total Projected Recycled Water Sales (ccf)	1,184,092
<b>Unit Cost (per ccf)</b>	<b>\$2.72</b>

### Base/Delivery

Delivery costs are those operating and capital costs of the water system associated with delivering water to all customers at a constant average rate of use. Therefore, delivery costs are spread over all units of water, irrespective of customer class or tiers, to calculate a uniform rate. Table 5-15 summarizes the determination of the unit cost for the Base/Delivery allocation.

**Table 5-15: Base/Delivery – Unit Cost**

Base/Delivery	
Base/Delivery Revenue Requirements	\$3,911,414
÷ All Water Sales (ccf)	5,312,661
<b>Unit Cost (per ccf)</b>	<b>\$0.74</b>

### Peaking

Extra capacity or peaking costs represent those costs incurred to meet customer peak demands for water in excess of baseline usage. Total extra capacity costs are apportioned between maximum day and maximum hour demands based on the type of expense. The maximum day demand is the maximum amount of water used in a single day in a year. The maximum hour demand is the maximum usage in an hour on the maximum usage day. Different facilities are designed to meet different peaking characteristics. Therefore, extra capacity costs have been apportioned between base, maximum day, and maximum hour. Costs allocated to base are part of the delivery costs as defined above. The Peaking Revenue Requirements, \$3,557,887, was determined by adding the Max Day Requirements of \$3,124,073 and the Max Hour Requirements of \$433,814.

Costs associated with peaking are apportioned to each defined customer class based on its total demand (total water used, weighted by a peaking factor). Peaking was calculated for two customer classes with similar peaking demands: Potable Domestic and Dedicated Irrigation. The Potable Domestic customer class includes SFR and Non-Residential customers, and the Dedicated Irrigation customer class includes Potable Irrigation and Recycled Water customers. Peaking for these two customer classes is based on District consumption data, which ensures that accounts within each customer class will only recover the costs allocated to their respective customer class in proportion to the cost of providing service.

Table 5-16 provides the peak factor for each customer class by taking the max month usage compared to the average month usage. Table 5-17 shows the peaking costs allocated to each customer class as well as the derivation of the unit cost. The peaking cost allocated to each customer class is derived by weighting the peaking factor based on the total amount of water usage (Table 5-9) that is generating the peaking factor (product of Usage and Peaking Factor). The result is the weighted peaking factor and peak costs are apportioned based on the percentage of peak (Table 5-17).

**Table 5-16: Customer Class Peaking Factors**

Customer Class	Max Month Usage [A]	Average Month Usage [B]	Peaking Factor [A ÷ B]
Potable Domestic	686,919	558,713	1.23
Dedicated Irrigation	536,166	266,825	2.01

**Table 5-17: Peaking Costs Allocated to Classes**

Customer Class	Projected Usage (ccf) [A]	Peaking Factor [B]	Weighted Peaking Factor (A x B) = [C]	% Allocation (C ÷ 7,819,361) [D]	Revenue Requirements (\$3,557,887 x D) [E]	Unit Cost (E ÷ A) = [F]
Potable Domestic <sup>19</sup>	3,665,500	1.23	4,508,565	57.7%	\$2,051,442	\$0.56
Dedicated Irrigation <sup>20</sup>	1,647,162	2.01	3,310,796	42.3%	\$1,506,445	\$0.92
<b>Total</b>	<b>5,312,661</b>		<b>7,819,361</b>	<b>100.0%</b>	<b>\$3,557,887</b>	

## Pumping

The pumping allocation recovers energy costs associated with pumping water to certain customers within the District. Therefore, pumping costs are spread equally over all units of water that are pumped to elevated areas. The pumping revenue requirement of \$776,311 from Table 5-8 is divided by the projected water pumped to elevated areas, 3,011,167 ccf, to determine the unit cost of service shown in Table 5-18.

**Table 5-18: Pumping – Unit Cost**

Pumping	
Base/Delivery Revenue Requirements	\$776,311
÷ Total Projected Potable Water Sales (ccf)	3,011,167
<b>Unit Cost (per ccf)</b>	<b>\$0.26</b>

## 5.5. PROPOSED WATER RATES

### 5.5.1.Fixed Charges

Currently, the District's fixed bi-monthly water charges generate approximately 23% of total rate revenues. The new rate structure will recover approximately 20% of rate revenues on the fixed bi-monthly charges. Table 5-19 summarizes the Bi-monthly Service Charges by meter size based on the unit costs developed in the Rate Design section. The Bi-monthly Service Charges apply to both potable and recycled customers/accounts.

<sup>19</sup> The Potable Domestic customer class includes Single-Family Residential and Non-Residential customers/accounts.

<sup>20</sup> The Dedicated Irrigation customer class includes Potable Irrigation and Recycled Water customers/accounts.

**Table 5-19: FYE 2020 Proposed Bi-Monthly Meter Service Charge (\$/Meter)**

Meter Size	Capacity Ratio	Customer Service [A]	Meter Capacity [B]	FYE 2020 Proposed Service Charge (A + B) = [C]
5/8"	1.00	\$7.43	\$27.73	<b>\$35.16</b>
3/4"	1.50	\$7.43	\$41.60	<b>\$49.03</b>
1"	2.50	\$7.43	\$69.33	<b>\$76.76</b>
1-1/2"	5.00	\$7.43	\$138.65	<b>\$146.08</b>
2"	8.00	\$7.43	\$221.84	<b>\$229.27</b>
3"	21.75	\$7.43	\$603.13	<b>\$610.56</b>
4"	37.5	\$7.43	\$1,039.88	<b>\$1,047.31</b>
6"	80.00	\$7.43	\$2,218.40	<b>\$2,225.83</b>
8"	140.00	\$7.43	\$3,882.20	<b>\$3,889.63</b>
10"	210.00	\$7.43	\$5,823.30	<b>\$5,830.73</b>

As shown in the table above, the Customer Service allocations do not vary based on meter size whereas Meter Capacity increase as the size of the meter increases. The Meter Capacity charge is determined by multiplying the unit costs of \$27.47 (Table 5-12) by the appropriate capacity ratios.

### 5.5.2. Variable Rates

The components of the variable charge are added together to produce charges for each customer class. Table 5-20 shows each component charge and the final proposed FYE 2020 commodity charges. The Zone 7 Cost of Water Charge and the Recycled Water commodity charge for the Study Period were based on the unit costs developed in the Rate Design section (Table 5-13 and Table 5-14). Rate adjustments beginning FYE 2021 will be based on CPI adjustments. Any increases in the purchased water costs above what was projected in this study will be passed along to customers at the time of the increase and will be in addition to the Zone 7 Rate shown in Table 5-20. The Zone 7 Cost of Water Charge only applies to potable water customers and the Recycled Water charge only applies to recycled water customers. The proposed pumping/power charge is applicable only to customers in elevated areas.

**Table 5-20: FYE 2020 Proposed Bi-Monthly Commodity Charges (\$/ccf)**

Customer Class	Zone 7 Cost of Water Charge	Recycled Water Charge	Base Charge	Peaking Charge	Proposed FYE 2020 Commodity Charges
Single Family Residential	\$3.48		\$0.74	\$0.56	<b>\$4.78</b>
Non-Residential	\$3.48		\$0.74	\$0.56	<b>\$4.78</b>
Potable Irrigation	\$3.48		\$0.74	\$0.92	<b>\$5.14</b>
Recycled Water		\$2.72	\$0.74	\$0.92	<b>\$4.38</b>
Pumping Zone					<b>\$0.26</b>

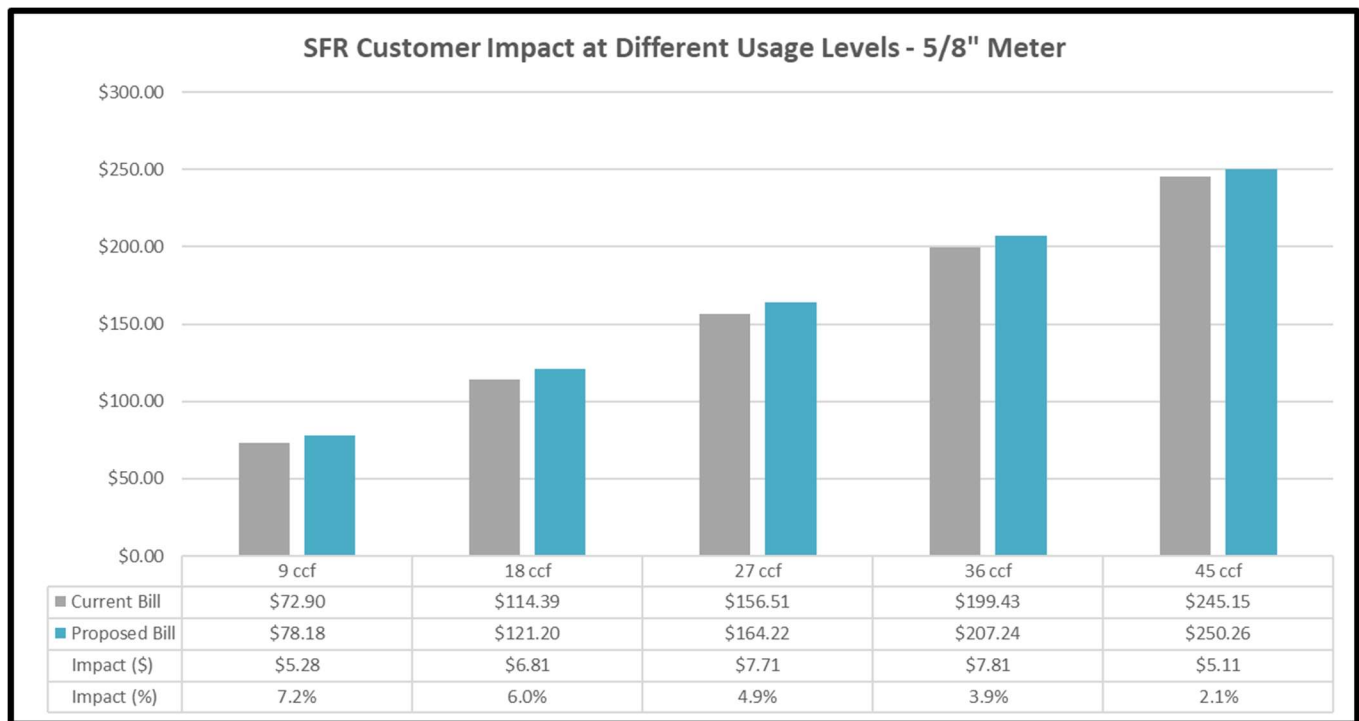
## 6. Customer Impacts

The following figures provide sample impacts to customers at various levels of usage. The grey bars represent the projected bills at current rates and the blue bars represent projected bills at proposed 2020 rates.

