AGENDA

NOTICE OF REGULAR MEETING
TIME: 6 p.m.
PLACE: Regular Meeting Place
7051 Dublin Boulevard, Dublin, CA
www.dsrsd.com

DATE: Tuesday, April 16, 2024

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

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

   4.A. California Water Environment Association (CWEA) Award Winners

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. Written comments received by 3 p.m. on the day of the meeting will be provided to the Board.

6. 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 April 2, 2024
   Recommended Action: Approve by Motion

   7.B. Approve Proclamation Celebrating May 2024 as Water Awareness Month
   Recommended Action: Approve by Motion

   7.C. Approve Intention to Levy the Dougherty Valley Standby Charge District 2001-1 Annual Assessment for Fiscal Year Ending 2025
   Recommended Action: Approve by Resolution

8. BOARD BUSINESS

8.A. Approve 180-Day Wait Period Exception for Retired Annuitant Kenneth Spray as Administrative Services Director (Finance) under Government Code Sections 7522.56 and 21224
Recommended Action: Approve by Resolution

8.B. Public Hearing: Adopt Resolution Establishing Miscellaneous Fees and Charges and Rescind Resolution No. 9-22
Recommended Action: Hold Public Hearing and Adopt by Resolution

8.C. Public Hearing: Consider Establishing Water Rates under Chapter 4.40 of the District Code and Rescinding, in Part, Resolution No. 21-19
Recommended Action: Hold Public Hearing and Adopt by Resolution

8.D. Receive Presentation on Per-and Polyfluoroalkyl Substances (PFAS) in Water and Wastewater
Recommended Action: Receive Presentation

9. REPORTS

9.A. Boardmember Items

9.A.1. Joint Powers Authority and Committee Reports
9.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors
9.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

9.B. Staff Reports

10. CLOSED SESSION

10.A. 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 during business hours 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

April 2, 2024

1. CALL TO ORDER

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

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting: President Ann Marie Johnson, Vice President Arun Goel, Director Richard M. Halket, Director Dinesh Govindarao, and Director Georgean M. Vonheeder-Leopold.

District staff present: Jan Lee, General Manager; Steve Delight, Engineering Services Director/District Engineer; Dan Gill, Operations Director; Michelle Gallardo, Special Assistant to the General Manager; Douglas E. Coty, General Counsel; and Vivian Chiu, Management Analyst II/Acting District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

4.A. New Employee Introductions
Michael Yee – Financial Services Manager (Interim)
Thinh Lucero – Financial Analyst

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

6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS) – No changes were made.

7. CONSENT CALENDAR

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

7.A. Approve Regular Meeting Minutes of March 19, 2024 – Approved

7.B. Affirm No Changes to Candidate's Statement Cost Policy – Approved

7.C. Appoint Ms. Shu-Jan (Jan) R. Lee as DSRSD Treasurer – Approved

8. BOARD BUSINESS

8.A. Receive Presentation and Adopt the Proposed Livermore-Amador Valley Water Management Authority (LAVWMA) Operations and Maintenance Budget for Fiscal Year 2025

Operations Director Gill reviewed the item for the Board.

Director Halket MOVED to Adopt the Proposed Livermore-Amador Valley Water Management Authority (LAVWMA) Operations and Maintenance Budget for Fiscal Year 2025. Vice President Goel SECONDED the MOTION, which CARRIED with FIVE AYES.

8.B. Adopt the Tri-Valley Hazard Mitigation Plan

Engineering Services Director Delight introduced GIS Analyst Aaron Johnson, who reviewed the item for the Board. Mr. Johnson provided a brief history of the Tri-Valley Hazard Mitigation Plan (Plan) and explained how the Plan is organized. He indicated that, in addition to satisfying the Federal Emergency Management Agency (FEMA) guidelines, the Plan aligns with the District's Strategic Plan goal to *enhance our ability to respond to emergencies and maintain business continuity* and the related action item to *explore coordination of emergency planning with partner agencies and the cities we serve*. The Board and staff discussed incorporation of a table of potential impacts in the next Plan and the District's capacity to mitigate hazards.

Director Govindarao MOVED to adopt Resolution No. 5-24, Adopting in its Entirety Volume I and the Relevant Portions of Volume II, Including the Dublin San Ramon Services District Annex and Appendices, of the Tri-Valley Hazard Mitigation Plan. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

8.C. Receive Presentation on Calendar Year 2023 Public Affairs Activities and Outreach Efforts

Public Affairs Program Administrator Erin Steffen reviewed the item and provided the Board a presentation (included in the agenda packet) that covered:

- 2023 activities and outreach efforts, including outreach methods, community partnerships, direct mail campaigns, publications, community events, and education
- 2024 priorities – community events (including a new Oscar the Otter mascot costume with cooling apparatus requested at the March 19 Board meeting), community presence, educational programming, and collaborative partnerships

The Board expressed appreciation for the recent participation opportunities and the District's responsiveness to the community. The Board requested staff to look into taking part in the Dougherty Valley High School Science Fair on April 14. The Board and staff discussed techniques for increasing followers on social media and various aspects of the District's public outreach efforts.

9. REPORTS

9.A. Boardmember Items

9.A.1. Joint Powers Authority and Committee Reports
DSRSD/City of Pleasanton Meeting of March 25, 2024
LAVWMA Special Board Meeting of March 28, 2024

President Johnson invited comments on recent JPA/Committee activities. Directors felt the available staff reports adequately covered the many matters considered at the JPA/Committee meetings and made a few comments about some of the JPA/Committee activities.

9.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors

Director Govindarao submitted a written report to Management Analyst II/ Acting District Secretary Chiu. He reported that he attended the DSRSD/City of Pleasanton Liaison Committee meeting on March 25, the City of Pleasanton State of the City address on March 26, and the special LAVWMA Board meeting on March 28. He summarized the activities and discussions at the meetings.

Director Vonheeder-Leopold reported that she attended a dinner in honor of former East Bay Municipal Utility Director John Coleman as Lafayette Citizen of the Year on March 28. She remarked on Mr. Coleman's contributions. She did not submit a written report.

9.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda – None

9.B. Staff Reports

General Manager Lee reported on the following:

- A Tri-Valley Water Liaison Committee meeting will be held on Monday, April 29, at DSRSD's Field Operations Facility.
- A special DSRSD Board meeting may be held on Monday, May 6, in lieu of the May 7 regular Board meeting.

10. ADJOURNMENT

President Johnson adjourned the meeting at 6:51 p.m.

Submitted by,

Vivian Chiu, MMC
Management Analyst II/Acting District Secretary

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

Dublin San Ramon Services District
Water, wastewater, recycled water

STAFF REPORT

Meeting Date: April 16, 2024

TITLE: Approve Proclamation Celebrating May 2024 as Water Awareness Month

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Motion, a Proclamation celebrating May 2024 as Water Awareness Month.

DISCUSSION:

The Dublin San Ramon Services District's 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*." The month of May is recognized in California as Water Awareness Month, giving water agencies a chance to celebrate and heighten public awareness about water quality, water conservation, and water reliability.

To celebrate Water Awareness Month, the District will partner with Zone 7 Water Agency and other Tri-Valley water retailers on a number of public outreach and educational activities to raise awareness on the importance of a safe and reliable water supply for the Tri-Valley.

Originating Department: Administrative Services	**Contact: E. Steffen/M. Gallardo**	**Legal Review: Not Required**
Financial Review: Not Required	**Cost and Funding Source: N/A**	
Attachments: ☐ None ☐ Resolution ☐ Ordinance ☐ Task Order ☒ Proclamation ☐ Other (see list on right)		

Dublin San Ramon Services District
Water, wastewater, recycled water

Proclamation

Celebrating

Water Awareness Month

WHEREAS, it is the mission of Dublin San Ramon Services District 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*"; and

WHEREAS, May is celebrated in California as Water Awareness Month, recognized by the California Department of Water Resources as a time to show appreciation for the water that fuels the economy and sustains ecosystems; and

WHEREAS, rain or shine, Californians always need to use water wisely, as conservation is a way of life in California; and

WHEREAS, building public awareness of long-term water supply challenges and opportunities is supported by the District's Strategic Plan; and

WHEREAS, to celebrate Water Awareness Month, DSRSD staff plans to partner with Zone 7 Water Agency and other Tri-Valley water retailers on public outreach and educational activities to celebrate and raise awareness on the importance of a safe and reliable water supply for the Tri-Valley.

NOW, THEREFORE, the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, does hereby proclaim May 2024 as

Water Awareness Month

Adopted this 16th day of April, 2024

Ann Marie Johnson, President

Arun Goel, Vice President

Richard M. Halket, Director

Dinesh Govindarao, Director

Georgean M. Vonheeder-Leopold, Director

Nicole Genzale, District Secretary

Dublin San Ramon Services District
Water, wastewater, recycled water

STAFF REPORT

Meeting Date: April 16, 2024

TITLE: Approve Intention to Levy the Dougherty Valley Standby Charge District 2001-1 Annual Assessment for Fiscal Year Ending 2025

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Resolution, the intention to levy the Dougherty Valley Standby Charge District 2001-1 annual assessment for fiscal year ending 2025 and set a public hearing for June 4, 2024.

DISCUSSION:

The Zone 7 Water Agency (Zone 7) assesses parcel owners in its service area for a proportionate share of California Department of Water Resources State Water Project (SWP) costs via the Alameda County property tax roll. Since Zone 7 does not have authority to assess Contra Costa County parcel owners, DSRSD established the Dougherty Valley Standby Charge District 2001-1 (DVSCD) to recover Zone 7's share of SWP costs on its behalf. SWP costs assessed to DVSCD parcel owners on the Contra Costa County property tax roll are collected by DSRSD and then remitted directly to Zone 7.

An Engineer's Report is prepared annually that shows a projection of the costs expected to be incurred in the upcoming fiscal year and the allocation of those costs to individual parcels. The Engineer's Report is on file with the District Secretary for public review. Based on this report, the annual assessment for DVSCD for fiscal year ending (FYE) 2025 will remain at the maximum allowed of $170.75 per equivalent dwelling unit, or $1,303,941.94.

Each year, Zone 7 provides estimated SWP costs specifically tied to providing water service to Dougherty Valley. In FYE 2024, the Dougherty Valley's share of the SWP costs to Zone 7 was $2.3 million and the estimated share for FYE 2025 is $2.5 million.

There is a deficit between the maximum allowed assessment for DVSCD and the estimated SWP costs, and the deficit has been increasing and is in excess of $1.0 million annually for FYE 2024 and FYE 2025. In 2019, recognizing the growing deficit between the DVCSD maximum assessment and SWP costs, the Board established the Dougherty Valley Incremental State Water Project Charge (DV Incremental Charge) to recover SWP costs above the maximum allowed assessment for DVSCD. The DV Incremental Charge is considered separately by the Board.

The recommended action is the first action that must be taken by the Board each year to prepare the DVSCD assessment for collection on the County tax rolls. The Board first adopts a resolution of intention to levy the annual assessment, followed by a required public hearing proposed for June 4, 2024. A public hearing notice (Attachment 1) will be published in the local newspaper on May 21 and 28, 2024. After the public hearing at which public comments and objections may be received, the Board adopts the Engineer's Report and directs the levy of the assessment to be placed on the property tax roll, which is then submitted to Contra Costa County no later than August 10.

Originating Department: Administrative Services	**Contact: A. Hernandez/M. Gallardo**	**Legal Review: Yes**
Financial Review: Yes	**Cost and Funding Source: N/A**	
Attachments: ☐ None ☒ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☒ Other (see list on right)	**Attachment 1 – Notice of Public Hearing**	

DUBLIN SAN RAMON SERVICES DISTRICT
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of Directors of the Dublin San Ramon Services District will hold a **Public Hearing on Tuesday, June 4, 2024, at 6 p.m., in the Boardroom at the District Office at 7051 Dublin Boulevard, Dublin, California**, to consider the levy of annual assessments in the District's Dougherty Valley Standby Charge District 2001-1 for fiscal year 2024–2025.

NOTICE IS FURTHER GIVEN that on June 16, 2001, by its Resolution No. 20-01, the Board established the District's Dougherty Valley Standby Charge District 2001-1 (the "Assessment District") and authorized the levy of an annual assessment (the "Assessment") in the Assessment District to pay for certain water supply costs and charges related to receiving service from the State Water Project.

The Board, by resolution adopted April 16, 2024, has expressed its intention to levy the Assessment for the fiscal year ending 2025 (the "Next Fiscal Year"). At the public hearing, the Board will consider the Engineer's Report concerning the proposed Assessment for the Next Fiscal Year, hear all persons interested, consider all objections, if any, and take final action on the levy for the Next Fiscal Year.

NOTICE IS FURTHER GIVEN that the Dougherty Valley Standby Charge shall appear on the 2024–2025 (July 1, 2024, to June 30, 2025) secured property tax rolls as "DSRSD-DOUGHERTY VLY 01-1" and are summarized below:

Dwelling Type	Equivalent Dwelling Unit (EDU)	Annual Service Charge [1]
Single-Family Detached	1.00	$170.75 [2]
Multi-Family Attached	0.40	$68.30
Commercial Land	4.00	$683.00 per Acre
[1] Annual service charge is apportioned according to the equivalent dwelling unit (EDU) of the parcel; the rate for a single family is the base, $170.75 for 1.0 EDU. [2] Adjusted to be divisible by two for semi-annual tax billing.		

The Engineer's Report is available for review on the District's website at www.dsrsd.com/your-account/rates-fees (Rates & Fees page) and at the Office of the District Secretary during regular business hours at the District Office at 7051 Dublin Boulevard, Dublin, California. Background information shall be included in the Board agenda packets of April 16 and June 4, 2024, posted on the District's website at www.dsrsd.com/about-us/board-meetings-agendas-minutes-videos 72 hours before the meeting .

For additional information about this matter or to submit written comments, contact Revenue and Billing Supervisor Alberto Hernandez at 925-875-2219 or ahernandez@dsrsd.com. Comments received by 3 p.m. on the day of the meeting will be provided to the Board before the meeting.

By: Nicole Genzale, CMC
District Secretary

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT OF INTENTION TO LEVY ANNUAL ASSESSMENTS IN THE DUBLIN SAN RAMON SERVICES DISTRICT DOUGHERTY VALLEY STANDBY CHARGE DISTRICT 2001-1 FOR FISCAL YEAR 2024–2025

RESOLVED by the Board of Directors (the "Board") of the Dublin San Ramon Services District (the "District"), County of Contra Costa (the "County"), State of California, as follows:

WHEREAS, on May 1, 2001, this 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"), all in accordance with applicable law, in and for the District's proposed Dougherty Valley Standby Charge District 2001-1 (the "Assessment District"); and

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

WHEREAS, pursuant to the 2001 approval, this Board is authorized to levy this assessment each year for the Assessment District and by this resolution expresses its intention to do so for the fiscal year 2024–2025 (the "Next Fiscal Year").

NOW THEREFORE, BE IT ORDERED that:

1. Engineer's Report. NBS Government Finance Group, a California corporation, is hereby designated as the Engineer of Work for the District for the purposes of levying the Dougherty Valley Standby Charge for fiscal year 2024–2025. The Engineer of Work has caused to prepare a report under the Act (the "Engineer's Report") and has filed the Engineer's Report with the District Secretary. The Report has been duly considered by this Board with the aid of District Staff and is hereby deemed sufficient and preliminarily approved and shall stand as the Engineer's Report for all subsequent proceedings for the District. Reference is hereby made to the Engineer's Report for a full and detailed description of the budget for the Assessment District for the Next Fiscal Year and the proposed assessments upon the described, assessable lots and parcels of land within the Assessment District.

2. Public Hearing. As required by law, this Board hereby orders that a public hearing shall be held at its regular meeting on June 4, 2024, at 6 p.m. At the public hearing, the Board will hear all persons interested, consider all objections, if any, and then take final action on the levy. The public

hearing may be continued from time to time as determined by the Board, without further published or written notice.

3. Published Notice. The Board hereby also directs the District Secretary to publish notice of the public hearing pursuant to Government Code Section 6066.

PASSED AND ADOPTED this 16th day of April 2024 by the following vote:

AYES:

NOES:

ABSENT:

_____
Ann Marie Johnson, President

ATTEST: _____
Nicole Genzale, District Secretary

Dublin San Ramon Services District
Water, wastewater, recycled water

STAFF REPORT

Meeting Date: April 16, 2024

TITLE: Approve 180-Day Wait Period Exception for Retired Annuitant Kenneth Spray as Administrative Services Director (Finance) under Government Code Sections 7522.56 and 21224

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Resolution, a 180-day wait period exception for retired annuitant Kenneth Spray as Administrative Services Director (Finance) under Government Code Sections 7522.56 and 21224.

DISCUSSION:

The District has an immediate need for executive-level professional and technical guidance on the District's financials and fiduciary responsibilities, as a result of two recent vacancies within the Financial Services Division. In accordance with Government Code Sections 7522.56 and 21224, staff recommends the appointment of retired annuitant Kenneth Spray as a part-time Administrative Services Director in the Financial Services Division, and requests approval by the Board of Directors for an exception to the 180-day wait period required by Government Code Section 7522.56. The appointment of Mr. Spray is an interim measure while District management considers the financial management reporting structure and recruits to fill vacancies in the Financial Services Division.

Mr. Spray has over thirty (30) years of public sector finance experience, including his most recent experience as the Administrative Services Manager for Central Marin Sanitation Agency for the past seven (7) years. Additionally, Mr. Spray has executive-level governmental finance experience from Vallejo Sanitation and Flood Control District and the City of Millbrae. He has a Master of Business Administration, Finance and is a licensed Certified Public Accountant (CPA) in California.

The Public Employees' Retirement Law (PERL) and Public Employees' Pension Reform Act (PEPRA) restrict the circumstances under which public agencies participating in the California Public Employees' Retirement System (CalPERS) may use the services of retired annuitants. In the absence of an emergency in which the employment is required to prevent stoppage of public business, the extra-help retired annuitant must have "specialized skills" that are needed for the employment. Government Code Section 21224(a) in the PERL states:

> A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system upon appointment by the appointing power of a state agency or public agency employer either during an emergency to prevent stoppage of public business or because the retired person has specialized skills needed in performing work of limited duration. These appointments shall not exceed a combined total of 960 hours for all employers each fiscal year. The compensation for the appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule divided by 173.333 to equal an hourly rate. A retired person appointed pursuant to this section shall not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate. A retired annuitant appointed pursuant to this section shall not work more than 960 hours each fiscal year regardless of whether he or she works for one or more employers.

The PEPRA contains similar language in Government Code Section 7522.56. At the District, retired annuitants are hired as temporary "extra help" for assignments that cannot be handled by the agency's existing employees. Mr. Spray has unique, specialized skills in governmental finance as developed over thirty (30) years in executive-level positions at governmental agencies, including providing executive-level professional and technical guidance, which cannot be

Originating Department: Office of the General Manager	**Contact: S. Koehler/M. Gallardo**	**Legal Review: Not Required**
Financial Review: Not Required	**Cost and Funding Source: FY 24-25 Operating Budget**	
Attachments: ☐ None ☒ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☐ Other (see list on right)		

provided by existing District employees due to the unique nature of the work, the volume of work already being performed by full-time regular District employees, and the two full-time staff vacancies in the Financial Services Division. This appointment is intended to be of a limited duration, and in accordance with the requirements of CalPERS. Final approval of this appointment will be made by CalPERS Membership and Post-Employment, Employer Account Management Division.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING A 180-DAY WAIT PERIOD EXCEPTION FOR RETIRED ANNUITANT KENNETH SPRAY AS THE ADMINISTRATIVE SERVICES DIRECTOR (FINANCE) UNDER GOVERNMENT CODE SECTIONS 7522.56 AND 21224

WHEREAS, in compliance with Government Code Section 7522.56 of the Public Employees' Retirement Law, the Board of Directors must provide the California Public Employees' Retirement System (CalPERS) this certification resolution when hiring a retiree before 180 days have passed since the retiree's retirement date; and

WHEREAS, Kenneth Spray (CalPERS ID: 1655657134) retired from the Central Marin Sanitation Agency in the position of Administrative Services Manager, effective March 31, 2024; and

WHEREAS, Government Code Section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is September 27, 2024, without this certification resolution; and

WHEREAS, Government Code Section 7522.56 provides that this exception to the 180-day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the Board, the Dublin San Ramon Services District ("the District"), and Kenneth Spray certify that Kenneth Spray has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the Board hereby appoints Kenneth Spray as an extra-help retired annuitant to perform the duties of the Administrative Services Director (Finance) under Government Code Section 21224, effective April 22, 2024; and

WHEREAS, the entire appointment document between Kenneth Spray and the District has been reviewed by this body and is attached herein as Exhibit "A"; and

WHEREAS, no matters, issues, terms, or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year for all CalPERS employers; and

WHEREAS, the compensation paid to the retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.33 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is $22,351 per month, and the hourly equivalent is $128.95; and

WHEREAS, the minimum base salary for this position is $18,388 per month, and the hourly equivalent is $106.08; and

WHEREAS, the hourly rate paid to Kenneth Spray will be $128.95; and

WHEREAS, Kennth Spray has not and will not receive any other benefit, incentive, compensation in lieu of benefit, or other form of compensation in addition to this hourly pay rate.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, that the Board certifies that the nature of the employment of Kenneth Spray as described herein and detailed in the appointment document attached as Exhibit "A" and that this appointment is necessary to fill the critically needed position of Administrative Services Director (Finance) for the District by April 22, 2024, because the position provides executive-level professional and technical guidance on the District's financial fiduciary responsibilities.

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 16th day of April, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

_____
Ann Marie Johnson, President

ATTEST: _____
Nicole Genzale, District Secretary

Dublin San Ramon Services District
Water, wastewater, recycled water

7051 Dublin Boulevard
Dublin, CA 94568-3018

main (925) 828-0515
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April 16, 2024

Ken Spray
[redacted]

SUBJECT: **Extra-Help Appointment as Retired Annuitant to Administrative Services Director Position**

Dear Ken:

Upon recommendation of the General Manager, the Dublin San Ramon Services District is pleased to offer you an interim appointment as a retired annuitant to Administrative Services Director. This position is an extra-help appointment as defined by Government Code sections 7522.56 and 21224. This letter outlines the terms and conditions of the appointment.

1. **Salary and Appointment**

As discussed with the District's Human Resources & Risk Division, appointment to the temporary Administrative Services Director position, Salary Range 5307, Step E, $22,351 per month (payable biweekly, at an equivalent hourly rate of $128.9481 per hour), becomes effective on April 23, 2024. Your assignment is anticipated to end no later than December 31, 2024, but may end at any time at the discretion of the District. The District finds that your unique, specialized skills, developed over your many years of work for at a wastewater special district as the Administrative Services Manager and years of experience in governmental finance, cannot be provided by existing District employees due to the unique nature of the work, the volume of work already being performed by full-time regular District employees, and the two full-time staff vacancies in the Financial Services Division. The work you will provide is in excess of what existing, regular staff can do. Your work as a retired annuitant will be to provide executive level professional and technical guidance for the District's finances and fiduciary responsibilities.

Moreover, the work described above is of limited duration. Once the extra-work is completed, your appointment will be terminated. In accordance with CalPERS regulations, you may not work more than 960 hours in a fiscal year. In fiscal year 2024 you confirmed that you have not worked any retired annuitant hours for a CalPERS agency. As such, you are eligible to work up to 960 hours through fiscal year 2024 or until the end of your appointment, whichever occurs first. Please note this position is "at-will," and as such, you will not have or acquire property interest or right to continued employment.

You will report directly to the General Manager and be a member of the Financial Services Division. Should you accept this position, you will be expected to meet all conditions of employment and perform the duties of the position.

2. District Benefits and Retirement

In accordance with CalPERS regulations and state law, as a retired annuitant, you are not eligible for any District benefits, including sick leave or health insurance. Furthermore, as a temporary employee, you are not eligible for any District incentive or employee programs.

As a retired annuitant and in accordance with CalPERS regulations, the District will not make retirement contributions to CalPERS on your behalf.

3. Unemployment Insurance Benefits Certification

Per CalPERS Regulations, you may not be appointed to work as a retired annuitant at the District if, in the previous 12 months, you received unemployment insurance benefits from a prior employer. By accepting this appointment and signing below, you certify that you have not received unemployment insurance benefits in the immediately preceding 12-month period.

4. Additional Considerations

As you may know, the Public Employees' Retirement Law and Public Employees' Pension Reform Act restrict the circumstances under which public agencies participating in the California Public Employees' Retirement System (CalPERS) may use the services of retired annuitants. It is therefore important for you to understand the restrictions on a CalPERS employer's use of a retired annuitant as well as the consequences of noncompliance with those restrictions.

In the absence of an emergency in which the employment is required to prevent stoppage of public business, the retired annuitant must have "specialized skills" that are needed for the employment. Government Code section 21224 in the PERL states:

> (a) A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system upon appointment by the appointing power of a state agency or public agency employer either during an emergency to prevent stoppage of public business or because the retired person has specialized skills needed in performing work of limited duration. These appointments shall not exceed a combined total of 960 hours for all employers each fiscal year. The compensation for the appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule divided by 173.333 to equal an hourly rate. A retired person appointed pursuant to this section shall not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate. A retired annuitant appointed pursuant to this section shall not work more than 960 hours each fiscal year regardless of whether he or she works for one or more employers.

The PEPRA contains similar language in Government Code section 7522.56. At the District, retired annuitants are hired as temporary "extra help" for assignments that cannot be handled by the agency's existing employees.

Therefore, it is the responsibility of both the employer and the retired annuitant to ensure that the type of work performed falls within the criteria. If CalPERS receives information that a retired annuitant may be performing work that is outside the restrictions of Government Code sections 21224 and 7522.56 and confirms noncompliance with the restrictions, the retired annuitant may be required to do the

following at CalPERS' discretion:

1. Reimburse CalPERS for the retirement income received during the unlawful employment;
2. Pay the employee share of retirement contribution, with interest, that would have otherwise been paid during the period of unlawful employment; and
3. Pay CalPERS for administrative expenses incurred to investigate the situation if the retiree is determined to be at fault. [1]

Please note that, in addition, the CalPERS employer may be required to pay the employer share of retirement contributions, with interest, that should otherwise have been paid, plus administrative expenses if the employer is determined to be at fault. However, the consequences of doing work outside the statutory limitations are more severe for the retired annuitant than for the CalPERS employer.

The District has reviewed your job assignment and duties with me and has determined that your assignment meets the PERL's and PEPRA's requirements for employment of a retired annuitant. If you have any concerns about your duties/assignment or if any changes to your duties/assignment occur during your temporary employment, please contact your manager immediately to ensure that your duties continue to meet the criteria listed in sections 21224 and 7522.56. Although the District has concluded that the services you will provide as described above comply with the restrictions on work performed by retired annuitants, the District cannot guarantee that CalPERS would make the same determination if it were to review the nature of your work for the District. Therefore, you should also satisfy yourself that your work will be in compliance with the law's work restrictions for retired annuitants.

Please print and sign this letter. It can be emailed to Samantha Koehler, Human Resources & Risk Manager, at koehler@dsrsd.com.

Please return this letter within three (3) business days. You should also retain a copy of the appointment letter for your records.

We feel very fortunate and are extremely pleased you have accepted this appointment.

Sincerely,

Jan Lee
General Manager

cc: Personnel File
Michelle Gallardo, Special Assistant to the General Manager

I, Ken Spray, hereby accept the offer as outlined in this letter.

_____ _____
Signature Date

[1] Gov. Code, § 21220(b).

Dublin San Ramon Services District
Water, wastewater, recycled water

STAFF REPORT

Meeting Date: April 16, 2024

TITLE: Public Hearing: Adopt Resolution Establishing Miscellaneous Fees and Charges and Rescind Resolution No. 9-22

RECOMMENDATION:

Staff recommends the Board of Directors hold a Public Hearing and adopt, by Resolution, Miscellaneous Fees and Charges and rescind Resolution No. 9-22.

DISCUSSION:

The District maintains various administrative, customer service, engineering, industrial waste, and laboratory analysis fees and charges that are paid by customers receiving the benefit. These fees and charges are typically reviewed and updated biennially to ensure that they reflect the costs of providing the service and that ratepayers are not subsidizing services that they do not receive. Miscellaneous and industrial waste program user fees and charges were last updated in February 2022.

Proposed 2024 miscellaneous fees and charges are based on staff position(s) that typically provide the service, 2024 billing rates, the amount of time required, and any ancillary costs incurred (materials, postage, printing, etc.) in the process of providing the service. The 2024 billing rates are based on the District's overhead rate study that was completed by IB Consulting in February 2022, adjusted to reflect the most recent applicable cost-of-living adjustments (COLA). In addition, various Engineering plan review and inspection related fees and laboratory analysis fees have been assessed for the time and effort needed to provide the services and these adjustments are incorporated in the proposed updated fees.

Attachment 1 summarizes the miscellaneous fees including dollar and percentage changes between the current and proposed fees.

Recommended New Fees:

While most of the fees already exist, the following are the recommended new fees introduced for the first time:

- *Invoice Reissuance*. Invoices to developers expire thirty days after issuance. After thirty days, recalculation of the invoice may be required. This proposed fee is intended to account for the staff time required for recalculation, communication with the applicant, and to issue the new invoice.
- *Easement and Quit Claim Review*. Developments with installation or removal of mains or other infrastructure located on or under private property require review and recording with the respective county.
- *Research Fee (per half hour after the first half hour)*. Research requested on initial application questions beyond the first half hour. This fee would be assessed and collected prior to release of further information. The City of Dublin charges a similar research fee.
- *Water Pressure Request*. Developers may request water pressure information that requires staff time to model the existing system in relation to a contemplated or proposed project.
- *Additional Punch List Walk*. Fee to cover the cost of providing an inspection for additional punch list (*i.e.*, list of items that need to be addressed) walks as required. An initial punch list walk is provided with payment of main installation inspection.

Originating Department: Engineering and Technical Services	**Contact: J. Yee/S. Delight**	**Legal Review: Yes**
Financial Review: Yes	**Cost and Funding Source: N/A**	
Attachments: ☐ None ☒ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☒ Other (see list on right)	**Attachment 1 – Schedule of Fees and Charges – Miscellaneous, Industrial Waste, and Laboratory Analysis**	

- *Automotive Pollution Prevention Inspection.* Fees associated with inspecting additional oil/water separators or re-inspecting automotive shops to recover costs associated with the additional labor to perform those inspections.
- *Laboratory Fees*. New tests that have been added to the laboratory's field of accreditation by the California Environmental Laboratory Accreditation Program.

The proposed new fees are summarized in the table below.

Description of new proposed fees:	Proposed Fee
PLANNING FEES:	
Invoice reissuance	$105.00
Easement and quit claim review	$990.00
Research fee (per half hour)	$115.00
Water Pressure Request	$525.00
INSPECTION FEES:	
Additional punch list walk	$480.00
SEWER MISCELLANEOUS INSPECTION FEES:	
Automotive pollution prevention inspection - per additional separator at same location	$50.00
Reinspection of automotive pollution prevention	$340.00
Reinspection of automotive pollution prevention - per additional separator at the same location	$50.00
LABORATORY FEES:	
Ammonia, EPA 350.1	$96.00
Carbonaceous Biochemical Oxygen Demand (CBOD)	$160.00
E.coli, Colilert-18 Enumeration Method	$226.00
Heterotrophic Plate Count, SimPlate	$168.00
Total Coliform/E.coli, Colilert (enumeration)	$226.00

Public hearing notices were published in the local newspaper on April 2 and April 11. The new fees are proposed to be effective July 1, 2024, and are proposed to be subsequently adjusted by an appropriate Consumer Price Index on January 1, 2025, and January 1, 2026. The next review and update of miscellaneous fees and charges, including an update of the District's overhead rate study, is scheduled for fiscal year 2026.

Dublin San Ramon Services District
Schedule of Fees and Charges
Miscellaneous Fees, Industrial Waste, and Laboratory Analysis

Miscellaneous Fees - Administrative

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24	$ CHANGE	% CHANGE	LAST UPDATE	NOTES
General Penalty - Code Infraction	1.30.010(B)	First violation	$250.00	$250.00	$0.00	0.0%	Jul-04	CA Penal Code Section 19.8
		Second violation of the same provision or ordinance within one year	$500.00	$500.00	$0.00	0.0%	Jul-04	CA Water Code Section 377
		Each additional violation of the same provision or ordinance within one year	$1,000.00	$1,000.00	$0.00	0.0%	Jul-04	CA Water Code Section 377
Copies of Public Records Fee	1.40.040	Per page	$0.15	$0.15	$0.00	0.0%	May-20	CA Gov. Code Section 6253(b)
Assessment of Late Charges	1.50.010	Shall be assessed on the overdue amount outstanding	10.0%	10.0%	0.0%	0.0%	Jul-04	CA Gov. Code Section 61115(a)(3)(C)
Additional Late Charges	1.50.010	Shall be assessed for each 30 day period during which the overdue bill remains unpaid	1.0%	1.0%	0.0%	0.0%	Jul-04	CA Gov. Code Section 61115(a)(3)(C)
Charge for Unpaid Returned Checks	1.50.070	First occurrence	$25.00	$25.00	$0.00	0.0%	Aug-03	CA Civil Code 1719
		Each additional occurrence	$35.00	$35.00	$0.00	0.0%	Aug-03	CA Civil Code 1719
Escrow Account - Set-up Fee	1.100.010	Fee to establish an escrow account requested by contractor	$535.00	$540.00	$5.00	0.9%	Feb-22	
Escrow Account - Handling Fee	1.100.010	Fee for each escrow account transaction will be deducted from the contractor's regular progress payment	$45.00	$47.00	$2.00	4.4%	Feb-22	
Regional Sewer Capacity Reserve Fee - Installment Plan - 10 year	3.70.070(B)	Initial set-up of 10 year installment plan	$3,731.00	$3,820.00	$89.00	2.4%	Feb-22	

Miscellaneous Fees - Customer Service

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24	$ CHANGE	% CHANGE	LAST UPDATE	NOTES
Backflow Prevention Administrative Fee - Reduced Pressure Device	4.40.070	Bi-monthly backflow prevention device maintenance administrative fee for reduced pressure device.	$18.00	$18.00	$0.00	0.0%	Feb-22	
Backflow Prevention Administrative Fee - Double check/Detector check	4.40.070	Bi-monthly backflow prevention device maintenance administrative fee for double check/detector check devices.	$23.00	$23.00	$0.00	0.0%	Feb-22	
New Accounts Set-up Fee	4.40.040(A) 4.40.040(B)	New Utility Billing Account Set Up Fee. Charged when establishing a new account.	$25.00	$26.00	$1.00	4.0%	Feb-22	
Service Reconnection and Termination Fee	4.40.040(B)	For each occasion.	$137.00	$144.00	$7.00	5.1%	Feb-22	
Service Reconnection Fee-OT	4.40.040(B)	Performed during non-regular business hours.	$445.00	$440.00	($5.00)	-1.1%	Feb-22	
Curb Stop Repair Fee	4.40.040(B)	For repair of damaged curb stop.	$489.00	$516.00	$27.00	5.5%	Feb-22	
Trim Charge	4.40.040(B)	For trimming around meter box after customer failed to do trimming after being notified.	$179.00	$187.00	$8.00	4.5%	Feb-22	
Hand Delivered Notification Fee	4.40.040(B)	Hand delivery, to service location as required by law, to notify resident of pending service disconnect.	$36.00	$38.00	$2.00	5.6%	Feb-22	
Broken Lock Fee	4.40.040(B)	Fee to cover the hardware and staff time costs resulting from a cut lock.	$84.00	$87.00	$3.00	3.6%	Feb-22	
Meter Removal or Reinstall Fee	4.40.040(B)	Time and materials to remove or reinstall meter based on customer need	$210.00	$220.00	$10.00	4.8%	Feb-22	
Site Visit	4.40.080(A)	Unsupported Site visit.	$106.00	$110.00	$4.00	3.8%	Feb-22	
Temporary Meter - Charge for Breaking Seal/Tampering	4.40.080(A) 4.40.080(C)	Customer will be charged for actual time and materials	Actual Cost	Actual Cost	N/A	N/A	Feb-22	

Construction Water Meter Fee	4.40.090(B)	Deposit equal to full replacement cost of the meter.	Actual Cost	Actual Cost	N/A	N/A	Feb-22	
Non-Residential	4.40.090(C)	Field tracing charge each time a meter user fails to present the meter for reading.	$316.00	$332.00	$16.00	5.1%	Feb-22	
Service Reconnection Fee under SB998 Provision	4.40.040(B)	For each occasion.	$53.00	$53.00	$0.00	0.0%	Feb-22	
Service Reconnection Fee-OT under SB998 Provision	4.40.040(B)	Performed during non-regular business hours.	$159.00	$159.00	$0.00	0.0%	Feb-22	