### 6.1. SINGLE-FAMILY RESIDENTIAL BILL IMPACTS

Figure 6-1 reflects the single-family residential (SFR) bill impacts at various usage levels for customers with a 5/8" meter not located within a pumping zone

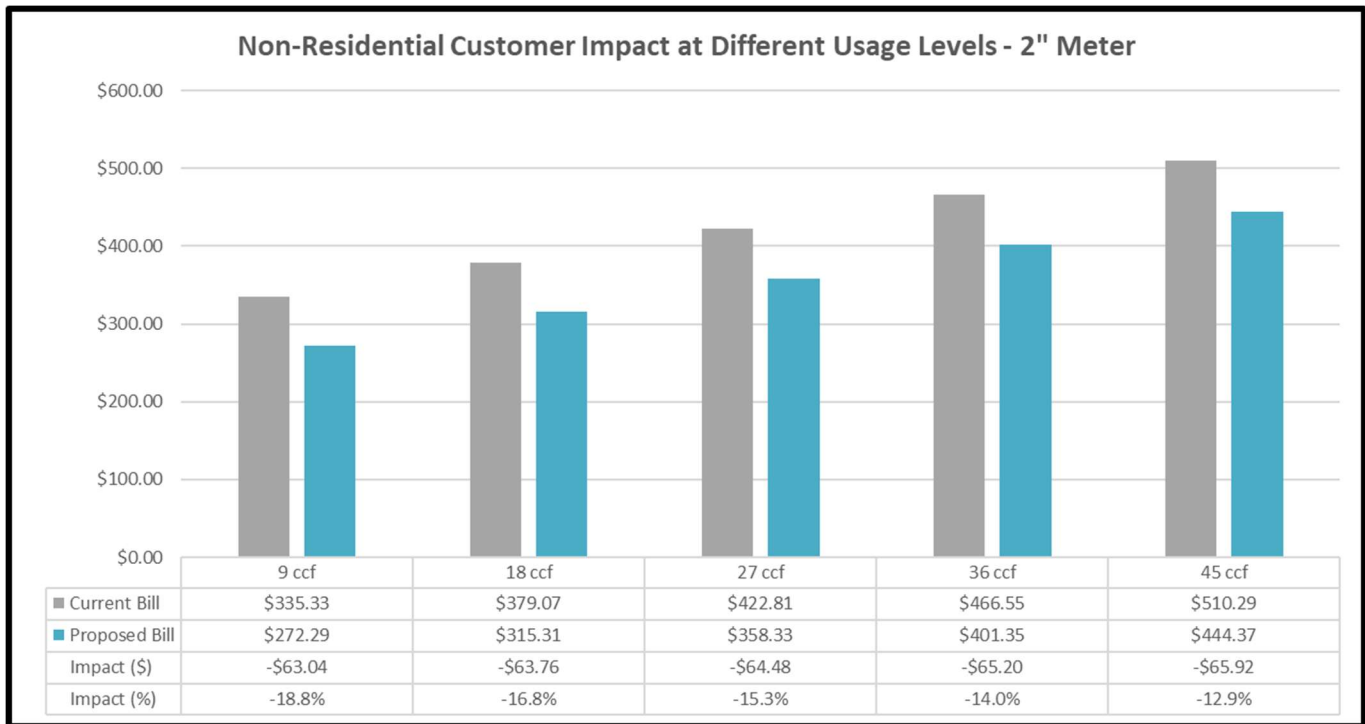
Figure 6-1: SFR Bill Impact



### 6.2. NON-RESIDENTIAL BILL IMPACTS

Figure 6-2 reflects the Non-Residential impacts at various usage levels for customers with a 2" meter not located within a pumping zone. The impact chart compares the former Summer commodity charge to the proposed FYE 2020 commodity charge.

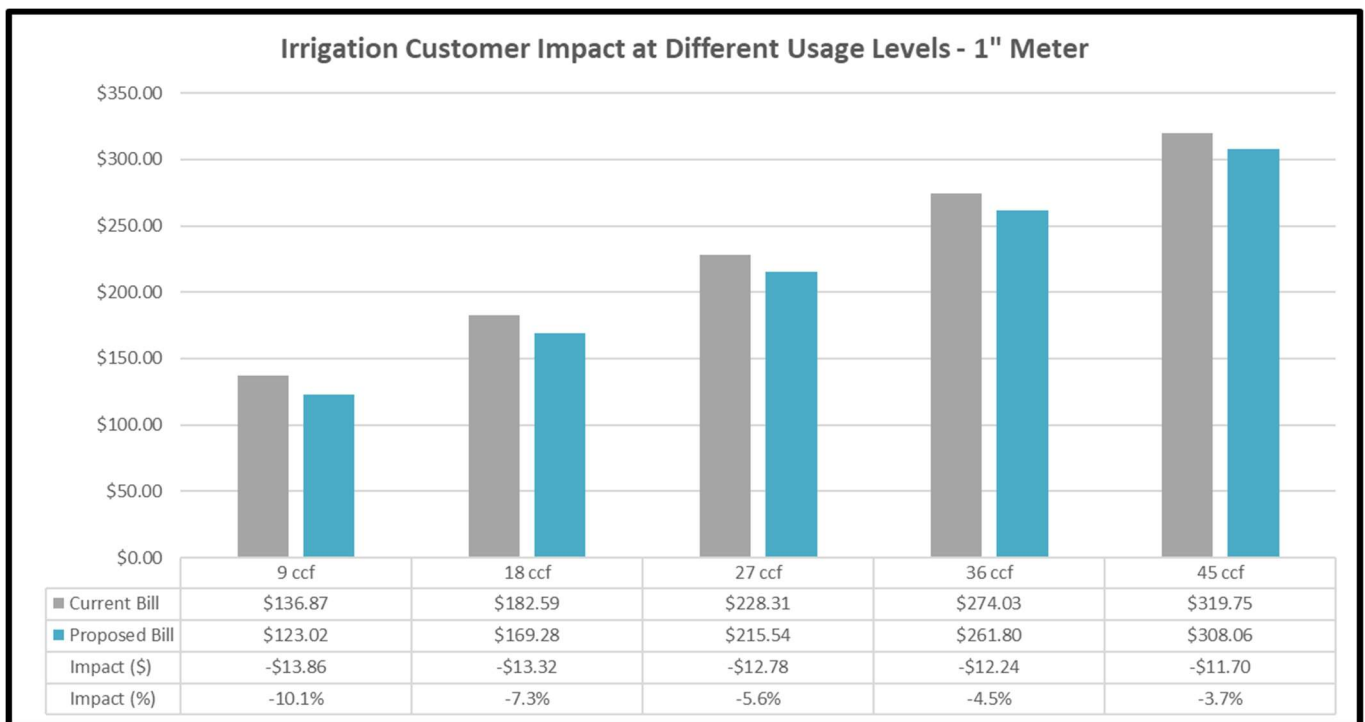
**Figure 6-2: Non-Residential Bill Impact**



### 6.3. POTABLE IRRIGATION BILL IMPACTS

Figure 6-3 reflects the potable irrigation impacts at various usage levels for customers with a 1" meter not located within a pumping zone.

**Figure 6-3: Irrigation Bill Impact**

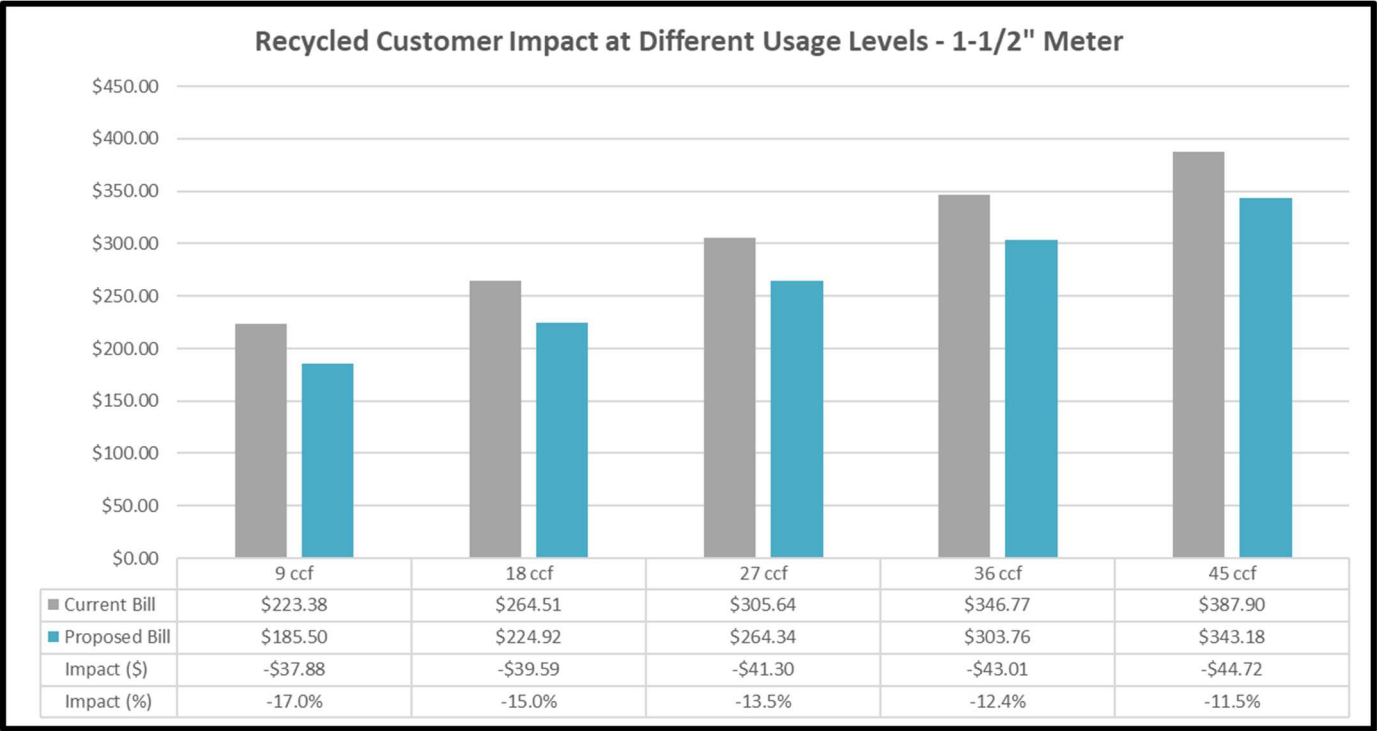




## 6.4. RECYCLED WATER BILL IMPACTS

Figure 6-4 reflects the recycled water impacts at various usage levels for customers with a 1 ½” meter not located within a pumping zone.

Figure 6-4: Recycled Bill Impact



## 7. Water Shortage Condition Rates

Water supply shortages and periods of reduced consumption can have significant impacts on an agency's financial stability, staffing, and planning. Depending upon water supply, fixed and variable costs, and other revenue sources, water sales reductions can have a major effect on a water service provider.

In periods of reduced demand, less water is purchased, however, the District still incurs fixed purchased water costs, nearly all the District's O&M costs, as well as routine capital and debt service costs. These costs which represent approximately 89% of the District's costs are unavoidable. This means that the District is sensitive to reductions in water sales with significant effects on rate revenues. Proactively adopting temporary shortage charges is part of a cohesive and fiscally sound plan to respond to local water shortages, drought, water supply interruptions from natural disasters, or other emergencies. Temporary charges are a mechanism to maintain revenue stability in the short term. The remainder of this section details the assumptions and calculations used to develop the proposed shortage charges.

### 7.1. SHORTAGE CONDITION RATE CALCULATIONS

Raftelis utilized the District's existing shortage (usage reduction goals) for each of the 4 shortage stages. Table 7-1 shows the projected usage by customer class.

**Table 7-1: Projected Shortage Usage (ccf)**

Customer Class	Normal Conditions	Stage 1	Stage 2	Stage 3	Stage 4
<b>Target Reduction Goal</b>	0%	10%	20%	35%	50%
Single Family Residential	2,545,009 ccf	2,290,508 ccf	2,036,007 ccf	1,654,256 ccf	1,272,504 ccf
Commercial	1,120,491 ccf	1,008,442 ccf	896,393 ccf	728,319 ccf	560,246 ccf
Potable Irrigation	463,070 ccf	416,763 ccf	370,456 ccf	300,996 ccf	231,535 ccf
Pumping	3,011,167 ccf	2,710,050 ccf	2,408,933 ccf	1,957,258 ccf	1,505,583 ccf

The FYE 2020 projected commodity revenues by customer class represent the revenue requirements (amount to be recovered at each stage). The FYE 2020 commodity revenues were calculated by multiplying the proposed charges by the projected usage under normal conditions. In order to determine the shortage condition charges, the FYE 2020 revenue requirement by class was divided by the projected usage from Table 7-1. The proposed shortage charges are shown in Table 7-2.

**Table 7-2: FYE 2020 Proposed Shortage Commodity Charges (\$/ccf)**

Customer Class	Revenue Requirements	Normal Conditions	Stage 1	Stage 2	Stage 3	Stage 4
<b>Target Reduction Goal</b>		0%	10%	20%	35%	50%
Single Family Residential	\$3,308,511	\$1.30	\$1.45	\$1.63	\$2.00	\$2.60
Commercial	\$1,456,638	\$1.30	\$1.45	\$1.63	\$2.00	\$2.60
Potable Irrigation	\$768,697	\$1.66	\$1.85	\$2.08	\$2.56	\$3.32
Pumping	\$782,903	\$0.26	\$0.29	\$0.33	\$0.40	\$0.52



# Appendix A

# Exhibit A-1 –Detailed Capital Improvement Plan

## Scenario 1 - Base CIP

Source: CIP Board-Adopted Budget-Water Replacement Fund 610.pdf

Water Replacement - Fund 610	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
<b>General</b>											
Board Meeting Audio/Video Improvements	\$11,250	\$33,750	\$65,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporation Yard and Administrative Facilities	\$137,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Office Improvements	\$18,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Pavement Rehabilitation	\$256,000	\$200,000	\$160,000	\$32,000	\$160,000	\$0	\$160,000	\$0	\$0	\$0	\$0
Wide Area Network Communications Phase 2	\$110,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Field Operations Facility Security Systems Improvements	\$27,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Street Overlay Modification PROGRAM	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Fleet Replacement PROGRAM	\$0	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Facilities Asset Replacement PROGRAM	\$0	\$0	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600
Computing Infrastructure Replacement	\$0	\$0	\$0	\$0	\$60,800	\$45,600	\$0	\$0	\$0	\$0	\$0
Network Infrastructure and Security	\$0	\$0	\$0	\$0	\$0	\$0	\$95,000	\$95,000	\$0	\$190,000	\$0
Electric Vehicle Charging Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38,000	\$0
<b>Resource Recovery Facilities</b>											
WWTP Industrial Control Network Security Essentials	\$92,500	\$37,000	\$18,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Management PROGRAM	\$18,750	\$18,750	\$62,500	\$62,500	\$87,500	\$0	\$0	\$0	\$0	\$0	\$0
<b>Wastewater Collection</b>											
Facilities Relocation for Dublin Blvd Widening - Sierra Court to Dublin C	\$92,219	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Water System</b>											
Water and Recycled Water SCADA Improvements	\$1,470,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dougherty Road Utilities	\$61,385	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Distribution System Water Quality Improvements	\$359,419	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Facilities Security Project - Phase 2	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potable Water Supply Reliability Planning	\$214,903	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potable Water Pump Station Standby Generators / Emergency Respons	\$375,000	\$2,665,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reservoir 2 Recoating	\$490,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Improvements to Increase Water Supply PROGRAM - Phase 2	\$750,000	\$3,000,000	\$2,250,000	\$7,500,000	\$7,500,000	\$9,000,000	\$0	\$0	\$0	\$0	\$0
Water System Replacement and Rehabilitation PROGRAM	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Reservoir 1B Recoating	\$0	\$430,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Lines Replacement - Wineberry Area	\$0	\$2,207,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MCC Improvements - PS1A and PS3A	\$0	\$79,350	\$188,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electrical Service to Reservoirs 10A and 200B	\$0	\$0	\$545,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Main - Seville Ave to 12th St	\$0	\$0	\$444,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Lines Replacement - Tamarack Drive - Village Pkway to Firethorr	\$0	\$0	\$1,101,780	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Lines Replacement - Canterbury Lane and Cardigan Street	\$0	\$0	\$1,190,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Line Replacement Phase 2 - Canterbury Lane	\$0	\$0	\$1,208,770	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA Field Wireless	\$0	\$0	\$19,610	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Improvement to Increase Water Supply PROGRAM - Phase 1	\$0	\$0	\$330,000	\$330,000	\$330,000	\$176,220	\$0	\$0	\$0	\$0	\$0
Camp Parks Water Main - Mitchell Drive, Powell to 8th Streets	\$0	\$0	\$0	\$170,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Camp Parks Cromwell Avenue and 12th Street Main Replacement	\$0	\$0	\$0	\$513,610	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reservoir 20A Recoating	\$0	\$0	\$0	\$0	\$0	\$1,350,000	\$0	\$0	\$0	\$0	\$0
Water Line Replacement - Ironwood Drive	\$0	\$0	\$0	\$0	\$0	\$0	\$1,210,260	\$0	\$0	\$0	\$0
Microfiltration Rack and Membrane Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$997,500	\$0	\$0
Reservoir Recoating PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000
Camp Parks Water Mains - Loring Street and Monroe Avenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$355,100	\$0
<b>Total Water Replacement - Fund 610</b>	<b>\$4,909,926</b>	<b>\$9,051,550</b>	<b>\$8,252,310</b>	<b>\$9,276,610</b>	<b>\$8,805,900</b>	<b>\$11,239,420</b>	<b>\$2,132,860</b>	<b>\$762,600</b>	<b>\$2,165,100</b>	<b>\$1,750,700</b>	<b>\$1,167,600</b>

# Exhibit A-2 – Detailed Financial Plan

Rate Revenue + Adjustments			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	
Rate Revenue			All Rate Revenues except Pass-Through	\$17,886,970	\$18,055,137	\$18,309,446	\$18,519,527	\$18,835,227	\$18,952,062	\$19,046,580	\$19,145,162	\$19,263,779	\$19,383,407
Additional Revenue Required:													
Fiscal Year	Revenue Adjustment	Effective Month											
FYE 2019	0.0%	July	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
FYE 2020	0.0%	July	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
FYE 2021	3.0%	January		\$270,827	\$549,283	\$555,586	\$565,057	\$568,562	\$571,397	\$574,355	\$577,913	\$581,502	
FYE 2022	3.0%	January			\$282,881	\$572,253	\$582,009	\$585,619	\$588,539	\$591,585	\$595,251	\$598,947	
FYE 2023	3.0%	January				\$294,710	\$599,469	\$603,187	\$606,196	\$609,333	\$613,108	\$616,916	
FYE 2024	3.0%	January					\$308,726	\$621,283	\$624,381	\$627,613	\$631,502	\$635,423	
FYE 2025	3.0%	January						\$319,961	\$643,113	\$646,441	\$650,447	\$654,486	
FYE 2026	3.0%	January							\$331,203	\$665,835	\$669,960	\$674,120	
FYE 2027	3.0%	January								\$342,905	\$690,059	\$694,344	
FYE 2028	3.0%	January									\$355,380	\$715,174	
FYE 2029	3.0%	January										\$368,315	
Total Additional Revenue			\$0	\$270,827	\$832,164	\$1,422,550	\$2,055,260	\$2,698,611	\$3,364,830	\$4,058,067	\$4,783,620	\$5,539,228	
Revenue			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	
Rate Revenue + Adjustments			\$17,886,970	\$18,325,964	\$19,141,610	\$19,942,077	\$20,890,487	\$21,650,674	\$22,411,410	\$23,203,229	\$24,047,398	\$24,922,634	
Zone 7 Revenues (pass-through)			\$14,367,423	\$14,697,427	\$15,191,068	\$15,656,073	\$16,392,444	\$16,599,719	\$16,761,994	\$16,899,722	\$17,075,633	\$17,262,453	
Other Revenue													
Limited Access Revenue	(contract rates)		\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	
Alameda County Recycled Water Revenue	(contract rates)		\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	
Fire Protection			\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	
Plan Check / Inspection Fees			\$343	\$350	\$357	\$364	\$371	\$378	\$386	\$394	\$402	\$410	
Interest			\$107,238	\$81,505	\$87,872	\$92,650	\$97,646	\$105,659	\$110,578	\$113,291	\$115,743	\$118,673	
Fees			\$10,695	\$10,909	\$11,128	\$11,350	\$11,577	\$11,809	\$12,045	\$12,286	\$12,531	\$12,782	
Miscellaneous Revenue			\$376,332	\$383,859	\$391,536	\$399,367	\$407,354	\$415,501	\$423,811	\$432,287	\$440,933	\$449,752	
Total Other Revenue			\$1,221,271	\$1,203,286	\$1,217,556	\$1,230,394	\$1,243,611	\$1,260,011	\$1,273,483	\$1,284,921	\$1,296,273	\$1,308,279	
Total Revenue			\$33,475,664	\$34,226,677	\$35,550,234	\$36,828,544	\$38,526,543	\$39,510,403	\$40,446,886	\$41,387,872	\$42,419,304	\$43,493,367	
Expenditures			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	
Operating Expenditures													
Utilities			\$776,311	\$833,429	\$903,846	\$977,471	\$1,073,621	\$1,141,275	\$1,209,825	\$1,280,552	\$1,358,307	\$1,441,531	
Purchased Water - Fixed Cost	(pass-through)		\$5,898,775	\$6,075,738	\$6,258,010	\$6,445,751	\$6,639,123	\$6,838,297	\$7,043,446	\$7,254,749	\$7,472,392	\$7,696,563	
Purchased Water - Variable Cost	(pass-through)		\$8,763,325	\$8,975,209	\$9,292,160	\$9,590,725	\$10,063,525	\$10,196,610	\$10,300,801	\$10,389,232	\$10,502,179	\$10,622,130	
Salaries and Benefits			\$6,250,413	\$6,471,026	\$6,699,914	\$6,937,405	\$7,183,846	\$7,439,596	\$7,705,031	\$7,980,540	\$8,266,533	\$8,563,435	
Central Services			\$2,310,661	\$2,374,689	\$2,440,491	\$2,508,117	\$2,577,617	\$2,649,042	\$2,722,447	\$2,797,886	\$2,875,415	\$2,955,092	
Operations			\$3,199,864	\$3,101,751	\$3,005,443	\$2,910,347	\$2,817,575	\$2,724,280	\$2,800,387	\$2,878,524	\$2,958,995	\$3,041,761	
Recycled Water			\$2,170,731	\$2,230,882	\$2,292,699	\$2,356,230	\$2,421,521	\$2,488,621	\$2,557,580	\$2,628,450	\$2,701,284	\$2,776,137	
Total Expenditures			\$29,370,079	\$30,062,724	\$30,892,564	\$31,726,046	\$32,776,827	\$33,477,720	\$34,339,516	\$35,209,934	\$36,135,105	\$37,096,648	
Debt Service													
DSRSD 2017 Water Revenue Refunding Bonds			\$674,856	\$674,856	\$674,830	\$673,663	\$673,888	\$673,663	\$672,990	\$827,573	\$928,235	\$924,826	
Total Debt Service			\$674,856	\$674,856	\$674,830	\$673,663	\$673,888	\$673,663	\$672,990	\$827,573	\$928,235	\$924,826	
Total Expenses			\$30,044,936	\$30,737,581	\$31,567,394	\$32,399,709	\$33,450,715	\$34,151,383	\$35,012,506	\$36,037,507	\$37,063,341	\$38,021,474	
Net Cashflow			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	
Net Cashflow (before transfers)			\$3,430,728	\$3,489,096	\$3,982,840	\$4,428,834	\$5,075,828	\$5,359,020	\$5,434,380	\$5,350,366	\$5,355,963	\$5,471,893	
Transfers													
Transfers to/from Water Replacement Fund 610			(\$4,400,000)	(\$4,400,000)	(\$4,400,000)	(\$4,400,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	
Transfers to/from DERWA Recycled Replacement Fund 610			(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	
Total Transfers			(\$5,494,688)	(\$5,494,688)	(\$5,494,688)	(\$5,494,688)	(\$5,094,688)	(\$5,094,688)	(\$5,094,688)	(\$5,094,688)	(\$5,094,688)	(\$5,094,688)	
Net Cashflow (after transfers)			(\$2,063,960)	(\$2,005,592)	(\$1,511,848)	(\$1,065,854)	(\$18,860)	\$264,332	\$339,692	\$255,678	\$261,275	\$377,205	