Miscellaneous Fees - Engineering

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24	$ CHANGE	% CHANGE	LAST UPDATE	NOTES
Project Planning and Review Fees - Potable or Recycled Water *All Project Planning and Review Fees assume a maximum of two plan submittal reviews; all additional reviews will be billed at the staff's actual burdened hourly rate. Fee includes staff time for project support during construction and project acceptance.*	3.70.070(A)	Single family home (with existing service lines)	$492.00	$560.00	$68.00	13.8%	Feb-22	
		Commercial/industrial unit improvement/expansion	$2,612.00	$3,155.00	$543.00	20.8%	Feb-22	
		New commercial unit/building	$5,225.00	$6,310.00	$1,085.00	20.8%	Feb-22	
		Additional new commercial unit/building	$2,040.00	$2,365.00	$325.00	15.9%	Feb-22	
		Additional commercial fee per linear foot for new main installation over 300 ft	$6.23	$7.26	$1.03	16.5%	Feb-22	
		New residential subdivision up to 5 units	$5,225.00	$6,310.00	$1,085.00	20.8%	Feb-22	
		Additional residential unit over 5 units	$180.00	$210.00	$30.00	16.7%	Feb-22	
		Additional residential fee per linear foot for new main installation over 300 ft	$6.23	$7.26	$1.03	16.5%	Feb-22	
		Invoice Reissuance	$0.00	$105.00	$105.00	n/a	n/a	New fee
		Recycled water irrigation system	$4,944.00	$5,520.00	$576.00	11.7%	Feb-22	
		Recycled water irrigation system - per acre for sites over 2 acres	$604.00	$675.00	$71.00	11.8%	Feb-22	
Project Planning and Review Fees - Sewer *All Project Planning and Review Fees assume a maximum of two plan submittal reviews; all additional reviews will be billed at the staff's actual burdened hourly rate. Fee includes staff time for project support during construction and project acceptance.*	3.70.070(A)	Single family home (with existing service lines)	$492.00	$560.00	$68.00	13.8%	Feb-22	
		Commercial/industrial unit improvement/expansion	$3,058.00	$3,580.00	$522.00	17.1%	Feb-22	
		New commercial unit/building	$6,110.00	$7,155.00	$1,045.00	17.1%	Feb-22	
		Additional new commercial unit/building	$1,409.00	$1,685.00	$276.00	19.6%	Feb-22	
		Additional commercial fee per linear foot for new main installation over 300 ft	$5.45	$6.34	$0.89	16.3%	Feb-22	
		New residential subdivision up to 5 units	$4,233.00	$5,052.00	$819.00	19.3%	Feb-22	
		Additional residential unit over 5 units	$79.00	$95.00	$16.00	20.3%	Feb-22	
		Additional residential fee per linear foot for new main installation over 300 ft	$5.45	$6.34	$0.89	16.3%	Feb-22	
Project Planning and Review Fees - Miscellaneous	3.70.070(A)	Variance review (from approved plans)	$1,733.00	$1,875.00	$142.00	8.2%	Feb-22	
		Easement and quit claim review	$0.00	$990.00	$990.00	n/a	n/a	New fee
		Research (every 30 minutes beyond the initial 30 minutes)	$0.00	$115.00	$115.00	n/a	n/a	New fee
		Water Pressure Request	$0.00	$580.00	$580.00	n/a	n/a	New fee
Planning Agreement Application Fee	2.30.050	Minimum processing fee for planning agreement application	$4,420.00	$4,590.00	$170.00	3.8%	Feb-22	
Potable or Recycled Water Main Installation Inspection	3.70.070(A)	Installation or repair of water main line less than 50 ft	$1,250.00	$1,830.00	$580.00	46.4%	Feb-22	
		Installation or repair of water main line up to 300 ft	$5,554.00	$6,885.00	$1,331.00	24.0%	Feb-22	
		Additional cost per linear foot over 300 ft for inspection of installation or repair of water main line	$10.00	$11.73	$1.73	17.3%	Feb-22	

Potable or Recycled Miscellaneous Inspection	3.70.070(A)	Backflow prevention device (per unit)	$238.00	$395.00	$157.00	66.0%	Feb-22	
		Fire service installation and backflow prevention device (per unit)	$1,033.00	$1,155.00	$122.00	11.8%	Feb-22	
		Blow off valve or air relief valve (per unit)	$333.00	$395.00	$62.00	18.6%	Feb-22	
		Fire hydrant installation (per unit)	$503.00	$590.00	$87.00	17.3%	Feb-22	
		Water line service assembly and service connection - "water tap" (per unit)	$667.00	$790.00	$123.00	18.4%	Feb-22	
		Building service line (per unit)	$667.00	$790.00	$123.00	18.4%	Feb-22	
		Recycled water irrigation system installation - up to 2 acre site	$4,383.00	$5,515.00	$1,132.00	25.8%	Feb-22	
		Recycled water irrigation system -installation per acre for sites over 2 acres	$742.00	$940.00	$198.00	26.7%	Feb-22	
		Recycled water irrigation system installation - zero pressure retest	$742.00	$940.00	$198.00	26.7%	Feb-22	
		Chlorination/Bacti retest	$911.00	$1,070.00	$159.00	17.5%	Feb-22	
		Water Pressure retest	$413.00	$480.00	$67.00	16.2%	Feb-22	
		Water inspection conducted outside of 8:30 a.m. - 4:30 p.m., Monday - Friday (per hour)	$265.00	$300.00	$35.00	13.2%	Feb-22	
		Water inspection conducted on weekends or holidays - minimum	$853.00	$990.00	$137.00	16.1%	Feb-22	
		Water inspection conducted on weekends or holidays - for each hour in excess of four hours	$265.00	$300.00	$35.00	13.2%	Feb-22	
Sewer Main Installation Inspection *Additional fees assessed for services performed by outside contractors.*	3.70.070(B)	Private single reach sewer main installation or repair - without	$1,250.00	$1,445.00	$195.00	15.6%	Feb-22	
		Single or multiple reach sewer main installation up to 350 ft - with TV	$6,317.00	$7,795.00	$1,478.00	23.4%	Feb-22	
		Additional cost per linear foot over 350 ft for single or multiple reach sewer main installation - with TV	$10.90	$12.68	$1.78	16.4%	Feb-22	
Sewer Miscellaneous Inspection	3.70.070(B)	Repairs or minor alterations	$333.00	$480.00	$147.00	44.1%	Feb-22	
		Saddle or manhole connection	$503.00	$590.00	$87.00	17.3%	Feb-22	
		Existing lateral installation or repair	$333.00	$395.00	$62.00	18.6%	Feb-22	
		New lateral installation	$333.00	$590.00	$257.00	77.2%	Feb-22	
		Appurtenant structure installation - up to 350 ft of main (per structure)	$588.00	$690.00	$102.00	17.3%	Feb-22	
		Appurtenant structure installation - over 350 ft of main (per structure)	$249.00	$495.00	$246.00	98.8%	Feb-22	
		Sewer main air retest	$413.00	$480.00	$67.00	16.2%	Feb-22	
		Sewer manhole vacuum retest	$243.00	$480.00	$237.00	97.5%	Feb-22	
		New grease interceptor installation	$424.00	$495.00	$71.00	16.7%	Feb-22	
		Annual grease interceptor maintenance inspection	$143.00	$240.00	$97.00	67.8%	Feb-22	
		Annual grease interceptor maintenance inspection - per additional interceptor at same location	$42.00	$50.00	$8.00	19.0%	Feb-22	
		Automotive pollution prevention inspection	$170.00	$340.00	$170.00	100.0%	Feb-22	
		Automotive pollution prevention inspection - per additional separator at same location	$0.00	$50.00	$50.00	n/a	n/a	New fee
		Reinspection of grease interceptor	$143.00	$240.00	$97.00	67.8%	Feb-22	
		Reinspection of grease interceptor - per additional interceptor at same location	$42.00	$50.00	$8.00	19.0%	Feb-22	

Sewer Miscellaneous Inspection *(continued)*	3.70.070(B)	Reinspection of automotive pollution prevention	$0.00	$340.00	$340.00	n/a	n/a	New fee
		Reinspection of automotive pollution prevention - per additional separator at same location	$0.00	$50.00	$50.00	n/a	n/a	New fee
		Sewer inspection conducted outside of 8:30 a.m. - 4:30 p.m., Monday - Friday (per hour)	$243.00	$300.00	$57.00	23.5%	Feb-22	
		Sewer inspection conducted on weekends or holidays - minimum	$773.00	$990.00	$217.00	28.1%	Feb-22	
		Sewer inspection conducted on weekends or holidays - for each hour in excess of four hours	$243.00	$300.00	$57.00	23.5%	Feb-22	
		Sewer flushing -per hour, 2 hour minimum	Actual Cost	Actual Cost	n/a	n/a	Feb-22	
Miscellaneous Inspection	3.70.070(B)	Additional punch list walk	$0.00	$480.00	$480.00	n/a	n/a	New fee
		Directional drilling/boring near District Facilities - up to 3,000 ft	$7,526.00	$7,100.00	($426.00)	-5.7%	Feb-22	
		Directional drilling/boring - per linear foot over 3,000 ft	$2.54	$2.40	($0.14)	-5.5%	Feb-22	
Meter Assembly Installation Fee *(including meter and meter spud)*	3.70.060 & 4.40.050	5/8" meter	$630.00	$743.00	$113.00	17.9%	Feb-22	
		3/4" meter	$650.00	$743.00	$93.00	14.3%	Feb-22	
		1" meter	$701.00	$847.00	$146.00	20.8%	Feb-22	
		1-1/2" positive displacement meter	$2,816.00	$3,298.00	$482.00	17.1%	Feb-22	
		1-1/2" compound meter	$1,856.00	$2,144.00	$288.00	15.5%	Feb-22	
		1-1/2" turbine meter	$1,492.00	$1,716.00	$224.00	15.0%	Feb-22	
		2" positive displacement meter	$3,019.00	$3,298.00	$279.00	9.2%	Feb-22	
		2" compound meter	$2,050.00	$2,371.00	$321.00	15.7%	Feb-22	
		2" turbine meter	$1,648.00	$1,906.00	$258.00	15.7%	Feb-22	
Recycled Water Fill Station	4.30.070	Annual Permit	$118.00	$122.00	$4.00	3.4%	Feb-22	
		Per truck load	$20.00	$24.00	$4.00	20.0%	Feb-22	
Recycled Water Irrigation System	4.30.040	License Fee	$1,049.00	$1,305.00	$256.00	24.4%	Feb-22	
Construction Water Meter - Jumper	4.40.090(A)	Residential - flat rate fee per 3/4-inch residential service line (54.5 CCF)	$307.00	$290.00	($17.00)	-5.5%	Feb-22	

Industrial Waste Program User Fees

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24	$ CHANGE	% CHANGE	LAST UPDATE	NOTES
Sampling	5.30.090	Composite Sampler set-up	$498.00	$515.00	$17.00	3.4%	Feb-22	
		Sampling, each site per day	$318.00	$330.00	$12.00	3.8%	Feb-22	
Inspections and Permitting - Significant Industrial User	5.30.090	Inspection, initial (Significant Industrial User (SIU)	$1,955.00	$2,050.00	$95.00	4.9%	Feb-22	
		Inspection, compliance (SIU)	$1,150.00	$1,205.00	$55.00	4.8%	Feb-22	
		Permit Issuance, includes application review (SIU)	$1,468.00	$1,535.00	$67.00	4.6%	Feb-22	
		Permit Renewal, includes application review (SIU)	$874.00	$915.00	$41.00	4.7%	Feb-22	
		Permit Amendments (SIU)	$487.00	$510.00	$23.00	4.7%	Feb-22	
Inspections and Permitting - Intermediate Industrial User	5.30.090	Inspection, initial (Intermediate Industrial User (IIU)	$980.00	$1,025.00	$45.00	4.6%	Feb-22	
		Inspection, compliance (IIU)	$577.00	$600.00	$23.00	4.0%	Feb-22	
		Permit Issuance, includes application review (IIU)	$980.00	$1,025.00	$45.00	4.6%	Feb-22	
		Permit Renewal, includes application review (IIU)	$434.00	$455.00	$21.00	4.8%	Feb-22	
		Permit Amendments (IIU)	$296.00	$310.00	$14.00	4.7%	Feb-22	
Hearings and Enforcement	5.30.090	Show Cause Hearing, each hearing, hours	$1,181.00	$1,235.00	$54.00	4.6%	Feb-22	
		Enforcement Hearing, each hearing, hours	$1,574.00	$1,645.00	$71.00	4.5%	Feb-22	

Dental Amalgam Program	5.30.090	Permit fee - 3 year permit for dental offices with amalgam separator devices	$132.00	$155.00	$23.00	17.4%	Feb-22	
		Inspection fee - inspection of amalgam separator devices	$131.00	$268.00	$137.00	104.6%	Feb-22	
		Penalty for past due self-monitoring report submittal	$132.00	$142.00	$10.00	7.6%	Feb-22	

Laboratory Analysis Fees

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24	$ CHANGE	% CHANGE	LAST UPDATE	NOTES
Alkalinity Bicarbonate, HCO3	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00	$16.00	38.1%	Feb-22	
Alkalinity Carbonate, CO3	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00	$16.00	38.1%	Feb-22	
Alkalinity Hydroxide, OH	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00	$16.00	38.1%	Feb-22	
Alkalinity Total	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$74.00	$32.00	76.2%	Feb-22	
Ammonia probe method	5.30.090; 1.100.030	Staff time at billing rates	$166.00	$198.00	$32.00	19.3%	Feb-22	
Ammonia, EPA 350.1	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$96.00	$96.00	n/a	n/a	New fee
Antimony	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Arsenic (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Barium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Beryllium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Biochemical Oxygen Demand (BOD)	5.30.090; 1.100.030	Staff time at billing rates	$125.00	$169.00	$44.00	35.2%	Feb-22	
Boron	5.30.090; 1.100.030	Staff time at billing rates	$137.00	$146.00	$9.00	6.6%	Feb-22	
Cadmium (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$100.00	$6.00	6.4%	Feb-22	
Calcium & Calcium Hardness	5.30.090; 1.100.030	Staff time at billing rates	$49.00	$176.00	$127.00	259.2%	Feb-22	
Cabonaceous Biochemical Oxygen Demand (CBOD)	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$160.00	$160.00	n/a	n/a	New fee
Chemical Oxygen Demand (COD)	5.30.090; 1.100.030	Staff time at billing rates	$49.00	$66.00	$17.00	34.7%	Feb-22	
Chloride	5.30.090; 1.100.030	Staff time at billing rates	$130.00	$262.00	$132.00	101.5%	Feb-22	
Chlorine	5.30.090; 1.100.030	Staff time at billing rates	$125.00	$144.00	$19.00	15.2%	Feb-22	
Chromium (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	

Cobalt	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Conductivity	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$130.00	$88.00	209.5%	Feb-22	
Copper (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Cyanide	5.30.090; 1.100.030	Staff time at billing rates	$224.00	$557.00	$333.00	148.7%	Feb-22	
Dissolved Oxygen	5.30.090; 1.100.030	Staff time at billing rates	$33.00	$65.00	$32.00	97.0%	Feb-22	
E.coli, Colilert-18 Enumeration Method	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$226.00	$226.00	n/a	n/a	New fee
Enterococcus, Enterolert	5.30.090; 1.100.030	Staff time at billing rates	$116.00	$197.00	$81.00	69.8%	Feb-22	
Fecal Coliform, Mulitple Tube Fermentation Method	5.30.090; 1.100.030	Staff time at billing rates	$249.00	$375.00	$126.00	50.6%	Feb-22	
Fluoride	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$124.00	$15.00	13.8%	Feb-22	
Hardness, Total	5.30.090; 1.100.030	Staff time at billing rates	$49.00	$176.00	$127.00	259.2%	Feb-22	
Heterotrophic Plate Count, SimPlate	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$168.00	$168.00	n/a	n/a	New fee
Langelier Index	5.30.090; 1.100.030	Staff time at billing rates	$207.00	$314.00	$107.00	51.7%	Feb-22	
Lead (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Manganese	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Mercury	5.30.090; 1.100.030	Staff time at billing rates	$181.00	$241.00	$60.00	33.1%	Feb-22	
Metals	5.30.090; 1.100.030	Staff time at billing rates	$524.00	$609.00	$85.00	16.2%	Feb-22	
Nickel (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Nitrate, NO3	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$124.00	$15.00	13.8%	Feb-22	
Nitrate, NO3, Hach Method	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$175.00	$133.00	316.7%	Feb-22	
Nitrite and Nitrate, Total	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$241.00	$132.00	121.1%	Feb-22	
Nitrite, NO2	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$241.00	$132.00	121.1%	Feb-22	
Nitrite, NO2, Hach Method	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$175.00	$133.00	316.7%	Feb-22	
pH	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00	$16.00	38.1%	Feb-22	
Potassium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	

Selenium (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Silica	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$124.00	$15.00	13.8%	Feb-22	
Silver (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Sodium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Sulfate	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$136.00	$27.00	24.8%	Feb-22	
Sulfide	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00	$16.00	38.1%	Feb-22	
Temperature	5.30.090; 1.100.030	Staff time at billing rates	$16.00	$32.00	$16.00	100.0%	Feb-22	
Thallium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Total Coliform/E.coli, Colilert (enumeration)	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$226.00	$226.00	n/a	n/a	New fee
Total Coliform, Multiple Tube Fermentation Method	5.30.090; 1.100.030	Staff time at billing rates	$249.00	$375.00	$126.00	50.6%	Feb-22	
Total Coliform/E.coli, Colilert (presence/absence)	5.30.090; 1.100.030	Staff time at billing rates	$83.00	$68.00	-$15.00	-18.1%	Feb-22	
Total Dissolved Solids, TDS	5.30.090; 1.100.030	Staff time at billing rates	$99.00	$169.00	$70.00	70.7%	Feb-22	
Total Solids, TS	5.30.090; 1.100.030	Staff time at billing rates	$99.00	$129.00	$30.00	30.3%	Feb-22	
Total Suspended Solids, TSS	5.30.090; 1.100.030	Staff time at billing rates	$99.00	$118.00	$19.00	19.2%	Feb-22	
Turbidity	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$196.00	$154.00	366.7%	Feb-22	
UV 254	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00	$16.00	38.1%	Feb-22	
Vanadium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00	$8.00	8.5%	Feb-22	
Volatile Acids, VA	5.30.090; 1.100.030	Staff time at billing rates	$125.00	$144.00	$19.00	15.2%	Feb-22	
Volatile Solids, VS	5.30.090; 1.100.030	Staff time at billing rates	$116.00	$160.00	$44.00	37.9%	Feb-22	
Zinc (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$92.00	$102.00	$10.00	10.9%	Feb-22	

* On January 1, 2025, these fees and charges shall be automatically adjusted in the manner described in the remainder of this subparagraph without further Board action of review. The General Manager is authorized to adjust these fees and charges on January 1, 2025 and each succeeding calendar year through January 1, 2027, by the percentage by which the most recent CPI (Consumer Price Index - all urban wage earners, not seasonally adjusted, San Francisco-Oakland-Hayward, CA, current, all item series) as of October 31 has increased in relation to the most recent corresponding CPI as of the preceding October 31. The General Manager shall post the new fees and charges on the District's website by December 31st of each calendar year.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ESTABLISHING FEES AND CHARGES UNDER DISTRICT CODE SECTIONS 1.30.010(B), 1.40.040, 1.50.010, 1.50.070, 1.100.010, 1.100.030, 2.30.050, 3.70.060, 3.70.070 (A) & (B), 4.30.040, 4.30.070, 4.40.040 (A) & (B), 4.40.050, 4.40.070, 4.40.080 (A) & (C), 4.40.090, AND 5.30.090, AND RESCINDING RESOLUTION NO. 9-22

WHEREAS, the above referenced sections of the District Code allow the Board of Directors to establish the respective fees and charges by ordinance or resolution; and

WHEREAS, these fees and charges have been reviewed and require adjustment; and

WHEREAS, IB Consulting, Inc. prepared a Cost Allocation Plan for the District in February 2022, which uses industry best practices in allocating the District's indirect administrative costs to the direct service programs and services; and

WHEREAS, these fees and charges, are not assessed as an incident of property ownership, and are therefore not subject to Proposition 218 notification; and

WHEREAS, certain of these fees and charges are imposed for specific services provided by the District directly to the customer required to pay them, in which services are not provided to those not charged, and the amount of the fees and charges have each been calculated using an accepted methodology of allocating costs to the customers that benefit from the services provided such that the fee or charge does not exceed the reasonable costs of providing the service; and

WHEREAS, certain of these fees and charges are imposed for the reasonable regulatory costs for issuing licenses and permits, for performing investigations, inspections, and audits, and for the administrative enforcement and adjudication thereof, based on an accepted methodology of allocating the reasonable regulatory costs to those whose activities give rise to the need for regulation; and

WHEREAS, certain of these fees and charges are imposed due to the particular nature of the uses of a property; and

WHEREAS, certain of these of the fees and charges comprise monetary charges imposed by the District for violations of law; and

WHEREAS, the fees and charges, as adopted by this resolution, once operative, will supersede those previously established in Resolution No. 9-22.

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

1. The charges authorized under Sections 1.30.010 (B) (GENERAL PENALTY – INFRACTION), 1.40.040 (COPIES OF PUBLIC RECORDS – FEES), 1.50.010 (ASSESSMENT OF LATE CHARGES), 1.50.070 (CHARGE FOR UNPAID RETURNED CHECKS), 1.100.010 (ESCROW FEES), 1.100.030 (OTHER FEES AND CHARGES AS ESTABLISHED OR AUTHORIZED BY THE BOARD), 2.30.050 (PROCESSING FEE [PLANNING SERVICES AGREEMENTS]), 3.70.060 (METER ASSEMBLY INSTALLATION FEE – WATER), 3.70.070 (A) & (B) (INSPECTION AND PROJECT REVIEW FEES – MISCELLANEOUS FEES), 4.30.040 (RECYCLED WATER USE LICENSE), 4.30.070 (SALE OF RECYCLED WATER AT RECYLED WATER TREATMENT FACILITIES), 4.40.040 (A) & (B) (OTHER FEES AND CHARGES FOR WATER SERVICE), 4.40.050 (METER ASSEMBLY AND INSTALLATION FEES), 4.40.070 (BACKFLOW PREVENTION ADMINISTRATION FEE), 4.40.080 (A) (FEES AND CHARGES FOR USE OF TEMPORARY METERS), 4.40.080 (C) (FEES AND CHARGES FOR USE OF TEMPORARY METERS – DEPOSIT), 4.40.090 (FEES AND CHARGES FOR USE OF CONSTRUCTION WATER METER), and 5.30.090 (INDUSTRIAL WASTE PROGRAM USER FEES AND CHARGES) of the Dublin San Ramon Services District Code are established in the respective amounts set forth in Exhibit "A," attached.

2. This resolution will be effective immediately upon its adoption, provided that the charges as shown on Exhibit "A" shall be operative from July 1, 2024.

3. On January 1, 2025, fees and charges shown in Exhibit "A" shall be automatically adjusted in the manner described in the remainder of this subparagraph without further Board action or review. The General Manager is authorized to adjust these fees on January 1, 2025, and January 1, 2026, by the percentage by which the most recent CPI (Consumer Price Index – all urban wage earners, not seasonally adjusted, San Francisco-Oakland-Hayward, CA, current, all items series) as of October 31 has increased in relation to the most recent corresponding CPI as of the preceding October 31. The General Manager shall post the new fees and charges on the District's website by December 31 of each calendar year.

4. Resolution No. 9-22, attached as Exhibit "B," is rescinded effective July 1, 2024.

*****

Res. No. _____

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 16th day of April, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

_____
Ann Marie Johnson, President

ATTEST: _____
Nicole Genzale, District Secretary

Dublin San Ramon Services District
Schedule of Fees and Charges
Miscellaneous Fees, Industrial Waste, and Laboratory Analysis

Miscellaneous Fees - Administrative

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24
General Penalty - Code Infraction	1.30.010(B)	First violation	$250.00	$250.00
		Second violation of the same provision or ordinance within one year	$500.00	$500.00
		Each additional violation of the same provision or ordinance within one year	$1,000.00	$1,000.00
Copies of Public Records Fee	1.40.040	Per page	$0.15	$0.15
Assessment of Late Charges	1.50.010	Shall be assessed on the overdue amount outstanding	10.0%	10.0%
Additional Late Charges	1.50.010	Shall be assessed for each 30 day period during which the overdue bill remains unpaid	1.0%	1.0%
Charge for Unpaid Returned Checks	1.50.070	First occurrence	$25.00	$25.00
		Each additional occurrence	$35.00	$35.00
Escrow Account - Set-up Fee	1.100.010	Fee to establish an escrow account requested by contractor	$535.00	$540.00
Escrow Account - Handling Fee	1.100.010	Fee for each escrow account transaction will be deducted from the contractor's regular progress payment	$45.00	$47.00
Regional Sewer Capacity Reserve Fee - Installment Plan - 10 year	3.70.070(B)	Initial set-up of 10 year installment plan	$3,731.00	$3,820.00

Miscellaneous Fees - Customer Service

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24
Backflow Prevention Administrative Fee - Reduced Pressure Device	4.40.070	Bi-monthly backflow prevention device maintenance administrative fee for reduced pressure device.	$18.00	$18.00
Backflow Prevention Administrative Fee - Double check/Detector check	4.40.070	Bi-monthly backflow prevention device maintenance administrative fee for double check/detector check devices.	$23.00	$23.00
New Accounts Set-up Fee	4.40.040(A) 4.40.040(B)	New Utility Billing Account Set Up Fee. Charged when establishing a new account.	$25.00	$26.00
Service Reconnection and Termination Fee	4.40.040(B)	For each occasion.	$137.00	$144.00
Service Reconnection Fee-OT	4.40.040(B)	Performed during non-regular business hours.	$445.00	$440.00
Curb Stop Repair Fee	4.40.040(B)	For repair of damaged curb stop.	$489.00	$516.00
Trim Charge	4.40.040(B)	For trimming around meter box after customer failed to do trimming after being notified.	$179.00	$187.00
Hand Delivered Notification Fee	4.40.040(B)	Hand delivery, to service location as required by law, to notify resident of pending service disconnect.	$36.00	$38.00
Broken Lock Fee	4.40.040(B)	Fee to cover the hardware and staff time costs resulting from a cut lock.	$84.00	$87.00
Meter Removal or Reinstall Fee	4.40.040(B)	Time and materials to remove or reinstall meter based on customer need	$210.00	$220.00
Site Visit	4.40.080(A)	Unsupported Site visit.	$106.00	$110.00
Temporary Meter - Charge for Breaking Seal/Tampering	4.40.080(A) 4.40.080(C)	Customer will be charged for actual time and materials	Actual Cost	Actual Cost
Construction Water Meter Fee	4.40.090(B)	Deposit equal to full replacement cost of the meter.	Actual Cost	Actual Cost
Non-Residential	4.40.090(C)	Field tracing charge each time a meter user fails to present the meter for reading.	$316.00	$332.00
Service Reconnection Fee under SB998 Provision	4.40.040(B)	For each occasion.	$53.00	$53.00
Service Reconnection Fee-OT under SB998 Provision	4.40.040(B)	Performed during non-regular business hours.	$159.00	$159.00

Dublin San Ramon Services District
Schedule of Fees and Charges
Miscellaneous Fees, Industrial Waste, and Laboratory Analysis

Miscellaneous Fees - Engineering

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24
Project Planning and Review Fees - Potable or Recycled Water *All Project Planning and Review Fees assume a maximum of two plan submittal reviews; all additional reviews will be billed at the staff's actual burdened hourly rate. Fee includes staff time for project support during construction and project acceptance.*	3.70.070(A)	Single family home (with existing service lines)	$492.00	$560.00
		Commercial/industrial unit improvement/expansion	$2,612.00	$3,155.00
		New commercial unit/building	$5,225.00	$6,310.00
		Additional new commercial unit/building	$2,040.00	$2,365.00
		Additional commercial fee per linear foot for new main installation over 300 ft	$6.23	$7.26
		New residential subdivision up to 5 units	$5,225.00	$6,310.00
		Additional residential unit over 5 units	$180.00	$210.00
		Additional residential fee per linear foot for new main installation over 300 ft	$6.23	$7.26
		Invoice Reissuance	$0.00	$105.00
		Recycled water irrigation system	$4,944.00	$5,520.00
		Recycled water irrigation system - per acre for sites over 2 acres	$604.00	$675.00
Project Planning and Review Fees - Sewer *All Project Planning and Review Fees assume a maximum of two plan submittal reviews; all additional reviews will be billed at the staff's actual burdened hourly rate. Fee includes staff time for project support during construction and project acceptance.*	3.70.070(A)	Single family home (with existing service lines)	$492.00	$560.00
		Commercial/industrial unit improvement/expansion	$3,058.00	$3,580.00
		New commercial unit/building	$6,110.00	$7,155.00
		Additional new commercial unit/building	$1,409.00	$1,685.00
		Additional commercial fee per linear foot for new main installation over 300 ft	$5.45	$6.34
		New residential subdivision up to 5 units	$4,233.00	$5,052.00
		Additional residential unit over 5 units	$79.00	$95.00
		Additional residential fee per linear foot for new main installation over 300 ft	$5.45	$6.34
Project Planning and Review Fees - Miscellaneous	3.70.070(A)	Variance review (from approved plans)	$1,733.00	$1,875.00
		Easement and quit claim review	$0.00	$990.00
		Research (every 30 minutes beyond the initial 30 minutes)	$0.00	$115.00
		Water Pressure Request	$0.00	$580.00
Planning Agreement Application Fee	2.30.050	Minimum processing fee for planning agreement application	$4,420.00	$4,590.00
Potable or Recycled Water Main Installation Inspection	3.70.070(A)	Installation or repair of water main line less than 50 ft	$1,250.00	$1,830.00
		Installation or repair of water main line up to 300 ft	$5,554.00	$6,885.00
		Additional cost per linear foot over 300 ft for inspection of installation or repair of water main line	$10.00	$11.73
Potable or Recycled Miscellaneous Inspection	3.70.070(A)	Backflow prevention device (per unit)	$238.00	$395.00
		Fire service installation and backflow prevention device (per unit)	$1,033.00	$1,155.00
		Blow off valve or air relief valve (per unit)	$333.00	$395.00
		Fire hydrant installation (per unit)	$503.00	$590.00
		Water line service assembly and service connection - "water tap" (per unit)	$667.00	$790.00
		Building service line (per unit)	$667.00	$790.00
		Recycled water irrigation system installation - up to 2 acre site	$4,383.00	$5,515.00
		Recycled water irrigation system -installation per acre for sites over 2 acres	$742.00	$940.00
		Recycled water irrigation system installation - zero pressure retest	$742.00	$940.00
		Chlorination/Bacti retest	$911.00	$1,070.00
		Water Pressure retest	$413.00	$480.00
Potable or Recycled Miscellaneous Inspection *(continued)*	3.70.070(A)	Water inspection conducted outside of 8:30 a.m. - 4:30 p.m., Monday - Friday (per hour)	$265.00	$300.00

		Water inspection conducted on weekends or holidays - minimum	$853.00	$990.00
		Water inspection conducted on weekends or holidays - for each hour in excess of four hours	$265.00	$300.00
Sewer Main Installation Inspection *Additional fees assessed for services performed by outside contractors.*	3.70.070(B)	Private single reach sewer main installation or repair - without	$1,250.00	$1,445.00
		Single or multiple reach sewer main installation up to 350 ft - with TV	$6,317.00	$7,795.00
		Additional cost per linear foot over 350 ft for single or multiple reach sewer main installation - with TV	$10.90	$12.68
Sewer Miscellaneous Inspection	3.70.070(B)	Repairs or minor alterations	$333.00	$480.00
		Saddle or manhole connection	$503.00	$590.00
		Existing lateral installation or repair	$333.00	$395.00
		New lateral installation	$333.00	$590.00
		Appurtenant structure installation - up to 350 ft of main (per structure)	$588.00	$690.00
		Appurtenant structure installation - over 350 ft of main (per structure)	$249.00	$495.00
		Sewer main air retest	$413.00	$480.00
		Sewer manhole vacuum retest	$243.00	$480.00
		New grease interceptor installation	$424.00	$495.00
		Annual grease interceptor maintenance inspection	$143.00	$240.00
		Annual grease interceptor maintenance inspection - per additional interceptor at same location	$42.00	$50.00
		Automotive pollution prevention inspection	$170.00	$340.00
		Automotive pollution prevention inspection - per additional separator at same location	$0.00	$50.00
		Reinspection of grease interceptor	$143.00	$240.00
		Reinspection of grease interceptor - per additional interceptor at same location	$42.00	$50.00
		Reinspection of automotive pollution prevention	$0.00	$340.00
		Reinspection of automotive pollution prevention - per additional separator at same location	$0.00	$50.00
		Sewer inspection conducted outside of 8:30 a.m. - 4:30 p.m., Monday - Friday (per hour)	$243.00	$300.00
		Sewer inspection conducted on weekends or holidays - minimum	$773.00	$990.00
		Sewer inspection conducted on weekends or holidays - for each hour in excess of four hours	$243.00	$300.00
		Sewer flushing -per hour, 2 hour minimum	Actual Cost	Actual Cost
Miscellaneous Inspection	3.70.070(B)	Additional punch list walk	$0.00	$480.00
		Directional drilling/boring near District Facilities - up to 3,000 ft	$7,526.00	$7,100.00
		Directional drilling/boring - per linear foot over 3,000 ft	$2.54	$2.40
Meter Assembly Installation Fee *(including meter and meter spud)*	3.70.060 & 4.40.050	5/8" meter	$630.00	$743.00
		3/4" meter	$650.00	$743.00
		1" meter	$701.00	$847.00
		1-1/2" positive displacement meter	$2,816.00	$3,298.00
		1-1/2" compound meter	$1,856.00	$2,144.00
		1-1/2" turbine meter	$1,492.00	$1,716.00
		2" positive displacement meter	$3,019.00	$3,298.00
		2" compound meter	$2,050.00	$2,371.00
		2" turbine meter	$1,648.00	$1,906.00

Recycled Water Fill Station	4.30.070	Annual Permit	$118.00	$122.00
		Per truck load	$20.00	$24.00
Recycled Water Irrigation System	4.30.040	License Fee	$1,049.00	$1,305.00
Construction Water Meter - Jumper	4.40.090(A)	Residential - flat rate fee per 3/4-inch residential service line (54.5 CCF)	$307.00	$290.00

Industrial Waste Program User Fees

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24
Sampling	5.30.090	Composite Sampler set-up	$498.00	$515.00
		Sampling, each site per day	$318.00	$330.00
Inspections and Permitting - Significant Industrial User	5.30.090	Inspection, initial (Significant Industrial User (SIU)	$1,955.00	$2,050.00
		Inspection, compliance (SIU)	$1,150.00	$1,205.00
		Permit Issuance, includes application review (SIU)	$1,468.00	$1,535.00
		Permit Renewal, includes application review (SIU)	$874.00	$915.00
		Permit Amendments (SIU)	$487.00	$510.00
Inspections and Permitting - Intermediate Industrial User	5.30.090	Inspection, initial (Intermediate Industrial User (IIU)	$980.00	$1,025.00
		Inspection, compliance (IIU)	$577.00	$600.00
		Permit Issuance, includes application review (IIU)	$980.00	$1,025.00
		Permit Renewal, includes application review (IIU)	$434.00	$455.00
		Permit Amendments (IIU)	$296.00	$310.00
Hearings and Enforcement	5.30.090	Show Cause Hearing, each hearing, hours	$1,181.00	$1,235.00
		Enforcement Hearing, each hearing, hours	$1,574.00	$1,645.00
Dental Amalgam Program	5.30.090	Permit fee - 3 year permit for dental offices with amalgam separator devices	$132.00	$155.00
		Inspection fee - inspection of amalgam separator devices	$131.00	$268.00
		Penalty for past due self-monitoring report submittal	$132.00	$142.00

Laboratory Analysis Fees

TYPE OF FEE	DISTRICT CODE	FEE DESCRIPTION	CURRENT FEE	FEE EFFECTIVE 7/1/24 - 12/31/24
Alkalinity Bicarbonate, HCO3	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00
Alkalinity Carbonate, CO3	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00
Alkalinity Hydroxide, OH	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00
Alkalinity Total	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$74.00
Ammonia probe method	5.30.090; 1.100.030	Staff time at billing rates	$166.00	$198.00
Ammonia, EPA 350.1	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$96.00
Antimony	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Arsenic (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Barium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Beryllium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Biochemical Oxygen Demand (BOD)	5.30.090; 1.100.030	Staff time at billing rates	$125.00	$169.00
Boron	5.30.090; 1.100.030	Staff time at billing rates	$137.00	$146.00

Cadmium (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$100.00
Calcium & Calcium Hardness	5.30.090; 1.100.030	Staff time at billing rates	$49.00	$176.00
Cabonaceous Biochemical Oxygen Demand (CBOD)	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$160.00
Chemical Oxygen Demand (COD)	5.30.090; 1.100.030	Staff time at billing rates	$49.00	$66.00
Chloride	5.30.090; 1.100.030	Staff time at billing rates	$130.00	$262.00
Chlorine	5.30.090; 1.100.030	Staff time at billing rates	$125.00	$144.00
Chromium (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Cobalt	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Conductivity	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$130.00
Copper (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Cyanide	5.30.090; 1.100.030	Staff time at billing rates	$224.00	$557.00
Dissolved Oxygen	5.30.090; 1.100.030	Staff time at billing rates	$33.00	$65.00
E.coli, Colilert-18 Enumeration Method	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$226.00
Enterococcus, Enterolert	5.30.090; 1.100.030	Staff time at billing rates	$116.00	$197.00
Fecal Coliform, Mulitple Tube Fermentation Method	5.30.090; 1.100.030	Staff time at billing rates	$249.00	$375.00
Fluoride	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$124.00
Hardness, Total	5.30.090; 1.100.030	Staff time at billing rates	$49.00	$176.00
Heterotrophic Plate Count, SimPlate	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$168.00
Langelier Index	5.30.090; 1.100.030	Staff time at billing rates	$207.00	$314.00
Lead (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Manganese	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Mercury	5.30.090; 1.100.030	Staff time at billing rates	$181.00	$241.00
Metals	5.30.090; 1.100.030	Staff time at billing rates	$524.00	$609.00
Nickel (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Nitrate, NO3	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$124.00
Nitrate, NO3, Hach Method	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$175.00
Nitrite and Nitrate, Total	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$241.00
Nitrite, NO2	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$241.00

Nitrite, NO2, Hach Method	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$175.00
pH	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00
Potassium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Selenium (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Silica	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$124.00
Silver (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Sodium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Sulfate	5.30.090; 1.100.030	Staff time at billing rates	$109.00	$136.00
Sulfide	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00
Temperature	5.30.090; 1.100.030	Staff time at billing rates	$16.00	$32.00
Thallium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Total Coliform/E.coli, Colilert (enumeration)	5.30.090; 1.100.030	Staff time at billing rates	$0.00	$226.00
Total Coliform, Multiple Tube Fermentation Method	5.30.090; 1.100.030	Staff time at billing rates	$249.00	$375.00
Total Coliform/E.coli, Colilert (presence/absence)	5.30.090; 1.100.030	Staff time at billing rates	$83.00	$68.00
Total Dissolved Solids, TDS	5.30.090; 1.100.030	Staff time at billing rates	$99.00	$169.00
Total Solids, TS	5.30.090; 1.100.030	Staff time at billing rates	$99.00	$129.00
Total Suspended Solids, TSS	5.30.090; 1.100.030	Staff time at billing rates	$99.00	$118.00
Turbidity	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$196.00
UV 254	5.30.090; 1.100.030	Staff time at billing rates	$42.00	$58.00
Vanadium	5.30.090; 1.100.030	Staff time at billing rates	$94.00	$102.00
Volatile Acids, VA	5.30.090; 1.100.030	Staff time at billing rates	$125.00	$144.00
Volatile Solids, VS	5.30.090; 1.100.030	Staff time at billing rates	$116.00	$160.00
Zinc (included in Metals)	5.30.090; 1.100.030	Staff time at billing rates	$92.00	$102.00

* On January 1, 2025, these fees and charges shall be automatically adjusted in the manner described in the remainder of this subparagraph without further Board action of review. The General Manager is authorized to adjust these fees and charges on January 1, 2025 and each succeeding calendar year through January 1, 2027, by the percentage by which the most recent CPI (Consumer Price Index - all urban wage earners, not seasonally adjusted, San Francisco-Oakland-Hayward, CA, current, all item series) as of October 31 has increased in relation to the most recent corresponding CPI as of the preceding October 31. The General Manager shall post the new fees and charges on the District's website by December 31st of each calendar year.