## Detailed Financial Plan Continued

Water Enterprise Fund (600)			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
<b>Beginning Balance</b>			\$9,182,522	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609	\$11,159,240	\$11,446,505	\$11,736,645	\$12,045,035
Net Cashflow		(after direct transfer	(\$2,063,960)	(\$2,005,592)	(\$1,511,848)	(\$1,065,854)	(\$18,860)	\$264,332	\$339,692	\$255,678	\$261,275	\$377,205
<b>Subtotal (before transfers)</b>			<b>\$7,118,562</b>	<b>\$7,784,434</b>	<b>\$8,509,061</b>	<b>\$9,231,668</b>	<b>\$10,556,489</b>	<b>\$11,189,941</b>	<b>\$11,498,932</b>	<b>\$11,702,183</b>	<b>\$11,997,920</b>	<b>\$12,365,549</b>
Transfers (to)/from Rate Stabilization Fund (605)			\$2,671,464	\$2,236,474	\$1,788,461	\$1,343,681	\$369,120	(\$30,701)	(\$52,427)	\$34,462	\$47,115	\$0
<b>Ending Balance</b>			<b>\$9,790,026</b>	<b>\$10,020,908</b>	<b>\$10,297,521</b>	<b>\$10,575,349</b>	<b>\$10,925,609</b>	<b>\$11,159,240</b>	<b>\$11,446,505</b>	<b>\$11,736,645</b>	<b>\$12,045,035</b>	<b>\$12,365,549</b>
Operating Reserve Minimum	2	is of operating exp	\$4,895,013	\$5,010,454	\$5,148,761	\$5,287,674	\$5,462,805	\$5,579,620	\$5,723,253	\$5,868,322	\$6,022,518	\$6,182,775
Operating Reserve Target	4	is of operating exp	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609	\$11,159,240	\$11,446,505	\$11,736,645	\$12,045,035	\$12,365,549
Rate Stabilization Fund (605)			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
<b>Beginning Balance</b>			\$16,920,166	\$15,094,345	\$13,730,956	\$12,810,978	\$12,335,900	\$12,840,222	\$13,753,945	\$14,709,062	\$15,601,381	\$16,505,854
Fund Revenues		(from Revenue Tab	\$905,418	\$934,516	\$931,616	\$933,485	\$940,123	\$951,550	\$973,117	\$999,159	\$1,025,973	\$1,052,505
Fund Expenditures		(from Expenditure To	(\$59,775)	(\$61,431)	(\$63,133)	(\$64,883)	(\$66,681)	(\$68,528)	(\$70,427)	(\$72,379)	(\$74,384)	(\$76,446)
<b>Subtotal (before transfers)</b>			<b>\$17,765,809</b>	<b>\$15,967,429</b>	<b>\$14,599,439</b>	<b>\$13,679,581</b>	<b>\$13,209,342</b>	<b>\$13,723,243</b>	<b>\$14,656,635</b>	<b>\$15,635,842</b>	<b>\$16,552,969</b>	<b>\$17,538,604</b>
Transfers (to)/from Water Enterprise Fund (600)			(\$2,671,464)	(\$2,236,474)	(\$1,788,461)	(\$1,343,681)	(\$369,120)	\$30,701	\$52,427	(\$34,462)	(\$47,115)	\$0
<b>Ending Balance</b>			<b>\$15,094,345</b>	<b>\$13,730,956</b>	<b>\$12,810,978</b>	<b>\$12,335,900</b>	<b>\$12,840,222</b>	<b>\$13,753,945</b>	<b>\$14,709,062</b>	<b>\$15,601,381</b>	<b>\$16,505,854</b>	<b>\$17,538,604</b>
<b>Selected Target</b>		<b>Rate Stabilization Reserve Target</b>	<b>\$9,790,026</b>	<b>\$10,020,908</b>	<b>\$10,297,521</b>	<b>\$10,575,349</b>	<b>\$10,925,609</b>	<b>\$11,159,240</b>	<b>\$11,446,505</b>	<b>\$11,736,645</b>	<b>\$12,045,035</b>	<b>\$12,365,549</b>
Rate Stabilization Reserve Minimum	2	months of operat	\$4,895,013	\$5,010,454	\$5,148,761	\$5,287,674	\$5,462,805	\$5,579,620	\$5,723,253	\$5,868,322	\$6,022,518	\$6,182,775
Rate Stabilization Reserve Target	4	months of operat	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609	\$11,159,240	\$11,446,505	\$11,736,645	\$12,045,035	\$12,365,549
Rate Stabilization Reserve Maximum	12	months of operat	\$29,370,079	\$30,062,724	\$30,892,564	\$31,726,046	\$32,776,827	\$33,477,720	\$34,339,516	\$35,209,934	\$36,135,105	\$37,096,648

# Exhibit A-3 –Detail of Rate Stabilization Fund Revenues & Expenses

Revenue Detail														
Summary Category	Revenue Description	Inflationary Factor	Include?	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	
Rate Stabilization Fund														
Fund 605 - Rate Stabilization	Miscellaneous Revenue	Non-Rate Revenues	Yes	\$105,725	\$107,840	\$109,996	\$112,196	\$114,440	\$116,729	\$119,064	\$121,445	\$123,874	\$126,351	
Fund 605 - Rate Stabilization	Property Taxes	Non-Rate Revenues	Yes	\$640,437	\$653,246	\$666,311	\$679,637	\$693,230	\$707,095	\$721,236	\$735,661	\$750,374	\$765,382	
Fund 605 - Rate Stabilization	Pooled Interest	Interest Income	Yes	\$159,256	\$173,430	\$155,309	\$141,652	\$132,453	\$127,726	\$132,817	\$142,053	\$151,725	\$160,772	
Fund 605 - Rate Stabilization	TIC Repayment (Transfer from Water Expansion)	Non-Inflated	Yes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
				\$905,418	\$934,516	\$931,616	\$933,485	\$940,123	\$951,550	\$973,117	\$999,159	\$1,025,973	\$1,052,505	
O&M Expense Detail														
Summary Category	Expenditure Description	Fixed/Variable	Inflationary Factor	Include?	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Rate Stabilization Fund														
Fund 605 - Rate Stabilization	Low Income Credit (UB)	Fixed	General	Yes	\$59,775	\$61,431	\$63,133	\$64,883	\$66,681	\$68,528	\$70,427	\$72,379	\$74,384	\$76,446
Fund 605 - Rate Stabilization	Transfers Out - RSF	Fixed	General	No	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund 605 - Rate Stabilization	Transfers Out - Other	Fixed	General	No	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Rate Stabilization Fund					\$59,775	\$61,431	\$63,133	\$64,883	\$66,681	\$68,528	\$70,427	\$72,379	\$74,384	\$76,446



# Exhibit A-4 –Specific Revenue Offsets

## Zone 7 Variable Revenue Offset

Customer	Zone 7 Usage (ccf) [A]	Zone 7 Rate [B]	Zone 7 Revenue (A x B = [C])
Limited Access	93,882	\$3.48	\$326,709
Fire Protection	1,001	\$3.48	\$3,483
<b>Total</b>	<b>94,883</b>		<b>\$330,193*</b>

\*Total rounded to the nearest dollar.

## Recycled Water Revenue Offset

Customer	Contribution to JPA [A]	Recycled Water Usage (ccf) [B]	Recycled Water Rate (\$/ccf) (A ÷ B = [C])
All Recycled Water Customers	\$2,170,731	1,214,061	\$1.79*

\*Rounded to the nearest cent.

Customer	Recycled Water Usage (ccf) [A]	Recycled Water Rate [B]	Recycled Water Revenue (A x B = [C])
Alameda County Recycled Water	29,969	\$1.79	<b>\$53,645*</b>

\*Total rounded to the nearest dollar.



7051 Dublin Blvd.  
Dublin, CA 94568  
[www.dsrds.com](http://www.dsrds.com)



## How is DSRSD Minimizing the Impact of Rate Changes to Customers?

To minimize the impact of these rate changes on our customers, DSRSD will do the following:

- Forego CPI (inflation increases) for two years (2019 and 2020), and limit increases to CPI only from 2021 to 2024;
- Revise fixed and variable allocations of the water rate. Higher fixed charges provide greater revenue stability for DSRSD, but also impact customers who use less water because it represents a greater portion of their overall water bill. DSRSD originally targeted a 30/70 allocation between fixed and variable charges in 2013. The Water Rate Study revises this allocation to 20/80, resulting in decreases to fixed charges and increases to variable charges;
- Transfer less money to the water replacement fund (\$4.4 million instead of \$4.6 million). Staff forecasts there will be sufficient reserves to finance replacement capital improvement projects such as an alternative water supply project; and,
- Use DSRSD's Water Rate Stabilization Fund and Water Enterprise Fund reserves. Based on estimated water demand, account growth, and operating expenses, DSRSD is projected to be in a strong financial position during the next five years. The water rate study projects DSRSD will be able to draw down \$6.8 million from the reserve funds over the next five years (\$1.4 million per year) while maintaining reserves above the Board policy targets.

*(Right) Following the estimated \$1.1 billion emergency recovery and reconstruction, water releases flowed from Lake Oroville's spillway on April 2, 2019, for the first time since it broke in February 2017. Lake Oroville provides 90 percent of the Tri-Valley's water.*



### NOTICE OF PUBLIC HEARING

## Proposed Changes to Water Rates

The Dublin San Ramon Services District's (DSRSD) core mission is to provide reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and environmentally responsible manner.

On Tuesday, June 18, 2019, the DSRSD Board of Directors will hold a public hearing during its regularly scheduled meeting to consider proposed changes to water rates. The meeting begins at 6:00 p.m. at DSRSD's temporary boardroom in Ambrose Hall, Shannon Community Center, 11600 Shannon Ave., Dublin, CA 94568.

DSRSD retained Raftelis Financial Consultants, Inc. (Raftelis), to conduct a 2019 Comprehensive Water Cost of Service Study to update the cost of providing services and realign water rates. Visit [www.dsrds.com/your-account/rates-fees/water-rates](http://www.dsrds.com/your-account/rates-fees/water-rates) for more information on Proposition 218 and a link to the study.

If the proposed rates are adopted, some customer bills will increase, and some will decrease. Please refer to the Customer Impact section for an example of the bill impact of the proposed changes to an average single-family residential customer. Only billing periods that begin after the proposed effective date will be charged based on the proposed rate.



## Why are Rates Changing?

DSRSD typically conducts water rate studies every five years to ensure there is sufficient revenue to fund operation, maintenance, and capital replacement needs of the water and recycled water treatment plants; achieve or maintain reserve targets per Board policy; and realign rates to reflect costs. The last water rate study was completed in 2013. From 2014-2018, DSRSD limited annual water rate increases to inflation (typically two to three percent) based on the Consumer Price Index and did not adjust rates in 2019. Staff recommends no rate adjustment in 2020 (and resuming CPI rate adjustments in 2021-2024).

Raftelis reviewed DSRSD's current rate structure and recommended a number of changes to realign rates in compliance with Proposition 218 requirements, recent court rulings, and industry cost-of-service principles. Due to residential customers representing the largest customer class in DSRSD (45% of total water demand), the recommendation with the highest customer impact was to consolidate DSRSD's various potable consumption charges to a uniform charge. This recommendation charges all domestic potable use (residential, commercial, industrial, and institutional customers) equally and real-locates costs more fairly among customer classes.

DSRSD is not proposing changes to generate more revenue. The proposed changes will generate approximately the same amount of total revenue as current rates. As a public agency, DSRSD cannot collect more revenue than is necessary to recover the costs of providing our services.

### HOW CAN I LEARN MORE?

For additional information, you can:

- Contact Administrative Services Manager, Carol Atwood, at (925) 875-2270 or [atwood@dsrds.com](mailto:atwood@dsrds.com)
- Contact Financial Services Supervisor, Herman Chen, at (925) 875-2271 or [chen@dsrds.com](mailto:chen@dsrds.com)
- Attend the public hearing on June 18, 2019, at 6:00 p.m. at Ambrose Hall, Shannon Community Center, 11600 Shannon Ave., Dublin
- Visit [www.dsrds.com/your-account/rates-fees/water-rates](http://www.dsrds.com/your-account/rates-fees/water-rates)

### HOW DO I COMMENT/PROTEST?

DSRSD and its Board of Directors welcomes and will consider input from the community on the proposed changes to rates at any time, including during the public hearing. However, in accordance with Proposition 218, only valid written protests received by the deadline below will be counted as formal protests.

Any property owner of record or tenant-customer of a parcel receiving water service may submit a written protest. Only one protest will be counted per parcel served by DSRSD.

The written protest must identify the affected property by assessor's parcel number, street address, or DSRSD account number; identify the property owner of record or tenant-customer; clearly state that the transmittal is a protest to the proposed charges; identify which proposed charges are being protested; and bear the original signature of the property owner of record or tenant-customer. In the case of electronically delivered documents, a scanned signature will be accepted, subject to verification.

There are many ways to let us know what you think. All comments/protests should be addressed to District Secretary Nicole Genzale and please note on the envelope (or in the subject line of a fax or an email), "Protest of Proposed Changes to Water Rates."

Comments/protests via email, fax or mail must be received by **5:00 p.m., June 18, 2019**

- mail to 7051 Dublin Blvd, Dublin, CA 94568
- email a PDF document, attached to an email to [Board@dsrds.com](mailto:Board@dsrds.com)
- fax to (925) 829-1180

Hand-delivered comments/protests must be received either

- by **5:00 p.m., June 18, 2019**, at 7035 Commerce Circle, Pleasanton, *or*
- before the close of the public hearing on June 18, 2019, at Ambrose Hall, Shannon Community Center, 11600 Shannon Ave., Dublin



What are the Proposed Changes?

District water rates are comprised of a fixed service charge and four variable charges: consumption, potable irrigation, recycled water irrigation, and power. DSRSD typically bills water customers every other month, six times per year. Water customer are billed both a fixed service charge and a consumption charge. Commercial, industrial, and institutional customers who establish separate irrigation accounts are billed either a potable irrigation or recycled irrigation water charge. All customers that require water to be pumped to their location due to higher elevation are billed a power charge. In addition, all potable water customers pay a pass-through “Zone 7 Cost of Water” charge based on consumption.

If approved, the proposed rates below will be effective July 1, 2019. To minimize the impact to residential customers, the Water Rate Study proposes forgoing a rate adjustment in 2020 and limiting future increases to inflation. Water rates are proposed to be adjusted annually based on the annual change in the August Consumer Price Index (All Urban Consumers for San Francisco-Oakland-Hayward, CA) beginning in January 1, 2021, through January 1, 2024.

The proposed 2019 adjustments to DSRSD’s water rates are as follows:

Fixed Service Charge

The bimonthly fixed service charge is based on the size of each meter serving a property. For a typical residential customer with a 5/8” meter, the service charge is proposed to decrease by \$1.29 from \$36.45 to \$35.16.

Meter Size	Current	Proposed Eff. 7/1/2019
5/8"	\$36.45	\$35.16
3/4"	\$54.70	\$49.03
1"	\$91.15	\$76.76
1-1/2"	\$182.25	\$146.08
2"	\$291.59	\$229.27
3"	\$637.91	\$610.56
4"	\$1,822.50	\$1,047.31
6"	\$3,644.99	\$2,225.83
8"	\$6,378.73	\$3,889.63
10"	\$10,023.72	\$5,830.73

Consumption Charge

The consumption charge is based on the number of units used during a two-month billing period. One unit is equal to 100 cubic feet or 748 gallons of water. The proposed consumption charge consolidates tier based (single family residential) and seasonal based (commercial, industrial, institutional, and multi-family residential) charges into a single uniform potable charge.

Variable Rate (\$/Unit)	Current	Proposed Eff. 7/1/2019
Single Family Residential-Tier 1 (1-10 units)	\$0.57	\$1.30
Single Family Residential-Tier 2 (11-34 units)	\$1.20	
Single Family Residential-Tier 3 (> 34 units)	\$1.60	
Commercial-Winter (Nov-Apr)	\$1.15	
Commercial-Summer (May-Oct)	\$1.30	

Irrigation Charges

Irrigation charge applies only to customers with either a separate dedicated potable or recycled irrigation meter (commercial, industrial, and institutional). The potable irrigation charge is proposed to increase by \$0.06 from \$1.60 to \$1.66 per unit. The recycled water charge is proposed to decrease by \$0.19 from \$4.57 to \$4.38 per unit.

Variable Rate (\$/Unit)	Current	Proposed Eff. 7/1/2019
Potable Irrigation	\$1.60	\$1.66
Recycled Water	\$4.57	\$4.38

Power Charge

The power charge applies only to service locations where water must be pumped due to elevation. The power charge is proposed to decrease by \$0.02 from \$0.28 to \$0.26 per unit.

Variable Rate (\$/Unit)	Current	Proposed Eff. 7/1/2019
Pumping Charge	\$0.28	\$0.26

Zone 7 Cost of Water (Wholesale Pass-Through)

The Zone 7 Water Agency (Zone 7) is the Tri-Valley’s wholesale water supplier, and DSRSD is the water retailer for the Cities of Dublin and the Dougherty Valley area of San Ramon. DSRSD purchases all of its potable water supplies from Zone 7. Similarly to DSRSD’s water rates, Zone 7’s wholesale water rates are comprised of fixed and variable charges and are typically adjusted January 1, of each year, by Zone 7’s Board of Directors. Currently, DSRSD blends the fixed and variable wholesale water rates to develop the “Zone 7 Cost of Water” charge, and is not proposing any changes to this methodology.

As provided for in state law, DSRSD passes through any future adjustments to wholesale water costs to water customers. Customers receive a message on their water bills a minimum of 30 days prior to any adjustment to the “Zone 7 Cost of Water” charge, notifying them of the change and its effective date.

Variable Rate (\$/Unit)	Current
Zone 7 Cost of Water	\$3.48

Water Shortage Condition Charges

Water shortage condition rates are proposed to ensure DSRSD generates sufficient revenue to cover the cost of providing water service during water shortage emergencies. These consumption charges are only implemented during water shortage emergencies, and require a declaration from the DSRSD Board of Directors. In response to statewide drought, DSRSD Board last declared a water emergency and implemented water shortage condition charges in 2014. Normal rates went back into effect June 1, 2017.

Water Shortage Condition Charges - \$/Unit (748 gallons/unit)										
Water Reduction Goal	NORMAL 0%		STAGE ONE 10%		STAGE TWO 20%		STAGE THREE 35%		STAGE FOUR 50%	
Customer Class	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Single Family Residential - Tier 1	\$0.57	\$1.30	\$0.61	\$1.45	\$0.72	\$1.63	\$1.00	\$2.00	\$1.47	\$2.60
Single Family Residential - Tier 2	\$1.20		\$1.44		\$1.87		\$2.41		\$3.91	
Single Family Residential - Tier 3	\$1.60		\$1.99		\$3.14		\$4.49		\$6.19	
Commercial - Winter	\$1.15		\$1.19		\$1.38	\$1.63	\$1.74		\$2.19	
Commercial - Summer	\$1.38		\$1.53		\$1.92		\$2.42		\$3.45	
Potable Irrigation	\$1.60	\$1.66	\$1.99	\$1.85	\$3.14	\$2.08	\$4.49	\$2.56	\$6.19	\$3.32
Power Charge	\$0.28	\$0.26	\$0.28	\$0.29	\$0.28	\$0.33	\$0.28	\$0.40	\$0.28	\$0.52

Customer Impact

The bimonthly water bill for an average single-family residential customer using 18 units of water will increase by \$6.81 per bill (assumes no increase to the Zone 7 Cost of Water charge).

Single Family Residential (18 units bimonthly)	Current	Proposed Eff. 7/1/2019
Service Charge (5/8")	\$36.45	\$35.16
Zone 7 Cost of Water	\$62.64	\$62.64
Tier One (1-10 units)	\$5.70	\$23.40
Tier Two (11-34 units)	\$9.60	
Total Bimonthly Bill	\$114.39	\$121.20



DOUGHERTY VALLEY CUSTOMERS IN SAN RAMON ONLY

Dougherty Valley Standby Charge District (DVSCD) Incremental Pass-Through

DSRSD receives all its potable water from Zone 7 and the Zone receives 90 percent of its potable water from the State Water Project. Zone 7 recovers State Water Project costs through wholesale water charges to Tri-Valley retailers and property taxes via the Alameda County property tax roll. The Dougherty Valley Standby Charge District was established in 2000 to provide potable water service to the developing Dougherty Valley in the City of San Ramon. Since Zone 7 does not have authority to recover State Water Project costs through the Contra Costa County property tax roll, charges are levied by DSRSD and placed on Contra Costa County property tax bills on Zone 7’s behalf. This levy represents Dougherty Valley’s proportionate share of State Water Projects costs. It is collected by DSRSD and remitted to Zone 7.

The current annual charge is \$170.75 for a single family home or dwelling unit equivalent and is identified on the Contra Costa property tax bill as “DSRSD-DRTY VLY01-1”. The agreement that established the Dougherty Valley Standby Charge District limited the total annual collected charges to \$1.56 million. This limit is projected to be exceeded as State Water Project costs increase, requiring the District to recover the costs above the Dougherty Valley Standby Charge District limit.

The table below shows estimated bimonthly incremental pass-through charges based on dwelling unit equivalent. Actual pass-through will be determined by an annual Dougherty Valley Standby Charge District Engineer’s Report.