RESOLUTION NO. 9-22

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ESTABLISHING FEES AND CHARGES UNDER DISTRICT CODE SECTIONS 1.100.010, 1.30.010 (B), 1.40.040, 1.50.010, 1.50.070, 2.30.050, 3.70.070 (A) & (B), 3.70.060, 4.30.070, 4.40.040 (A) & (B), 4.40.050, 4.40.070, 4.40.080 (A), 4.40.080 (C), 4.40.090 (A) & (B), AND 5.30.090, AND RESCINDING RESOLUTION NO. 30-20

WHEREAS, the above referenced sections of the District Code allow the Board of Directors to establish the respective fees and charges by ordinance or resolution; and

WHEREAS, these fees and charges, which are not assessed as an incident of property ownership, but are imposed upon and due to the nature of the use of the property, and not by virtue of the landowner's ownership of the property and are therefore not subject to Proposition 218 notification, have been reviewed and require adjustment; and

WHEREAS, these fees and charges are imposed for specific services provided by the District directly to the customer required to pay them, in which services are not provided to those not charged, and the amount of the fees and charges have each been calculated using an accepted methodology of allocating costs to the customers that benefit from the services provided such that the fee or charge does not exceed the reasonable costs of providing the service; and

WHEREAS, the District contracted with IB Consulting, Inc. for a Cost Allocation Plan in October 2021. The plan uses industry best practices in allocating the District's indirect administrative costs to the direct service programs and services; and

WHEREAS, the Cost Allocation Plan is in compliance with Federal Office of Management and Budget Circular A-87; and

WHEREAS, some of the fees and charges are imposed for the reasonable regulatory costs for issuing licenses and permits, performing investigations, inspections, and audits, and for the administrative enforcement and adjudication thereof, based on an accepted methodology of allocating the reasonable regulatory costs to those whose activities give rise to the need for regulation; and

WHEREAS, some of the fees and charges comprise monetary charges imposed by the District for violations of law; and

WHEREAS, the fees and charges, as adopted by this resolution, once operative, will supersede those previously established in Resolution No. 30-20.

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

1. The charges authorized under Sections 1.30.010 (B) (GENERAL PENALTY – INFRACTION), 1.40.040 (COPIES OF PUBLIC RECORDS - FEES), 1.50.010 (ASSESSMENT OF LATE CHARGES), 1.50.070

(CHARGE FOR UNPAID RETURNED CHECKS), 2.30.050 (PROCESSING FEE [PLANNING SERVICES AGREEMENTS]), 1.100.010 (ESCROW FEES), 3.70.070 (A) & (B) (INSPECTION AND PROJECT REVIEW FEES – MISCELLANEOUS FEES), 3.70.060 (METER ASSEMBLY INSTALLATION FEE - WATER), 4.30.070 (SALE OF RECYCLED WATER AT RECYLED WATER TREATMENT FACILITIES), 4.40.040 (A) & (B) (OTHER FEES AND CHARGES FOR WATER SERVICE), 4.40.050 (METER ASSEMBLY AND INSTALLATION FEES), 4.40.070 (BACKFLOW PREVENTION ADMINISTRATION FEE), 4.40.080 (A) (FEES AND CHARGES FOR USE OF TEMPORARY METERS), 4.40.080 (C) (FEES AND CHARGES FOR USE OF TEMPORARY METERS - DEPOSIT), 4.40.090 (A) & (B) (FEES AND CHARGES FOR USE OF CONSTRUCTION WATER METER), and 5.30.090 (INDUSTRIAL WASTE PROGRAM USER FEES AND CHARGES) of the Dublin San Ramon Services District Code are established in the respective amounts set forth in Exhibit "A," attached.

2. This resolution will be effective immediately upon its adoption, provided that the charges as shown on Exhibit "A" shall be operative from July 1, 2022.

3. On January 1, 2023, fees and charges in Exhibit "A" shall be automatically adjusted in the manner described in the remainder of this subparagraph without further Board action or review. The General Manager is authorized to adjust these fees on January 1, 2023, by the percentage by which the most recent CPI (Consumer Price Index – all urban wage earners, not seasonally adjusted, San Francisco-Oakland-Hayward, CA, current, all items series) as of October 31 has increased in relation to the most recent corresponding CPI as of the preceding October 31. The General Manager shall post the new fees and charges on the District's website by December 31, 2022.

4. Resolution No. 30-20, attached as Exhibit "B," is rescinded effective July 1, 2022.

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 15th day of February, 2022, and passed by the following vote:

AYES: 5 – Directors Arun Goel, Marisol Rubio, Ann Marie Johnson, Georgean M. Vonheeder-Leopold, Richard M. Halket

NOES: 0

ABSENT: 0

Richard M. Halket, President

ATTEST: _____
Nicole Genzale, District Secretary

Dublin San Ramon Services District
Water, wastewater, recycled water

STAFF REPORT

Meeting Date: April 16, 2024

TITLE: Public Hearing: Consider Establishing Water Rates under Chapter 4.40 of the District Code and Rescinding, in Part, Resolution No. 21-19

RECOMMENDATION:

Staff recommends the Board of Directors: (1) hold a public hearing to consider proposed water rates, and (2) adopt, by Resolution, water rates under Chapter 4.40 of the District Code and rescind, in part, Resolution No. 21-19.

SUMMARY:

DSRSD conducts water rate studies approximately every five years with the objective of developing cost-based rates that fund the District's operation, maintenance, and capital replacement needs. Water rates were last updated in July 2019. In August 2023, DSRSD retained HDR Engineering, Inc. (HDR) to prepare the 2024 Water Cost of Service Study (Study). A discussion of the District's cost of service and revenue requirements and proposed rates for 2024 through 2028 is included in this report. On February 6, 2024, the Board authorized a Proposition 218 notice and set a public hearing to consider adoption of rates for April 16, 2024. If approved, water rate revenues are proposed to increase 5.5 percent effective May 1, 2024, and 5.5 percent effective January 1, 2025, with increases for future calendar years 2026 through 2028 limited to no more than the rate of inflation established by the applicable Consumer Price Index (CPI). The proposed revenue increases are necessary to pay for rising labor, energy, and chemical costs and to address aging infrastructure. The proposed rates include an assumption that the District would draw down $7 million in reserves from the Water Rate Stabilization Fund over the next two years to minimize rate adjustment impacts to customers, while still providing sufficient revenues to fund operations. 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 before the closing of the public hearing will be counted as formal protests.

BACKGROUND:

The District provides potable and recycled water service to customers in the City of Dublin and the Dougherty Valley area of the City of San Ramon. Types of customers include residential, commercial, industrial, and institutional. The District receives wholesale treated water from the Zone 7 Water Agency (Zone 7). The District also partners with the East Bay Municipal Utility District (EBMUD) to produce and distribute recycled water through the DSRSD-EBMUD Recycled Water Authority (DERWA), a joint powers authority formed in 1995. In an average year, 75 percent of DSRSD's water supply to its customers is potable water from Zone 7, and about 25 percent of its water supply is recycled water for outdoor irrigation.

In accordance with the District's Rate Policies and Guidelines policy (P400-16-1), District water rates are periodically reviewed to ensure financial sufficiency to meet operation and maintenance costs and capital replacement costs, achieve policy reserve fund targets, and realign rates to adequately recover the water enterprise's revenue requirements. A comprehensive water rate study and recalculation of water rates was last completed in 2019. In adopting water rates in 2019, the Board authorized annual CPI percentage adjustments, commencing January 1, 2021, through January 1, 2024.

In August 2023, the District retained HDR, a third-party independent rate consultant, to prepare a comprehensive water and recycled water rate study to review cost of service and revenue requirements for the water enterprise and to develop a proposed five-year water rate schedule. This effort was accelerated when the District's Adopted Operating Budget for Fiscal Years (FY) 2024 and 2025 identified $2 million per year in unanticipated cost increases to the Water

Originating Department: Office of the General Manager	**Contact: C. Ferreyra/J. Lee**	**Legal Review: Yes**
Financial Review: Yes	**Cost and Funding Source: N/A**	
Attachments: ☐ None ☒ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☒ Other (see list on right)	**Attachment 1 – 2024 Water Cost of Service Study** **Attachment 2 – Proposition 218 Notice** **Attachment 3 – Proposition 218 Receipt, Tabulation and Validation of Written Protests Policy** **Attachment 4 – Summary of Comments and Protests**	

Fund that were not included in the cost of service assumptions in the 2019 Comprehensive Water Cost of Service Study. These unanticipated costs include increases to DERWA operating expenses, energy prices, and underground repairs, and additional labor to address preventative maintenance and regulatory compliance needs.

Policy Direction:

The cost of distributing water to individual customers is reflected in the District's "retail rate." The retail rate consists of two types of water charges: a fixed service charge and a variable consumption charge. A fixed service charge is a fixed amount charged to each customer based on meter size. A variable consumption charge is based on water demand and is charged per hundred cubic feet of water (CCF) used. The District purchases all of its potable water supplies from Zone 7), the Tri-Valley's wholesale water supplier. Zone 7 charges the District a "wholesale rate" for purchasing treated water, which is itself comprised of fixed and variable charges.

At the September 19, October 17, and December 19, 2023 Board meetings, staff requested guidance from the Board on water rate policy issues to provide the framework for the 2024 Study. The two primary policy issues were:

- **Zone 7 Wholesale Water Rate Structure**. Staff sought Board direction on the concept of establishing a separate fixed charge for the Zone 7 wholesale cost of water. This approach, a shift from the current methodology of blending the fixed and variable wholesale charges from Zone 7, mitigates the potential financial risk if actual water sales are less than projected and DSRSD collects insufficient revenues to fully pay the Zone 7 fixed charge. DSRSD must pay the Zone 7 fixed charge regardless of actual water sales. Blending the Zone 7 fixed and variable charges allows customers to control a greater percentage of their bill through their individual water usage.

- **DSRSD Retail Rate Structure.** The District's current water charges for DSRSD's retail rate generate approximately 20 percent of the total rate revenues from fixed charges and the remaining 80 percent from variable charges. Collecting a higher percentage of revenue requirements through fixed charges provides greater revenue stability during periods of lower demand. However, higher fixed charge allocations represent a greater proportion of the overall water bill for low water usage customers.

On October 17, 2023, the Board directed staff to defer implementation of water rate adjustments in January 2024 pending the results of the 2024 Study. On December 19, 2023, the Board reviewed a range of draft rate scenarios and directed staff to proceed with establishing a separate wholesale fixed charge to collect 30 percent of the Zone 7 fixed charge, and to continue collecting 20 percent of overall DSRSD retail water revenues from fixed charges and 80 percent from variable charges. The Board also agreed with staff's recommendation to utilize reserves from the Water Rate Stabilization Fund, consistent with the District's Financial Reserves policy, to lessen rate adjustment impacts to customers. On February 6, 2024, the Board received the Draft 2024 Study, which incorporated this Board direction.

DISCUSSION:

HDR has reviewed the District's water and recycled water rates and prepared the Draft 2024 Study provided as Attachment 1. In developing the Study, the District had a number of key objectives:

- Develop the Study in a manner that is consistent with the principles and methodologies contained in the American Water Works Association Principles of Water Rates, Fees, and Charges manual (AWWA M1 Manual).
- Review and utilize best industry practices in establishing the District's water and recycled water rates, while recognizing and acknowledging the specific and unique characteristics of the District's water systems.
- Utilize the findings from the Study to establish cost-based and proportional rates for FY 2024 through FY 2028. The proposed FY 2024 rate adjustment is proposed to be effective May 1, 2024. All subsequent year adjustments are proposed to take effect January 1, which aligns with the rate adjustment schedule for Zone 7.
- Propose rates which do not exceed the proportional cost of providing service to meet the legal requirements of Proposition 218.

Proposition 218 Compliance:

Increases in charges for "property related fees and charges" are subject to the provisions of Article XIII(D), Section 6 of the California Constitution. These provisions were added by the voters through an initiative in 1996, known as Proposition 218. Public involvement in the rate-setting process is mandated by Proposition 218. The District must mail out notices of proposed rate increases no less than 45 days prior to a scheduled public hearing on the rate increases. Pursuant to Proposition 218, if written protests to the rate increases are submitted for a majority of properties served by DSRSD (a "majority protest"), the District is prohibited from implementing the rate increases.

The process for notification and rate setting is as follows:

- Board receives background on proposed rates.
- Board directs issuance of required Proposition 218 notice to property owners and tenants.
- Board sets public hearing for a date not less than 45 days after the mailing of the Proposition 218 notice.
- Staff mails the Proposition 218 notices and posts the Draft Study on the District's website.
- Board holds public hearing. Written protests may be submitted up to the end of the public hearing.
- In absence of a majority protest, the Board may adopt the recommended rates.

Proposition 218 requires that water rate-setting methodology be sound, the costs of service be established, and the rates charged to customers be proportional to the costs of service. While Proposition 218 requires the development of proportional, cost-based rates, it does not prescribe a specific approach or methodology to ensure meeting this legal requirement. There are multiple acceptable methodologies which have been upheld after court scrutiny. HDR and DSRSD staff collaborated to select such a methodology that best reflects DSRSD's financial and operational needs.

A Proposition 218 notice (Attachment 2) was mailed to all property owners and tenants in the District's water service area. District property owners are allowed an opportunity to address the Board during the public hearing process. However, only valid written protests received before the close of the public hearing will be counted as formal protests of the proposed rates. Protests will be tabulated in accordance with the District's Proposition 218 Receipt, Tabulation and Validation of Written Protests policy (P100-23-3) (Attachment 3). As of the deadline for agenda preparation, a total of two apparent written protests have been received, which are reflected in the Summary of Comments and Protests (Attachment 4). Protests will continue to be accepted until the end of the public hearing in accordance with the above policy and Proposition 218.

Retail Rates

The District's retail water rates are comprised of a bimonthly meter charge and variable consumption charges. The consumption charges have different cost components based on the type of customer and service. If the customer is in an elevated zone which requires pumping, then a power charge is also applied to recover the direct costs of pumping water to the higher elevation. The proposed rate design would continue to collect 20 percent of retail revenues from fixed charges and 80 percent from variable charges.

Proposed retail water rates are shown in Tables 1 and 2. If adopted, the FY 2024 rate adjustment would be effective on May 1, 2024. The FY 2025 would be effective January 1, 2025. All subsequent year adjustments would also take effect January 1, which aligns with the rate adjustment schedule for Zone 7. Water rate adjustments for FY 2026 through FY 2028, will be calculated annually based on the August-to-August change in CPI – All Urban Consumers for San Francisco/Oakland/Hayward (for purposes of the cost of service report only, the change in CPI is assumed to be three percent annually).

Table 1 - Proposed Bimonthly Fixed Service Charges

METER SIZE	CURRENT	EFFECTIVE 5/1/2024	EFFECTIVE 1/1/2025
5/8”	$39.37	$40.68	$42.92
3/4"	$54.88	$59.62	$62.90
1”	$85.93	$97.50	$102.87
1.5”	$163.53	$192.21	$202.78
2”	$256.67	$305.85	$322.68
3”	$683.51	$826.73	$872.20
4”	$1,172.45	$1,423.36	$1,501.65
6”	$2,491.79	$3,033.33	$3,200.17
8”	$4,354.40	$5,306.23	$5,598.07
10”	$6,527.43	$7,957.95	$8,395.63

Table 2 - Proposed Consumption Rates ($/CCF)

CLASS OF SERVICE	CURRENT	EFFECTIVE 5/1/2024	EFFECTIVE 1/1/2025
RESIDENTIAL/COMMERCIAL	$1.45	$1.59	1.67
IRRIGATION	1.86	2.02	2.13
RECYCLED WATER	4.45	5.23	5.51
POWER COSTS	0.29	0.43	0.45

Water Shortage Condition Rates

All California water agencies are required to have a Water Shortage Contingency Plan (WSCP). The WSCP outlines the actions the water agency will take during different stages of drought or other water shortage emergencies. WSCPs also include water shortage condition rates to ensure enough revenue to cover the cost of providing water service during times of water shortage and reduced customer deliveries. Revised water shortage condition rates were calculated so that DSRSD generates sufficient revenue to cover the cost of providing water service during times of water shortage and reduced customer deliveries. These rates are only implemented during specified drought conditions and other water shortage emergencies, and implementation requires a declaration from the District’s Board of Directors to impose.

In the past, the State of California required agencies to have four stages of water shortages in their WSCP. However, in 2019, the requirement was changed to six stages. DSRSD is proposing six stages of water shortage condition rates to align with these new requirements. In addition, the water shortage condition rates have been designed to include an allowance for baseline water use, in recognition that a certain amount of water is required for essential uses. This baseline allowance provides residential and commercial customers 5 CCF of water per bimonthly billing period at the normal condition rate before charging the corresponding water shortage condition rate for all consumption in excess of 5 CCF. Tables 3 and 4 show the proposed water shortage condition rates for FY 2024 and FY 2025 for residential/ commercial and potable irrigation customers.

Table 3 - Water Shortage Condition Rates – Residential/Commercial

	WATER REDUCTION GOAL	CURRENT	EFFECTIVE 5/1/2024	EFFECTIVE 1/1/2025
STAGE 1	10%	$1.62	$1.81	$1.91
STAGE 2	20%	$1.83	$2.11	$2.23
STAGE 3	30%	$2.24	$2.54	$2.68
STAGE 4	40%	$2.92	$3.17	$3.34
STAGE 5	50%	n/a	$4.22	$4.46
STAGE 6	>50%	n/a	$6.33	$6.68

Table 4 - Water Shortage Condition Rates – Potable Irrigation

	WATER REDUCTION GOAL	CURRENT	EFFECTIVE 5/1/2024	EFFECTIVE 1/1/2025
STAGE 1	10%	$2.07	$2.24	$2.36
STAGE 2	20%	$2.33	$2.52	$2.66
STAGE 3	30%	$2.86	$2.88	$3.04
STAGE 4	40%	$3.72	$3.36	$3.55
STAGE 5	50%	n/a	$4.03	$4.26
STAGE 6	>50%	n/a	$5.04	$5.32

Pass-Through Charges:

California law authorizes agencies providing retail water service to directly pass through to customers increases to the wholesale water charges paid by the water retailer.

Zone 7 Cost of Water

The District purchases all of its potable water supplies from Zone 7, the Tri-Valley's wholesale water supplier. Zone 7 charges the District a wholesale rate for purchasing treated water. This rate includes Zone 7's direct cost of purchasing water from the California Department of Water Resources through the State Water Project, and associated costs to treat, store, and distribute treated water to the retailers. Zone 7's wholesale rates are comprised of fixed and variable charges. The District currently blends the fixed and variable wholesale charges, in proportion to estimated water use, and passes through a "Zone 7 Cost of Water" charge to District customers. In addition, Zone 7 levies an assessment for other State Water Project costs on all properties in Alameda County which is billed directly by Zone 7 on the Alameda County tax roll.

The Study proposes a separate Zone 7 fixed and variable consumption rate to more closely reflect the manner in which Zone 7 charges the District for wholesale water. The FY 2024 rates are designed to collect 30 percent of the Zone 7 fixed charge imposed by Zone 7 through a new bimonthly meter charge. The remainder of the fixed charge and all consumption charges would be blended and collected through the consumption charge on a volumetric basis. The proposed Zone 7 consumption charge is reduced for FY 2024 because of the establishment of the separate bimonthly fixed meter charge. For FY 2025 through FY 2028, the District will pass through any future adjustments to the wholesale rate that the Zone 7 Board of Directors authorizes, using the same methodology described above.

Tables 5 and 6 show proposed rates to recover the Zone 7 costs based on a revised rate structure which includes a new bimonthly meter charge and a variable consumption charge for potable water customers.

Table 5 - Proposed Zone 7 Bimonthly Fixed Service Charges

METER SIZE	CURRENT	EFFECTIVE 5/1/2024
5/8"	n/a	$12.93
3/4"	n/a	$19.39
1"	n/a	$32.32
1.5"	n/a	$64.64
2"	n/a	$103.42
3"	n/a	$281.17
4"	n/a	$484.78
6"	n/a	$1,034.19
8"	n/a	$1,809.84
10"	n/a	$2,714.76

Table 6 - Proposed Zone 7 Consumption Rates ($/CCF)

	CURRENT	EFFECTIVE 5/1/2024
ZONE 7 COST OF WATER	$4.45	$3.83

Dougherty Valley Standby Charge District 2001-1 (DVSCD) Incremental State Water Project Charge

The State Water Project supplies 90 percent of Zone 7's potable water. As described earlier, Zone 7 recovers the costs associated with purchasing State Water Project water through wholesale water charges to Tri-Valley retailers and property taxes levied in Alameda County. However, Zone 7 does not have the authority to recover State Water Project costs through the Contra Costa County property tax rolls. As a result, Dougherty Valley customers' proportionate share of State Water Project costs are adopted and placed on the Contra Costa County tax roll by DSRSD on behalf of Zone 7, and then remitted to Zone 7. In 2001, the Dougherty Valley Standby District Charge (Standby Charge) was established to provide potable water service to the then developing Dougherty Valley. The current annual Standby Charge is $170.75 for a single-family home, which is the maximum amount established for the DVSCD.

The maximum Standby Charge, however, does not recover the full proportionate Dougherty Valley share of Zone 7's State Water Project costs because State Water Project costs have increased beyond what was estimated when the maximum Standby Charge amount was set in 2001. To address this, in 2019 the DSRSD Board of Directors established a Dougherty Valley Incremental State Water Project Charge (Incremental Charge) to recover those costs which exceed the maximum Standby Charge. As with the Standby Charge, DSRSD collects the Incremental Charge via the Contra Costa County tax roll, and then remits these funds to Zone 7. DSRSD considers and approves adjustments to the Incremental Charge based on an Annual Report for the Dougherty Valley Incremental State Water Project Charge (Engineer's Report). This report (available on the District's website at https://www.dsrsd.com/your-account/rates-fees) is prepared by an independent rate consultant and calculates the full proportionate Dougherty Valley share of Zone 7's State Water Project costs. The Engineer's Report includes an analysis of Zone 7 actual and projected State Water Project costs, administrative costs, and credits for previous payments (including the Standby Charge). Following adoption of the rate, Dougherty Valley customers are notified of each annual adjustment to the Incremental Charge a minimum of 30 days prior to the effective date.

The current and proposed Dougherty Valley Incremental State Water Project Charge is shown in Table 7. Annual adjustments to the Incremental Charge for FY 2025 through 2028 will be based on the Dougherty Valley Incremental State Water Project Charge Annual Report to reflect the actual State Water Project charges in excess of the Standby Charge. Dougherty Valley customers are notified of each annual adjustment to the Incremental Charge at least 30 days before the effective date.

Table 7 - Dougherty Valley Incremental State Water Project Charge

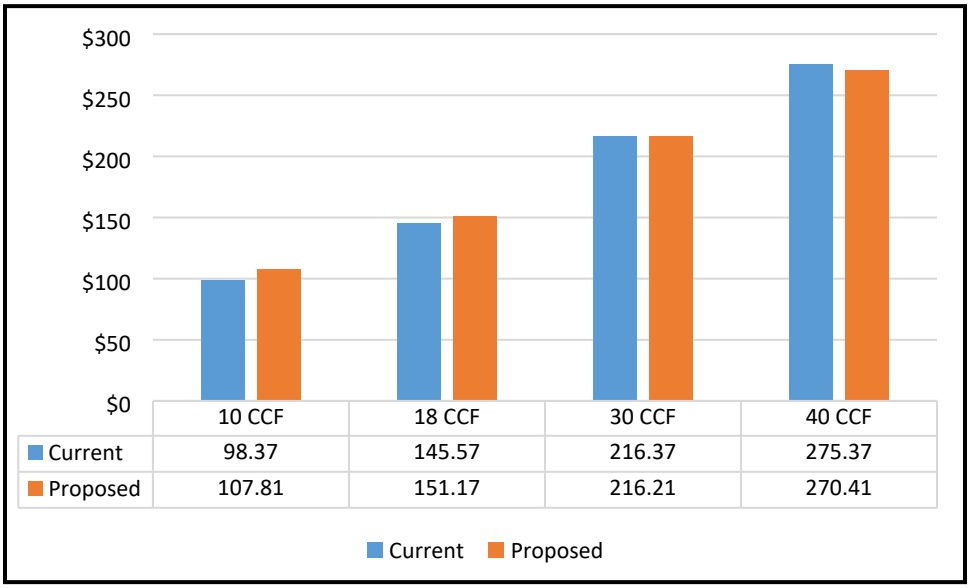
Bimonthly, $/dwelling unit equivalent

CURRENT	EFFECTIVE 7/1/2024
$19.51	$21.61

Overall Customer Bill Impacts:

If the proposed rates are adopted, the bimonthly water bill for an average single family residential customer using 18 CCF of water will increase by $5.60 per bill ($2.80 per month). Figure 1 shows the bill impacts of the proposed rates at various consumption levels.

Figure 1 - Bimonthly Bill Impact by Consumption (5/8" meter)



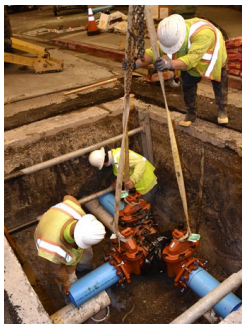
	10 CCF	18 CCF	30 CCF	40 CCF
Current	98.37	145.57	216.37	275.37
Proposed	107.81	151.17	216.21	270.41

Next Steps:

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, in part, Resolution No. 21-19. If approved, new rates would become effective May 1, 2024.

Draft Report

Dublin San Ramon Services District
Water, wastewater, recycled water



Dublin San Ramon Service District

Water Cost of Service Study

February 1, 2024

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Ms. Corinne Ferreyra
Senior Management Analyst
Dublin San Ramon Services District
7051 Dublin Blvd.
Dublin, California 94568

Subject: Comprehensive Water and Recycled Water Rate Study

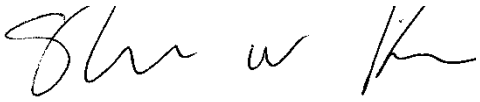
Dear Ms. Ferreyra:

HDR Engineering, Inc. (HDR) is pleased to present to Dublin San Ramon Services District (District/DSRSD) the final report for the water rate study. The District's water rate study was developed using water industry standard methodologies and approaches. The analyses conducted for the District includes a revenue requirement, cost of service, and rate design analysis. The findings and conclusions from these analyses were used to develop proposed water rates that are equitable and proportional to the District's customers and sufficient to fund the operating and capital needs of the water utility. This report outlines the overall approach used to achieve these objectives, along with our findings, conclusions, and recommendations.

The District owns and operates a potable water distribution system and a recycled water treatment plant and distribution system. The District provides potable and recycled water service to customers in the City of Dublin and the Dougherty Valley area of the City of San Ramon. The District purchases wholesale potable water from the Zone 7 Water Agency (Zone 7) and partners with East Bay Municipal Utility District (EBMUD) to produce and distribute recycled water through the DSRSD-EBMUD Recycled Water Authority (DERWA). The cost of the operations and maintenance for the potable water and recycled water systems plus the wholesale potable water has been developed based on District provided information and included within the development of the proposed water rates. HDR's study provides the basis for developing and implementing water rates which are cost-based, proportional, defensible, and understandable for the District's customers.

We appreciate the assistance provided by the District's management team in the development of this study. More importantly, HDR appreciates the opportunity to provide these technical and professional services to the District.

Sincerely yours,
HDR Engineering, Inc.



Shawn Koorn
Associate Vice President

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Technical Appendix

Executive Summary

Introduction

HDR Engineering, Inc. (HDR) was retained by the Dublin San Ramon Services District (District) to perform a comprehensive water and recycled water rate study. The purpose of this study is to determine the adequacy of the existing potable water and recycled water rates and propose recommended changes to address identified revenue shortfalls and calculate cost-based and proportional rates.

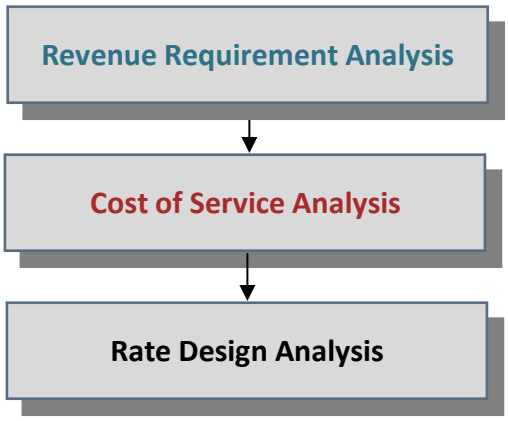
As noted, the District's water enterprise consists of two water systems, a potable water system and a recycled water system. The potable system is comprised of a distribution system where wholesale potable water is purchased from Zone 7 Water Agency (Zone 7). The District provides potable water services for residential, commercial (which includes industrial, multi-family and institutional uses), and irrigation customers. The recycled water system is comprised of a recycled water treatment plant and a recycled water distribution system. The District partners with East Bay Municipal Utility District (EBMUD) to produce and distribute recycled water through the DSRSD-EBMUD Recycled Water Authority (DERWA).

Within the water enterprise, there are two operating funds (enterprise fund and rate stabilization fund) and two capital funds (replacement fund and expansion fund). The water enterprise fund is a self-supporting fund that covers the costs of water system operations and maintenance. The water rate stabilization fund is the reserve to the water enterprise fund and can be used to achieve and maintain financial stability and avoid wide fluctuations in rates to fund operations.

Study Overview

A water rate study uses three interrelated analyses to address the adequacy and proportionality of a utility's rates. These three analyses are a revenue requirement analysis, a cost of service analysis, and a rate design analysis. These three analyses are illustrated below in Figure ES - 1.

Figure ES-1
Overview of the Comprehensive Water Rate Study



Compares the revenues to the expenses of the utility to determine the overall level of rate adjustment required

Distributes the revenue requirement to the identified customer classes of service in a manner proportional to the costs incurred to provide service

Considers both the revenue requirement and cost of service results to develop the proposed rates

This study uses the framework described above to review and evaluate the District's potable and recycled water rates.

Key Water Rate Study Results

The water rate study technical analysis was developed based on the operating costs and the rate funded portion of capital costs necessary to provide potable and recycled water service to the District's customers. The water rate study resulted in the following key findings, conclusions, and recommendations:

- The District's Fiscal Year (FY) 2024 and FY 2025 budgets were used as the starting point for the annual operating expense.
- A revenue requirement analysis was developed for the FY 2024 and FY 2025 budget years and projected period of FY 2026 through FY 2033.
- Operations and Maintenance expenses are projected to increase at inflationary levels.
- An overall 5.5% revenue adjustment for both FY 2024 and FY 2025 was determined to be necessary to support annual operating and capital costs. Beyond FY 2025 a 3% revenue increase was estimated to reflect annual inflationary increases.
- A cost of service analysis was conducted to establish proportional rates for potable water and recycled water customers.
- Distribution factors used in the cost of service analysis were based on District specific system and customer information.
- Water shortage condition rates were established for use during times of water shortages. The rates are intended to recover sufficient revenue for District operations.

- Based on the results of the revenue requirement and cost of service study, proposed rates were developed for FY 2024 and FY 2025. Beginning with FY 2026, annual inflationary adjustments are projected through FY 2028.

Summary of the Water Revenue Requirement Analysis

The District provides water service to customers in the City of Dublin and the Dougherty Valley area of San Ramon. The District collects revenue from customers to fund the expenses associated with providing potable water and recycled water services. The first step of the revenue requirement analysis is to establish the funding (i.e., revenue) needed to provide potable and recycled water services. This is done by accumulating the District's expenses, or "revenue requirement." The next step in the revenue requirement analysis is to compare the revenue requirement to the existing revenue sources.

A "cash basis" methodology was used to establish the District's revenue requirement. This method of determining the amount of revenue required to operate the utility conforms to industry standards, is the most common approach used by publicly owned utilities, and is also the method historically used by the District in past rate studies. The accumulation of costs for the cash basis includes annual operations and maintenance expenses, interfund transfers, debt service (principal and interest), and funding for the rate funded share of capital expenditures. The primary inputs for the District's cash basis revenue requirement was the District's Adopted Operating Budget for FY 2024 and FY 2025, debt service schedules, and adopted Capital Improvement Program Ten Year Plan for FY 2024 through 2033 and Two-Year Budget for FY 2024 – 2025.

The revenue requirement analysis conducted for this study is a ten-year period, from FY 2024 through FY 2033. While the focus of the report and Proposition 218 rate setting period is five years, the revenue requirement analysis was extended an additional five years (through FY 2033) to provide District management long term trends that may be important for planning purposes. The technical appendix includes the full ten-year revenue requirement analysis.

Provided below, in Table ES-1, is a summary of the five-year revenue requirement analysis (Financial Plan) developed for the District's study. More details of the revenue requirement analysis can be found in Section 3 of this report, as well as in the technical appendices.

Table ES-1
Summary of the Revenue Requirement Analysis (000's)

	Budget		Projected		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue					
Rate Revenue	$39,948	$40,855	$41,886	$43,300	$44,401
Misc. Revenue	1,348	1,379	1,404	1,429	1,455
Total Revenue	**$41,296**	**$42,234**	**$43,289**	**$44,730**	**$45,856**
Expenses					
Water Enterprise - 600	$38,819	$41,065	$42,323	$43,621	$44,961
Capital Replacement Funding	6,390	6,500	6,610	6,720	6,830
Total Expenses	**$45,209**	**$47,565**	**$48,933**	**$50,341**	**$51,791**
Net Transfers-In from Other Funds	**($4,296)**	**($2,851)**	**$471**	**$517**	**$666**
Bal./(Def.) Funds	**$384**	**($2,480)**	**($6,114)**	**($6,128)**	**($6,600)**
Bal. as % of Rate Rev.	**-1.0%**	**6.1%**	**14.6%**	**14.2%**	**14.9%**
Proposed Rate Adj.	**5.5%**	**5.5%**	**3.0%**	**3.0%**	**3.0%**

It is important to note the annual deficiencies in ES-1 are cumulative. That is, any adjustments in the initial years will reduce the deficiency in the later years. Over the projected five-year time period, rate revenue needs to be adjusted approximately 14.9% in order to adequately and properly fund the District's water fund maintenance and capital replacement needs. Rate adjustments for FY 2024 and FY 2025 are proposed to be an overall 5.5% annually and the remaining three years are projected to be limited to annual inflation, which was assumed to be 3% for planning purposes. The actual revenue adjustment for FY 2026 through FY 2028 will be based on the August to August change in Consumer Price Index (CPI) – All Urban Consumers for San Francisco/Oakland/Hayward, as permitted by Government Code section 53756.

The proposed FY 2024 rate adjustment is projected to be effective in May 2024. All subsequent years are proposed to take effect January 1, which also aligns with the rate adjustment schedule for Zone 7.

HDR has concluded that the proposed rate adjustments will provide sufficient revenue to fund the District's revenue requirement over the 5-year period. HDR has reached this conclusion for the following reasons:

- The proposed revenue (rate) adjustments will generate revenue to fund the District's potable and recycled water systems operating and rate funded portion of capital costs as identified in this study.
- The proposed rates maintain the water system's financial health and integrity by providing consistent long term cash flow.
- The proposed rate adjustments follow the District's financial policies.

- The proposed rates are consistent with DSRSD Board of Directors policy direction.

HDR recommends that the District adopt the proposed rate adjustments for FY 2024 through FY 2025, and adjust rates for FY 2026 through 2028 based on the August to August change in CPI – All Urban Consumers for San Francisco/Oakland/Hayward.

Summary of the Water Cost of Service Analysis

A cost of service analysis determines the proportional distribution of the water revenue requirement to the identified customer classes, or rate components. The objective of the cost of service analysis is different from the revenue requirement. Whereas a revenue requirement analysis determines the overall financial needs, the cost of service analysis determines the proportional manner to collect the revenue from each customer class of service or rate component. The cost of service analysis developed as part of this study utilizes generally accepted cost of service principles and methodologies as defined by the American Water Works Association Principles of Water Rates, Fees, and Charges manual (AWWA M1).

The cost service analysis begins by functionalizing the revenue requirement, and then allocating. the functionalized revenue requirement to the appropriate cost component(s) (e.g., commodity-related, capacity-related, customer-related). The individual allocation totals are then distributed to the appropriate customer classes of service and rate component based on the proportional burden placed on the system. A summary of the water cost of service results by customer type for FY 2024 is shown in Table ES - 2.

Table ES-2
FY 2024 Water Cost of Service Results ($000)

Class Of Service	Present Rate Revenue (FY 2024)	Distributed Costs	$ Change	% Change
Residential / Commercial	$29,445	$30,096	($652)	2.2%
Irrigation	3,272	3,312	(40)	1.2%
Recycled Water	6,218	7,252	(1,034)	16.6%
Power Costs	1,013	1,484	(472)	46.6%
Total System	$39,948	$42,146	($2,197)	5.5%

The cost of service analysis results indicate that cost differences exist between the customer classes of service. The District charges all customers the same fixed meter charge but different consumption rates based on the cost and type of service. For example, potable water customers, but not recycled water customers, are charged for wholesale water from Zone 7. Similarly, both potable and recycled water customers are charged a power charge for deliveries to customers in higher elevation areas of the District's service area. The power charges represent the cost of power required to pump water to those higher elevation areas.