Estimated (bimonthly, \$/unit of water)	FY2020	FY2021	FY2022	FY2023	FY2024
DVSCD incremental pass through	\$2.55	\$6.20	\$10.22	\$14.65	\$19.51

## SUMMARY OF COMMENTS MADE IN PROTEST LETTERS RELATED TO JUNE 18, 2019 WATER RATE PROPOSAL

No.	Date Received	Apparent Protest?	Summary of Comments Made
<b>RECEIVED <u>BEFORE</u> AGENDA PREPARATION DEADLINE (SUMMARIZED IN STAFF REPORT FOR WATER RATES)</b>			
1	April 29, 2019	Yes	<ul style="list-style-type: none"> <li>Eliminating the tier rate system is a burden on those using less water.</li> <li>Proposing a 128% increase for 1-10 unit customers is reckless and unfair.</li> <li>Reconsider your proposal to include a 3-tier system.</li> <li>Consider a considerable increase to those using more than 35 units instead of penalizing those who conserve.</li> </ul>
2	May 13, 2019	Yes	<ul style="list-style-type: none"> <li>Do not increase water rates, am a senior.</li> </ul>
3	June 1, 2019	Yes	<ul style="list-style-type: none"> <li>A tiered water rate is a better pricing structure</li> <li>Single tier does not create incentive to conserve</li> <li>Single tier penalizes people with small or regraded yards to conserve water.</li> </ul>
4	June 2, 2019	Yes	<ul style="list-style-type: none"> <li>Disagrees with "Flat Fee." Is a lose/lose proposition.</li> <li>Current 3 Tier Pricing Structure is reasonable. An improvement would be to add several more graduated tiers and apply to all customers.</li> <li>Negative impact on lower income folks</li> <li>Reduces incentive on "high usage" customers to conserve</li> <li>DSRSD has responsibility to insure adequate and safe supply of scarce resource.</li> <li>Graduated or multiple tier pricing is effective conservation tool.</li> </ul>
<b>RECEIVED AFTER AGENDA PREPARATION DEADLINE (NOT SUMMARIZED IN STAFF REPORT FOR WATER RATES)</b>			
N/A			

# Policy

<b>Policy No.:</b> P100-15-5	<b>Type of Policy:</b> Board Business
<b>Policy Title:</b> Proposition 218 Receipt, Tabulation and Validation of Written Protests	
<b>Policy Description:</b> Defines guidelines for receiving, tabulating and validating written protests of proposed changes to utility charges.	
<b>Approval Date:</b> 9/1/2015	<b>Last Review Date:</b> 2015
<b>Approval Resolution No.:</b> 73-15	<b>Next Review Date:</b> 2019
<b>Rescinded Resolution No.:</b> 28-12	<b>Rescinded Resolution Date:</b> 6/19/2015

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

When notice of a public hearing with respect to a sewer service or water rate has been given by the District pursuant to Proposition 218 (Section 6 of Article XIII D of the California Constitution), that the following shall apply:

The District and its Board of Directors welcome and will consider input from the community at any time, including during the public hearing on the proposed charges. However, in accordance with Proposition 218 as described herein, only valid written protests that are timely received will be counted as formal protests of a proposed water or sewer charge.

The District Secretary is hereby appointed as the recipient, tabulator and validator of written protests; the District Secretary may at his or her discretion retain the services of a third party to assist him or her with receipt, tabulation and validation.

## **Receipt of Written Protests**

1. Any record property owner or tenant-customer of a parcel receiving a property-related service desiring to submit a written protest shall submit that written protest to the District Secretary. Protests may be submitted by personal delivery, the U.S. Postal Service, or other delivery services addressed to the District Secretary at 7051 Dublin Boulevard, Dublin, CA 94568. Written protests

**Policy No.:** P100-15-5**Policy Title:** Proposition 218 Receipt, Tabulation and Validation of Written Protests

submitted in this fashion should note on the envelope "Protest of Proposed Charge" so as to help ensure proper handling when received by the District. Protests may also be submitted electronically, either in the form of a .pdf document attached to an email addressed to the email address provided in the notice of the proposed charge, or by fax sent to the fax number provided in the notice of the proposed charge.

2. The deadline for receipt of hand-delivered protests shall be the close of the public comment period at the Board meeting at which the rate decision is made.
3. The deadline for the receipt of mailed protests, delivered protests or electronically sent protests (fax, .pdf documents, etc.) shall be 5:00 p.m. on the date of the Board meeting at which the rate decision is made). Postmarks or other indications of the date on which the protest was sent to the District will not be accepted as evidence of timely delivery.
4. Any protest not received by the District before the deadlines identified above, whether or not placed in the mail or electronically transmitted prior to the deadline, shall not be counted.
5. A valid protest must be in writing and:
  - Identify the affected property by either assessor's parcel number, street address, or customer account number;
  - Identify the name of the record property owner or tenant-customer;
  - Clearly state that the transmittal is a protest to the proposed charges;
  - Identify what proposed charges are being protested; and
  - Bear the original signature of the record property owner or tenant-customer. In the case of electronically delivered protests, a scanned signature of the property owner or tenant-customer will be accepted, subject to later verification if necessary as described below.
6. Only one protest will be counted per parcel served by the District. For a parcel of which there is a single owner and a single tenant-customer, only one protest will be counted, even if protests are received from both the property owner and tenant-customer. For a parcel owned by more than a single record owner, or occupied by more than one tenant-customer, or both, each record owner and each tenant-customer may submit a written protest in accordance with this policy, but only one protest will be counted for that parcel.

**Policy No.:** P100-15-5**Policy Title:** Proposition 218 Receipt, Tabulation and Validation of Written Protests

7. The protest may not be altered or withdrawn by anyone other than the signatory. Any person who submits a protest may withdraw it by submitting to the Secretary of the District a written request (in any of the formats specified above) that the protest be withdrawn before the deadline for receipt of the original protest. The withdrawal of a protest shall contain the same information as specified above for a valid protest.
8. Unless and to the extent that the person submitting the written protest waives, in writing, the right to have his or her personal information withheld from disclosure, protests received by a public agency pursuant to Proposition 218 are currently not subject to disclosure because Government Code section 6254.16 bars the disclosure of personal information about utility customers, and because the requirements of Proposition 218 can be met without disclosing such information<sup>1</sup>. Accordingly, all protests received by the District, except those that state on the face of the protest that the protestant waives the right to have his or her personal information withheld from disclosure, shall be maintained in confidence and will not be open to public review.

**Tabulation of Written Protests**

1. When directed by the Board and after the latest deadline for receipt of protests, the District Secretary shall complete the tabulation of all protests received and shall report the results of the tabulation to the Board of Directors upon completion.
2. If tabulation of the protests received demonstrates that the number received is less than one-half of the parcels served by the District with respect to the charge which is the subject of the protest, then the District Secretary shall advise the Board that there is an absence of a majority protest, and, therefore, there is no need to determine the validity of each individual written protest. For the purposes of this provision, all protests will be presumptively assumed to be validly submitted.
3. If tabulation of the protests received demonstrates that the number received is greater than one-half of the parcels served by the District with respect to the charge which is the subject of the protest, then the Secretary of the District shall advise the Board that a validation of the protests is required and when that validation will be completed. In conducting such validation, the District Secretary

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<sup>1</sup> *Morgan v. Imperial Irrigation District* (2014) 223 Cal.App.4th 892, 920-922.

**Policy No.:** P100-15-5**Policy Title:** Proposition 218 Receipt, Tabulation and Validation of Written Protests

may, in his or her discretion, require that the original of a written protest submitted electronically be produced in order to verify the original signature is genuine.

**Validation of Written Protests**

1. A majority protest exists if valid protests are timely submitted and not withdrawn by the record owners or tenant-customers of a majority of the parcels subject to the proposed charge, a majority being equal to greater than fifty percent (50%).
2. In the event there is an apparently successful majority protest, the District Secretary, or his or her designated representative, shall determine the validity of all protests. The District Secretary shall not determine as valid any protest if the District Secretary determines that any of the following conditions exist:
  - The protest does not contain all of the information specified above;
  - The protest was not received prior to the deadlines identified above;
  - A request to withdraw the protest was received prior to the deadlines identified above; or
  - The protest was altered by someone other than the record property owner or tenant-customer whose signature appears on it.
3. The District Secretary's determination that a protest is not valid (or does not apply to a specific charge) shall constitute a final action of the District subject to appropriate judicial review.



RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT  
ESTABLISHING WATER RATES UNDER CHAPTER 4.40 OF THE DISTRICT CODE AND RESCINDING  
RESOLUTION NO. 2-17

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WHEREAS, District Code Chapter 4.40 allows the Board of Directors to establish bi-monthly fixed water service charges and water consumption rates by ordinance or resolution; and

WHEREAS, a study of revenue requirements of the District has shown that additional revenues are sufficient to continue to provide current service levels to its customers; and

WHEREAS, a *Comprehensive Water Cost of Service Study* (Study) has been prepared by Raftelis Financial Consultants, in accordance with Board direction and policies, to establish the costs of providing water service and the rates needed to generate the revenues necessary to pay those costs; and

WHEREAS, the Study recommends a number of restructures to the water rates in accordance with Board direction and policies; and

WHEREAS, the proposed rates are required to ensure that the District is able to meet its minimum debt service coverage obligation for the Water Refinancing debt; and

WHEREAS, the public has received notification of the proposed rate adjustment and Public Hearing in accordance with Proposition 218; and

WHEREAS, the rates, as adopted by this resolution, supersede those previously established in Resolution No. 2-17; and

WHEREAS, on May 1, 2001, the Board adopted Resolution No. 14-01, Resolution Initiating Proceedings for the Levy of Standby Charges, and in it directed the preparation and filing of a report in writing (the "Engineer's Report") in accordance with and pursuant to Article XIII D of the California Constitution and the Uniform Standby Charge Procedures Act, Sections 54984 et seq., of the California Government Code (together, the "Act") in and for the District's Dougherty Valley Standby Charge District 2001-1 (the "Assessment District"); and

WHEREAS, Resolution No. 14-01 contemplated that the Standby Charges to be established based on the Engineer's Report would be used to pay certain costs of the State Water Project incurred by the District under certain agreements between the District and Alameda County Flood Control and Water Conservation District, Zone 7 (Zone 7) regarding the provision of potable water service in Dougherty Valley in Contra Costa County; and

Res No. \_\_\_\_\_

WHEREAS, for all District customers located in Alameda County, the corresponding costs of the State Water Project are collected directly by Zone 7 on the property tax rolls, but because Zone 7 lacks power to collect these costs on the property tax rolls in Contra Costa County, it was necessary for the District to use another mechanism to collect those costs as a condition of the District being allowed to serve to the Dougherty Valley water delivered to Zone 7 from the State Water Project; and

WHEREAS, on June 19, 2001, after a duly-noticed and held public hearing, by Resolution No. 20-01, the Board approved the establishment of the contemplated Assessment District and approved the Engineer's Report with respect thereto and authorized the levy of assessments for standby charges (the "Assessments") in the Assessment District to pay for certain costs of the State Water Project in amounts not to exceed those provided in the Engineer's Report; and

WHEREAS, the Engineer's Report calculated a maximum Standby Charge of \$170.75 for each Equivalent Dwelling Unit (EDU) within the Assessment District, whether residential, commercial or governmental, which was the amount of the Charge for which notice was provided pursuant to Proposition 218 in connection with the June 19, 2001 hearing; and

WHEREAS, beginning in fiscal year 2019/20, these State Water Project costs, when spread over the EDUs within the Assessment District, are projected to require a Charge in excess of the amount of the maximum Standby Charge specified in the notice provided pursuant to Proposition 218 in connection with the June 19, 2001 hearing ; and

WHEREAS, Sections 4.40.010 and 4.40.020 of the District Code allow the Board of Directors to establish periodic water service charges and water quantity use charges by separate ordinance or resolution; and

WHEREAS, Section 53756 of the California Government Code authorizes the District to adopt a schedule of user charges authorizing automatic adjustments that pass through increases in wholesale charges for water, and to include a clearly defined formula for adjusting user charges for inflation, and pursuant to that authority, this Board has determined to delegate the implementation of those adjustments to the General Manager as specified below; and

WHEREAS, the Board desires to establish a Dougherty Valley Incremental State Water Project Charge (DV Incremental SWP Charge) to recover the increment of these State Water Project costs that, when spread over the EDUs within the Assessment District, would exceed the maximum Standby Charge.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN

Res No. \_\_\_\_\_

RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, as follows, effective immediately:

1. The periodic fixed water service charges are hereby established as authorized under Section 4.40.010 of the District Code, as shown in the attached Exhibit “A”, irrespective of the quantity of water used, and shall be operative on July 1, 2019, and applicable to all potable water accounts and recycled water accounts.