Table ES-3
Summary of the Cost of Service Unit Costs ($ / CCF)

Rate Component	Present Revenue (FY 2024)	Distributed Costs	$ Difference	% Difference
Bi-Monthly Equivalent Meter	$39.37	$40.68	$1.31	3.3%
DSRSD Consumption Rates				
Residential/Commercial	$1.45	$1.59	$0.14	9.4%
Irrigation	1.86	2.02	0.16	8.5%
Recycled Water	4.45	5.23	0.78	17.5%
Power Charge	0.29	0.43	0.14	46.6%
Wholesale Pass Through Consumption Rates				
Zone 7	$4.45	$4.42	($0.03)	(0.7%)

Summary of the Water Rate Design

The final step of the District's water rate study is to design rates to collect the desired levels of revenue, based on the results of the revenue requirement and cost of service analyses. In reviewing the District's rates, consideration was given to both the rate amount and structure. The proposed rates within this report reflect the findings, conclusions and recommendations of the District's revenue requirement and cost of service analysis prepared as part of this study.

The District's proposed water rates have been developed with the intent of meeting the legal requirements of California Constitution Article XIII D, Section 6 (Article XIII D), adopted as a part of Proposition 218. While Article XIII D requires the development of cost-based rates, it does not prescribe a specific approach or methodology to ensure meeting this legal requirement. There are multiple acceptable methodologies. HDR and DSRSD staff collaborated to selecta methodology that best reflects DSRSD's financial and operational needs. Consequently, HDR has developed this report, along with the District's proposed water rates, based on the principles and methodologies contained in the AWWA M1 Manual, while tailoring the methodology to be reflective of the District's unique system and customer characteristics. HDR is of the opinion that this approach meets the requirements of Article XIII D and recent legal decisions to provide an administrative record of the steps taken to establish the District's proposed potable and recycled water rates. HDR reaches this conclusion based upon the following:

> ***"While Article XIII D requires the development of cost-based rates, it does not prescribe a specific approach or methodology to assure meeting this legal requirement."***

- **The revenue derived from water rates does not exceed the funds required to provide the property related service (i.e., water service).** The proposed rates are designed to collect the revenue requirement of the District's water utility as developed in this study.

- **The revenues derived from water rates shall not be used for any purpose other than that for which the fee or charge is imposed.** The revenues derived from the District's water rates are used exclusively to operate and maintain the District's potable and recycled water systems.
- **The amount of a fee or charge imposed upon a parcel or person as an incident of property ownership shall not exceed the proportional costs of the service attributable to the parcel.** Section 4 of this study, the cost of service analysis, focuses almost exclusively on the issue of proportional assignment of costs to customer classes of service. The cost of service analysis appropriately groups customers into customer classes of service (residential/commercial, irrigation, recycled water) that reflect the varying consumption patterns and system requirements of each. Grouping of customers into these classes of service addresses the proportionality requirement of Article XIII D by setting rates which consider the manner in which the costs of service are incurred and the differential demands and burdens on the District's water system which are fairly attributable to each customer class of service, without subsidizing between these customer classes of service.

Given the requirements to develop rates based on cost of service principles, the average unit costs developed in the cost of service analysis were used to design the proposed water rates for the District's customer classes of service.

The District's water rates has a bi-monthly meter charge and variable consumption charges. The consumption charges have different components based on the type of customer and service. If the customer is located in an elevated zone which requires pumping, then a power charge is also applied to recover the direct costs of pumping water to the higher elevation.

The FY 2024 rates are based on the result of the detailed cost of service analysis, the FY 2025 rates are a result of applying the necessary FY 2025 rate adjustment (determined in the revenue requirement analysis) to the FY 2024 rates. Rates adjustments from FY 2026 through FY 2028, will be calculated annually based on the August to August change in CPI – All Urban Consumers for San Francisco/Oakland/Hayward. Table ES-4 provides the proposed bi-monthly water rates.

Table ES-4
Current and Proposed Rates

	Current	FY 2024	FY 2025
Bi-monthly Charge by Meter Size			
5/8"	$39.37	$40.68	$42.92
3/4"	54.88	59.62	62.90
1"	85.93	97.50	102.87
1-1/2"	163.53	192.21	202.78
2"	256.67	305.85	322.68
3"	683.51	826.73	872.20
4"	1,172.45	1,423.36	1,501.65
6"	2,491.79	3,033.33	3,200.17
8"	4,354.40	5,306.23	5,598.07
10"	6,527.43	7957.95	8,395.63
Consumption Rates ($/CCF)			
Residential/Commercial	$1.45	$1.59	$1.67
Irrigation	1.86	2.02	2.13
Recycled Water	4.45	5.23	5.51
Power Charge	0.29	0.43	0.45

The District purchases all of its potable water supplies from Zone 7, the Tri-Valley's wholesale water supplier. Zone 7 charges the District a wholesale rate for purchasing treated water. This rate covers Zone 7's cost of purchasing water from the California Department of Water Resources through the State Water Project, and all associated costs. Similar to the District's rates, Zone 7's wholesale rates are comprised of fixed and variable charges. The District currently blends the fixed and variable wholesale charges, in proportion to estimated water use, and passes through a "Zone 7 Cost of Water" charge to District customers.

It is proposed the District establish a separate Zone 7 fixed and variable consumption rate to more closely reflect the manner in which Zone 7 charges the District for wholesale water. Table ES -5 provides the proposed rate to recover the Zone 7 costs based on a revised rate structure which includes a new bi-monthly meter charge and a variable consumption charge for potable water customers. The FY 2024 rates are based on the result of the cost of service analysis and are designed to collect 30 percent of the Zone 7 fixed charge imposed by Zone 7 through the new bimonthly meter charge. The remainder of the fixed charge and all consumption charges would be collected through the consumption charge. DSRSD will pass through any future adjustments to Zone 7's wholesale water costs to potable water customers as described earlier.

Table ES-5
Current and Proposed Zone 7 Rates For Potable Customers

	Current	FY 2024
Bi-monthly Charge by Meter Size		
5/8"	NA	$12.93
3/4"	NA	19.39
1"	NA	32.32
1-1/2"	NA	64.64
2"	NA	103.42
3"	NA	281.17
4"	NA	484.78
6"	NA	1,034.19
8"	NA	1,809.84
10"	NA	2,714.76
Variable Consumption Charge		
Zone 7 ($/CCF)	$4.45	$3.83

The proposed Zone 7 consumption rate declines for 2024 because of the establishment of the separate bi-monthly fixed meter charge to recover a portion of the fixed costs of Zone 7 water purchases. For FY 2025 and after, the District will pass through any future adjustments to the wholesale rate that the Zone 7 Board of Directors authorizes, as authorized pursuant to California Government Code section 53756.

Summary of the Water Shortage Condition Rates

DSRSD's Adopted Water Shortage Contingency Plan is a strategic plan to prepare and respond to water shortage conditions resulting from drought and emergencies, including defined actions to reduce demand over six shortage condition levels from 10 percent to more than 50 percent demand reductions. Water shortage condition rates address the revenue impacts of decreased consumption during declared water shortages or emergencies. The District's current water shortage condition rates are provided in Table ES-6.

Revised water shortage condition rates were calculated so that DSRSD generates sufficient revenue to cover the cost of providing water service during times of water shortage and reduced customer deliveries. These rates are only implemented during drought conditions and other water shortage emergencies and require a declaration from the District's Board of Directors to impose.

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 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.

As part of this study, the District will realign water shortage condition rates with the water shortage stages identified in the current Water Shortage Continency Plan submitted to the California Department of Water Resources, which expands the stages of shortage from four to six. In addition, the water shortage rates have been designed to include an allowance for baseline water use, in recognition that a certain amount of water is required for essential uses and cannot be conserved. This baseline allowance, established as 5 CCF/bimonthly, provides the residential and commercial customers 5 CCF of water per billing period at the normal condition rate before charging the corresponding water shortage rate for all consumption in excess of 5 CCF. Table ES-7 provides the proposed water shortage rates.

Table ES-6
Current Water Shortage Condition Rates ($/CCF)

	Normal	Water Shortage Condition			
	Conditions	Stage 1	Stage 2	Stage 3	Stage 4
Water Reduction Goal	**0%**	**10%**	**20%**	**35%**	**50%**
Residential/Commercial Customers					
All Units	$1.45	$1.62	$1.83	2.24	2.92
Irrigation					
All Units	$1.86	$2.07	$2.33	2.86	3.72
Power Charges					
All Units	$0.29	$0.32	$0.37	0.45	0.59

Table ES-7
Proposed Water Shortage Condition Rates ($/CCF)

Year	FY 2024	FY 2025
Residential/Commercial Customers	All Units over 5 CCF per Billing Period	
Normal Conditions	$1.59	$1.67
Stage 1 - 10% Reduction	1.81	1.91
Stage 2 - 20% Reduction	2.11	2.23
Stage 3 - 30% Reduction	2.54	2.68
Stage 4 - 40% Reduction	3.17	3.34
Stage 5 - 50% Reduction	4.22	4.46
Stage 6 - Reduction over 50%	6.33	6.68
Irrigation	All Units	
Normal Conditions	$2.02	$2.13
Stage 1 - 10% Reduction	2.24	2.36
Stage 2 - 20% Reduction	2.52	2.66
Stage 3 - 30% Reduction	2.88	3.04
Stage 4 - 40% Reduction	3.36	3.55
Stage 5 - 50% Reduction	4.03	4.26
Stage 6 - Reduction over 50%	5.04	5.32
Power Charges		
All Units	NA	NA

It was determined that the Power Charge water shortage rate was not necessary to maintain revenue stability when water shortage stages are declared since the cost of power is proportionate to the volume of water pumped and any reduction in consumption should be commensurate to reduced power costs.

Summary

The above summary is the culmination of an extensive effort by the District and HDR Engineering to develop a comprehensive review of the District's water rates, methodologies, and structure. The recommendations and proposed rates contained herein are intended to provide a prudent level of funding for the water fund while providing proportional and cost-based rates.

1 Introduction and Overview

1.1 Introduction

HDR Engineering, Inc. (HDR) was retained by the Dublin San Ramon Services District (District) to conduct a potable and recycled water rate study. The objective of a water rate study is to develop proportional and cost-based water rates which are compliant with the legal requirements of Proposition 218. This is accomplished by first reviewing and analyzing the District's water operating expenses and capital costs and developing a projection of the overall revenue requirement of the water utility. Next, the District's revenue requirement is proportionally distributed to the appropriate District customer classes of service (e.g., residential/commercial, irrigation, etc.) or rate components. The findings and conclusions from the cost of service process are then used to develop the District's proposed water rates which are reflective of how the District incurs costs to provide water service. The result of the water rate study process is proportional water rates reflective of the water utility specific costs, differing customers classes of service levels and characteristics, and burdens on the water system. The District has historically developed water rate studies to establish their water rates and this study is a continuation of their past practices and commitment to establishing cost-based water rates.

The District owns and operates two water systems, a potable water distribution system, and a recycled water system that consists of a recycled water treatment plant and recycled water distribution system. The District's source for potable water is from the Zone 7 Water Agency. The District's service area is comprised of the City of Dublin and the Dougherty Valley area of the City of San Ramon. The District also partners with East Bay Municipal Utility District (EBMUD) to produce and distribute recycled water through the DSRSD-EBMUD Recycled Water Authority (DERWA), a joint powers authority formed in 1995. In an average year, 75% of DSRSD's water supply to its customers is potable water from Zone 7, and about 25% of its water supply is recycled water for outdoor irrigation.

1.2 Goals and Objectives

The District had a number of key objectives in developing the water rate study. These key objectives were as follows:

- Develop the study in a manner that is consistent with the principles and methodologies established by the American Water Works Association Principles of Water Rates, Fees, and Charges manual (AWWA M1).
- Review and utilize best industry practices, while recognizing and acknowledging the specific and unique characteristics of the District's potable and recycled water systems.
- Utilize the findings from the District's rate study to establish cost-based and proportional water rates for FY 2024 through 2028.

- Propose rates which do not exceed the reasonable cost of providing the service to meet the legal requirements of Proposition 218 (California Constitution Article XIII D) and which are understandable to the customer.
- Develop rates consistent with the District Board of Director's guidance and policies.

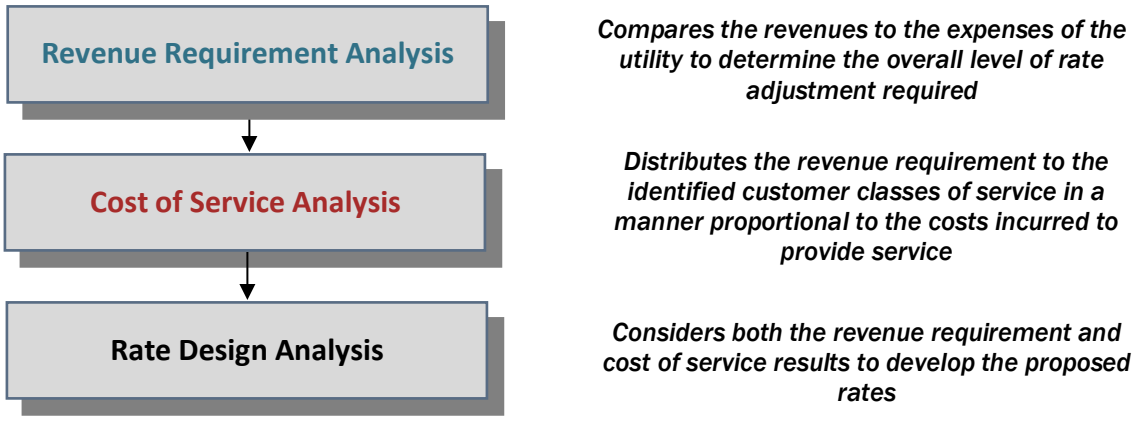
These key goals and objectives for the study provided a framework for the technical analysis that follows.

1.3 Overview of the Rate Study Process

User rates must be set at a level where a utility's operating expenses and rate funded capital expenditures are met. Failure to achieve this objective may lead to insufficient funds to maintain system integrity. In addition, the District must meet the requirements of Proposition 218. To accomplish this, a comprehensive water rate study is performed. Provided below in Figure 1-1 is an overview of the key analyses undertaken.

A comprehensive rate study consists of three interrelated analyses which includes a revenue requirement, cost of service, and rate design analysis. Figure 1-1 provides an overview of these analyses.

Figure 1-1
Overview of the Comprehensive Water Rate Study



The revenue requirement analysis is concerned with the overall funding sources and expenses of the utility. From this analysis, a determination can be made as to the overall level of adjustment to rates. Next, a cost of service analysis is performed to proportionally distribute the revenue requirement to the customer classes served (e.g., residential/commercial, irrigation, etc.) and type of service (e.g., potable vs. recycled). Finally, given an overall level of rate adjustment and the proportional distribution of the costs between the customer classes of service, the last step of the rate study process is the design of rates to collect the appropriate level of revenues, based on the cost of service results, while considering other rate design goals and objectives of the utility (e.g., revenue stability, conservation, understandability).

In developing this review of the potable and recycled water systems, HDR utilized generally accepted cost of service and rate setting principles and methodologies.

1.4 Report Organization

This report is organized as follows:

- **Section 2** – Overview of Water Rate Setting Principles
- **Section 3** – Development of the Revenue Requirement Analysis
- **Section 4** – Development of the Cost of Service Analysis
- **Section 5** – Development of the Proposed Rate Designs

A technical appendix is attached at the end of the report which provides the analysis used in the preparation of this report.

1.5 Summary

This report will review the comprehensive water rate study prepared for the Dublin San Ramon Services District. This report was developed with assistance from District management and staff and has been developed utilizing generally accepted water rate setting principles and methodologies.

2 Overview of Water Rate Setting Principles

2.1 Introduction

This section of the report provides background information about the water rate setting process, including descriptions of generally accepted principles, methods of determining a revenue requirement and rate designs. This information is useful for gaining a better understanding of the details presented in Sections 3, 4, and 5.

2.2 Generally Accepted Rate Setting Principles

As a practical matter, all utilities should consider setting their rates around generally accepted or global principles and guidelines. That is, utility rates should be:

- Cost-based, proportional, and set at a level that meets the utility's full revenue requirement.
- Easy to understand and administer.
- Designed to conform to "generally accepted" rate setting methodologies.
- Stable in their ability to provide adequate revenues for meeting the utility's financial, operating, and regulatory requirements throughout the study period.
- Established at a level that is stable from year-to-year from a customer's perspective.

The above global principles have been used by the District to establish their rates in the past and were considered in the current study.

2.3 Determining The Revenue Requirement

Most public utilities, such as the District, use the cash basis[1] approach for establishing their revenue requirement and setting rates. This approach conforms to most public utility budgetary requirements and the calculation is easy to understand. A public utility totals its cash expenditures for a period of time to determine required revenues. The revenue requirement for a public utility is usually comprised of the following costs or expenses:

- **Operation and maintenance** (O&M) expenses which typically includes the materials, electricity, labor, supplies, etc. needed to keep the utility functioning.
- **Taxes and/or Transfers**, either state or local utility taxes, or transfers to another fund.

[1] Cash basis as used in the context of rate setting is not the same as the terminology used for accounting purposes and recognition of revenues and expenses. As used for rate setting, cash basis simply refers to the specific cost components to the be included with the revenue requirement analysis

- **Annual debt service payments** (principal and interest) which have been used to fund capital improvements. For the District, the annual debt service payments are funded through the capital replacement and expansion funds.
- **Capital improvements** financed with rate revenues, which also can reflect annual depreciation expense to stabilize the annual revenue requirement.

Under the cash basis approach, the sum of the total operating expenses plus the total capital expenditures equals the utility's revenue requirement during any selected period of time (historical or projected).

Note that the two portions of the capital expense component (debt service and capital improvements financed from rates) are necessary under the cash basis approach because utilities generally cannot finance all their capital facilities with long-term debt. An exception occurs if a public utility provides service to a wholesale or contract customer. In this situation, a public utility could use the "utility basis" approach (see below) to earn a fair return on its investment.

Table 2-1 provides an overview of the cash basis and utility basis revenue requirement methodology.

Table 2-1
Cash Basis Approach

+	O&M Expense
+	Taxes or Transfer Payments
+	Capital Improvements Financed with Rate Revenues (≥ Depreciation Expense)
+	Debt service (Principal + Interest)
=	Total Revenue Requirement

2.4 Cost of Service Analysis

After the total revenue requirement is determined, it is proportionally distributed to the users (e.g., customer classes) of the service. The distribution, analyzed through a cost of service study, reflects the cost relationships for producing and delivering water services.

A cost of service study requires three steps:

1. Costs are ***functionalized*** or grouped into the various cost categories related to providing service (e.g., distribution, pumping, etc.). This step is largely accomplished by the utility's accounting system.
2. The functionalized costs are then ***allocated*** to specific cost components. Allocation refers to the arrangement of the functionalized data into cost components. For example, a water utility's costs – such as for the District - are typically allocated as commodity (average day), capacity (peak day), or customer-related costs.
3. Once the costs are allocated into components, they are ***distributed*** to the customer classes of service (residential/commercial, irrigation, etc.,). The distribution is based on each customer class's relative contribution to the specific cost component. For example, customer-related costs are distributed to each class of service based on the total number of customers in that class of service. Once costs are distributed, the necessary revenues for achieving cost-based rates can be determined.

The District's cost of service was developed based on water utility industry generally accepted approaches (i.e., AWWA M1), while at the same time, taking into consideration the District's unique customer and system characteristics. The cost of service analysis developed for the District is discussed in more detail in Section 4 of this report.

2.5 Designing Water Rates

Rates that meet the utility's objectives are designed based on both the revenue requirement and the cost of service analysis. This approach results in rates that are strictly cost-based and does not consider other non-cost based goals and objectives (economic development, ability to pay, revenue stability, etc.). In designing final proposed rates, factors such as continuity of past rate philosophy, economic development, ease of administration, and customer understanding may be taken into consideration. However, the proposed rates must meet the requirements of California Constitution article XIII D, section 6 (Proposition 218), including avoiding subsidization between customer classes of service.

2.6 Summary

This section of the report has provided a brief introduction to the general principles, methods, and economic theory used to set the water rates. These principles and methods will become the basis for the District's water rate analysis. The next section of this report will review the development of the revenue requirement for the District's water system.

3 Development of the Revenue Requirement

3.1 Introduction

The development of a revenue requirement analysis is the first analytical step in the three-step rate study process. This section describes the development of the revenue requirement analysis for the District's water utility. The District provided to HDR detailed revenue and expenses data for the water system that allowed for the development of the revenue requirement analysis.

The revenue requirement analysis, as developed for the District's water utility, determines the adequacy of water rates at current rate levels. From this analysis, a determination can be made as to the overall level of rate revenue adjustment needed to provide adequate and prudent funding for both operating and capital expenses. HDR has developed an independent analysis based on the data and information provided by the District.

"The revenue requirement analysis, as developed for the District's water utility, determines the adequacy of water rates at current rate levels."

3.2 Determining the Revenue Requirement

In the development of the revenue requirement the water utility must financially "stand on its own" and be properly funded. Within the water enterprise, there are two operating funds (enterprise fund and rate stabilization fund) and two capital funds (replacement fund and expansion fund). The water enterprise fund is a self-supporting fund that covers the costs of water system operations and maintenance. The water rate stabilization fund is the reserve to the water enterprise fund and can be used to achieve and maintain financial stability and avoid wide fluctuations in rates to fund operations.

3.2.1 Establishing a Time Frame

The first step in calculating the revenue requirement for the District's water utility was to establish a time frame for the revenue requirement analysis. For this study, the revenue requirement was developed for the ten-year period of FY 2024 through FY 2033. Reviewing a multi-year time period is recommended in an attempt to identify any major expenses that may be on the horizon. By anticipating future financial requirements, the District can begin planning for these changes sooner, thereby, minimizing short-term rate impacts and rates over the long-term. For the purposes of establishing proposed rates, and the Proposition 218 process, the first five-year period (FY 2024 – FY 2028) is the focus for this report.

3.2.1 Method of Accumulating Costs

The second step in determining the revenue requirement was to decide on the basis for accumulating costs. Similar to previous studies completed for the District, the revenue requirement analysis utilized a cash basis approach. Table 3-1 provides a summary of the

District's cash basis approach and cost components used to develop the District's water revenue requirements.

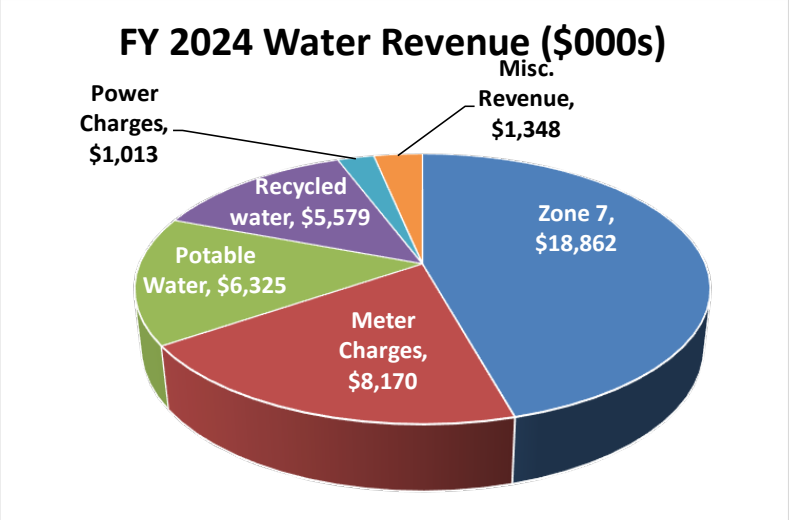
The revenue requirement developed for the District was "customized" to follow the District's system of accounts (e.g., the adopted annual operating budget) and contained the cash basis cost components. Given a time period around which to develop the revenue requirement and a method to accumulate the costs, the focus shifts to the development and projection of the revenues and expenses of the District's water systems.

Table 3-1
Overview of the District's Cash Basis Revenue Requirement

+	Operation and Maintenance Expenses
+	Debt Service (P + I) – Existing and Future
+	Capital Improvement Funding Analysis
=	Total Revenue Requirement
–	Miscellaneous Revenues
=	Net Revenue Requirement (Balance Required from Rates)

3.3 Water Revenue Requirement

3.3.1 Projection Water Revenue



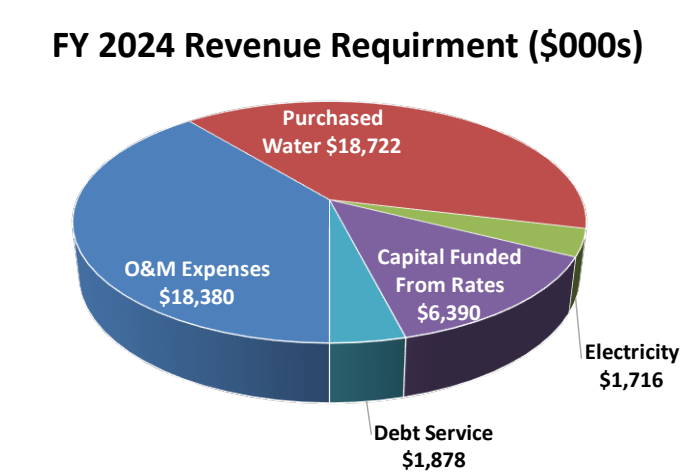
The next step in developing the revenue requirement for the District was to develop a projection of rate revenues. District staff provided billing units for FY 2023 to which the FY 2023 rates were applied to estimate the revenue. Revenue beyond FY 2023, through FY 2033, was projected using customer growth assumptions developed in discussion with the District. These growth assumptions varied from year to year but on average were approximately 2.7% for the District. In total, District revenues range from $41.3 million in FY 2024 increasing to $45.8 million in FY 2028 based on estimated customer growth.

In addition to rate revenues, the District receives additional revenues from other sources such as interest income and miscellaneous fees. The total amount of miscellaneous revenues is

projected to be approximately $1.3 million for FY 2024 and escalating to $1.5 million in 2028. As a point of reference, nearly half of the miscellaneous revenue is from inspections, fireline service and backflow prevention.

3.3.2 Projection of O&M Expenses

Operation and maintenance (O&M) expenses are incurred by the District to provide potable and recycled water service. O&M expenses are expensed during the current year and are not capitalized or amortized over an extended period of years.



The FY 2024 and FY 2025 adopted budgets were the starting point for the analysis. The projected O&M expenses beyond FY 2025 were escalated using an appropriate escalation factor (such as CPI) for the type of cost being reviewed. Escalation factors ranged from 3% to 6% per year depending on the type of expense. The total projected water O&M expense ranged from $38.8 million in FY 2024 increasing to $44.9 million in FY 2028. Purchased water is a large portion of the Districts O&M costs comprising 48% of Total O&M or 40% of the total revenue requirement excluding interfund transfers.

3.3.3 Projection of Capital Replacement Funding

Given the projection of O&M expenses, the next area of costs to be included within the District's revenue requirement is capital costs. The District's capital funding analysis is shown as transfers to the replacement reserves that in turn fund capital projects. Transfers to the replacement fund averaged $6.6 million from FY 2024 through FY 2028. Along with the replacement funds' existing fund balance, the budgeted transfers are sufficient pay for the projected capital expenditures over the analysis period.

3.4 Summary of the Water Revenue Requirement

The combined O&M, Capital Replacement funding, debt service, and transfers makes up the total revenue requirement. Presented below in Table 3-2 is the District's projected five-year revenue requirement for FY 2024 through FY 2028.

Table 3-2
Water Revenue Requirement ($000)

	Budget		Projected		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue					
Rate Revenue	$39,948	$40,855	$41,886	$43,300	$44,401
Misc. Revenue	1,348	1,379	1,404	1,429	1,455
Total Revenue	**$41,296**	**$42,234**	**$43,289**	**$44,730**	**$45,856**
Expenses					
Water Enterprise - 600	$38,819	$41,065	$42,323	$43,621	$44,961
Capital Replacement Funding	6,390	6,500	6,610	6,720	6,830
Total Expenses	**$45,209**	**$47,565**	**$48,933**	**$50,341**	**$51,791**
Net Transfers-In from Other Funds	**($4,296)**	**($2,851)**	**$471**	**$517**	**$666**
Bal./(Def.) Funds	**$384**	**($2,480)**	**($6,114)**	**($6,128)**	**($6,600)**
Bal. as % of Rate Rev.	**-1.0%**	**6.1%**	**14.6%**	**14.2%**	**14.9%**
Proposed Rate Adj.	**5.5%**	**5.5%**	**3.0%**	**3.0%**	**3.0%**

The revenue requirement identifies the District's water O&M expenses, debt service, transfers, and capital funding needs. The total revenue requirement is then compared to the total sources of funds, which includes the rate revenues, at present rate levels, and other miscellaneous revenues. From this comparison a balance or deficiency of funds can be determined. This balance or deficiency of funds is then compared to the rate revenues to determine the level of rate adjustment needed to meet the revenue requirement.

In viewing Table 3-2, it should be noted that the deficiencies shown are cumulative and compared to the current level of revenues received by the District. In other words, the cumulative deficiency of approximately $6.6 million in FY 2028 is a function of the existing rates and no assumed adjustments to rates over time. Any adjustment to rates in the initial years will reduce the deficiency in the following years.

In reviewing the overall revenue and needs of the District, HDR and District staff reviewed the need for a rate transition plan to sufficiently fund the needs of the District. To meet these financial needs and reflect Board direction, it is proposed that the District utilize rate stabilization funds to minimize the overall rate adjustments to reflect the proposed annual adjustments to rates of 5.5%, in both FY 2024 and FY 2025. Beyond FY 2025 rates are proposed to be adjusted based on the annual August to August change in the Consumer Price Index - All Urban Consumers for San Francisco/Oakland/Hayward. For purposes of the study, the inflationary assumption is 3.0% annually in FY 2026 through FY 2028.

3.5 Consultant's Conclusions

Based on the revenue requirement analysis as developed in this study, current revenue is not sufficient to meet the systems operating and capital needs. Not adjusting rates in a timely manner will result in annual deficiencies which will be detrimental to the financial health of the District's potable and recycled water systems. It is recommended that the rates be adjusted annually as shown in tables 3-1 to prevent degradation of the systems financial health.

3.6 Summary

This section of the report has provided a discussion of the District's water revenue requirement analyses. The revenue requirement analysis developed a financial plan to support the District's operating and capital needs. The next section of the report will discuss the distribution of the revenue requirement to the customer classes of service and rate components for each system.

4 Development of the Cost of Service

4.1 Introduction

In the previous section, the revenue requirement analysis for the water systems focused on the total sources and application of funds required to adequately fund the District's potable and recycled water systems. This section will discuss and review the development and recommendations of the cost of service analysis for the water system.

A cost of service analysis is concerned with the proportional distribution of the total revenue requirement between the customer classes of service (e.g., residential/commercial, Irrigation). The previously developed revenue requirement for the water systems were utilized in the development of the cost of service analysis.

As with all public utilities, there has been increased importance on cost of service studies by various government agencies, customers, utility regulatory commissions, and other parties. This interest has been generated in part by increasing need to replace aging infrastructure, escalating operating costs, and concern about rate equity among customers. Following the generally accepted guidelines and principles of a cost of service analysis will inherently lead to water rates which are proportional, cost-based, and which do not subsidize any customer class.

"Following the generally accepted guidelines and principles of a cost of service analysis will inherently lead to rates which are equitable, costs-based, and not viewed as arbitrary or capricious in nature"

4.2 Objectives of a Cost of Service Study

There are two primary objectives in conducting a cost of service study:

1. Distribute the revenue requirement proportionally to the customer classes of service
2. Derive average unit costs for subsequent rate designs

The water cost of service analysis proportionally distributes the revenue requirements to the customer classes of service. To accomplish this, the revenue requirement must first be allocated among cost classification for which costs can then be distributed. The allocation cost classifications used for this analysis were commodity, capacity, actual customer, meters and services, recycled water, pumping power costs and purchased water. Since there are two systems, a potable water and recycled water system some cost allocation classifications were exclusive to either the potable or recycled water systems, while other cost classifications apply to both systems. The potable water system allocated costs to the components of commodity, capacity, and purchased water. The recycled water system costs allocation was the recycled water component only. The allocation components that applied to both the potable and recycled

water systems were the actual customer, meters, and services. These costs apply to both customers sets as they represent the costs of providing service to customers regardless of the amount of consumption or if the customer uses potable water or recycled water. The pumping power costs allocation classification is unique since it can apply to either potable water customers or recycled water customers depending on if the customer is located in an elevated part of the District's service area and requires pump stations for service.

4.3 Water Customer Classes of Service

Currently, the water system serves residential, commercial, irrigation, and recycled water customers. Distributing the allocated costs among the appropriate classes of service is the result of the cost of service process. This analysis groups customers into classes of service. The result of a cost of service analysis is the calculation of the unit costs, which are a product of the allocated costs divided by billing units, both meters and consumption. A key consideration of the District's study is the allocation of joint costs to provide both potable and recycled water service.

Each customer pays a bi-monthly fixed meter charge. Potable residential, commercial, and irrigation customers also pay a consumption charge, either for residential/commercial or irrigation, as well as a Zone 7 charge that reflects the cost of the wholesale water purchased. Recycled water customers do not pay a Zone 7 charge but do pay a separate recycled water consumption charge based on the cost of providing recycled water service. All customers who are served at higher elevations of the service area, regardless of potable or recycled water, pay a power cost rate that is intended to recover the cost of pumping what to those higher elevations. Table 4-1 provides the Districts classes of service and the rate components used in the costs of service analysis.

Table 4-1
Water Customer Classes and Rates

Rate Component	Potable Residential/ Commercial	Potable Irrigation	Recycled Water
Meter Rate $/Bi-monthly	X	X	X
Potable Residential/Commercial $/CCF	X		
Potable Irrigation $/CCF		X	
Zone 7 Water $/CCF	X	X	
Recycled Water $/CCF			X
Power Costs $/CCF	X	X	X

4.4 General Cost of Service Procedures

In order to determine the cost to serve each customer class of service, a cost of service analysis is conducted. A cost of service study utilizes a three-step approach to review costs. These were previously discussed in our general overview in Section 2 and take the form of functionalization, allocation and distribution.

4.4.1 Functionalization of Costs

The first analytical step in the cost of service process is called functionalization. Functionalization is the arrangement of expenses and asset data by major operating functions within the utility (e.g., distribution, pumping, recycled water treatment).

4.4.2 Allocation of Costs

The second analytical task performed in a water cost of service analysis is the allocation of the costs. Allocation determines why the expenses were incurred or what type of need is being met. The District's water revenue requirements were reviewed and allocated using the following costs:

- **Commodity-Related Costs:** are those costs which tend to vary with the total quantity of water consumed by a customer. Commodity costs are costs that are incurred during average day demand conditions. Typically, chemicals or electricity are costs that tend to vary based on customer's average day demand. This cost allocation component is specifically for the potable water system allocation purposes. This method is used to distribute costs only as between residential/ commercial customers and irrigation customers.
- **Capacity Costs:** Capacity costs are those which vary with peak day demand, or the maximum rates of flow to customers. System capacity is required when there are large demands for water placed upon the system (e.g., summer lawn watering). For water utilities, capacity-related costs are generally related to the sizing of facilities needed to meet a customer's maximum water demand at any point in time. For

Terminology of a Water Cost of Service Analysis

Functionalization – The arrangement of the cost data by functional category (e.g. distribution, pumping, etc.).

Allocation – The assignment of functionalized costs to cost components (e.g. average day, peak day, and customer-related).

Distribution – Distribution the allocated costs to each class of service based upon each class's proportional contribution to that specific cost component.

Commodity Costs – Costs that are allocated as commodity-related vary with the total volume of water consumed (e.g., chemical, electricity for pumping).

Capacity Costs – Costs allocated as capacity-related are related to meeting peak day or peak hour usage. Facilities are often designed and sized around meeting peak demands.

Customer Costs – Costs allocated as customer related vary with the number of customers on the system, e.g. billing costs.

Purchased Water – This is specifically the cost of purchased water applicable only to potable water customers.

Customer Classes of Service – The grouping of customers into similar groups based upon usage characteristics and/or facility requirements.

example, portions of distribution storage reservoirs and mains (pipelines) must be adequately sized to meet these maximum water demand requirements. This allocation classification is also used specifically for distributing costs between the residential/commercial customers and the irrigation customers.

- **Customer Related Costs:** Customer costs are those costs which vary with the number of customers on the water system. They do not vary with water consumption. These costs are also sometimes referred to as readiness to serve or availability costs. Customer costs may also sometimes be further allocated as either actual or weighted. Actual customer costs vary proportionally, from customer to customer, with the addition or deletion of a customer regardless of the meter size of the customer. In contrast, a weighted customer cost reflects a disproportionate cost, from customer to customer, with the addition or deletion of a customer. An example of an actual customer cost is postage for mailing bills. This cost does not vary from customer to customer, regardless of the size or consumption characteristics of the customer. An example of a weighted customer cost can be the size of a customer meter, or potential demand. The District must be ready to serve each customer's potential demand, the customers portion of the system capacity, which is different than the systems actual demand which is captured by the capacity costs allocation described above.
- **Recycled Water Costs:** The District partners with EBMUD to produce and distribute recycled water through DERWA, a joint powers authority and the infrastructure and resulting costs are exclusive to recycled water customers.
- **Purchased Water:** The District is charged by the Zone 7 Water Agency for the potable water delivered to DSRSD for its potable water customers. Given the substantial amount of the cost and the direct nature of the cost, purchased water cost is specifically assigned to potable water customers using this allocation factor. This allocation factor is also the basis of the Zone 7 rate charged by the District to its potable water customers.

4.4.3 Development of Distribution Factors

Once the allocation process is complete, and the customer classes have been defined, the various allocated costs are proportionally distributed to each of the identified customer classes of service. The District's allocated costs for the water utility were distributed to the previously identified customer classes of service using the following distribution factors.

- **Commodity Distribution Factor**: As noted previously, commodity-related costs vary with the total water consumption. Therefore, the commodity distribution factor was based on the projected total metered water consumption plus water losses for each class of service for the projected test period. The commodity distribution factor was used to distribute potable commodity costs between residential/commercial, and irrigation customers.
- **Capacity Distribution Factor**: Capacity is related to peak usage. The capacity distribution factor was developed based on the estimated contribution to the water system peak day use of potable residential/commercial and irrigation customer classes of service. Peak day use by customer class of service was estimated using peaking factors for each customer group. In this case, the peaking factor was defined as the relationship between peak day

contribution and average day use and determined for each customer group based on a review of the average month to peak month usage. Given an estimated peaking factor, the peak day contribution for potable residential/commercial and irrigation customers was developed.

- **Customer Distribution Factor**: Customer costs vary with the number of customers on the system. Two basic types of customer distribution factors were identified – actual and weighted. The distribution factor for actual customer costs was based on the projection of the number of customers (accounts) developed within the revenue requirement.

  The next customer related distribution factor is the weighted customer costs for meters and services. This factor reflects the additional cost a customer can place on the system such as the potential demand on the system given the size of their meter. For planning purposes, the potential for demand must be considered when designing and developing a water system.

The distribution factors used in this analysis were limited to the commodity, capacity and customers. The limited use of distribution factors was because other allocation classifications were not needed to distribute costs among different customer types since they were directly related to a specific rate. For example, recycled water costs apply only to the development of the recycled water rate. Similarly, the pumping power cost allocation is directly related to the power costs rate and do not need to be distributed between different customer types.

4.5 Functionalization and Allocation of the System Assets in Service

As noted above, the first steps of the cost of service analysis are the *functionalization* and *allocation* of system assets in service. In performing the functionalization of system assets in service, HDR utilized the District's replacement cost basis of its water system assets. Once the assets were functionalized, the analysis shifted to the allocation of the asset. The allocation process included reviewing each group of assets and determining the appropriate costs allocation component(s). For example, the District's assets were allocated as: commodity-related, capacity-related, customer-related, or recycled water. Provided below is a summary overview of the allocation process used for the District's system assets. The following approach is based on the methodology as described in the AWWA M1 Manual. The purpose of allocating system assets is to develop a means of allocating the water utilities expenses. The concept behind this process is that the value of system assets is proportional to the costs to operate and maintain the asset. For example, the largest asset in terms of replacement value is the small potable water mains which represents approximately 70% of the total water systems replacement costs. It is then presumed that 70% of an indirect water cost, such as labor are spent operating and maintaining the small potable water mains.

- **Pumping and Storage**: This includes mainly pump stations and reservoirs for both the potable water system and the recycled water system. The potable pump station was allocated as 100% commodity. The recycled water pump station was allocated 100% to the recycled water allocation factor. Potable reservoirs were allocated 29% to capacity and 71%

to customer meters and services. Recycled water reservoirs like recycled water pump stations were also allocated directly to the recycled water allocation factor since those assets only benefit the recycled water customers.

- **Transmission and Distribution**: Pipelines (mains) were broken down into small (less than or equal to 12") and large (greater than 12") for both the potable water system and the recycled water system. The small water lines were allocated 29% to capacity and 71% to meters and services. Large water lines were allocated 79% to commodity and 21% to capacity. Both small and large recycled water lines were allocated directly to the recycled water allocation factor because they are only used by recycled water customers.
- **General Equipment**: The general equipment allocation is used for assets such as administrative offices or field operations offices that are needed to serve utility needs overall. These assets serve all customers of the water utility both, potable and recycled water. These assets are allocated as actual customers because it is not related specifically to commodity, capacity, or recycled water.

The result of the functionalization and allocation of the system assets are provided in table 4-2 below.

Table 4-2
Allocation of System Assets

	Commodity	Capacity	Actual Customer	Meters and Service	Recycled Water
Pumping and Storage	31%	18%	0%	45%	6%
Transmission & Distribution	7%	24%	0%	55%	14%
General Equipment	0%	0%	100%	0%	0%

Table 4 - 2 provides a summary of the basic functionalization and allocation of the major water plant items. A more detailed exhibit of the District's functionalization and allocation of system assets can be found in the Technical Appendix.

4.6 Assumptions of the Cost of Service Analysis

A number of key assumptions were used within cost of service study. Provided below is a brief discussion of the major assumptions used.

- The test period used for the cost of service analysis was FY 2024. The revenue and expense data for FY 2024 was previously developed within the revenue requirement analysis.
- A cash basis approach was utilized which conforms to generally accepted cost of service approaches and methodologies. This is the same methodology that the District has historically utilized for past cost of service analyses.

- District staff provided detailed information on the allocation of costs, based on their knowledge of each facility and its operation.

4.7 Summary of the Water Cost of Service Analysis

In summary form, the water cost of service analysis began by functionalizing the District's FY 2024 revenue requirement.

The functionalized revenue requirement was then allocated to the appropriate cost component(s). The individual allocation totals were then proportionally distributed to the identified customer groups based upon the appropriate distribution factor. Table 4-3 provides the distributed revenue requirement by allocation component.

Table 4 - 3
Summary of the Revenue Requirement Allocation ($000)

	Commodity	Capacity	Actual Customer	Meters and Services	Recycled Water	Pumped Water Costs	Purchase Water	Total
Residential/ Commercial	$2,720	$3,310	$425	$6,850	$0	$0	$16,792	$30,096
Irrigation	313	569	7	493	0	0	1,930	3,312
Recycled Water	0	0	8	691	6,553	0	0	7,252
Power	0	0	0	0	0	1,484	0	1,484
Total	$3,032	$3,879	$441	$8,034	$6,553	$1,484	$18,722	$42,146

The distributed expenses for each customer group were then aggregated to determine each customer group's overall revenue responsibility. A summary of the detailed cost responsibility developed for each class of service versus the customer class present rate revenue is shown in Table 4-4.

Table 4 - 4
Summary of the Cost of Service Analysis ($000)

Class of Service	Present Revenue (FY 2024)	Allocated Costs	$ Difference	% Difference
Residential / Commercial	$29,445	$30,096	($652)	2.2%
Irrigation	3,272	3,312	(40)	1.2%
Recycled Water	6,218	7,252	(1,034)	16.6%
Power Costs	1,013	1,484	(472)	46.6%
Total	$39,948	$42,146	($2,197)	5.5%

The distribution of costs provided a proportional distribution of the facilities and costs to each customer class reflective of their respective benefit and burden on the water system. The cost

of service results indicated that costs differences exist between the customer classes of service. The largest difference is for power cost which is the result of recent increases in power cost expenses for the District as a whole.

While the District's cost of service analysis provides the distribution to each customer class of service, the average unit costs are the basis for the proposed rates. Table 4-5 below provides the unit costs calculated from the cost of service results.

Table 4 - 5
Summary of Cost of Service Unit Costs

Allocation Component	Residential/ Commercial	Irrigation	Recycled Water	Power Costs
Commodity - $/CCF	**$0.72**	**$0.72**	$0.00	$0.00
Capacity - $/CCF	**$0.87**	**$1.30**	$0.00	$0.00
Actual Customer - $/Bi-Monthly/Account	**$2.80**	**$2.80**	**$2.80**	$0.00
Meters & Services - $/B-Monthly/Equivalent Meter	**$37.88**	**$37.88**	**$37.88**	$0.00
Recycled Water - $/CCF	$0.00	$0.00	**$5.23**	$0.00
Pumped Water - $/CCF	$0.00	$0.00	$0.00	**$0.43**
Purchased Water - $/CCF	**$4.42**	**$4.42**	$0.00	$0.00

4.8 Consultant's Conclusions and Recommendations

The cost of service analysis provides the basis for cost-based adjustments between the customer classes of service for both systems. Historically, the District has followed cost of service principles to set rates, which is also the recommendation for this study. Given the results of the cost of service, the proposed rates will be set to reflect the results shown in Table 4-5.

This section of the report has reviewed the cost of service analyses developed for the District. This study provides the basis for proportionally distributing the utility's costs between the District's water rates. Furthermore, this study provides the basis for determining the level of revenue to be collected from each customer class of service within the rate design process. The next section of the report will discuss the design of the proposed water rates.

5 Development of the Water Rate Design

5.1 Introduction

The final step of the comprehensive rate study process is the design of the proposed rates. This step involves using the results of the revenue requirement and cost of service analysis to establish the overall level of adjustment required. This section of the report will provide a more detailed discussion of the development of the proposed rate designs.

5.2 Development of Cost-Based Water Rates

Developing rates that are cost-based and proportional is of paramount importance and the purpose of completing a rate study. While always a key consideration in developing rates, meeting the legal requirements, and documenting the steps taken to meet the requirements, has been in the forefront due to statutory requirements and judicial decisions. Given this, the development of the District's proposed potable and recycled water rates have been developed to meet the legal requirements of California Constitution article XIII D, section 6 (Article XIII D). A substantive component of Article XIII D is the development of rates which reflect the cost of providing service and which are proportionally distributed between the appropriate customer classes, or rate components based on differential burdens placed on the water system. HDR would point out that there is no single methodology for proportionally assigning costs to the various customer groups. HDR collaborated with District staff to utilize a methodology which best suited the goals of the District and reflected the unique characteristics of the District's water systems. The AWWA Principles of Water Rates, Fees, and Charges discusses various methodologies which may be used to establish cost-based rates. Article XIII D, however, is not prescriptive and does not provide a specific acceptable methodology for establishing rates. Given that, HDR developed the District's proposed water rates based on generally accepted rate setting methodologies to meet the requirements of Article XIII D.

HDR is of the opinion that the proposed rates meet the legal requirements of Article XIII D. HDR reaches this conclusion based upon the following:

- The revenue derived from water rates does not exceed the funds required to provide the property related service (i.e., potable and recycled water service) for which they are imposed. The proposed rates are designed to collect the overall revenue requirement of the District's potable and recycled water systems, including funding appropriate reserves.
- The revenues derived from water rates will be used solely for the water system costs as described herein and shall not be used for any purpose other than that for which the fee or charge is imposed.
- The proposed water rates do not exceed the proportional costs of the service attributable to the customer class of service. The cost of service analysis focused exclusively on the issues of proportional assignment and allocation of costs to the appropriate rate component.

- The proposed rates are based on the appropriate allocated costs as determined by the costs of service which is based on industry standard costs allocation principles and methods as described in the AWWA M1. The allocation of costs to the appropriate rate component creates the proportionality expected under Proposition 218 since the specific rate component is a direct function of the allocated costs. Proportionality is gained when a customer is charged the rate based on their actual consumption or meter size for which the rate is based.

5.3 Water Rate Design

The final step and the purpose for the revenue requirement and the cost of service is to design proportional, cost based rates. The revenue requirement set the level of overall amount of funding needs and the cost of service distributed the costs identified in the revenue requirement. These allocated and distributed costs are then the basis for the development of the proposed rates. The District's proposed rates are appropriately aligned with the allocated costs, in that the recycled water allocation is the cost basis for the recycled water rate and the purchased water allocation is the cost basis for the Zone 7 Rate. The next step is simply to divide the cost by the billing units (consumption in the case of variable rates (Table 5-1) and meters in the case of fixed charges (Table 5-2)), for the associated service. For example, the commodity and capacity costs are associated with the potable customers consumption rate, recycled water costs are associated with the recycled water consumption rate and the pumping power costs are associated with the power charge which is charged by consumptive volume.

Table 5-1 provides the development of the potable water rates for the residential/commercial and irrigation rates. The allocated costs were established by the cost of service analysis in Section 4 of this report.

Table 5 - 1
Allocated Commodity and Capacity Related Costs ($000s)

	Total	Residential / Commercial	Irrigation
Allocated Commodity Costs	$3,032	$2,720	$313
Allocated Capacity Costs	3,879	3,310	569
Total Commodity & Capacity Costs	$6,911	$6,030	$882
Potable Water Units - CCF		3,801,584	437,037
Unit Cost of Potable Water - $/CCF		**$1.59**	**$2.02**

In the above table, the distribution between the residential/commercial and irrigation customers was based on the customer class of service relative consumption. The distribution between the residential/commercial rate and the irrigation rate for capacity was based on each customer type's contribution to peak day. Peak day responsibility was estimated using information from the District's 2016 Water Master Plan and actual FY 2023 consumption data on a peak billing

period to average billing period basis.

The District's bi-monthly meter rate is comprised of two parts a customer cost allocation (actual customer) and a meters and service costs allocation. The actual customer component was calculated by dividing actual customer costs by the number of customer accounts, and then dividing by 6 to put the rate on a bi-monthly basis. The meters and service allocation component was divided by the equivalent meters then divided by 6 to convert it to a bi-monthly rates. Table 5-2 provides the development of the bi-monthly meter charges.

Table 5 - 2
Allocated Customer Related Costs ($000s)

	Actual Customer		Meters and Services	
Allocated Actual Customer Costs	$441		$8,034	
Number of Units (Potable & Recycled Water)	26,222	Cust. Accts.	35,347	Eqvlnt. Mtrs.
Unit Cost - $/Bi-Monthly	**$2.80**	**$/Cust. Accts.**	**$37.88**	**$/Eqvlnt. Mtrs.**

The two components of the allocated customer costs are added together to establish the actual bi-monthly meter rate charged to the District's customers. The actual customer components are charged the same rate for all meter sizes while the meters and services rate vary by meter size, with the rate increasing as the size and therefore the capacity (potential demand) of the meter increases. Table 5-3 provides the bi-monthly meter rates by meter size.

Table 5 - 3
Customer Bi-Monthly Meter Rates

Meter Size	Customer Rate		Meters and Service Rate		Total Meter Rate
5/8"	$2.80	+	$37.88	=	$40.68
3/4"	2.80	+	56.82	=	59.62
1"	2.80	+	94.70	=	97.50
1-1/2"	2.80	+	189.41	=	192.21
2"	2.80	+	303.05	=	305.85
3"	2.80	+	823.93	=	826.73
4"	2.80	+	1,420.56	=	1,423.36
6"	2.80	+	3,030.53	=	3,033.33
8"	2.80	+	5,303.43	=	5,306.23
10"	2.80	+	7,955.15	=	7,957.95

Table 5-4 provides the recycled water and pumped water rate calculation.

Table 5 - 4
Allocated Recycled Water Costs and Pumped Water Costs

	Recycled Water Costs		Pumped Water Costs	
Allocated Costs - Recycled/Pumped Water	$6,553		$1,484	
Units - Recycled/Pumped Water	1,253,657	CCF	3,492,402	CCF
Unit Costs	**$5.23**	**$/CCF**	**$0.43**	**$/CCF**

Recycled water and the power costs rates are both based on the customers consumption. The rates were calculated by dividing the allocated cost by the consumption units. Per direction from the District Board of Directors, which reaffirmed that development related costs should be funded through the expansion fund, Table 5-4 reflects a reimbursement of $700,000 annually for each year of the rate study period from the expansion fund. This rate design reflects that recycled rates are intended to recover recycled operations and maintenance costs, and that capital and debt service costs are recovered through water capacity reserve fees.

Based on Board direction, the proposed rates establish a separate bi-monthly fixed charge for Zone 7 purchased water in addition to the existing consumption rate. The same level of revenue is collected as it would have been under the current single consumption rate method, just in a different manner with the addition of the fixed charge. This change in the Zone 7 rate was in recognition that the District is charged a fixed amount and a consumption rate by Zone 7 . Table 5-5 provides the proposed Zone 7 fixed and variable rates.

Table 5 - 5
Zone 7 Water Agency Purchased Water Costs ($000s)

	Total	Fixed Zone 7 Costs		Variable Zone 7 Costs	
Allocated Purchased Water Costs	$18,722	$2,506		$16,216	
Units - Purchased Water		32,307	Eqvlnt. Mtrs.	4,238,622	CCF
Unit Cost		**$12.93**	**$/Bi-Monthly**	**$3.83**	**$/CCF**

The preceding tables in this chapter provides the unit cost calculation for FY 2024. These rates will also serve as the basis for future rates. The FY 2024 rates will be implemented on May 1, 2024, and the 2025 rates will be implemented January 1, 2025. DSRSD will directly pass through future adjustments to the Zone 7 wholesale rate as allowed by California Government Code 53756.

Table 5-6
Current and Proposed Rates

	Current	FY 2024 Effective 4/1/24	FY 2025 Effective 1/1/25
Bi-monthly Charge by Meter Size			
5/8"	$39.37	$40.68	$42.92
3/4"	54.88	59.62	62.90
1"	85.93	97.50	102.87
1-1/2"	163.53	192.21	202.78
2"	256.67	305.85	322.68
3"	683.51	826.73	872.20
4"	1,172.45	1,423.36	1,501.65
6"	2,491.79	3,033.33	3,200.17
8"	4,354.40	5,306.23	5,598.07
10"	6,527.43	7,957.95	8,395.63
Consumption Rates ($/ccf)			
Residential/Commercial	$1.45	$1.59	$1.67
Irrigation	1.86	2.02	2.13
Recycled Water	4.45	5.23	5.51
Power Charge	0.29	0.43	0.45

Zone 7 wholesale water rates for FY 2024 are shown in Table 5-7. As provided for in state law, DSRSD passes through any future adjustments to wholesale water costs to water customers, based on the rate adopted by the Zone 7 Board of Directors.

Table 5-7
Current and Proposed Zone 7 Rates

	Current	FY 2024
Bi-monthly Charge by Meter Size		
5/8"	NA	$12.93
3/4"	NA	19.39
1"	NA	32.32
1-1/2"	NA	64.64
2"	NA	103.42
3"	NA	281.17
4"	NA	484.78
6"	NA	1,034.19
8"	NA	1,809.84
10"	NA	2,714.76
Variable Consumption Charge		
Zone 7 ($/ccf)	$4.45	$3.83

5.4 Summary of the Water Shortage Condition Rates

In addition to the District's normal rate, water shortage condition rates were also developed. 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 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.

When properly designed, water shortage condition rates address the issues of the financial/revenue impacts of decreased consumption during declared water shortages or emergencies. Prescribed reductions in consumption are assumed when a utility declares a water shortage or emergency. Water shortage condition rates are intended to collect the level of funding needed by the District to adequately operate the system. The District's current water shortage condition rates are provided in Table 5 - 8.

Table 5-8
Current Water Shortage Condition Rates ($/CCF)

	Normal Conditions	Water Shortage Condition			
		Stage 1	Stage 2	Stage 3	Stage 4
Water Reduction Goal	**0%**	**10%**	**20%**	**35%**	**50%**
Residential/Commercial Customers					
All Units	$1.45	$1.62	$1.83	$2.24	$2.92
Irrigation					
All Units	$1.86	$2.07	$2.33	$2.86	$3.72
Power Charges					
All Units	$0.29	$0.32	$0.37	$0.45	$0.59

For this study the District wanted to better align their shortage rates with the State's Department of Water Resources (DWR) water shortage definitions. In addition to this change, an allowance for health and safety was added to provide the residential and commercial customers five CCF of water per billing period at the normal rate before charging the corresponding water shortage rate.

Table 5 - 9 provides the proposed water shortage rates.

Table 5-9
Proposed Water Shortage Condition Rates ($/CCF)

Year	FY 2024	FY 2025
Residential/Commercial Customers	All Units over 5 CCF per Billing Period	
Normal Conditions	$1.59	$1.67
Stage 1 - 10% Reduction	1.81	1.91
Stage 2 - 20% Reduction	2.11	2.23
Stage 3 - 30% Reduction	2.54	2.68
Stage 4 - 40% Reduction	3.17	3.34
Stage 5 - 50% Reduction	4.22	4.46
Stage 6 - Reduction over 50%	6.33	6.68
Irrigation	All Units	
Normal Conditions	$2.02	$2.13
Stage 1 - 10% Reduction	2.24	2.36
Stage 2 - 20% Reduction	2.52	2.66
Stage 3 - 30% Reduction	2.88	3.04
Stage 4 - 40% Reduction	3.36	3.55
Stage 5 - 50% Reduction	4.03	4.26
Stage 6 - Reduction over 50%	5.04	5.32
Power Charges		
All Units	NA	NA

The above water shortage condition rates, when a water shortage stage has been declared, replace the potable rates for residential and commercial and irrigation customers. It was determined that the power charge water shortage rate was not necessary to maintain revenue stability when water shortage stages are declared since the cost of power is proportionate to the volume of water pumped and any reduction in consumption should be commensurate to reduced power costs.

5.5 Summary of the Comprehensive Water Rate Study

This section of the report has discussed the development and results of the comprehensive rate study conducted for the District. The results of the comprehensive study indicated that current rates are deficient for the projected 5-year time period reviewed. The implementation of as needed rate adjustments, as shown in the rate tables in this chapter, should generate the additional revenue needed to meet the DSRSD's water systems funding needs.

The proposed potable and recycled rates, and water shortage condition rates, as proposed herein

for FY 2024 through FY 2025, are designed to be cost-based and to recover the level of funding required by DSRSD. The proposed rates were developed using generally accepted rate making principles and methods. These rates will enable the District's water system to operate in a financially sound and prudent manner.

Appendix

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 1 - Escalation Factors

	Budget	*Budget*	*Projected*								
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**	**FY 2032**	**FY 2033**	***Notes***
Revenues											
Customer Growth	1.1%	2.4%	3.4%	4.0%	3.2%	1.7%	0.9%	0.8%	0.9%	0.6%	
Residential + Commercial	2.7%	2.8%	3.0%	4.0%	3.0%	1.7%	0.9%	0.8%	0.9%	0.6%	
Irrigation	6.2%	2.7%	3.0%	4.0%	3.0%	1.7%	0.9%	0.8%	0.9%	0.6%	
Recycled	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Zone 7	3.0%	2.7%	3.0%	4.0%	3.0%	1.7%	0.9%	0.8%	0.9%	0.6%	
Power	6.2%	2.7%	3.0%	4.0%	3.0%	1.7%	0.9%	0.8%	0.9%	0.6%	
Limited Access	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Consumer Price Index	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	
System Development Charges	1.0%	1.0%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	
Misc. Revenue	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Consumption Growth	1.0%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	
Flat	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Expenses											
Salaries and Wages	Budget	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Personnel Benefits	Budget	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Interfund Charges	Budget	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Office and Operating Supplies	Budget	Budget	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Professional Services	Budget	Budget	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	
Machinery and Equipment	Budget	Budget	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	
Operational Rentals and Leases	Budget	Budget	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Purchased Water	Budget	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
DERWA	Budget	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Other Utilities	Budget	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Repairs and Maintenance	Budget	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Cost Share Reimbursements	Budget	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Miscellaneous	Budget	Budget	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Capital Costs	Budget	Budget	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Investment Interest	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
New Long-Term Debt Assumptions											
Revenue Bond											
Rate	4.8%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Term	20	20	20	20	20	20	20	20	20	20	
Low terest Loan											
Rate	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Term	20	20	20	20	20	20	20	20	20	20	

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 2 - Revenues & Expenses

	Budget	Budget	Projected								
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	*Notes*
Revenues											
Rate Revenue by Rate Component											
Zone 7 Revenue (600.1.150.10)	$18,861,867	$19,381,365	$19,962,802	$20,761,315	$21,384,155	$21,747,680	$21,943,408	$22,118,956	$22,318,027	$22,451,932	*Calc'd Cust Data Tab*
DSRSD Fixed Charge (600.1.150.10)	8,169,779	8,355,880	8,578,729	8,884,298	9,119,903	9,258,341	9,329,829	9,394,194	9,466,627	9,516,697	*Calc'd Cust Data Tab*
DSRSD Potable Revenue (600.1.150.10)	6,325,187	6,499,248	6,694,224	6,961,993	7,170,853	7,292,756	7,358,390	7,417,258	7,484,013	7,528,916	*Calc'd Cust Data Tab*
DSRSD Recycled Revenue (600.1.150.30)	5,578,773	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	*Calc'd Cust Data Tab*
Power Charge Revenue (600.1.150.35)	1,012,796	1,039,850	1,071,046	1,113,887	1,147,304	1,166,808	1,177,310	1,186,728	1,197,409	1,204,593	*Calc'd Cust Data Tab*
Total Rate Revenue by Rate Component	**$39,948,402**	**$40,855,117**	**$41,885,575**	**$43,300,267**	**$44,400,989**	**$45,044,358**	**$45,387,711**	**$45,695,910**	**$46,044,850**	**$46,280,912**	
General Inspections	$395,000	$395,000	$402,900	$410,958	$419,177	$427,561	$436,112	$444,834	$453,731	$462,805	As Misc. Revenue
Overtime Inspections	3,500	3,500	3,570	3,641	3,714	3,789	3,864	3,942	4,020	4,101	As Misc. Revenue
Plan Check Fees	60,000	76,000	77,520	79,070	80,652	82,265	83,910	85,588	87,300	89,046	As Misc. Revenue
Backflow Prevention	270,000	275,000	280,500	286,110	291,832	297,669	303,622	309,695	315,889	322,206	As Misc. Revenue
Recycled Water Irrigation	2,000	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	As Misc. Revenue
Fireline service	250,000	260,000	265,200	270,504	275,914	281,432	287,061	292,802	298,658	304,631	As Misc. Revenue
Meter Assemblies	60,000	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	As Misc. Revenue
Engineering Penalties	175,000	175,000	178,500	182,070	185,711	189,426	193,214	197,078	201,020	205,040	As Misc. Revenue
Limited Access	132,447	132,447	132,447	132,447	132,447	132,447	132,447	132,447	132,447	132,447	*Calc'd Cust Data Tab*
Total Other Revenues	**$1,347,947**	**$1,378,947**	**$1,403,877**	**$1,429,306**	**$1,455,243**	**$1,481,699**	**$1,508,684**	**$1,536,209**	**$1,564,284**	**$1,592,921**	
Total Revenues	**$41,296,349**	**$42,234,064**	**$43,289,452**	**$44,729,573**	**$45,856,232**	**$46,526,057**	**$46,896,395**	**$47,232,119**	**$47,609,134**	**$47,873,832**	

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 2 - Revenues & Expenses

	Budget	Budget	Projected								
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	*Notes*
Expenses											
Water Enterprise - 600											
Salaries	$5,532,219	$5,883,255	$6,059,753	$6,241,545	$6,428,792	$6,621,655	$6,820,305	$7,024,914	$7,235,662	$7,452,731	As Salaries and Wages
Overtime	221,000	229,100	235,973	243,052	250,344	257,854	265,590	273,557	281,764	290,217	As Salaries and Wages
Standby Pay	117,620	138,120	$142,264	$146,532	$150,927	$155,455	$160,119	$164,923	$169,870	$174,966	As Salaries and Wages
Medical	977,460	1,017,100	1,047,613	1,079,041	1,111,413	1,144,755	1,179,098	1,214,471	1,250,905	1,288,432	As Personnel Benefits
Retirement	1,549,810	1,582,312	1,629,781	1,678,674	1,729,035	1,780,906	1,834,333	1,889,363	1,946,044	2,004,425	As Personnel Benefits
Other Benefits	267,977	280,322	288,732	297,394	306,315	315,505	324,970	334,719	344,761	355,104	As Personnel Benefits
Salary / Benefit Credit	(958,118)	(1,022,838)	(1,053,523)	(1,085,129)	(1,117,683)	(1,151,213)	(1,185,750)	(1,221,322)	(1,257,962)	(1,295,701)	As Personnel Benefits
Training Costs	92,825	95,535	97,446	99,395	101,383	103,410	105,478	107,588	109,740	111,934	As Miscellaneous
Group Training Services	8,250	8,250	8,415	8,583	8,755	8,930	9,109	9,291	9,477	9,666	As Miscellaneous
Temporary Help	102,400	67,620	68,972	70,352	71,759	73,194	74,658	76,151	77,674	79,228	As Miscellaneous
Interns	40,000	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	As Miscellaneous
Uniforms & Safety Equipment	21,350	22,392	23,120	23,871	24,647	25,448	26,275	27,129	28,011	28,921	As Machinery and Equipment
Permits, Cert., Licens, Member	219,686	228,527	233,098	237,760	242,515	247,365	252,312	257,359	262,506	267,756	As Miscellaneous
Chemicals	86,000	92,760	98,326	104,225	110,479	117,107	124,134	131,582	139,477	147,845	As Office and Operating Supplies
Equipment Under $20,000	96,800	91,900	94,887	97,971	101,155	104,442	107,837	111,341	114,960	118,696	As Machinery and Equipment
Fuel	54,200	58,200	61,692	65,394	69,317	73,476	77,885	82,558	87,511	92,762	As Office and Operating Supplies
Gas & Electric	1,716,000	1,786,200	1,839,786	1,894,980	1,951,829	2,010,384	2,070,695	2,132,816	2,196,801	2,262,705	As Other Utilities
General Supplies	804,750	872,050	924,373	979,835	1,038,626	1,100,943	1,167,000	1,237,020	1,311,241	1,389,915	As Office and Operating Supplies
Tools	24,725	26,900	27,774	28,677	29,609	30,571	31,565	32,591	33,650	34,743	As Machinery and Equipment
Office Supplies/Services	10,600	11,240	11,914	12,629	13,387	14,190	15,042	15,944	16,901	17,915	As Office and Operating Supplies
Meter Equipment	353,500	353,500	364,989	376,851	389,099	401,744	414,801	428,282	442,201	456,573	As Machinery and Equipment
Water Purchase - Fixed	9,002,430	9,037,609	9,308,737	9,587,999	9,875,639	10,171,908	10,477,066	10,791,378	11,115,119	11,448,572	As Purchased Water
Water Purchase - Variable	9,719,920	11,219,391	11,555,973	11,902,652	12,259,732	12,627,524	13,006,349	13,396,540	13,798,436	14,212,389	As Purchased Water
Professional Services	433,800	331,600	338,232	344,997	351,897	358,935	366,113	373,435	380,904	388,522	As Miscellaneous
Advertising	13,085	13,085	13,347	13,614	13,886	14,164	14,447	14,736	15,031	15,331	As Miscellaneous
Equipment Lease/Rental	71,000	73,300	75,682	78,142	80,682	83,304	86,011	88,806	91,693	94,673	As Machinery and Equipment
Maintenance Contracts	237,050	239,550	244,341	249,228	254,212	259,297	264,483	269,772	275,168	280,671	As Miscellaneous
Software Maintenance	89,900	84,720	89,803	95,191	100,903	106,957	113,374	120,177	127,388	135,031	As Office and Operating Supplies
Monitoring & Testing Services	24,000	19,000	19,950	20,948	21,995	23,095	24,249	25,462	26,735	28,072	As Operational Rentals and Leases
Other Services	1,407,458	1,521,858	1,597,951	1,677,848	1,761,741	1,849,828	1,942,319	2,039,435	2,141,407	2,248,477	As Operational Rentals and Leases
Printing Services	105,600	105,600	107,712	109,866	112,064	114,305	116,591	118,923	121,301	123,727	As Miscellaneous
Meetings	7,640	7,740	7,895	8,053	8,214	8,378	8,546	8,716	8,891	9,069	As Miscellaneous
Subscriptions & Publications	950	950	969	988	1,008	1,028	1,049	1,070	1,091	1,113	As Miscellaneous
Credit Card Transaction Fees	90,000	90,000	91,800	93,636	95,509	97,419	99,367	101,355	103,382	105,449	As Miscellaneous
DERWA JPA	3,583,200	3,653,100	3,762,693	3,875,574	3,991,841	4,111,596	4,234,944	4,361,992	4,492,852	4,627,638	As DERWA
Overhead Charges	2,623,577	2,755,470	2,810,580	2,866,791	2,924,127	2,982,610	3,042,262	3,103,107	3,165,169	3,228,473	As Miscellaneous
Total Water Enterprise - 600	$38,748,664	$40,995,418	$42,251,447	$43,547,966	$44,886,372	$46,268,117	$47,694,706	$49,167,703	$50,688,731	$52,259,474	
Rate Stabilization - 605											
Low Income Credit (UB)	$70,000	$70,000	$71,400	$72,828	$74,285	$75,770	$77,286	$78,831	$80,408	$82,016	As Miscellaneous
Total Rate Stabilization - 605	$70,000	$70,000	$71,400	$72,828	$74,285	$75,770	$77,286	$78,831	$80,408	$82,016	
Water Replacement - 610											
Telecommunication Services	$250	$250	$258	$265	$273	$281	$290	$299	$307	$317	As Salaries and Wages
DERWA JPA	517,700	242,000	249,260	256,738	264,440	272,373	280,544	288,961	297,629	306,558	As DERWA
Total Water Replacement - 610	$517,950	$242,250	$249,518	$257,003	$264,713	$272,655	$280,834	$289,259	$297,937	$306,875	
Water Expansion - 620											
DERWA JPA	1,098,094	845,794	871,168	897,303	924,222	951,949	980,507	1,009,922	1,040,220	1,071,427	As DERWA
Total Water Expansion - 620	$1,098,094	$845,794	$871,168	$897,303	$924,222	$951,949	$980,507	$1,009,922	$1,040,220	$1,071,427	
Total Expenses	**$40,434,708**	**$42,153,462**	**$43,443,533**	**$44,775,100**	**$46,149,592**	**$47,568,490**	**$49,033,333**	**$50,545,716**	**$52,107,295**	**$53,719,792**	
Total Operations & Matenance Expense	**$40,434,708**	**$42,153,462**	**$43,443,533**	**$44,775,100**	**$46,149,592**	**$47,568,490**	**$49,033,333**	**$50,545,716**	**$52,107,295**	**$53,719,792**	

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 2 - Revenues & Expenses

		Budget	Budget	Projected								
		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	*Notes*
Rate Funded Capital												
Replacement Fund		$6,390,000	$6,500,000	$6,610,000	$6,720,000	$6,830,000	$6,940,000	$7,050,000	$7,160,000	$7,270,000	$7,380,000	
Expansion Fund		0	0	0	0	0	0	0	0	0	0	
Total Rate Funded Capital		**$6,390,000**	**$6,500,000**	**$6,610,000**	**$6,720,000**	**$6,830,000**	**$6,940,000**	**$7,050,000**	**$7,160,000**	**$7,270,000**	**$7,380,000**	FY 2023 Dep. Exp. = $3,484,955
Debt Service												
2017 Water Rev. Ref. Bonds		$1,877,813	$1,877,188	$1,875,313	$2,306,063	$2,586,563	$2,577,063	$2,579,188	$2,577,563	$2,572,188	$2,567,938	Financial Plan
Total Debt Service		**$1,877,813**	**$1,877,188**	**$1,875,313**	**$2,306,063**	**$2,586,563**	**$2,577,063**	**$2,579,188**	**$2,577,563**	**$2,572,188**	**$2,567,938**	
Transfers												
In												
Transfer from Rate Stabilization Fund		($3,989,947)	($3,325,960)	($71,400)	($72,828)	($74,285)	($75,770)	($77,286)	($78,831)	($80,408)	($82,016)	
Transfer from Water Replacement Fund		(517,950)	(242,250)	(249,518)	(257,003)	(264,713)	(272,655)	(280,834)	(289,259)	(297,937)	(306,875)	
Transfer from Water Expansion Fund		(3,675,907)	(2,722,982)	(2,746,480)	(3,203,365)	(3,510,784)	(3,529,011)	(3,559,695)	(3,587,485)	(3,612,407)	(3,639,364)	
5th Supplement Agreement (Regional to Water)		(400,000)	(400,000)	(408,000)	(416,160)	(424,483)	(432,973)	(441,632)	(450,465)	(459,474)	(468,664)	As Miscellaneous
Out												
Transfers Out - Enterprise Fund		559,217	633,075	703,338	754,608	907,883	937,900	953,542	932,012	908,827	867,442	
Transfers Out - Other		234,714	241,756	246,591	251,523	256,553	261,684	266,918	272,256	277,701	283,255	As Miscellaneous
Total Transfers		**($7,789,872)**	**($5,816,361)**	**($2,525,469)**	**($2,943,225)**	**($3,109,829)**	**($3,110,825)**	**($3,138,987)**	**($3,201,772)**	**($3,263,699)**	**($3,346,222)**	
Total Revenue Requirements		**$40,912,649**	**$44,714,289**	**$49,403,376**	**$50,857,937**	**$52,456,325**	**$53,974,728**	**$55,523,533**	**$57,081,507**	**$58,685,784**	**$60,321,507**	
Balance / (Deficiency) of Funds		$383,701	($2,480,224)	($6,113,924)	($6,128,364)	($6,600,093)	($7,448,671)	($8,627,138)	($9,849,388)	($11,076,650)	($12,447,675)	
Cumulative Rate Adjust. as a % of Rate Rev		-1.0%	6.1%	14.6%	14.2%	14.9%	16.5%	19.0%	21.6%	24.1%	26.9%	
Proposed Rate Adjustment		**5.5%**	**5.5%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	
Month of Adjustment (FY begins July, July = 7)		**2**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	
Addt'l Rev from Proposed Adj.		$707,456	$3,142,427	$5,262,373	$6,902,321	$8,622,146	$10,360,824	$12,114,625	$13,933,672	$15,842,619	$17,789,983	
Net Bal/(Def) of Funds After Rate Adj.		$1,091,157	$662,202	($851,551)	$773,957	$2,022,053	$2,912,152	$3,487,487	$4,084,284	$4,765,968	$5,342,308	
Additional Rate Increase Needed		**-2.7%**	**-1.6%**	**2.0%**	**-1.8%**	**-4.6%**	**-6.5%**	**-7.7%**	**-8.9%**	**-10.4%**	**-11.5%**	
Debt Service Coverage Ratio												
Before Rate Adjustment		0.46	0.04	-0.08	-0.02	-0.11	-0.40	-0.83	-1.29	-1.75	-2.28	
After Rate Adjustment		0.84	1.72	2.72	2.97	3.22	3.62	3.87	4.12	4.41	4.65	
Average Bi-monthly Residential Bill (3/4" meter + 20 CCF)	$157.37											
Average Bi-Monthly Bill After Rate Adjustment		$166.03	$175.16	$180.41	$185.82	$191.40	$197.14	$203.05	$209.15	$215.42	$221.88	
$ Change Per Month		8.66	9.13	5.25	5.41	5.57	5.74	5.91	6.09	6.27	6.46	
Cumulative $ Change per Month		8.66	17.79	23.04	28.45	34.03	39.77	45.68	51.78	58.05	64.51	