2. The consumption rates, as authorized under Section 4.40.020 of the District Code, are hereby established as described in the attached Exhibit “B”, and shall become operative on July 1, 2019.

3. The tiers and water shortage consumption rates, as authorized under Section 4.40.020 of the District Code, are hereby established and shall become operative as described in the attached Exhibit “C”, and thereafter throughout the period during which a resolution declaring the existence of any stage of a water shortage condition pursuant to Resolution No. 20-09, approving a Water Conservation Program in accordance with Ordinance No. 323, and Ordinance No. 323, are both effective.

4. Beginning in January 2021, and continuing annually through January 2024, for all periodic fixed water service charges in Exhibit “A”, all water consumption rates as identified as “District Component” in Exhibit “B”, and all water consumption rates during a water shortage in Exhibit “C”, the General Manager is authorized and directed to adjust those user charges by the percentage increase by which the most recent June Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-Hayward, CA area as increased in relation to the preceding June Consumer Price Index.

5. For all additional periodic fixed water service charges in Exhibit “D”, the General Manager is authorized and directed to adjust those water service charges, no more than once annually, to passthrough the proportionate share of increases in the State Water Project costs as determined by the Dougherty Valley Incremental State Water Project Charge (the “DV Report”).

6. Resolution No. 2-17 is rescinded effective as follows: (a) with respect to the tiers and water shortage rates, when the new tiers and water shortage rates described in the attached Exhibit “C” first become operative; (b) with respect to all other components of the water rates, when those components first become operative.

7. The DV Incremental SWP Charge, as authorized under Section 4.40.020 of the District Code, is hereby established as described in the attached Exhibit “D”, and shall become

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operative on July 1, 2019. This charge shall apply to all potable users including residential, commercial and governmental users.

8. Non-governmental parcel owners in the Assessment District will be levied the DV Incremental SWP Charge separately from the standby charge assessment on the Contra Costa County property tax roll.

9. Governmental potable water customers in Dougherty Valley will be charged a proportionate share of the costs of the State Water Project to be collected through utility bills, which will be comprised of the sum of the Standby Charge assessments and DV Incremental SWP charge.

10. A DV Report will be prepared with a similar methodology as the above referenced Engineer's Report for the purposes of levying the DV Incremental SWP Charge for Fiscal Year 2019/20. The DV Report will determine the amount of the DV Incremental SWP Charge based on cost estimates provided by Zone 7, applied to all potable users as defined above.

11. Unless otherwise acted upon by the Board, the amount of the DV Incremental SWP Charge will be adjusted automatically, no more than once annually, to pass-through increases in State Water Project cost estimates.

12. Resolution No. 2-17 attached as Exhibit "E" is rescinded effective July 1, 2019.

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 18th day of June, 2019, and passed by the following vote.

AYES:

NOES:

ABSENT:

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Madelyne A. Misheloff, President

ATTEST: \_\_\_\_\_  
Nicole Genzale, District Secretary

**Exhibit A**  
**Periodic Fixed Water Service Charges**  
**Established Under Dublin San Ramon Services District Code Section 4.40.010**

**Section 4.40.010 – Periodic Fixed Water Service Charges<sup>1</sup>**

1. Bi-monthly fixed water service charges for all potable and recycled water services, and payable irrespective of the quantity of water used, are established in the following amounts:

<b>Size of Meter (in inches)</b>	<b>Fixed Service Charge per Bi-Monthly Billing</b>
5/8"	\$35.16
3/4"	\$49.03
1"	\$76.76
1-1/2"	\$146.08
2"	\$229.27
3"	\$610.56
4"	\$1,047.31
6"	\$2,225.83
8"	\$3,889.63
10"	\$5,830.73

2. A bi-monthly fixed water service charge for fire protection service lines installed with use detection meters is hereby established at the rate of the 5/8" meter noted above.
3. Single-family dwellings that do not have separate fire service connections, but which are required, by the agency or department providing fire prevention and protective services, to install fire sprinkler systems that in turn necessitate the installation of a larger water meter (up to one inch in diameter) to provide sufficient flow to operate the sprinkler systems, shall pay the periodic fixed water service charges established for a 5/8" inch water meter.

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<sup>1</sup> Beginning January 2021, all service charges as identified above in Section 4.40.010 shall be adjusted annually, effective each January 1 in the manner described below:

Pursuant to Government Code § 53756, the General Manager is authorized and directed to adjust those user charges by the percentage increase by which the most recent June Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-Hayward, CA area as increased in relation to the preceding June Consumer Price Index. The General Manager shall notify the Board of Directors of the new charges and post them on the District's website by October 1 of each year. Customers will be notified on their October or November billing statements of the new rates that will be effective on January 1<sup>st</sup> of the following year.

**Exhibit B**  
**Water Consumption Rates (Water Quantity Use Charges)**  
**Established Under Dublin San Ramon Services District Code Section 4.40.020**

**Section 4.40.020 – Water Consumption Rates**

In addition to the periodic fixed water service charge specified under Section 4.40.010, the water quantity use charges, during the period, if any, that the charges designated in this Exhibit as “District Components” are effective, are established in the following amounts: <sup>1</sup>

<b>Service Classification</b>	<b>Rate</b>
<b>All Potable Water Customers – Zone 7 Component</b>	For all water consumed the amount of the operative Treated Water quantity charge as adopted by Zone 7 Water Agency from time to time plus 4.6%
Potable (includes Single-Family Residential, Commercial, Industrial, Multi-Family Residential, and Institutional) – <b>District Component</b>	\$1.30 per 100 cubic feet of potable water
Potable Irrigation – <b>District Component</b>	\$1.66 per 100 cubic feet of potable water
All Potable and Recycled Water Customers – Power Charge – <b>District Component</b>	\$0.26 per 100 cubic feet of water consumed at service locations above 389 feet above sea level (District Zones 2, 3, and 4)
Limited Access (per Area wide Facility Agreement A94-31)	The Zone 7 Component plus 19%, per 100 cubic feet of water consumed
Recycled Water – <b>District Component</b>	\$4.38 per 100 cubic feet of recycled water

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<sup>1</sup> Beginning January 2021, all water consumption rates as identified above as District Component in Section 4.40.020 shall be automatically adjusted, effective each January 1, in the manner described below:

Pursuant to Government Code § 53756, the General Manager is authorized and directed to adjust those user charges by the percentage increase by which the most recent June Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-Hayward, CA area as increased in relation to the preceding June Consumer Price Index. The General Manager shall notify the Board of Directors of the new charges and post them on the District’s website by October 1 of each year. Customers will be notified on their October or November billing statements of the new rates that will be effective on January 1<sup>st</sup> of the following year.

**Exhibit C**  
**Water Consumption Rates (Water Quantity Use Charges) During a Water Shortage**  
**Established Under Dublin San Ramon Services District Code Section 4.40.020**

**Section 4.40.020 – Water Consumption Rates During a Water Shortage**

The Board of Directors may declare water shortage stages by ordinance or resolution when additional conservation is necessary to ensure the reliability of the water supply. During the period that a state of water shortage is in effect, the water quantity user charges in lieu of the water consumption charges designated in Exhibit B as “District Components,” are established in the following amounts: <sup>1</sup>

	<b>Stage One (per ccf)</b>	<b>Stage Two (per ccf)</b>	<b>Stage Three (per ccf)</b>	<b>Stage Four (per ccf)</b>
Potable Consumption Charge	\$1.45	\$1.63	\$2.00	\$2.60
Potable Irrigation Charge	\$1.85	\$2.08	\$2.56	\$3.32
Power Charge	\$0.29	\$0.33	\$0.40	\$0.52

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<sup>1</sup> Beginning January 2021, all water shortage rates as identified above in Section 4.40.020 shall be automatically adjusted, effective each January 1, in the manner described below:

Pursuant to Government Code § 53756, the General Manager is authorized and directed to adjust those user charges by the percentage increase by which the most recent June Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-Hayward, CA area as increased in relation to the preceding June Consumer Price Index. The General Manager shall notify the Board of Directors of the new charges and post them on the District’s website by October 1 of each year. Customers will be notified on their October or November billing statements of the new rates that will be effective on January 1<sup>st</sup> of the following year.

**Exhibit D**  
**Dougherty Valley Incremental State Water Project Charges**  
**(DV Incremental SWP Charge)**  
**Established Under Dublin San Ramon Services District Code Section 4.40.010 and**  
**4.40.020**

**Section 4.40.010 & 4.40.020 – Additional Periodic Fixed Water Service Charges**

A Dougherty Valley Incremental State Water Project Charge Report (the “DV Report”) will be prepared annually with a similar methodology as the above referenced Engineer’s Report for the purposes of determining the DV Incremental SWP Charge. The DV Report will be based on estimates of the costs of the State Water Project to be collected within the Dougherty Valley provided by the Zone 7 Water Agency. Governmental potable water customers in the Dougherty Valley Standby Charge District will be charged a proportionate share of the costs of the State Water Project to be collected through utility bills, and will be comprised of the sum of the amount of the standby charge assessment and the amount of the amount of the Dougherty Valley Incremental SWP Charge. Non-governmental parcel owners in the Dougherty Valley Standby Charge District will be levied the DV Incremental SWP Charge separately from the standby charge assessment on the Contra Costa County property tax roll. The DV Incremental SWP Charge may be up to the amounts stated in the below table<sup>1</sup>:

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>
Estimated (bimonthly)	\$2.55	\$6.20	\$10.22	\$14.65	\$19.51
Estimated (annual equivalent)	\$15.28	\$37.22	\$61.34	\$87.88	\$117.08

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<sup>1</sup> Pursuant to Government Code § 53756, the General Manager is authorized and directed to adjust the DV Incremental SWP Charge, no more than once annually, to pass-through the proportionate share of increases in the State Water Project costs as determined by the DV Report. The General Manager shall notify the Board of Directors of the new annual amount of the DV Incremental SWP Charge and post it on the District’s website by August 10 of each year.



RESOLUTION NO. 2-17

## RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ESTABLISHING WATER RATES UNDER CHAPTER 4.40 OF THE DISTRICT CODE AND RESCINDING RESOLUTION NOS. 11-13 AND 14-13

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WHEREAS, District Code Chapter 4.40 allows the Board of Directors to establish bi-monthly fixed water service charges and water consumption rates by ordinance or resolution; and

WHEREAS, the currently adopted rates structure allows the District to bill customers for the cost of water purchased from Zone 7 Water Agency (Zone 7) “for all water consumed, the amount of the operative Treated Water quantity charge as adopted by the Zone 7 Water”; and

WHEREAS, On October 19, 2016, the Zone 7 Board of Directors adopted a new rate structure that includes a fixed monthly charge for all water retailers in addition to the quantity charge; and

WHEREAS, the District’s existing fee structure would not allow the District to recover the fixed monthly charge; and

WHEREAS, the proposed rates are required to ensure that the District is able to be compensated for the cost of the water that it purchases for its customers from Zone 7 including the new fixed monthly charge; and

WHEREAS, the public has received notification of the proposed rate adjustment and Public Hearing in accordance with Proposition 218, which amended the California Constitution by adding Article XIII D relating to property related fees and charges; and

WHEREAS, the rates, as adopted by this resolution, supersede those previously established in Resolution Nos. 11-13 and 14-13; and

WHEREAS, the drought emergency was terminated and a 10% voluntary water conservation goal was established and the Stage 1 Water Conservation Rates were confirmed by Resolution No. 39-16, which comprises “a resolution declaring the existence of any stage of a water shortage condition pursuant to the provisions of section 4.10.030.C.1 of the District Code” for purposes of the actions described below; and

WHEREAS, pursuant to Resolution No. 39-16, the Stage 1 Water Conservation Rates shall remain in effect until terminated by Resolution of the Board of Directors; and

WHEREAS, the Board of Directors received four public protest letters out of approximately 20,900 mailed notices which does not constitute a majority protest of 50% plus one.