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 2 - Revenues & Expenses

	Budget FY 2024	Budget FY 2025	Projected FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Notes
Reserve Funds											
Beginning Reserve Balance	**$24,812,931**	**$24,083,358**	**$23,064,600**	**$23,662,724**	**$25,950,937**	**$29,578,482**	**$34,207,400**	**$39,537,078**	**$45,603,847**	**$52,509,471**	
Water Enterprise - 600											
Begining Balance	**$8,853,143**	**$10,779,517**	**$11,717,719**	**$11,083,492**	**$12,094,597**	**$14,398,983**	**$17,657,358**	**$21,567,742**	**$26,165,066**	**$31,549,655**	
Plus: Additions	1,650,374	1,295,278	703,338	1,528,565	2,929,936	3,850,052	4,441,028	5,016,296	5,674,795	6,209,749	
Plus: Interest	276,000	276,000	217,323	237,149	282,333	346,223	422,897	513,041	618,621	737,839	
Less: Transfer of Excess Fund Balance	0	0	0	0	0	0	0	0	0	0	
Less: Uses of Funds	0	(633,075)	(1,554,889)	(754,608)	(907,883)	(937,900)	(953,542)	(932,012)	(908,827)	(867,442)	
Ending Balance	**$10,779,517**	**$11,717,719**	**$11,083,492**	**$12,094,597**	**$14,398,983**	**$17,657,358**	**$21,567,742**	**$26,165,066**	**$31,549,655**	**$37,629,802**	
Min Fund Balance = 2 months of O&M	*$6,646,801*	*$6,929,336*	*$7,141,403*	*$7,360,290*	*$7,586,234*	*$7,819,478*	*$8,060,274*	*$8,308,885*	*$8,565,583*	*$8,830,651*	
Target Fund Balance	*$13,293,603*	*$13,858,672*	*$14,282,805*	*$14,720,581*	*$15,172,469*	*$15,638,956*	*$16,120,548*	*$16,617,770*	*$17,131,166*	*$17,661,301*	
Water Rate Stabilization - 605											
Begining Balance	**$15,959,788**	**$13,303,841**	**$11,346,881**	**$12,579,232**	**$13,856,339**	**$15,179,499**	**$16,550,042**	**$17,969,335**	**$19,438,780**	**$20,959,816**	
Plus: Additions - Property Tax & Misc Revenue	1,000,000	1,035,000	1,055,700	1,076,814	1,098,350	1,120,317	1,142,724	1,165,578	1,188,890	1,212,667	As Miscellaneous
Plus: Interest	334,000	334,000	248,052	273,121	299,094	325,996	353,855	382,698	412,553	443,450	
Plus: Loan Proceeds	0	0	0	0	0	0	0	0	0	0	
Plus: Bond Proceeds	0	0	0	0	0	0	0	0	0	0	
Less: Uses of Funds	(3,989,947)	(3,325,960)	(71,400)	(72,828)	(74,285)	(75,770)	(77,286)	(78,831)	(80,408)	(82,016)	
Ending Balance	**$13,303,841**	**$11,346,881**	**$12,579,232**	**$13,856,339**	**$15,179,499**	**$16,550,042**	**$17,969,335**	**$19,438,780**	**$20,959,816**	**$22,533,916**	
Min Fund Balance = 2 months of O&M	$6,646,801	$6,929,336	$7,141,403	$7,360,290	$7,586,234	$7,819,478	$8,060,274	$8,308,885	$8,565,583	$8,830,651	
Target Fund Balance	$13,293,603	$13,858,672	$14,282,805	$14,720,581	$15,172,469	$15,638,956	$16,120,548	$16,617,770	$17,131,166	$17,661,301	
Target Combined Fund Balance (600 + 605)	$26,587,206	$13,858,672	$14,282,805	$14,720,581	$15,172,469	$15,638,956	$16,120,548	$16,617,770	$17,131,166	$17,661,301	
Water Replacement - 610											
Begining Balance	**$32,016,267**	**$30,758,374**	**$30,566,824**	**$28,242,561**	**$38,571,767**	**$40,012,826**	**$39,449,083**	**$41,784,962**	**$44,301,765**	**$43,563,413**	
Plus: Additions - Transfer from Operations	6,390,000	6,500,000	6,610,000	6,720,000	6,830,000	6,940,000	7,050,000	7,160,000	7,270,000	7,380,000	
Plus: Interest	580,000	580,000	553,776	756,309	784,565	773,511	819,313	868,662	854,185	656,659	
Plus: Capital Reserve Fees	2,130,526	4,760,700	7,126,000	8,964,000	3,298,000	3,397,000	3,499,000	3,604,000	3,712,000	3,823,000	
Less: Replacement Capital Projects	(9,840,469)	(11,790,000)	(16,364,521)	(5,854,100)	(9,206,793)	(11,401,600)	(8,751,600)	(8,826,600)	(12,276,600)	(21,626,600)	
Less: Uses of Funds Transfer to Operations	(517,950)	(242,250)	(249,518)	(257,003)	(264,713)	(272,655)	(280,834)	(289,259)	(297,937)	(306,875)	
Ending Balance	**$30,758,374**	**$30,566,824**	**$28,242,561**	**$38,571,767**	**$40,012,826**	**$39,449,083**	**$41,784,962**	**$44,301,765**	**$43,563,413**	**$33,489,596**	
Target Balance:											
Water Expansion - 620											
Begining Balance	**$52,006,188**	**$49,943,421**	**$35,511,024**	**$30,764,897**	**$26,805,306**	**$27,339,592**	**$25,726,012**	**$26,393,844**	**$26,791,687**	**$27,172,065**	
Plus: Additions	0	0	0	0	0	0	0	0	0	0	
Plus: Interest	1,000,000	1,000,000	603,233	525,594	536,070	504,432	517,526	525,327	532,786	489,854	
Plus: Capital Reserve Fees	2,605,841	2,605,841	8,655,000	10,850,000	3,979,000	4,085,000	4,085,000	4,085,000	4,085,000	4,085,000	
Less: Debt Service	(1,877,813)	(1,877,188)	(1,875,313)	(2,306,063)	(2,586,563)	(2,577,063)	(2,579,188)	(2,577,563)	(2,572,188)	(2,567,938)	
Less: Expansion Capital Projects	(2,692,702)	(15,315,256)	(11,257,880)	(12,131,820)	(470,000)	(2,674,000)	(375,000)	(625,000)	(625,000)	(3,125,000)	
Less: Uses of Funds Transfer to Operations	(1,098,094)	(845,794)	(871,168)	(897,303)	(924,222)	(951,949)	(980,507)	(1,009,922)	(1,040,220)	(1,071,427)	
Ending Balance	**$49,943,421**	**$35,511,024**	**$30,764,897**	**$26,805,306**	**$27,339,592**	**$25,726,012**	**$26,393,844**	**$26,791,687**	**$27,172,065**	**$24,982,555**	

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 3 - Debt Service

Payment Date	Fiscal Year	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Total P&I
8/1/2018	2018	410,000	0	737,506	1,147,506		0
2/1/2019	2019	-	-	733,406	733,406	1,880,913	1,880,913
8/1/2019	2019	420,000	0	733,406	1,153,406		0
2/1/2020	2020	-	-	727,106	727,106	1,880,513	1,880,513
8/1/2020	2020	435,000	0	727,106	1,162,106		0
2/1/2021	2021	-	-	718,406	718,406	1,880,513	1,880,513
8/1/2021	2021	455,000	0	718,406	1,173,406		0
2/1/2022	2022	-	-	707,031	707,031	1,880,438	1,880,438
8/1/2022	2022	475,000	0	707,031	1,182,031		0
2/1/2023	2023	-	-	695,156	695,156	1,877,188	1,877,188
8/1/2023	2023	500,000	0	695,156	1,195,156		0
2/1/2024	2024	-	-	682,656	682,656	1,877,813	1,877,813
8/1/2024	2024	525,000	0	682,656	1,207,656		0
2/1/2025	2025	-	-	669,531	669,531	1,877,188	1,877,188
8/1/2025	2025	550,000	0	669,531	1,219,531		0
2/1/2026	2026	-	-	655,781	655,781	1,875,313	1,875,313
8/1/2026	2026	1,020,000	0	655,781	1,675,781		0
2/1/2027	2027	-	-	630,281	630,281	2,306,063	2,306,063
8/1/2027	2027	1,360,000	0	630,281	1,990,281		0
2/1/2028	2028	-	-	596,281	596,281	2,586,563	2,586,563
8/1/2028	2028	1,420,000	0	596,281	2,016,281		0
2/1/2029	2029	-	-	560,781	560,781	2,577,063	2,577,063
8/1/2029	2029	1,495,000	0	560,781	2,055,781		0
2/1/2030	2030	-	-	523,406	523,406	2,579,188	2,579,188
8/1/2030	2030	1,570,000	0	523,406	2,093,406		0
2/1/2031	2031	-	-	484,156	484,156	2,577,563	2,577,563
8/1/2031	2031	1,645,000	0	484,156	2,129,156		0
2/1/2032	2032	-	-	443,031	443,031	2,572,188	2,572,188
8/1/2032	2032	1,725,000	0	443,031	2,168,031		0
2/1/2033	2033	-	-	399,906	399,906	2,567,938	2,567,938
8/1/2033	2033	1,815,000	0	399,906	2,214,906		0
2/1/2034	2034	-	-	354,531	354,531	2,569,438	2,569,438
8/1/2034	2034	1,905,000	0	354,531	2,259,531		0
2/1/2035	2035	-	-	306,906	306,906	2,566,438	2,566,438
8/1/2035	2035	1,995,000	0	306,906	2,301,906		0
2/1/2036	2036	-	-	257,031	257,031	2,558,938	2,558,938
8/1/2036	2036	2,100,000	0	257,031	2,357,031		0
2/1/2037	2037	-	-	204,531	204,531	2,561,563	2,561,563
8/1/2037	2037	2,200,000	0	204,531	2,404,531		0
2/1/2038	2038	-	-	149,531	149,531	2,554,063	2,554,063
8/1/2038	2038	2,290,000	0	149,531	2,439,531		0
2/1/2039	2039	-	-	113,750	113,750	2,553,281	2,553,281
8/1/2039	2039	2,355,000	0	113,750	2,468,750		0
Total		**$28,665,000**	**$1**	**$22,099,116**	**$50,764,116**	**$48,295,366**	**$48,295,366**

Notes

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 4 - Revenue at Present Rates

		Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
Residential														
Metered Residential	*As of 1/1/2023*	**Bimonthly**												
5/8"	$39.37	11,502	11,502	11,502	11,502	11,502	11,502	11,502	11,502	11,502	11,502	11,502	11,502	23,003
3/4"	54.88	1	1	1	1	1	1	1	1	1	1	1	1	2
1"	85.93	9	9	9	9	9	9	9	9	9	9	9	9	18
1 1/2"	163.53	10	10	10	10	10	10	10	10	10	10	10	10	21
2"	256.67	9	9	9	9	9	9	9	9	9	9	9	9	18
3"	683.51	5	5	5	5	5	5	5	5	5	5	5	5	10
4"	1,172.45	0	0	0	0	0	0	0	0	0	0	0	0	0
6"	2,491.79	1	1	1	1	1	1	1	1	1	1	1	1	2
8"	4,354.40	0	0	0	0	0	0	0	0	0	0	0	0	0
10"	6,527.43	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Number of Customers		11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	23,075
Total Monthly Charge		$463,792	$463,792	$463,792	$463,792	$463,792	$463,792	$463,792	$463,792	$463,792	$463,792	$463,792	$463,792	$5,565,501
Metered Consumption		284,510	241,339	309,552	248,871	295,044	200,144	188,948	151,292	175,931	131,098	191,537	293,597	2,711,863
Pumped Water		180,913	153,461	196,836	158,251	187,611	127,266	120,147	96,203	111,870	83,362	121,794	186,691	1,724,405
Metered Consumption ($/100 CF)														
Zone 7 Cost of Water	$4.45	$1,266,072	$1,073,957	$1,377,505	$1,107,475	$1,312,947	$890,640	$840,819	$673,249	$782,891	$583,387	$852,341	$1,306,508	$12,067,790
Power Charge	$0.29	52,465	44,504	57,082	45,893	54,407	36,907	34,843	27,899	32,442	24,175	35,320	54,140	500,078
Potable Uniform Rate (Commercial & Resi	$1.45	412,540	349,941	448,850	360,863	427,814	290,209	273,975	219,373	255,099	190,092	277,729	425,716	3,932,201
Total Consumption Revenue		$1,731,077	$1,468,402	$1,883,438	$1,514,230	$1,795,168	$1,217,756	$1,149,636	$920,520	$1,070,432	$797,654	$1,165,390	$1,786,364	$16,500,068
Total Residential		**$2,194,868**	**$1,932,194**	**$2,347,229**	**$1,978,022**	**$2,258,960**	**$1,681,548**	**$1,613,428**	**$1,384,312**	**$1,534,224**	**$1,261,446**	**$1,629,182**	**$2,250,156**	**$22,065,569**
		$25	$21	$27	$22	$26	$17	$16	$13	$15	$11	$17	$25	
Commercial														
Commercial Fixed Charges														
5/8"	$39.37	631	631	631	631	631	631	631	631	631	631	631	631	1,262
3/4"	54.88	50	50	50	50	50	50	50	50	50	50	50	50	101
1"	85.93	111	111	111	111	111	111	111	111	111	111	111	111	222
1 1/2"	163.53	127	127	127	127	127	127	127	127	127	127	127	127	255
2"	256.67	154	154	154	154	154	154	154	154	154	154	154	154	308
3"	683.51	21	21	21	21	21	21	21	21	21	21	21	21	41
4"	1,172.45	4	4	4	4	4	4	4	4	4	4	4	4	8
6"	2,491.79	0	0	0	0	0	0	0	0	0	0	0	0	0
8"	4,354.40	1	1	1	1	1	1	1	1	1	1	1	1	2
10"	6,527.43	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Number of Customers		1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	2,199
Total Monthly Charge		$120,825	$120,825	$120,825	$120,825	$120,825	$120,825	$120,825	$120,825	$120,825	$120,825	$120,825	$120,825	$1,449,899
Metered Consumption		67,945	131,727	74,836	133,310	67,305	125,026	53,058	105,326	53,126	102,327	58,043	117,693	1,089,721
Pumped Water		43,204	83,762	47,587	84,768	42,797	79,501	33,738	66,974	33,782	65,067	36,908	74,838	692,926
Metered Consumption Revenue	***$/100 CF***													
Zone 7 Cost of Water	$4.45	$302,353	$586,183	$333,022	$593,228	$299,506	$556,366	$236,109	$468,703	$236,411	$455,354	$258,293	$523,732	4,849,261
Power Charge	0.29	12,529	24,291	13,800	24,583	12,411	23,055	9,784	19,423	9,797	18,869	10,703	21,703	200,949
Potable Uniform Rate (Commercial & Resi	1.45	98,520	191,003	108,513	193,299	97,592	181,288	76,935	152,723	77,033	148,374	84,163	170,654	1,580,096
Total Consumption Revenue		$413,402	$801,478	$455,335	$811,110	$409,508	$760,709	$322,828	$640,849	$323,241	$622,597	$353,160	$716,089	6,630,305
Total Commercial		**$534,227**	**$922,302**	**$576,160**	**$931,935**	**$530,333**	**$881,534**	**$443,653**	**$761,674**	**$444,066**	**$743,422**	**$473,985**	**$836,914**	**$8,080,205**

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 4 - Revenue at Present Rates

		Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
Irrigation														
Irrigation Fixed Charges														
5/8"	$39.37	21	21	21	21	21	21	21	21	21	21	21	21	42
3/4"	54.88	15	15	15	15	15	15	15	15	15	15	15	15	30
1"	85.93	67	67	67	67	67	67	67	67	67	67	67	67	134
1 1/2"	163.53	65	65	65	65	65	65	65	65	65	65	65	65	130
2"	256.67	48	48	48	48	48	48	48	48	48	48	48	48	96
3"	683.51	2	2	2	2	2	2	2	2	2	2	2	2	4
4"	1,172.45	1	1	1	1	1	1	1	1	1	1	1	1	2
6"	2,491.79	2	2	2	2	2	2	2	2	2	2	2	2	4
8"	4,354.40	1	1	1	1	1	1	1	1	1	1	1	1	2
10"	6,527.43	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Number of Customers		222	222	222	222	222	222	222	222	222	222	222	222	444
Total Monthly Charge		$42,895	$42,895	$42,895	$42,895	$42,895	$42,895	$42,895	$42,895	$42,895	$42,895	$42,895	$42,895	$514,736
Metered Consumption		42,892	77,726	52,573	79,217	60,617	53,461	11,143	8,405	2,938	8,730	6,447	32,888	437,037
Pumped Water		27,274	49,424	33,430	50,372	38,545	33,995	7,086	5,344	1,868	5,551	4,099	20,913	277,901
Metered Consumption Revenue	***$/100 CF***													
Zone 7 Cost of Water	$4.45	$190,868	$345,882	$233,952	$352,514	$269,746	$237,903	$49,587	$37,401	$13,074	$38,848	$28,689	$146,353	$1,944,817
Power Charge	0.29	7,909	14,333	9,695	14,608	11,178	9,858	2,055	1,550	542	1,610	1,189	6,065	80,591
Potable Irrigation	1.86	79,779	144,571	97,787	147,343	112,748	99,438	20,726	15,633	5,465	16,237	11,991	61,172	812,890
Total Consumption		$278,556	$504,786	$341,433	$514,465	$393,672	$347,200	$72,368	$54,583	$19,081	$56,695	$41,869	$213,591	$2,838,298
Total Irrigation		**$321,451**	**$547,681**	**$384,328**	**$557,359**	**$436,567**	**$390,094**	**$115,262**	**$97,478**	**$61,975**	**$99,590**	**$84,764**	**$256,485**	**$3,353,034**
Recycled Water														
Recycled Water Fixed Charges														
5/8"	$39.37	4	4	4	4	4	4	4	4	4	4	4	4	8
3/4"	54.88	6	6	6	6	6	6	6	6	6	6	6	6	12
1"	85.93	57	57	57	57	57	57	57	57	57	57	57	57	114
1-1/2"	163.53	97	97	97	97	97	97	97	97	97	97	97	97	195
2"	256.67	73	73	73	73	73	73	73	73	73	73	73	73	145
3"	683.51	10	10	10	10	10	10	10	10	10	10	10	10	21
4"	1,172.45	3	3	3	3	3	3	3	3	3	3	3	3	6
6"	2,491.79	1	1	1	1	1	1	1	1	1	1	1	1	2
8"	4,354.40	0	0	0	0	0	0	0	0	0	0	0	0	0
10"	6,527.43	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Number of Customers		252	252	252	252	252	252	252	252	252	252	252	252	504
Total Monthly Charge		$53,304	$53,304	$53,304	$53,304	$53,304	$53,304	$53,304	$53,304	$53,304	$53,304	$53,304	$53,304	$639,642
Metered Consumption		959	420,094	26,057	418,437	9	242,042	52	31,932	540	19,505	30	93,999	1,253,657
Pumped Water		610	267,127	16,569	266,074	6	153,908	33	20,305	343	12,403	19	59,772	797,169
Metered Consumption Revenue	***$/100 CF***													
Power Charge	0.29	177	77,467	4,805	77,161	2	44,633	10	5,888	100	3,597	6	17,334	231,179
Recycled Water	4.45	4,270	1,869,417	115,955	1,862,045	41	1,077,085	233	142,099	2,402	86,796	134	418,296	5,578,773
Total Consumption		4,447	1,946,884	120,761	1,939,206	42	1,121,719	242	147,988	2,502	90,393	139	435,630	5,809,952
Total Recycled Water		**$57,750**	**$2,000,187**	**$174,064**	**$1,992,510**	**$53,346**	**$1,175,022**	**$53,546**	**$201,291**	**$55,805**	**$143,696**	**$53,443**	**$488,933**	**$6,449,594**

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 5 - Customer Forecast

							Projected					
		FY 2024	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**	**FY 2032**	**FY 2033**	***Notes***
Residential												
Metered Residential	*As of 1/1/2023*											
5/8"	$39.37	23,003	23,639	24,348	25,322	26,082	26,525	26,764	26,978	27,221	27,384	As Residential + Commercial
3/4"	$54.88	2	2	2	2	2	2	2	2	2	2	As Residential + Commercial
1"	$85.93	18	19	20	21	22	22	22	22	22	22	As Residential + Commercial
1 1/2"	$163.53	21	21	22	23	24	24	24	24	24	24	As Residential + Commercial
2"	$256.67	18	19	20	21	22	22	22	22	22	22	As Residential + Commercial
3"	$683.51	10	11	11	11	11	11	11	11	11	11	As Residential + Commercial
4"	$1,172.45	0	0	0	0	0	0	0	0	0	0	As Residential + Commercial
6"	$2,491.79	2	2	2	2	2	2	2	2	2	2	As Residential + Commercial
8"	$4,354.40	0	0	0	0	0	0	0	0	0	0	As Residential + Commercial
10"	$6,527.43	0	0	0	0	0	0	0	0	0	0	As Residential + Commercial
Total Number of Customers		23,075	23,713	24,425	25,402	26,165	26,608	26,847	27,061	27,304	27,467	
Total Monthly Charge		$5,565,501	$5,719,337	$5,889,854	$6,122,969	$6,305,533	$6,410,179	$6,466,635	$6,517,186	$6,574,588	$6,613,092	
Metered Consumption		2,711,863	2,786,812	2,870,416	2,985,233	3,074,790	3,127,061	3,155,205	3,180,447	3,209,071	3,228,325	As Residential + Commercial
Pumped Water		1,724,405	1,770,467	1,823,581	1,896,524	1,953,420	1,986,628	2,004,508	2,020,544	2,038,729	2,050,961	As Power
Metered Consumption ($/100 CF)												
Zone 7 Cost of Water	$4.45	$12,067,790	$12,401,313	$12,773,351	$13,284,287	$13,682,816	$13,915,421	$14,040,662	$14,152,989	$14,280,366	$14,366,046	
Power Charge	0.29	500,078	513,435	528,838	549,992	566,492	576,122	581,307	585,958	591,231	594,779	
Potable Uniform Rate (Commerci	1.45	3,932,201	4,040,877	4,162,103	4,328,588	4,458,446	4,534,238	4,575,047	4,611,648	4,653,153	4,681,071	
Total Consumption Revenue		$16,500,068	$16,955,626	$17,464,293	$18,162,867	$18,707,753	$19,025,782	$19,197,017	$19,350,595	$19,524,750	$19,641,896	
Total Residential		**$22,065,569**	**$22,674,964**	**$23,354,147**	**$24,285,836**	**$25,013,286**	**$25,435,961**	**$25,663,652**	**$25,867,781**	**$26,099,338**	**$26,254,988**	

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 5 - Customer Forecast

							Projected					
		FY 2024	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**	**FY 2032**	**FY 2033**	***Notes***
Commercial												
Multifamily Fixed Charges												
5/8"	39.37	1,262	1,297	1,336	1,389	1,431	1,455	1,468	1,480	1,493	1,502	As Residential + Commercial
3/4"	54.88	101	103	106	110	113	115	116	117	118	119	As Residential + Commercial
1"	85.93	222	228	235	244	251	255	257	259	261	263	As Residential + Commercial
1 1/2"	163.53	255	262	270	281	289	294	297	299	302	304	As Residential + Commercial
2"	256.67	308	317	327	340	350	356	359	362	365	367	As Residential + Commercial
3"	683.51	41	42	43	45	46	47	47	47	47	47	As Residential + Commercial
4"	1,172.45	8	8	8	8	8	8	8	8	8	8	As Residential + Commercial
6"	2,491.79	0	0	0	0	0	0	0	0	0	0	As Residential + Commercial
8"	4,354.40	2	2	2	2	2	2	2	2	2	2	As Residential + Commercial
10"	6,527.43	0	0	0	0	0	0	0	0	0	0	As Residential + Commercial
Total Number of Customers		**2,199**	**2,259**	**2,327**	**2,419**	**2,490**	**2,532**	**2,554**	**2,574**	**2,596**	**2,612**	
Total Monthly Charge		$1,449,899	1,483,876	1,525,036	1,582,528	1,624,397	1,651,034	1,663,029	1,673,807	1,685,802	1,694,331	
Metered Consumption		1,089,721	1,119,839	1,153,434	1,199,571	1,235,558	1,256,562	1,267,871	1,278,014	1,289,516	1,297,253	As Residential + Commercial
Pumped Water		692,926	711,436	732,779	762,090	784,953	798,297	805,482	811,926	819,233	824,148	As Power
Metered Consumption Revenue	***$/100 CF***											
Zone 7 Cost of Water	$4.45	4,849,261	4,983,284	5,132,781	5,338,091	5,498,233	5,591,701	5,642,026	5,687,162	5,738,346	5,772,776	
Power Charge	0.29	200,949	206,316	212,506	221,006	227,636	231,506	233,590	235,459	237,578	239,003	
Potable Uniform Rate (Commerci	1.45	1,580,096	1,623,767	1,672,479	1,739,378	1,791,559	1,822,015	1,838,413	1,853,120	1,869,798	1,881,017	
Total Consumption Revenue		$6,630,305	$6,813,367	$7,017,767	$7,298,475	$7,517,429	$7,645,222	$7,714,029	$7,775,741	$7,845,722	$7,892,796	
Total Commercial		**$8,080,205**	**$8,297,242**	**$8,542,803**	**$8,881,003**	**$9,141,826**	**$9,296,256**	**$9,377,058**	**$9,449,548**	**$9,531,524**	**$9,587,126**	

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 5 - Customer Forecast

							Projected					
		FY 2024	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**	**FY 2032**	**FY 2033**	***Notes***
Irrigation												
Irrigation Fixed Charges												
5/8"	$39.37	42	44	45	47	48	49	49	49	49	49	As Irrigation
3/4"	54.88	30	31	32	33	34	35	35	35	35	35	As Irrigation
1"	85.93	134	137	141	147	151	154	155	156	157	158	As Irrigation
1 1/2"	163.53	130	133	137	142	146	148	149	150	151	152	As Irrigation
2"	256.67	96	98	101	105	108	110	111	112	113	114	As Irrigation
3"	683.51	4	4	4	4	4	4	4	4	4	4	As Irrigation
4"	1,172.45	2	2	2	2	2	2	2	2	2	2	As Irrigation
6"	2,491.79	4	4	4	4	4	4	4	4	4	4	As Irrigation
8"	4,354.40	2	2	2	2	2	2	2	2	2	2	As Irrigation
10"	6,527.43	0	0	0	0	0	0	0	0	0	0	As Irrigation
Total Number of Customers		444	455	468	486	499	508	511	514	517	520	
Total Monthly Charge		$514,736	$515,184	$526,357	$541,318	$552,491	$559,645	$562,682	$565,719	$568,755	$571,792	
Metered Consumption		437,037	448,712	462,173	480,660	495,080	503,496	508,027	512,091	516,700	519,800	As Irrigation
Pumped Water		277,901	285,324	293,884	305,639	314,808	320,160	323,041	325,625	328,556	330,527	As Power
Metered Consumption Revenue	***$/100 CF***											
Zone 7 Cost of Water	$4.45	1,944,817	1,996,768	2,056,670	2,138,937	2,203,106	2,240,557	2,260,720	2,278,805	2,299,315	2,313,110	
Power Charge	0.29	80,591	82,744	85,226	88,635	91,294	92,846	93,682	94,431	95,281	95,853	
Potable Irrigation	1.86	812,890	834,604	859,642	894,028	920,849	936,503	944,930	952,489	961,062	966,828	
Total Consumption Revenue		2,838,298	$2,914,117	$3,001,538	$3,121,600	$3,215,249	$3,269,906	$3,299,332	$3,325,725	$3,355,658	$3,375,791	
Total Irrigation		$3,353,034	$3,429,301	$3,527,895	$3,662,918	$3,767,740	$3,829,551	$3,862,014	$3,891,444	$3,924,414	$3,947,583	

Dublin San Ramon Service District
Water
Revenue Requirement
Exhibit 5 - Customer Forecast

							Projected					
		FY 2024	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**	**FY 2032**	**FY 2033**	***Notes***
Recycled Water												
Recycled Water Fixed Charges												
5/8"	39.37	8	8	8	8	8	8	8	8	8	8	As Recycled
3/4"	54.88	12	12	12	12	12	12	12	12	12	12	As Recycled
1"	85.93	114	114	114	114	114	114	114	114	114	114	As Recycled
1 1/2"	163.53	195	195	195	195	195	195	195	195	195	195	As Recycled
2"	256.67	145	145	145	145	145	145	145	145	145	145	As Recycled
3"	683.51	21	21	21	21	21	21	21	21	21	21	As Recycled
4"	1,172.45	6	6	6	6	6	6	6	6	6	6	As Recycled
6"	2,491.79	2	2	2	2	2	2	2	2	2	2	As Recycled
8"	4,354.40	0	0	0	0	0	0	0	0	0	0	As Recycled
10"	6,527.43	0	0	0	0	0	0	0	0	0	0	As Recycled
Total Number of Customers		504	503	503	503	503	503	503	503	503	503	
Total Monthly Charge		$639,642	$637,482	$637,482	$637,482	$637,482	$637,482	$637,482	$637,482	$637,482	$637,482	
Metered Consumption		1,253,657	1,253,657	1,253,657	1,253,657	1,253,657	1,253,657	1,253,657	1,253,657	1,253,657	1,253,657	As Recycled
Pumped Water		797,169	818,463	843,017	876,738	903,040	918,392	926,658	934,071	942,478	948,133	As Power
Metered Consumption Revenue	***$/100 CF***											
Power Charge	0.29	231,179	237,354	244,475	254,254	261,882	266,334	268,731	270,881	273,319	274,959	
Recycled Water	4.45	5,578,773	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	5,578,774	
Total Consumption Revenue		5,809,952	5,816,128	5,823,249	5,833,028	5,840,655	5,845,107	5,847,504	5,849,654	5,852,092	5,853,732	
Total Recycled Water		$6,449,594	$6,453,610	$6,460,731	$6,470,510	$6,478,137	$6,482,590	$6,484,987	$6,487,136	$6,489,574	$6,491,214	

Dublin San Ramon Service District
Water
Development of Allocation Factors
Exhibit 6 - Commodity & Capacity

	Commodity					*Capacity*		
	Water (CCF)	**5.2% Losses [1]**	**Consumption & Losses (CCF)**	**Water Flow (MGD)**	**% of Total**	**Peaking Factor**	**Peak Day [2] Use (MGD)**	**% of Total**
Residential / Commercial	3,801,584	197,682	3,999,267	8.20	89.7%	1.21	9.92	85.3%
Irrigation	437,037	22,726	459,763	0.94	10.3%	1.81	1.70	14.7%
Recycled Water	1,253,657	0	0	0.00	0.0%	2.13	0.00	0.0%
Power Costs	3,492,402	0	0	0.00	0.0%	0.00	0.00	0.0%
Total	**8,984,680**	**220,408**	**4,459,030**	**9.14**	**100.0%**	**1.27**	**11.62**	**100.0%**
Actual Production [3]				9.55 MGD		**Actual Peak [4]**	12.14 MGD	
Allocation Factor					***(COM)***			***(CAP-1)***

Notes

[1] West Yost 2016 Water Master Plan Table 3-5 pg. 3-7, Average of 2011 - 2015.
[2] Based on Peak month to average month calculation
[3] Provided by District Staff
[4] Provided by District Staff

Dublin San Ramon Service District
Water
Development of Allocation Factors
Exhibit 7 - Customer

	Actual Customer		*Meters & Services*	
	Number of Billing Units	**% of Total**	**Equiv. Meters**	**% of Total**
Residential / Commercial	25,274	96.4%	30,139	85.3%
Irrigation	444	1.7%	2,169	6.1%
Recycled Water	504	1.9%	3,040	8.6%
Power Costs	0	0.0%	0	0.0%
Total	**26,222**	**100.0%**	**35,347**	**100.0%**
Allocation Factor		***(AC)***		***(WCMS)***

Dublin San Ramon Service District
Water
Development of Allocation Factors
Exhibit 8 - Distribution Main Analysis

Distribution Storage

	hrs	gpm	Total	
Zone 1	4	4,500	1,080,000	
Zone 2	4	1,625	390,000	
Zone 3	2	2,500	300,000	
Zone 4	2	2,500	300,000	
Zone 20	4	4,000	960,000	
Zone 30	2	1,500	180,000	
Zone 200	4	4,000	960,000	
Zone 300	4	4,000	960,000	
Fire Flow Requirements[1]			5,130,000	(a)
Storage Capacity [2]			24,980,000	(b)
Public Fire Protection			20.5%	***(FP)***
(a) / (b) = FP%				
Capacity			79.5%	***(CAP)***
1 - FP% = CAP				

Source of Supply

Capacity / Commodity			
Average Day	9.14 (c)	79.0%	***(COM)***
(c) / (d) = COM%			
Peak Day	11.62 (d)	21.0%	***(CAP)***
1-((c) / (d)) = CAP%			

Distribution Main Analysis

Ma Size	Length (ft)[3]	Installed Replcmt $ [4]	Total	
1"	0	0	$0	
2"	10,696	340	3,636,640	
3"	2,634	360	948,240	
4"	16,267	380	6,181,460	
6"	198,963	420	83,564,460	
8"	961,922	460	442,484,120	
10"	115,152	510	58,727,520	
12"	280,498	570	159,883,860	
14"	92,081	630	58,011,030	
16"	62,995	690	43,466,550	
18"	7,813	760	5,937,880	
20"	23,519	840	19,755,960	
24"	20	1,020	20,400	
36"	0	0	0	
42"	0	0	0	
2" - 12" Total	**1,586,132**		**$755,426,300**	(e)

Customer%			
(f) Total @ 2" Equivalent Cost		539,284,880	
(f) / (e) = Cust.%		**71.0%**	***(AC)***
Capacity			
(g) Cost for 2" - 6"		$94,330,800	
(h) 8" - 12" @ Equivalent 6" Cost		570,180,240	
(g + h - f) / (e) = CAP%		**16.6%**	***(CAP)***
Fire Protection			
1 - CUST.% - CAP% = FP%		**12.4%**	***(FP)***

Notes

[1] - 2016 Water System Master Plan Page 5-7, table 5-4
[2] - 2016 Water System Master Plan Page 2-8, table 5-5 (sum of reservoirs)
[3] - Provided by DSRSD Staff, file name W_1 Functional Asset Records__081620023.xlsx

Dublin San Ramon Service District
Water
Functionalization and Classification
Exhibit 9 - System Assets in Service

	Total System Assets Replacement Costs	Commodity (COM)	Capacity (CAP-1)	Customer Related: Actual Customer (AC)	Customer Related: Weighted for: Meters & Svcs (WCMS)	Recycled Water (RW)	Pumping Power Costs (PPC)	Purchased Water (PW)	Basis of Classification
System Assets in Service									
Source, Pumping and Storage									
Field Ops. Facility	$30,800	$30,800	$0	$0	$0	$0	$0	$0	100% (COM)
Pleasanton Recycled Water Turnout	0	0	0	0	0	0	0	0	100% (RW)
SCADA - Distribution System	7,700	7,700	0	0	0	0	0	0	100% (COM)
Turnouts	1,315,693	1,315,693	0	0	0	0	0	0	100% (COM)
Pump Stations	28,608,901	28,608,901	0	0	0	0	0	0	100% (COM)
Potable Water Reservoirs	59,817,557	0	17,347,091	0	42,470,465	0	0	0	29% (CAP-1)/ 71% (WCMS)
Recycled Pump Stations	5,603,203	0	0	0	0	5,603,203	0	0	100% (RW)
Recycled Water Reservoirs	27,700	0	0	0	0	27,700	0	0	100% (RW)
Total Source of Supply	$95,411,554	$29,963,094	$17,347,091	$0	$42,470,465	$5,630,903	$0	$0	
Transmission & Distribution									
Small Potable Water Mains =<12"	$793,066,000	$0	$229,989,140	$0	$563,076,860	$0	$0	$0	29% (CAP-1)/ 71% (WCMS)
Large Potable Water Mains >12"	93,214,000	73,639,060	19,574,940	0	0	0	0	0	79% (COM)/ 21% (CAP-1)
Small Recycled Water Mains =<12"	119,139,000	0	0	0	0	119,139,000	0	0	100% (RW)
Large Recycled Water Mains >12"	25,717,500	0	0	0	0	25,717,500	0	0	100% (RW)
Total Storage	$1,031,136,500	$73,639,060	$249,564,080	$0	$563,076,860	$144,856,500	$0	$0	
System Assets Before General	$1,126,548,054	$103,602,154	$266,911,171	$0	$605,547,325	$150,487,403	$0	$0	
Percent System Assets Before General	100.0%	9.2%	23.7%	0.0%	53.8%	13.4%	0.0%	0.0%	
G&A Equipment									
District Admin Offices	$2,877,807	$0	$0	$2,877,807	$0	$0	$0	$0	100% (AC)
Field Ops Dept. Admin. Offices	5,468,438	0	0	5,468,438	0	0	0	0	100% (AC)
	$8,346,245	$0	$0	$8,346,245	$0	$0	$0	$0	
Total System Assets	$1,134,894,299	$103,602,154	$266,911,171	$8,346,245	$605,547,325	$150,487,403	$0	$0	

Dublin San Ramon Service District
Water
Functionalization and Classification
Exhibit 10 - Revenue Requirement