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, effective immediately:

1. The periodic fixed water service charges are hereby established as authorized under Section 4.40.010 of the District Code, as shown in the attached Exhibit A, irrespective of the quantity of water used, and shall be operative on February 1, 2017, and applicable to all potable water accounts and recycled water accounts; and

2. The tiers and water consumption rates, as authorized under Section 4.40.020 of the District Code, are hereby established as described in the attached Exhibit B, and shall become operative on February 1, 2017 except that the water consumption charges designated in Exhibit B as "District Components" shall become operative only during the period in which no resolution declaring the existence of any stage of a water shortage condition pursuant to the provisions of section 4.10.030.C.1 of the District Code is effective; and

3. The tiers and water shortage consumption rates, as authorized under Section 4.40.020 of the District Code, are hereby established and shall become operative as described in the attached Exhibit C, and thereafter throughout the period during which a resolution declaring the existence of any stage of a water shortage condition pursuant to the provisions of section 4.10.030.C.1 of the District Code is effective; and

4. Resolution No.11-13, attached as Exhibit D, and No. 14-13, attached as Exhibit E, are rescinded effective February 1, 2017.

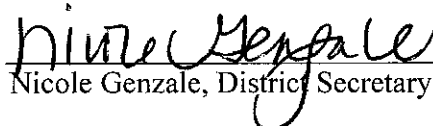
ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency located in the counties of Alameda and Contra Costa, California, at its regular meeting held on the 3rd day of January 2017, and passed by the following vote.

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

NOES: 0

ABSENT: 0

ATTEST:

  
Nicole Genzale, District Secretary

  
Richard M. Halket, President



**TITLE:** Approve the Levy of the Dougherty Valley Incremental State Water Project Charge in the Dougherty Valley Standby Charge District 2001-1 for Non-governmental Parcels on the Contra Costa County Property Tax Roll and for Government Potable Water Customers on Utility Bills

**RECOMMENDATION:**

Staff recommends the Board of Directors approve, by Resolution, the levy of the Dougherty Valley Incremental State Water Project Charge in the Dougherty Valley Standby Charge District 2001-1 for non-governmental parcels on the Contra Costa County property tax roll and for government potable water customers on water utility bills.

**SUMMARY:**

Each year, the California Department of Water Resources provides the Zone 7 Water Agency (Zone 7) estimated State Water Project (SWP) costs. Zone 7 allocates these costs among parcels receiving water service in the Tri-Valley and are collected through county property tax rolls. SWP costs have grown from approximately \$309,000 in fiscal year ending (FYE) 2000 to \$1.85 million in FYE 2019. Zone 7 has projected SWP costs to further increase 10% per year to almost \$3 million by FYE 2024 (Attachment 1). District staff determined that the maximum assessment of \$170.75 per equivalent dwelling unit (EDU) is insufficient to cover the costs necessary to secure water for Dougherty Valley.

At the February 5, 2019 and April 2, 2019 Board meetings, staff requested guidance on several policy issues, which included addressing higher SWP costs for the Dougherty Valley Standby Charge District (DVSCD). The Board directed staff to retain the DVSCD assessment limit, but charge for the additional cost increment separately. At the June 18, 2019 Board meeting, staff recommended the establishment of the Dougherty Valley Incremental State Water Project Charge (DV Incremental SWP Charge) to recover costs that exceed the maximum Standby Charge in conjunction with the Water Rate Study report.

Based on Board guidance, staff recommends the District contract with an engineering firm to prepare a separate report (DV Report) to determine the Dougherty Valley Incremental State Water Project Charge based on cost projections provided by Zone 7. The incremental charge will be apportioned in the same manner, and to the same owners, as the original apportionment for consistency in application. Governmental potable water customers in Dougherty Valley will be charged a proportionate share of Standby Charge assessments and the DV Incremental SWP Charge on their water utility bill. Non-governmental potable water customers are currently billed on the Contra Costa County property tax roll. The incremental cost is proposed to be levied in the same manner.

At the April 16, 2019 Board meeting, the Board authorized a Proposition 218 Notice for various proposed water rates (including the DV Incremental SWP Charge) and set a Public Hearing for June 18, 2019. As of the deadline for agenda preparation, no protests related to the DV Incremental SWP Charge have been received. In addition, District staff met with government agency representatives individually to inform them of the forthcoming charges and have received no objections.

Originating Department: Administrative Services	Contact: M. Bailey	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 – Zone 7 DV Surcharge Cost of Estimate	
		115 of 119

	FYE 20	FYE 21	FYE 22	FYE 23	FYE 24
Zone 7 Passthrough Surcharge <sup>1</sup>	\$2,024,319	\$2,226,751	\$2,449,426	\$2,694,369	\$2,963,805
Administration Charge	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000
Carryover Credits	(\$323,250)	(\$322,400)	(\$323,000)	(\$323,000)	(\$323,000)
Use of Reserves	(\$27,056)	(\$27,483)	(\$26,547)	(\$26,104)	(\$25,560)
Adjusted Zone 7 Passthrough Surcharge	\$1,720,013	\$1,922,868	\$2,145,879	\$2,391,264	\$2,661,245
Dougherty Valley Revenue	(\$1,578,736)	(\$1,578,736)	(\$1,578,736)	(\$1,578,736)	(\$1,578,736)
Shortfall	\$141,277	\$344,132	\$567,143	\$812,528	\$1,082,509
Estimated No. of EDUs <sup>2</sup>	9,246	9,246	9,246	9,246	9,246
Annual Incremental Zone 7 Passthrough Surcharge	\$15.28	\$37.22	\$61.34	\$87.88	\$117.08
Bi-Monthly Incremental Zone 7 Passthrough Surcharge	\$2.55	\$6.20	\$10.22	\$14.65	\$19.51

<sup>1</sup> Cost as projected by Zone 7, wholesale water retailer

<sup>2</sup> Equivalent Dwelling Unit (EDU) count for non-residential derived from Engineering Report prepared by NBS in June 2019

RESOLUTION NO. \_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT TO LEVY THE DOUGHERTY VALLEY INCREMENTAL STATE WATER PROJECT CHARGE IN THE DOUGHERTY VALLEY STANDBY CHARGE DISTRICT (DVSCD) 2001-1 FOR NON-GOVERNMENTAL PARCELS ON THE CONTRA COSTA COUNTY PROPERTY TAX ROLL AND FOR GOVERNMENT POTABLE WATER CUSTOMERS ON UTILITY BILLS

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WHEREAS, on May 1, 2001, the Board adopted Resolution No. 14-01, a Resolution Initiating Proceedings for the Levy of Standby Charges, and in it directed the preparation and filing of a report in writing (the "Engineer's Report") in accordance with and pursuant to Article XIII D of the California Constitution and the Uniform Standby Charge Procedures Act, Sections 54984 et seq., of the California Government Code (together, the "Act") in and for the District's Dougherty Valley Standby Charge District 2001-1 (the "Assessment District"); and

WHEREAS, Resolution No. 14-01 contemplated that the Standby Charges to be established based on the Engineer's Report would be used to pay certain costs of the State Water Project incurred by the District under certain agreements between the District and Alameda County Flood Control and Water Conservation District, Zone 7 (Zone 7) regarding the provision of potable water service in Dougherty Valley in Contra Costa County; and

WHEREAS, for all District customers located in Alameda County, the corresponding costs of the State Water Project are collected directly by Zone 7 on the property tax rolls, but because Zone 7 lacks power to collect these costs on the property tax rolls in Contra Costa County, it was necessary for the District to use another mechanism to collect those costs as a condition of the District being allowed to serve to the Dougherty Valley water delivered to Zone 7 from the State Water Project; and

WHEREAS, on June 19, 2001, after a duly noticed and held public hearing, by Resolution No. 20-01, the Board approved the establishment of the contemplated Assessment District and approved the Engineer's Report with respect thereto and authorized the levy of assessments for Standby Charges (the "Assessments") in the Assessment District to pay for certain costs of the State Water Project in amounts not to exceed those provided in the Engineer's Report; and

WHEREAS, the Engineer's Report calculated a maximum Standby Charge of \$170.75 for each Equivalent Dwelling Unit (EDU) within the Assessment District, which was the amount of the Charge for which notice was provided pursuant to Proposition 218 in connection with the June 19, 2001 hearing; and

WHEREAS, beginning in fiscal year 2019/2020, these State Water Project costs, when spread over the EDUs within the Assessment District, are projected to exceed the maximum Standby Charge specified in the notice provided pursuant to Proposition 218 in connection with the June 19, 2001 hearing; and

WHEREAS, on June 18, 2019, a public hearing was held and the Board established a Dougherty Valley Incremental State Water Project Charge (DV Incremental SWP Charge) to recover State Water Project costs that, when spread over the EDUs within the Assessment District, would exceed the maximum Standby Charge; and

WHEREAS, Sections 4.40.010 and 4.40.020 of the District Code allows the Board of Directors to establish a water use charge by separate ordinance or resolution; and

WHEREAS, Section 4.40.120 of the District Code allows the Board of Directors to elect to use the tax roll for the collection of water service charges and fees or charges for other services related to water service, whether delinquent or not, for collection with and at the same time and in the same manner as property taxes; and

WHEREAS, the Board desires to levy the DV Incremental SWP Charge for non-governmental parcel owners in the Assessment District on the Contra Costa County property tax roll; and

WHEREAS, the Board desires to charge governmental potable water customers a proportionate share of Standby Charge assessments and DV Incremental SWP Charges on their utility bills.

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. A Dougherty Valley Incremental State Water Project Charge Report (the "DV Report") will be prepared with a similar methodology as the above referenced Engineer's Report for the purposes of levying the DV Incremental SWP Charge for Fiscal Year 2019/2020. The DV Report will determine the amount of the DV Incremental SWP Charge based on cost estimates provided by Zone 7.
2. Non-governmental parcels in the Assessment District as determined by the DV Report will be levied the DV Incremental SWP Charge separately from the Standby Charge assessment on the Contra Costa County property tax roll.
3. Governmental potable water customers in the Assessment District will be charged a proportionate share of the costs of the State Water Project to be collected through utility bills, and will be comprised of the sum of the amount of the Standby Charge assessments as determined by the Engineer's Report and the amount of the DV Incremental SWP Charges as determined by the DV Report.

Res. No. \_\_\_\_\_

4. Unless otherwise acted upon by the Board, the amount of the DV Incremental SWP Charge will be adjusted by the General Manager annually, in accordance with the DV Report, but no more than the amount set forth in the Proposition 218 notice.

5. The General Manager is authorized and directed to post any adjustments to the DV Incremental SWP Charge on the District's website by August 10 of each year, and customers and property owners required to pay the DV Incremental SWP Charge shall also receive notification thereof in accordance with Section 53756 of the California Government Code.

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 this 18th day of June, 2019, and passed by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Madelyne A. Misheloff, President

ATTEST: \_\_\_\_\_  
Nicole M. Genzale, District Secretary