	Total Expenses FY 2024	Commodity (COM)	Capacity (CAP-1)	Customer Related: Actual Customer (AC)	Customer Related: Weighted for: Meters & Svcs (WCMS)	Recycled Water (RW)	Pumping Power Costs (PPC)	Purchased Water (PW)	Basis of Classification
Expenses									
Water Enterprise - 600									
Salaries	$5,532,219	$505,025	$1,301,100	$40,685	$2,951,835	$733,574	$0	$0	as System Assets in Service
Overtime	221,000	20,175	51,976	1,625	117,919	29,305	0	0	as System Assets in Service
Standby Pay	117,620	10,737	27,663	865	62,759	15,596	0	0	as System Assets in Service
Medical	977,460	89,230	229,885	7,188	521,545	129,612	0	0	as System Assets in Service
Retirement	1,549,810	141,479	364,493	11,398	826,935	205,505	0	0	as System Assets in Service
Other Benefits	267,977	24,463	63,024	1,971	142,985	35,534	0	0	as System Assets in Service
Salary / Benefit Credit	(958,118)	(87,465)	(225,336)	(7,046)	(511,225)	(127,047)	0	0	as System Assets in Service
Training Costs	92,825	8,474	21,831	683	49,529	12,309	0	0	as System Assets in Service
Group Training Services	8,250	753	1,940	61	4,402	1,094	0	0	as System Assets in Service
Temporary Help	102,400	9,348	24,083	753	54,638	13,578	0	0	as System Assets in Service
Interns	40,000	3,652	9,407	294	21,343	5,304	0	0	as System Assets in Service
Uniforms & Safety Equipment	21,350	1,949	5,021	157	11,392	2,831	0	0	as System Assets in Service
Permits, Cert., Licens, Member	219,686	20,055	51,667	1,616	117,218	29,130	0	0	as System Assets in Service
Chemicals	86,000	86,000	0	0	0	0	0	0	100% (COM)
Equipment Under $20,000	96,800	8,837	22,766	712	51,650	12,836	0	0	as System Assets in Service
Fuel	54,200	4,948	12,747	399	28,920	7,187	0	0	as System Assets in Service
Gas & Electric	1,716,000	231,660	0	0	0	0	1,484,340	0	14% (COM)/ 87% (PPC)
General Supplies	804,750	73,464	189,266	5,918	429,392	106,710	0	0	as System Assets in Service
Tools	24,725	2,257	5,815	182	13,193	3,279	0	0	as System Assets in Service
Office Supplies/Services	10,600	0	0	10,600	0	0	0	0	100% (AC)
Meter Equipment	353,500	0	0	0	353,500	0	0	0	100% (WCMS)
Water Purchase - Fixed	9,002,430	0	0	0	0	0	0	9,002,430	100% (PW)
Water Purchase - Variable	9,719,920	0	0	0	0	0	0	9,719,920	100% (PW)
Professional Services	433,800	39,601	102,024	3,190	231,463	57,522	0	0	as System Assets in Service
Advertising	13,085	1,195	3,077	96	6,982	1,735	0	0	as System Assets in Service
Equipment Lease/Rental	71,000	6,481	16,698	522	37,884	9,415	0	0	as System Assets in Service
Maintenance Contracts	237,050	21,640	55,751	1,743	126,483	31,433	0	0	as System Assets in Service
Software Maintenance	89,900	8,207	21,143	661	47,968	11,921	0	0	as System Assets in Service
Monitoring & Testing Services	24,000	24,000	0	0	0	0	0	0	100% (COM)
Other Services	1,407,458	1,111,892	295,566	0	0	0	0	0	79% (COM)/ 21% (CAP-1)
Printing Services	105,600	0	0	105,600	0	0	0	0	100% (AC)
Meetings	7,640	697	1,797	56	4,076	1,013	0	0	as System Assets in Service
Subscriptions & Publications	950	87	223	7	507	126	0	0	as System Assets in Service
Credit Card Transaction Fees	90,000	0	0	90,000	0	0	0	0	100% (AC)
DERWA JPA	3,583,200	0	0	0	0	3,583,200	0	0	100% (RW)
Overhead Charges	2,623,577	239,501	617,029	19,294	1,399,866	347,887	0	0	as System Assets in Service
Total Water Enterprise - 600	$38,748,664	$2,608,340	$3,270,658	$299,230	$7,103,157	$5,260,589	$1,484,340	$18,722,350	

Dublin San Ramon Service District
Water
Functionalization and Classification
Exhibit 10 - Revenue Requirement

	Total Expenses FY 2024	Commodity (COM)	Capacity (CAP-1)	Customer Related: Actual Customer (AC)	Customer Related: Weighted for: Meters & Svcs (WCMS)	Recycled Water (RW)	Pumping Power Costs (PPC)	Purchased Water (PW)	Basis of Classification
Rate Stabilization - 605									
Low Income Credit (UB)	$70,000	$0	$0	$70,000	$0	$0	$0	$0	100% (AC)
Total Rate Stabilization - 605	$70,000	$0	$0	$70,000	$0	$0	$0	$0	
Water Replacement - 610									
Telecommunication Services	$250	$23	$59	$2	$133	$33	$0	$0	as System Assets in Service
DERWA JPA	517,700	0	0	0	0	517,700	0	0	100% (RW)
Total Water Replacement - 610	$517,950	$23	$59	$2	$133	$517,733	$0	$0	
Water Expansion - 620									
DERWA JPA	$1,098,094	$0	$0	$0	$0	$1,098,094	$0	$0	100% (RW)
Total Water Expansion - 620	$1,098,094	$0	$0	$0	$0	$1,098,094	$0	$0	
Total Expenses	**$40,434,708**	**$2,608,363**	**$3,270,717**	**$369,232**	**$7,103,290**	**$6,876,416**	**$1,484,340**	**$18,722,350**	
Additional Expenditures	$0	$0	$0	$0	$0	$0	$0	$0	as System Assets in Service
Total Operations & Matenance Expense	**$40,434,708**	**$2,608,363**	**$3,270,717**	**$369,232**	**$7,103,290**	**$6,876,416**	**$1,484,340**	**$18,722,350**	
Rate Funded Capital									
Replacement Fund	$6,390,000	$583,330	$1,502,838	$46,993	$3,409,522	$847,316	$0	$0	as System Assets in Service
Expansion Fund	0	0	0	0	0	0	0	0	as System Assets in Service
Total Rate Funded Capital	$6,390,000	$583,330	$1,502,838	$46,993	$3,409,522	$847,316	$0	$0	
Debt Service									
2017 Water Rev. Ref. Bonds	$1,877,813	$0	$0	$0	$1,877,813	$0	$0	$0	100% (WCMS)
Total Debt Service	$1,877,813	$0	$0	$0	$1,877,813	$0	$0	$0	

Dublin San Ramon Service District
Water
Functionalization and Classification
Exhibit 10 - Revenue Requirement

	Total Expenses FY 2024	Commodity (COM)	Capacity (CAP-1)	Customer Related: Actual Customer (AC)	Customer Related: Weighted for: Meters & Svcs (WCMS)	Recycled Water (RW)	Pumping Power Costs (PPC)	Purchased Water (PW)	Basis of Classification
Transfers									
In									
Transfer from Rate Stabilization Fund	($3,989,947)	($419,915)	($1,081,831)	($33,829)	($2,454,373)	$0	$0	$0	as System Assets in Service less R
Transfer from Water Replacement Fund	(517,950)	0	0	0	0	(517,950)	0	0	100% (RW)
Transfer from Water Expansion Fund	(3,675,907)	0	0	0	(1,877,813)	(1,798,094)	0	0	as System Assets in Service less R
5th Supplement Agreement (Regional to Water)	(400,000)	(42,097)	(108,456)	(3,391)	(246,056)	0	0	0	as System Assets in Service less R
Partial Year Rate Adjustment Correction	2,580,863	332,797	417,306	47,110	906,298	877,352	0	0	as O&M Expense less Pumping ar
Out									
Transfers Out - Enterprise Fund	$559,217	$72,110	$90,421	$10,208	$196,375	$190,103	$0	$0	as O&M Expense less Pumping ar
Transfers Out - Other	234,714	30,266	37,952	4,284	82,422	79,790	0	0	as O&M Expense less Pumping ar
Total Transfers	**($5,209,009)**	**($26,839)**	**($644,608)**	**$24,382**	**($3,393,145)**	**($1,168,799)**	**$0**	**$0**	
Total Revenue Requirements	**$43,493,512**	**$3,164,854**	**$4,128,947**	**$440,607**	**$8,997,480**	**$6,554,933**	**$1,484,340**	**$18,722,350**	
Less: Other Income									
General Inspections	$395,000	$0	$0	$0	$395,000	$0	$0	$0	100% (WCMS)
Overtime Inspections	3,500	0	0	0	3,500	0	0	0	100% (WCMS)
Plan Check Fees	60,000	0	0	0	60,000	0	0	0	100% (WCMS)
Backflow Prevention	270,000	0	0	0	270,000	0	0	0	100% (WCMS)
Recycled Water Irrigation	2,000	0	0	0	0	2,000	0	0	100% (RW)
Fireline service	250,000	0	250,000	0	0	0	0	0	100% (CAP-1)
Meter Assemblies	60,000	0	0	0	60,000	0	0	0	100% (WCMS)
Engineering Penalties	175,000	0	0	0	175,000	0	0	0	100% (WCMS)
Limited Access	132,447	132,447	0	0	0	0	0	0	100% (COM)
Total Other come	**$1,347,947**	**$132,447**	**$250,000**	**$0**	**$963,500**	**$2,000**	**$0**	**$0**	
Net Revenue Requirements	**$42,145,564**	**$3,032,407**	**$3,878,947**	**$440,607**	**$8,033,980**	**$6,552,933**	**$1,484,340**	**$18,722,350**	

Dublin San Ramon Service District
Water
Cost of Service Summary
Exhibit 11 - Allocation by Component

Classification Components	FY 2024 Total	Residential / Commercial	Irrigation	Recycled Water	Power Costs	*Distribution Factor*
Commodity	$3,032,407	$2,719,740	$312,667	$0	$0	(COM)
Capacity	$3,878,947	$3,309,902	$569,045	$0	$0	(CAP-1)
Customer Related						
Actual Customer	$440,607	$424,676	$7,462	$8,469	$0	(AC)
Meters & Svcs	8,033,980	6,850,183	492,883	690,914	0	(WCMS)
Total Customer Related	$8,474,587	$7,274,859	$500,346	$699,383	$0	
Recycled Water	$6,552,933	$0	$0	$6,552,933	$0	(DA)
Pumped Power Costs	$1,484,340	$0	$0	$0	$1,484,340	*(PPC)*
Variable Zone 7 Costs	$10,369,421	$9,300,247	$1,069,174	$0	$0	
Fixed Zone 7 Costs	8,352,929	7,491,672	861,257	0	0	
Purchased Water	$18,722,350	$16,791,919	$1,930,431	$0	$0	(DA)
Net Revenue Requirment	**$42,145,564**	**$30,096,420**	**$3,312,489**	**$7,252,316**	**$1,484,340**	

Dublin San Ramon Service District
Water
Cost of Service Summary
Exhibit 12 - Summary of Cost Allocation

	FY 2024 Total	Residential / Commercial	Irrigation	Recycled Water	Power Costs	*Source*
Revenues at Present Rates	$39,948,402	$29,444,748	$3,272,443	$6,218,415	$1,012,796	
Allocated Revenue Requirement	$42,145,564	$30,096,420	$3,312,489	$7,252,316	$1,484,340	
Subtotal Balance/(Deficiency) of Funds	($2,197,162)	($651,672)	($40,046)	($1,033,901)	($471,544)	
% Change Over Present Rates	**5.5%**	**2.2%**	**1.2%**	**16.6%**	**46.6%**	

Dublin San Ramon Service District
Water
Cost of Service Summary
Exhibit 13 - Average Unit Cost

	FY 2024 Total	Residential / Commercial	Irrigation	Recycled Water	Power Costs
Commodity Costs - $/CCF	$0.72	$0.72	$0.72	$0.00	$0.00
Capacity Costs - $/CCF	0.92	0.87	1.30	0.00	0.00
Total Water DSRSD Costs	**$1.63**	**$1.59**	**$2.02**	**$0.00**	**$0.00**
Zone 7 - Purchased Water	$4.42	$4.42	$4.42	$0.00	$0.00
Recycled Water Costs	$5.23	$0.00	$0.00	$5.23	$0.00
Pumping Costs	$0.43	$0.00	$0.00	$0.00	$0.43
Total Allocated Costs - $/CCF	**$11.70**	**$6.00**	**$6.43**	**$5.23**	**$0.43**
Meter Capacity - $ / Equiv. Mtrs / month	$0.00	$0.00	$0.00	$0.00	$0.00
Meters and Service - $ / Meter / month	37.88	37.88	37.88	37.88	$0.00
Actual Customer	2.80	2.80	2.80	2.80	0.00
Total - $ / Month	$40.68	$40.68	$40.68	$40.68	$0.00
Fire Protection					
Rate Rev $/CCF	$9.42	$7.75	$7.49	$0.00	$0.29
Allocated Rev Req $/CCF	$9.94	$7.92	$7.58	$0.00	$0.00
Average Bi-monthly Distributed Cost	$267.87	$198.47	$1,243.10	$2,398.07	$0.00
Basic Data					
Annualized Potable Water Flows - CCF	4,238,622	3,801,584	437,037	0	0
Annualized Potable Zone 7 Flow - CCF	4,238,622	3,801,584	437,037	0	0
Annualized Recycled Water Flows - CCF	1,253,657	0	0	1,253,657	0
Annualized Pumped Water Flows - CCF	3,492,402	0	0	0	3,492,402
No. of Customers	26,222	25,274	444	504	0
Equivalent Meters	35,347	30,139	2,169	3,040	0

Dublin San Ramon Service District
Water
Rate Design
Exhibit 14 - Rate Design

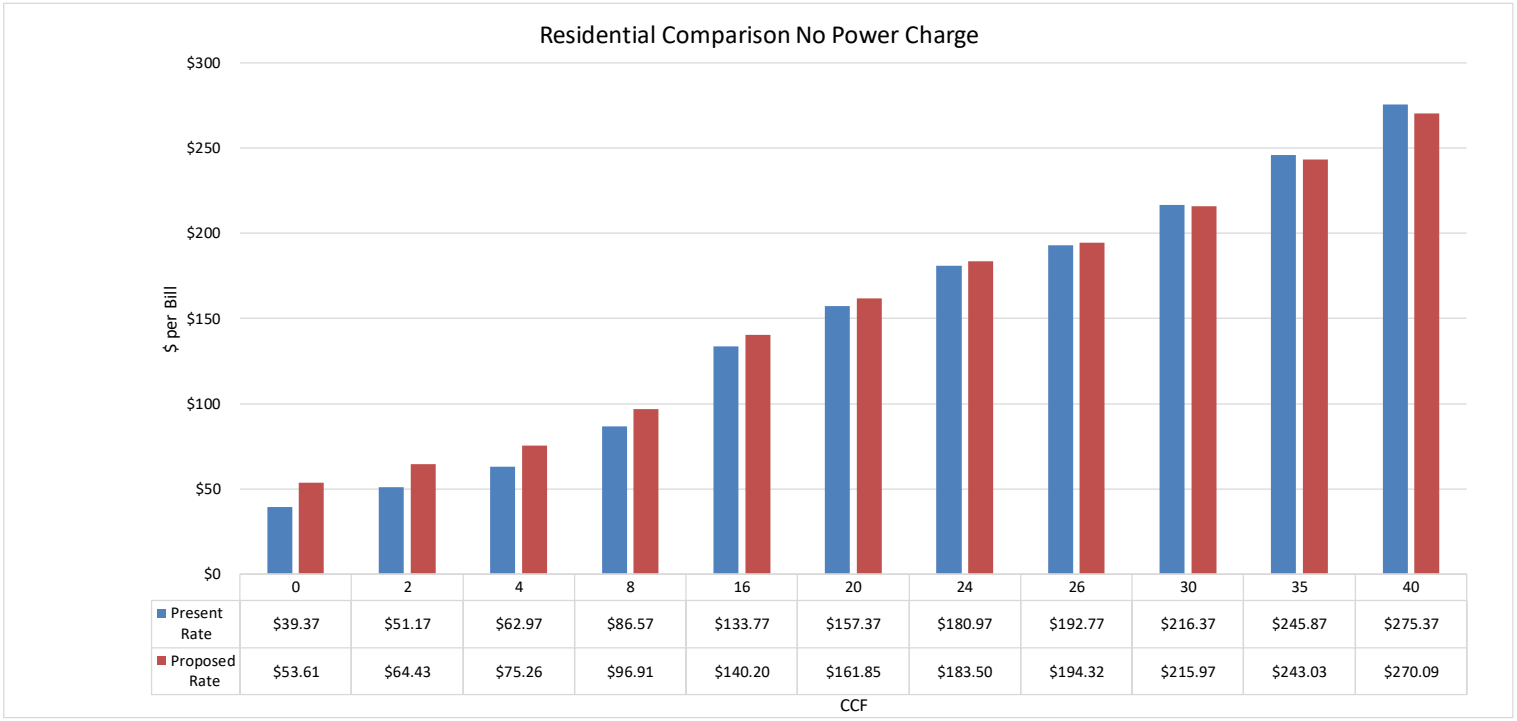
			Cost of Service Results							Zone 7
Meter Size	Meter Equivelancy factor	Present Rates	Cust. Component	+	Meter Capacity Equiv. Meter	=	Total Meter Rate	$ Change	% Change	Meter Capacity Equiv. Meter (Potable Only)
5/8"	1.00	$39.37	$2.80	+	$37.88	=	$40.68	$1.31	3.3%	$12.93
3/4"	1.50	54.88	$2.80	+	56.82	=	59.62	4.74	8.6%	19.39
1"	2.50	85.93	$2.80	+	94.70	=	97.50	11.57	13.5%	32.32
1-1/2"	5.00	163.53	$2.80	+	189.41	=	192.21	28.68	17.5%	64.64
2"	8.00	256.67	$2.80	+	303.05	=	305.85	49.18	19.2%	103.42
3"	21.75	683.51	$2.80	+	823.93	=	826.73	143.22	21.0%	281.17
4"	37.50	1,172.45	$2.80	+	1,420.56	=	1,423.36	250.91	21.4%	484.78
6"	80.00	2,491.79	$2.80	+	3,030.53	=	3,033.33	541.54	21.7%	1,034.19
8"	140.00	4,354.40	$2.80	+	5,303.43	=	5,306.23	951.83	21.9%	1,809.84
10"	210.00	6,527.43	$2.80	+	7,955.15	=	7,957.95	1,430.52	21.9%	2,714.76

				Drought Surcharge					
Consumption Charges	**Current Rate**	**Proposed Rate**	% change	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 4**	**Stage 5**	**Stage 6**
Potable Uniform Rate (Commercial & Residential)	1.45	1.59	9.4%	1.81	2.11	2.54	3.17	4.22	6.33
Potable Irrigation	1.86	2.02	8.5%	2.24	2.52	2.88	3.36	4.03	5.04
Zone 7 Cost of Water	4.45	3.83	-14.0%						
Recycled Water	4.45	5.23	17.5%						
Power Charge	0.29	0.43	46.6%						

Dublin San Ramon Service District
Water
Rate Design
Exhibit 14 - Rate Design

Residential 5/8" With Zone 7 & No Power Charge

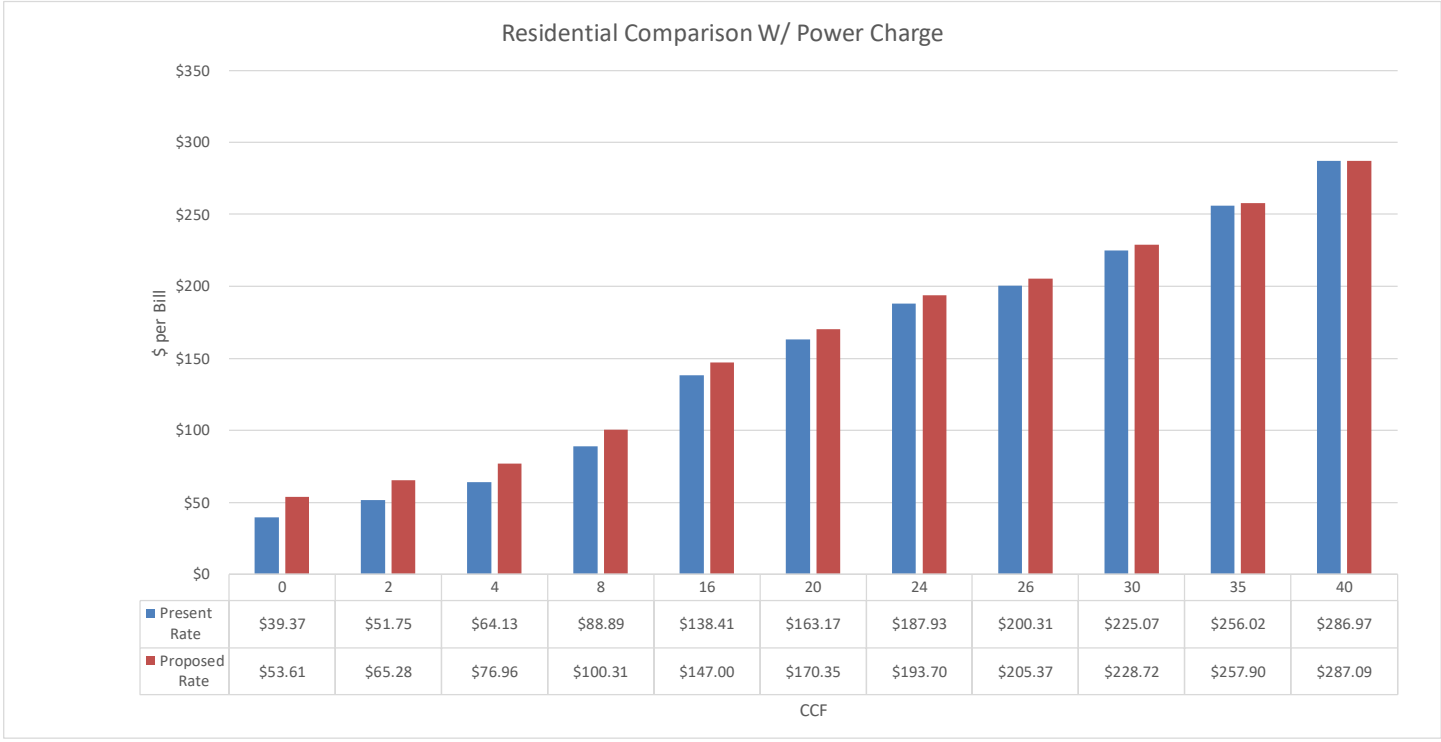
CCF	Present Rate	Proposed Rate	$ Change	% Change	With Drought Surcharges Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
0	$39.37	$53.61	$14.24	36.2%	$53.61	$53.61	$53.61	$53.61	$53.61	$53.61
2	$51.17	$64.43	13.26	25.9%	$64.43	$64.43	$64.43	$64.43	$64.43	$64.43
4	$62.97	$75.26	12.29	19.5%	$75.26	$75.26	$75.26	$75.26	$75.26	$75.26
8	$86.57	$96.91	10.34	11.9%	$102.34	$103.25	$104.52	$106.42	$109.58	$115.90
16	$133.77	$140.20	6.43	4.8%	$160.14	$163.46	$168.10	$175.07	$186.67	$209.85
20	$157.37	$161.85	4.48	2.8%	$189.04	$193.56	$199.90	$209.40	$225.22	$256.82
24	$180.97	$183.50	2.53	1.4%	$217.93	$223.67	$231.69	$243.73	$263.77	$303.79
26	$192.77	$194.32	1.55	0.8%	$232.38	$238.72	$247.59	$260.89	$283.04	$327.28
30	$216.37	$215.97	(0.40)	-0.2%	$261.28	$268.83	$279.39	$295.22	$321.59	$374.25
35	$245.87	$243.03	(2.84)	-1.2%	$297.40	$306.46	$319.13	$338.13	$369.77	$432.97
40	$275.37	$270.09	(5.28)	-1.9%	$333.53	$344.09	$358.87	$381.04	$417.95	$491.68



Dublin San Ramon Service District
Water
Rate Design
Exhibit 14 - Rate Design

Residential 5/8" Meter With Zone 7 & Power Charge

CCF	Present Rate	Proposed Rate	$ Change	% Change	With Drought Surcharges: Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
0	$39.37	$53.61	$14.24	36.2%	$53.61	$53.61	$53.61	$53.61	$53.61	$53.61
2	$51.75	$65.28	13.53	26.2%	$65.28	$65.28	$65.28	$65.28	$65.28	$65.28
4	$64.13	$76.96	12.83	20.0%	$76.96	$76.96	$76.96	$76.96	$76.96	$76.96
8	$88.89	$100.31	11.42	12.8%	$105.74	$106.65	$107.92	$109.82	$112.98	$119.30
16	$138.41	$147.00	8.59	6.2%	$166.94	$170.26	$174.90	$181.87	$193.47	$216.65
20	$163.17	$170.35	7.18	4.4%	$197.54	$202.06	$208.40	$217.90	$233.72	$265.32
24	$187.93	$193.70	5.77	3.1%	$228.13	$233.87	$241.89	$253.93	$273.97	$313.99
26	$200.31	$205.37	5.06	2.5%	$243.43	$249.77	$258.64	$271.94	$294.09	$338.33
30	$225.07	$228.72	3.65	1.6%	$274.03	$281.58	$292.14	$307.97	$334.34	$387.00
35	$256.02	$257.90	1.88	0.7%	$312.28	$321.33	$334.00	$353.00	$384.65	$447.84
40	$286.97	$287.09	0.12	0.0%	$350.53	$361.09	$375.87	$398.04	$434.95	$508.68



NOTICE OF PUBLIC HEARING

PROPOSED CHANGES TO WATER RATES

DSRSD recently completed a comprehensive water and recycled water rate study. The purpose of the study, prepared by HDR Engineering, Inc., a third party independent rate consultant, is to determine the adequacy of the existing water rates, propose recommended changes to address any revenue shortfalls, and calculate cost-based and proportional rates.

Visit **www.dsrsd.com/WaterRates** to view the proposed rates and the water rate study.

For additional information, you can:

- **Contact Corinne Ferreyra, Financial Analyst, at 925-875-2298 or Ferreyra@dsrsd.com**
- **Attend the public hearing on April 16, 2024**
- **Visit www.dsrsd.com/WaterRates**

Public hearing to consider rate adoption:

- **Tuesday, April 16, at 6:00 p.m.**
- **DSRSD Office, 7051 Dublin Boulevard, Dublin, CA 94568**

The Board will consider all public comments up to the close of the public hearing and, if adopted, the new rates will go into effect on May 1, 2024.

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. In accordance with Proposition 218 and District Policy 100-15-5, valid written protests as described below will be counted as formal protests.

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

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

All comments and written protests should be addressed to District Secretary Nicole Genzale. For written protests, please note on the envelope (or in the subject line of a fax or an email), "Protest of Proposed Changes to Water Rates."

WRITTEN PROTESTS MUST BE RECEIVED BY BEFORE THE CLOSE OF THE PUBLIC HEARING ON APRIL 16, 2024

- **Mail or hand deliver to 7051 Dublin Boulevard, Dublin, CA 94568**
- **Email a PDF document, attached to an email to Board@dsrsd.com**
- **Fax to (925) 829-1180**

Pursuant to California Government Code section 53759 there is a 120-day statue of limitations for challenging any new, increased, or extended fee or charge.

Dublin San Ramon Services District
Water, wastewater, recycled water

7051 Dublin Blvd.
Dublin, CA 94568
www.dsrsd.com

Notice of Public Hearing - Water & Recycled Water Rates
TUESDAY, APRIL 16, AT 6:00 P.M.
DSRSD Office, 7051 Dublin Boulevard, Dublin, CA 94568

WHY ARE WATER RATES INCREASING?

DSRSD regularly conducts water rate studies to ensure that rates generate adequate funding and that customers are equitably charged for the services they receive. As a public agency, the District cannot collect more revenue than it needs.

DSRSD needs to:

- **Adequately fund operation, maintenance and capital replacement needs**
- **Achieve or maintain reserve (savings) targets**
- **Align rates to reflect costs**

Rate drivers:

- **Rising labor, energy, and chemical costs**
- **Replacing aging infrastructure**
- **Addressing increasingly complex regulations**

In recent years, rates have increased 3% on average per year. New rates are proposed for all water customers for the next five years. The proposed rates will allow the District to recover the cost of providing safe and reliable water services.

The District has a rate stabilization fund that is used to achieve and maintain financial stability and avoid wide fluctuations in rates. The proposed rates include the use of $7 million in reserves over the next two years. This minimizes the rate adjustment impacts to customers while still allowing the District to fund operations.

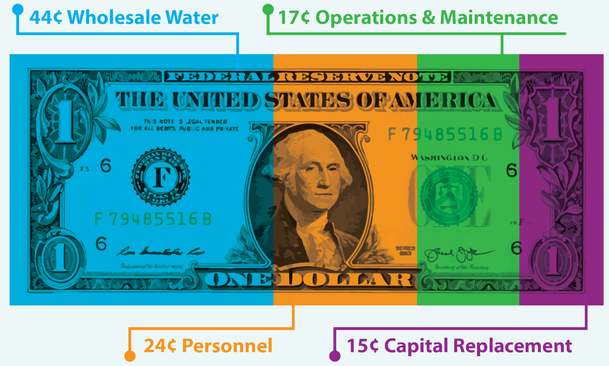
Dublin San Ramon Services District
Water, wastewater, recycled water

DUBLIN SAN RAMON SERVICES DISTRICT

Founded in 1953, Dublin San Ramon Services District (DSRSD) provides drinking water to nearly 100,000 people within the City of Dublin and the Dougherty Valley area of the City of San Ramon. DSRSD purchases its supply of wholesale treated water from Zone 7 Water Agency. DSRSD also partners with East Bay Municipal Utility District (EBMUD) to produce and distribute recycled water to nearly 360 sites through the DSRSD-EBMUD Recycled Water Authority.

WHERE DOES MY RATE DOLLAR GO?

Every $1 paid by DSRSD's drinking water customers pays for the cost to provide water service, including wholesale water purchases from Zone 7, DSRSD personnel, operations and maintenance, and capital infrastructure replacement. If cost components were spread evenly across every dollar spent the breakdown would be as shown below:



WHAT ARE THE PROPOSED CHANGES?

DSRSD bills its water customers bimonthly, every two months. All customers pay a "Fixed Service Charge" based on their meter size. Customers also pay one or more variable charges depending on their service type and property location. If approved, the proposed rates below would become effective on May 1, 2024 and adjusted on January 1st for the years 2025 through 2028.

THE PROPOSED ADJUSTMENTS TO DSRSD'S WATER RATES ARE AS FOLLOWS:

Percentage increases effective 1/1/2026, 1/1/2027, and 1/1/2028 will be set by and limited to inflation, based on the annual August to August change in the Consumer Price Index - All Urban Consumers for San Francisco/Oakland/Hayward.

FIXED SERVICE CHARGE

This charge applies to all DSRSD water service customers and is based on the size of each meter serving a property. The bimonthly amount is shown in the table below.

Meter Size	Current	Effective 5/1/2024	Effective 1/1/2025	Effective 1/1/2026, 1/1/2027, 1/1/2028
5/8"	$39.37	$40.68	$42.92	Percentage increases will be set by and limited to inflation, applied to the previous year's rate.
3/4"	$54.88	$59.62	$62.90	
1"	$85.93	$97.50	$102.87	
1-1/2"	$163.53	$192.21	$202.78	
2"	$256.67	$305.85	$322.68	
3"	$683.51	$826.73	$872.20	
4"	$1,172.45	$1,423.36	$1,501.65	
6"	$2,491.79	$3,033.33	$3,200.17	
8"	$4,354.40	$5,306.23	$5,598.07	
10"	$6,527.43	$7,957.95	$8,395.63	

CONSUMPTION CHARGE

The consumption charge is based on the amount of water used during a two-month billing period. Water use is measured in hundred cubic feet (CCF). One CCF is equal to 748 gallons of water. This charge applies to all drinking water customers that do not have dedicated irrigation meters.

Variable Rate ($/CCF)	Current	Effective 5/1/2024	Effective 1/1/2025	Effective 1/1/2026, 1/1/2027, 1/1/2028
Water Consumption Charge	$1.45	$1.59	$1.67	Percentage increases will be set by and limited to inflation, applied to the previous year's rate.

POTABLE IRRIGATION CHARGE

The irrigation charge applies only to separate dedicated potable irrigation meters, typically found in commercial or industrial properties.

Variable Rate ($/CCF)	Current	Effective 5/1/2024	Effective 1/1/2025	Effective 1/1/2026, 1/1/2027, 1/1/2028
Potable Irrigation Charge	$1.86	$2.02	$2.13	Percentage increases will be set by and limited to inflation, applied to the previous year's rate.

RECYCLED WATER CHARGE

The recycled water charge applies only to separate dedicated recycled water customers.

Variable Rate ($/CCF)	Current	Effective 5/1/2024	Effective 1/1/2025	Effective 1/1/2026, 1/1/2027, 1/1/2028
Recycled Water Charge	$4.45	$5.23	$5.51	Percentage increases will be set by and limited to inflation, applied to the previous year's rate.

POWER CHARGE

The power charge applies only to those customers whose properties require that water be pumped due to elevation.

Variable Rate ($/CCF)	Current	Effective 5/1/2024	Effective 1/1/2025	Effective 1/1/2026, 1/1/2027, 1/1/2028
Power Charge	$0.29	$0.43	$0.45	Percentage increases will be set by and limited to inflation, applied to the previous year's rate.

AVERAGE CUSTOMER IMPACT

The bimonthly water bill for an average single-family residential customer using 18 CCF of water will increase by $5.60 per bill ($2.80 per month).

Single Family Residential (18 units bimonthly)	Current	Effective 5/1/2024
DSRSD Service Charge (5/8")	$39.37	$40.68
DSRSD Consumption Charge	$26.10	$28.62
Zone 7 Variable Cost of Water	$80.10	$68.94
Zone 7 Fixed Cost of Water	$0.00	$12.93
Total Bimonthly Bill	**$145.57**	**$151.17**

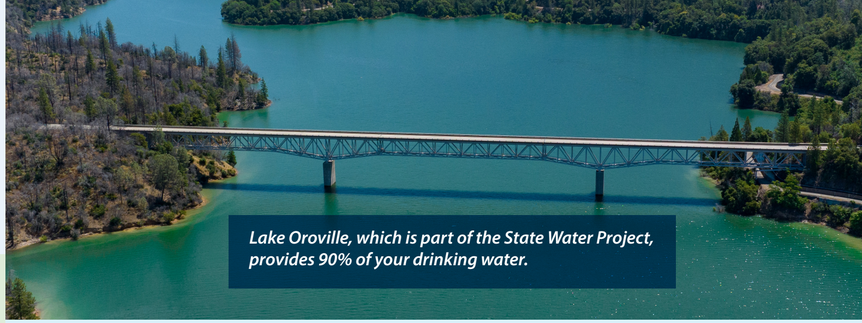
WATER SHORTAGE CONDITION CHARGES

DSRSD's Water Shortage Contingency Plan prepares the District to respond to water shortages caused by drought or emergencies. It includes actions to reduce water usage by certain percentages based on the severity of the water shortage. The proposed water shortage condition rates will ensure that DSRSD generates enough revenue to cover the cost of providing water during times of water shortage when water deliveries are reduced.

The rates below go into effect only when the DSRSD Board of Directors declares a water shortage emergency. If this were to occur, customers would be charged the standard consumption charge for the first five CCF of water used. All additional water used would be charged at the Water Shortage Condition rate. The first 5 CCF per billing period are not subject to the water shortage rates in recognition that certain water uses are essential.

		Consumption Charges during Water Shortage Emergencies (6+ CCF)			Potable Irrigation Charges during Water Shortage Emergencies (6+ CCF)		
	Water Reduction Goal	Current	Effective 5/1/2024	Effective 1/1/2025	Current	Effective 5/1/2024	Effective 1/1/2025
Stage 1	10%	$1.62	$1.81	$1.91	$2.07	$2.24	$2.36
Stage 2	20%	$1.83	$2.11	$2.23	$2.33	$2.52	$2.66
Stage 3	30%	$2.24	$2.54	$2.68	$2.86	$2.88	$3.04
Stage 4	40%	$2.92	$3.17	$3.34	$3.72	$3.36	$3.55
Stage 5	50%	n/a	$4.22	$4.46	n/a	$4.03	$4.26
Stage 6	>50%	n/a	$6.33	$6.68	n/a	$5.04	$5.32

Rates effective January 1, 2026, January 1, 2027, January 1, 2028 will have percentage increases set by and limited to the annual August to August change in the Consumer Price Index - All Urban Consumers for San Francisco/Oakland/Hayward, applied to the previous year's rate.



Lake Oroville, which is part of the State Water Project, provides 90% of your drinking water.

ZONE 7 COST OF WATER (WHOLESALE PASS-THROUGH

DSRSD purchases all of its potable water supplies from Zone 7 Water Agency (Zone 7). Zone 7's wholesale rates are comprised of fixed and variable charges. DSRSD must pay Zone 7 the fixed charge regardless of the amount of water sold. Currently, DSRSD blends the fixed and variable wholesale water rates to develop the "Zone 7 Cost of Water" charge and passes through the charge as a variable consumption charge to DSRSD customers.

The proposed Zone 7 Cost of Water charge separates the current blended charge into a fixed charge and a variable charge for wholesale water. The proposed fixed charge is designed to collect 30 percent of the Zone 7 fixed charge to DSRSD. This proposed methodology allows DSRSD greater revenue stability by ensuring collection of a portion of the fixed charge. Future adjustments to Zone 7 Cost of Water fixed and variable charges will be passed through to potable water customers using the same methodology and based on actual Zone 7 fixed and variable wholesale water rates,with adjustments effective January 1, 2025, January 1, 2026, January 1, 2027, and January 1, 2028.

Variable Rate ($/CCF)	Current	Effective 5/1/2024
Zone 7 Cost of Water	$4.45	$3.83

Zone 7 Fixed Cost of Water (bimonthly)	
Meter Size	Effective 5/1/2024
5/8"	$12.93
3/4"	$19.39
1"	$32.32
1-1/2"	$64.64
2"	$103.42
3"	$281.17
4"	$484.78
6"	$1,034.19
8"	$1,809.84
10"	$2,714.76

DOUGHERTY VALLEY STANDBY CHARGE DISTRICT (DVSCD INCREMENTAL PASS-THROUGH

(Dougherty Valley Customers in San Ramon Only)

The State Water Project (SWP) is the primary water source for Zone 7 (the District's sole drinking water supplier). Zone 7 recovers a portion of the cost of purchasing SWP through property taxes levied in Alameda County. Dougherty Valley's share of the SWP costs are collected through DSRSD's retail water rates, the Dougherty Valley Standby District Charge (Standby Charge) and the Dougherty Valley Incremental State Water Project Charge (Incremental Charge). The Standby Charge and Incremental Charge appear on the Contra Costa County secured property tax rolls respectively as "DSRSD-DRTY VLY 01-1" and "DSRSD-DRTY VLY SWP." The Standby Charge has been fixed at $170.75 (annually) since 2019, while adjustments are made annually to the Incremental Charge based on the Dougherty Valley Incremental State Water Project Charge Annual Report.

Bimonthly, $/dwelling unit equivalent	Current	Effective 7/1/2024	Effective 1/1/2026, 1/1/2027, 1/1/2028
Dougherty Valley Incremental State Water Project Charge	$19.51	$21.61	Adjustments based on Dougherty Valley Incremental State Water Project Charge Annual Report

Dublin San Ramon Services District
Water, wastewater, recycled water

Policy

Policy No.: P100-23-3	**Type of Policy:** Board Business
Policy Title: Proposition 218 Receipt, Tabulation, and Validation of Written Protests	
Policy Description: Defines guidelines for receiving, tabulating, and validating written protests of proposed changes to utility charges	
Approval Date: 10/15/2019	**Last Review Date:** 2023
Approval Resolution No.: 37-19	**Next Review Date:** 2027
Rescinded Resolution No.: 73-15	**Rescinded Resolution Date:** 9/1/2015

The purpose of this policy of the Board of Directors of Dublin San Ramon Services District is to define guidelines for receiving, tabulating, and validating written protests of proposed changes to utility charges in accordance with Section 6 of Article XIII D of the California Constitution, commonly referred to as "Proposition 218."

1. General

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, 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.

2. Receipt of Written Protests

a. 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 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.

b. 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.

c. The deadline for the receipt of mailed protests, delivered protests or electronically sent protests (fax, .pdf documents, etc.) shall be 5 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.

d. 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.

e. 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.

f. 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 property owner, or occupied by more than one tenant-customer, or both, each record property 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.

g. 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 District Secretary 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.

h. 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

without redaction of the protestant's personal information 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[1]. 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 disclosed only after the protestant's personal information is redacted consistent with Section 6254.16, which personal information shall be maintained in confidence and will not be open to public review.

3. **Tabulation of Written Protests**

a. 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 upon completion.

b. 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.

c. 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 District Secretary 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 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.

4. **Validation of Written Protests**

a. A majority protest exists if valid protests are timely submitted and not withdrawn by the record property 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%).

b. 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:

[1] *Morgan v. Imperial Irrigation District* (2014) 223 Cal.App.4th 892, 920-922.

Policy No.: P100-23-3	**Policy Title:** Proposition 218 Receipt, Tabulation, and Validation of Written Protests

- 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.

c. 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.

Policy is current and no changes need to be adopted by the Board of Directors. Status Quo Chronology:	
Date Adopted:	
October 15, 2019	
Reviewed by Committee or Board:	Date:
Board	**September 5, 2023**

SUMMARY OF COMMENTS MADE IN PROTEST LETTERS RELATED TO April 16, 2024 WATER RATE PROPOSAL

No.	Date Received	Apparent Protest?	Summary of Comments Made
RECEIVED BEFORE AGENDA PREPARATION DEADLINE (SUMMARIZED IN STAFF REPORT FOR WATER RATES)			
1	February 28, 2024	Yes	• Raising rates by 5.5% in 2024 and 2025, followed by 3% annual increases in unacceptable. • Economic hardship due to pandemic and inflation make it so increases to water service are an undue burden. • Reconsider your proposal and explore alternatives to balance the budget without placing the burden on ratepayers. • Potential options include internal cost cutting measures, scaling back on non-essential capital projects, and temporary use of reserves.
2	April 5, 2024	Yes	• Strongly opposed to proposed water rate changes because they could burden residents in the current economic situation.
RECEIVED AFTER AGENDA PREPARATION DEADLINE (NOT SUMMARIZED IN STAFF REPORT FOR WATER RATES)			
N/A			

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, IN PART, RESOLUTION NO. 21-19

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

WHEREAS, the Board of Directors last approved a Comprehensive Water Cost of Service Study on June 18, 2019, by the adoption of Resolution No. 21-19; and

WHEREAS, on February 6, 2024, the Board of Directors received the Draft 2024 Water Cost of Service Study, dated February 1, 2024, which described recommendations for cost allocation and rate setting for the fiscal years 2024 through 2028; and

WHEREAS, the Board of Directors has considered the recommendations therein and agrees that adjustments to water and recycled water rates are necessary to fairly and equitably allocate costs among customer classes and to maintain desired levels of water service within the District's water service area; and

WHEREAS, in 2019 the Board of Directors established the Dougherty Valley Incremental State Water Project Charge to recover the increment of State Water Project costs, which are in excess of the revenues associated with the Dougherty Valley Standby Charge District 2001-1, to be paid by the District to Zone 7 Water Agency (Zone 7) for customers in Dougherty Valley with the amount established in a separate Engineer's Report as a pass-through charge for the fiscal years 2024 through 2028; and

WHEREAS, the Board of Directors conducted a duly noticed public hearing on April 16, 2024, and notice of the hearing was provided to all property owners and tenants in the District's water service area by mail at least 45-days prior to the hearing date, and the Board has considered all of the information received by the Board regarding proposed water and recycled rates, including written protests and comments received prior to or at the public hearing; and

WHEREAS, the Board of Directors accepted and caused a tabulation of all written protests received by the District, in accordance with Article XIII D of the California Constitution (Proposition 218) and the District's Proposition 218 Receipt, Tabulation, and Validation of Written Protes policy (P100-23-3), and based upon the results of the tabulation a majority protest against the proposed rates does not exist; and

WHEREAS, the Board of Directors finds and determines that the District has complied with the procedural and substantive requirements set forth in Proposition 218 and all relevant statutes that provide for revisions to property-related rates and charges, and the Board further finds and determines that the recommended revisions to the water rates are in the best interests of the District and will pay for ongoing operations, maintenance, repairs, and improvements to the District's facilities; 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 (including certain Zone 7 and State Water Project charges), 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 California Environmental Quality Act (CEQA), at California Public Resources Code Section 21080(b)(8) and CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

(1) Meeting operating expenses, including employee wage rates and fringe benefits;

(2) Purchasing or leasing supplies, equipment, or materials;

(3) Meeting financial reserve needs and requirements;

(4) Obtaining funds for capital projects, necessary to maintain service within existing service areas; or

(5) Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter; and

WHEREAS, the proposed water rates are explicitly for the purposes above, as described in detail in the DRAFT 2024 Water Cost of Service Study.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California, that the Board of Directors hereby declares each of the foregoing recitals true and correct and fully incorporated herein; and

BE IT FURTHER RESOLVED THAT THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, hereby adopts the 2024 Water Cost of Service Study, dated February 1, 2024, prepared by HDR Engineering, Inc., including the water, recycled water, and water shortage condition rate schedules for fiscal years 2024 through 2028 as presented therein; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT as follows:

1. This resolution shall be effective immediately upon its adoption and the water and recycled water rates, as shown in the attached Exhibit “A,” including both fixed and consumption-based rates, are hereby established as operative for all billing periods commencing on and after May 1, 2024, unless and until subsequently revised as provided for herein.

2. The water shortage rates, as shown in the attached Exhibit “A,” are hereby established and shall become operative as provided for in the Water Shortage Contingency Plan and 2024 Water Cost of Service Study.

3. The Consumer Price Index — All urban Consumers for the San Francisco-Oakland-San Jose, California area (CPI) (calculated August to August), provides an appropriate and accurate measure of the increases in operating costs of the sort used to calculate the amount of the District's water and recycled water rates and charges, and the Board therefore adopts said Consumer Price Index as the index for measuring increases in the cost of such costs for the purpose of future adjustments to the District's water and recycled water rates and charges, including fixed, consumption-based, and water shortage condition rates.

4. Unless otherwise acted upon by the Board, the amount the District’s fixed water and recycled water service charges and water consumption rates will be automatically adjusted effective January 1 of each year as shown in the attached Exhibit “A,” commencing in fiscal year 2026 and ending with fiscal year 2028 and as described in the sentence that follows. The General Manager is authorized and directed to increase each water and recycled water rate by the percentage by which the most recent CPI available as of the last day of August for that calendar year has increased in relation to the most recent corresponding CPI available the last day of August of the preceding calendar year. These automatic increases shall apply to fiscal years 2026, 2027 and 2028, unless further authorized pursuant to the procedures specified in Section 6 of Article XIIID of the California Constitution and Government Code Section 53755.

5. The General Manager is authorized and directed to adjust the Wholesale Pass-through Charge identified in Exhibit “A,” including the Dougherty Valley Incremental State Water Project Charge, no more than once annually, to pass through the proportionate share of increases in the State Water Project costs as provided annually by Zone 7, and as determined in the annual Dougherty Valley Incremental State Water Project Charge Report.

6. The General Manager shall provide timely notification to the Board of all automatic adjustments per this resolution, post the water rates on the District's website, and provide notification to customers thereof in accordance with California Government Code Section 53756.

7. The actions provided for in this resolution are subject to the statute of limitations provided for in California Government Code Section 53759.

8. For the purposes of the water rates set forth therein, Resolution No. 21-19, included as Exhibit “B” to this document, is rescinded as of the date upon which the rates and charges described herein first become operative and this resolution shall thereafter supersede any prior resolutions of the Board of Directors setting water rates, to the extent contrary to this resolution. Notwithstanding the foregoing, Resolution No. 21-19 shall remain effective with respect to the establishment of the Dougherty Valley Incremental State Water Project Charge.

9. The actions provided for in this resolution are exempt from CEQA pursuant to California Public Resources Code Section 21080(b)(8) and CEQA Guidelines Section 15273.

10. If any provision of this resolution, or any part thereof, is for any reason held to be ultra vires, invalid, unenforceable, or unconstitutional, the remaining provisions shall not be affected but shall remain in full force and effect, and to this end the provisions of this resolution are severable.

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 16th day of April, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

_____
Ann Marie Johnson, President

ATTEST: _____
Nicole Genzale, District Secretary

Exhibit A

DSRSD Fixed Water Service Charge
Established under Dublin San Ramon Servies District Code Section 4.40.010

1. Bimonthly 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:

Meter Size	Fixed Service Charge Per Bimonthly Billing Effective 5/1/24	Fixed Service Charge Per Bimonthly Billing Effective 1/1/25
5/8"	40.68	42.92
3/4"	59.62	62.90
1"	97.50	102.86
1-1/2"	192.21	202.78
2"	305.85	322.67
3"	826.73	872.20
4"	1,423.36	1,501.64
6"	3,033.33	3,200.16
8"	5,306.23	5,598.07
10"	7,957.95	8,395.64

2. A bimonthly fixed water service charge for fire protection service lines installed with use detection meters is hereby established at the rate of the 5/8" water 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 protections services, to install fire sprinklers 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 fixed water service charges established for a 5/8" water meter.

[1]Beginnning January 1, 2026, and through January 1, 2028, pursuant to Government Code Section 53756, the General Manager is authorized and directed to adjust those user charges by the percentage increase by which the most recent August Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-Hayward, CA area as increased in relation to the preceding August Consumer Price Index. The General Manager shall provide timely notification to the Board of Directors of the new charges and post them on the District's website. Customers will be notified on their October or November billing statements of the new rates that will be effective on January 1st of the following year.

DSRSD Water Consumption Charges
Established under Dublin San Ramon Servies District Code Section 4.40.020

1. In addition to the fixed water service charge specified under Section 4.40.010, the District's water consumption charges are established in the following amounts[1]:

Service	Rate Effective 5/1/24 Per 100 Cubic Feet (CCF)	Rate Effective 1/1/25 Per 100 Cubic Feet (CCF)
Potable Water Consumption Charge	1.59	1.68
Potable Irrigation	2.02	2.13
Recycled Water	5.23	5.51
Power Charge (District Pressure Zones 2, 3, and 4)	0.43	0.45

DSRSD Water Shortage Condition Rates

Potable Consumption Charge

1. The Board of Directors may from time to time declare a water shortage emergency or water shortage condition based on local, regional, or statewide water supply availability. Following such a declaration, the Water Shortage Condition Rates identified below are required to generate sufficient revenue to cover the cost of providing water when water deliveries are reduced. Water Shortage Condition Rates go into effect only when the Board of Directors declares a water shortage emergency or Water Shortage Condition. The first five (5) hundred cubic feet per bimonthly billing period used by a potable water customer, excluding potable irrigation, are not subject to these rates in recognition that certain water uses are essential. The Water Shortage Condition Rates for consumption greater than five (5) hundred cubic feet per bimonthly billing period are established in the following amounts[1]:

	Rate Effective 5/1/24 Per 100 Cubic Feet (CCF)	**Rate Effective 1/1/25 Per 100 Cubic Feet (CCF)**
Stage 1	1.81	1.91
Stage 2	2.11	2.23
Stage 3	2.54	2.68
Stage 4	3.17	3.34
Stage 5	4.22	4.46
Stage 6	6.33	6.68

Potable Irrigation Charge

2. The Water Shortage Condition Rates for potable irrigation are established in the following amounts[1]:

	Rate Effective 5/1/24 Per 100 Cubic Feet (CCF)	**Rate Effective 1/1/25 Per 100 Cubic Feet (CCF)**
Stage 1	2.24	2.36
Stage 2	2.52	2.66
Stage 3	2.88	3.04
Stage 4	3.36	3.55
Stage 5	4.03	4.26
Stage 6	5.04	5.32

[1]Beginnning January 1, 2026, and through January 1, 2028, pursuant to Government Code Section 53756, the General Manager is authorized and directed to adjust those user charges by the percentage increase by which the most recent August Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-Hayward, CA area as increased in relation to the preceding August Consumer Price Index. The General Manager shall provide timely notification to the Board of Directors of the new rates and post them on the District's website. Customers will be notified on their October or November billing statements of the new rates that will be effective on January 1st of the following year.

Wholesale Passthrough Charges

1. The Zone 7 wholesale water consumption charge is established in the following amount[1]:

	Rate Effective 5/1/24 Per 100 Cubic Feet (CCF)
Zone 7 Cost of Water	3.83

2. The Zone 7 wholesale fixed water charge is established in the following amount[1]:

Meter Size	**Fixed Service Charge Per Bimonthly Billing Effective 5/1/24**
5/8"	12.93
3/4"	19.39
1"	32.32
1-1/2"	64.64
2"	103.42
3"	281.17
4"	484.78
6"	1,034.19
8"	1,809.84
10"	2,714.76

3. The Dougherty Valley Incremental State Water Project Charge is established in the following amount[2]:

	Fixed Service Charge Per Bimonthly Billing Effective 7/1/24
Per Dwelling Unit Equivalent	21.61

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 collected directly through utility bills, which share will be comprised of the sum of the amount of the standby charge assessment and 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.

[1] Beginning January 1, 2025, and through January 1, 2028, pursuant to Government Code Section 53756, the General Manager is authorized and directed to adjust those user charges based on the wholesale treated water rate adopted by the Zone 7 Board of Directors. The General Manager shall provide timely notification to the Board of Directors of the new rates and post them on the District's website.

Customers will be notified on their October or November billing statements of the new rates that will be effective on January 1st of the following year.

[2] Beginning July 1, 2025, and through July 1, 2028, pursuant to Government Code Section 53756, the General Manager is authorized and directed to adjust these passthrough charges based the Dougherty Valley Incremental State Water Project Charge Annual Report.

RESOLUTION NO. 21-19

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

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

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

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

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: 5 - Directors Georgean M. Vonheeder-Leopold, Ann Marie Johnson, Richard M. Halket, Edward R. Duarte, Madelyne A. Misheloff

NOES: 0

ABSENT: 0

Madelyne A. Misheloff

Madelyne A. Misheloff, President

ATTEST: Nicole Genzale

Nicole Genzale, District Secretary

Dublin San Ramon Services District
Water, wastewater, recycled water

STAFF REPORT

Meeting Date: April 16, 2024

TITLE: Receive Presentation on Per-and Polyfluoroalkyl Substances (PFAS) in Water and Wastewater

RECOMMENDATION:

Staff recommends the Board of Directors receive a presentation on the continuing efforts to study and regulate per-and polyfluoroalkyl substances (PFAS) in water and wastewater.

DISCUSSION:

Per- and polyfluoroalkyl substances, known as PFAS, are a group of thousands of synthetic chemicals that have been in use since the 1940s for their non-stick properties. PFAS are found in a wide array of consumer and industrial products such as fire-fighting foam, rain gear, food packaging, etc. PFAS manufacturing and processing facilities, facilities using PFAS in production of other products, airports, and military installations are some of the contributors of PFAS releases into the air, soil, and water. Due to their widespread use and persistence in the environment, most people in the United States have been exposed to PFAS. There is growing evidence that continued exposure above specific levels to certain PFAS may lead to adverse health effects.

The District's Strategic Plan includes an action item to "*collaborate with partner agencies to monitor evolving regulatory requirements for constituents of emerging concern and explore potential compliance and mitigation strategies*." At the April 16, 2024 Board meeting, staff will update the Board on DSRSD's participation in regional efforts to monitor and address upcoming and potential regulatory requirements for PFAS in water and wastewater. The presentation (Attachment 1) will include:

- Background on PFAS and its presence in water and wastewater
- Legislative efforts concerning PFAS compounds
- Current and planned actions by Zone 7 Water Agency to ensure that all delivered drinking water complies with final drinking water regulations for PFAS
- DSRSD's participation in regional efforts studying the presence of PFAS in wastewater. A fact sheet prepared by the Bay Area Clean Water Agencies summarizing the PFAS study is included as Attachment 2.

Originating Department: Operations	**Contact: K. Fournier/D. Gill**	**Legal Review: Not Required**
Financial Review: Not Required	**Cost and Funding Source: N/A**	
Attachments: ☐ None ☐ Resolution ☐ Ordinance ☐ Task Order ☐ Proclamation ☒ Other (see list on right)	**Attachment 1 – Presentation Slides** **Attachment 2 – Bay Area Clean Water Agencies PFAS Study Summary**	

Per-and Polyfluoroalkyl Substances (PFAS) Update

DSRSD Board Meeting

April 16, 2024

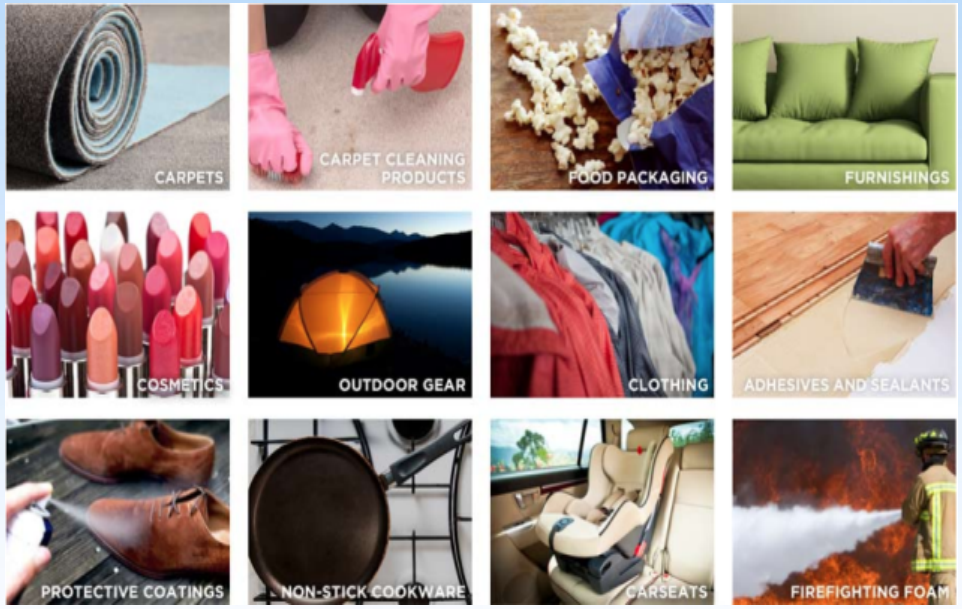
Kristy Fournier,
Laboratory and Environmental Compliance Manager

Dublin San Ramon Services District
Water, wastewater, recycled water

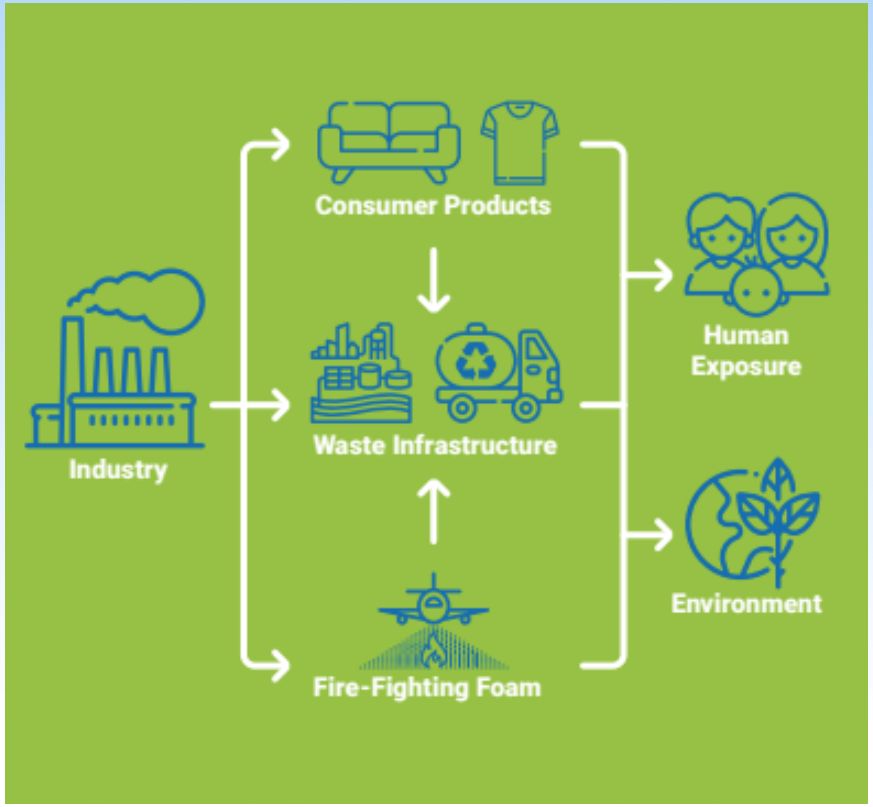
PFAS Update: Agenda

- Introduction
- Legislation
- Drinking Water
- Wastewater
- Summary

Where can you find PFAS?



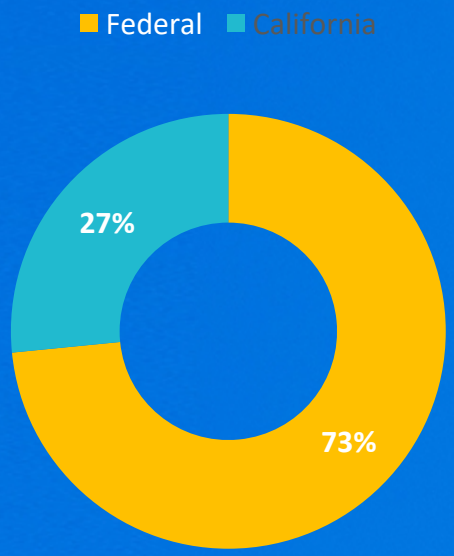
Source: Green Sciences Policy Institute



Source: CASA

Legislation Introduced (2023-2024)

63 Bills



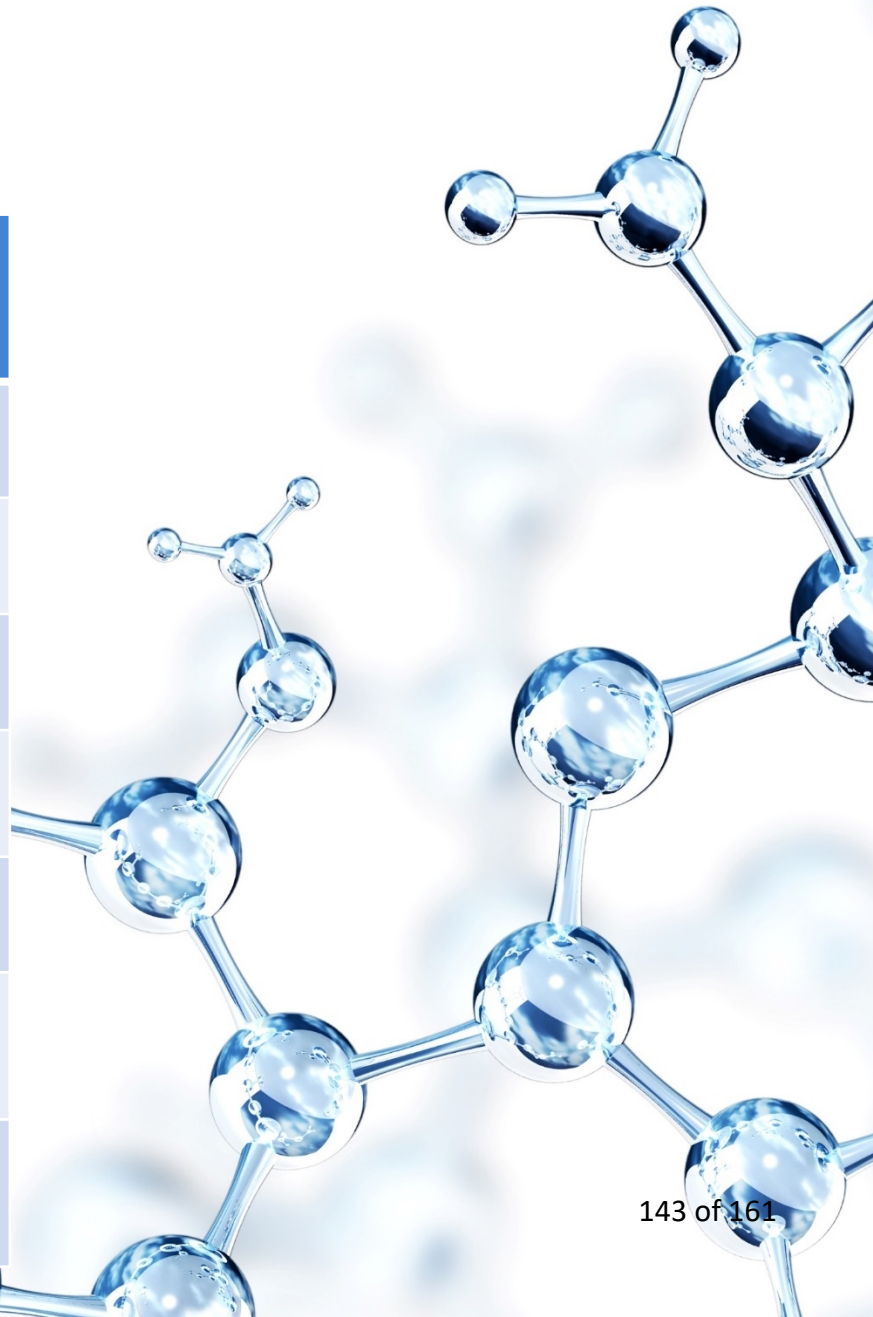
Legislation

- Liability protection
  - Federal Senate bill 1430 by Senator Lummis
- Limiting the flow of PFAS in consumer products
  - State Senate bill 903 by Senator Skinner

DRINKING WATER

Drinking Water:
PFAS Final Federal Limits (MCL)

PFAS	Final MCL (ng/L)
Perfluorooctanoic acid (PFOA)	4.0
Perfluorooctanesulfonic acid (PFOS)	4.0
Perfluorononanoic acid (PFNA)	10
Perfluorohexanesulfonic acid (PFHxS)	10
Perfluorobutanesulfonic acid (PFBS)	10
Hexafluoropropylene oxide dimer acid (HFPO-DA -Gen X Chemicals)	10
Mixtures containing two or more of PFHxS, PFNA, HFPO-DA and PFBS	1 (unitless) Hazard Index



Drinking Water: Zone 7 Water Agency

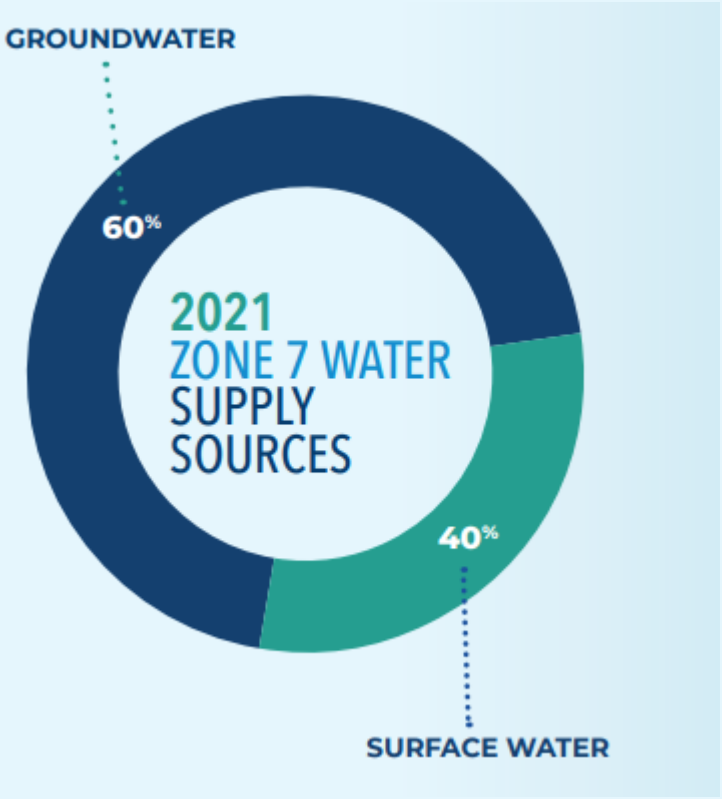
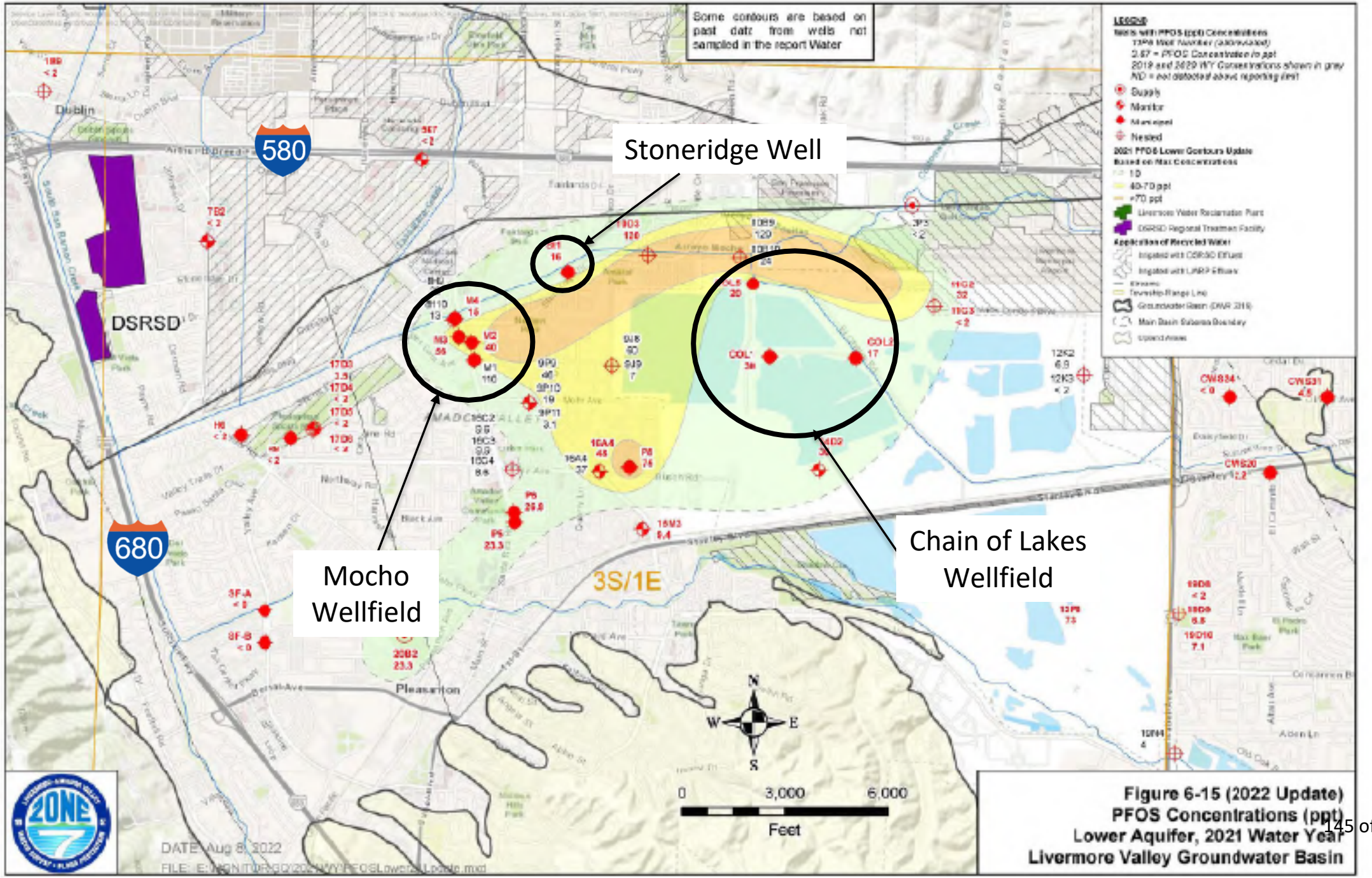


Image source: Zone 7 Agency Annual Water Quality Report 2021


Some contours are based on past data from wells not sampled in the report Water
Stoneridge Well
Mocho Wellfield
Chain of Lakes Wellfield
DSRSD
Dublin
Pleasanton
580
680
3S/1E
N
W
E
S
0
3,000
6,000
Feet
DATE: Aug 8, 2022
Figure 6-15 (2022 Update)
PFOS Concentrations (ppt)
Lower Aquifer, 2021 Water Year
Livermore Valley Groundwater Basin

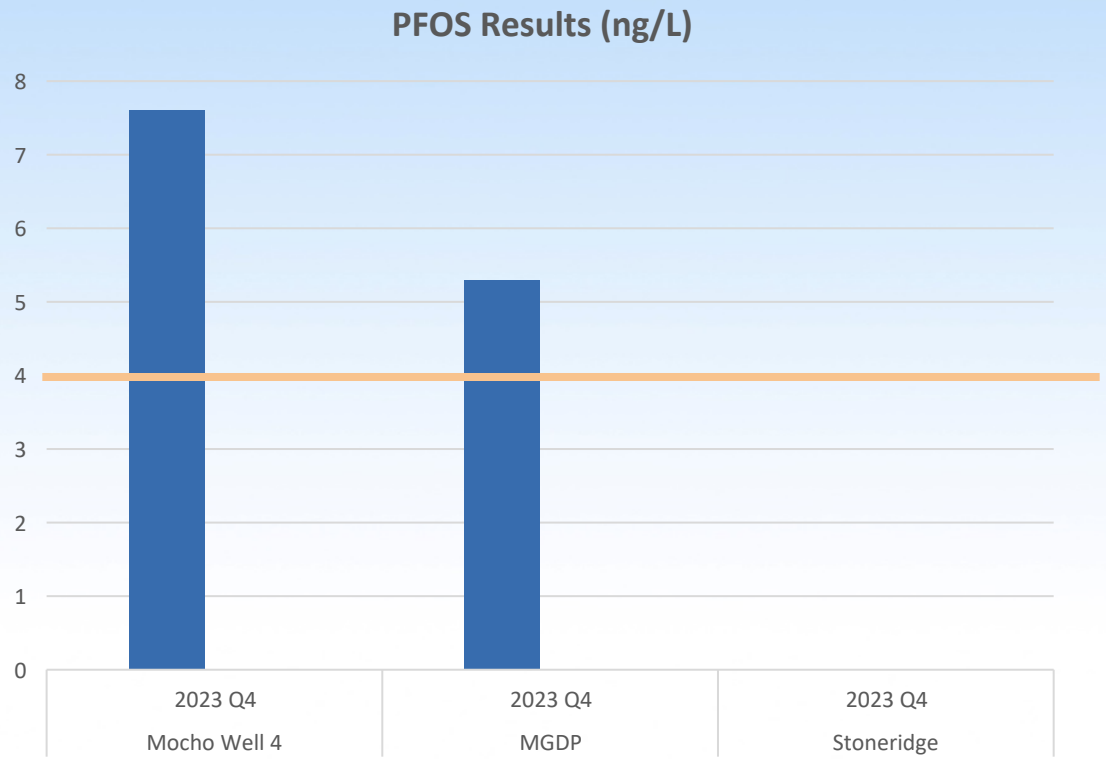
Drinking Water: Zone 7 Water Agency Water Treatment

Stoneridge Well Ion Exchange Vessels.

Source: https://www.zone7water.com/news-release/zone-7-upgrades-stoneridge-well-ion-exchange-pfas-treatment-facility

- **Mocho Site**
  - Well 4 (untreated side stream)
  - Demineralization plant (Reverse Osmosis Treatment)
- **Stoneridge**
  - Ion Exchange (Completed)
  - $16 million
- **Chain of Lakes - under construction**
  - Ion Exchange (Summer 2024)

Drinking Water: Zone 7 Treated Water PFOS Results



Drinking Water: UCMR 5 - Planning for Future Regulations

10 years makes a difference!

UCMR 3 (2013-2015)	UCMR 5 (2023-2025)
6 PFAS Compounds	29 PFAS Compounds
Minimum reporting levels: 10-90 ng/L	Minimum Reporting Levels: 2-20 ng/L

- **What?**
  - Lithium and 29 PFAS
- **Where?**
  - Sampling a location where Zone 7 Water Agency's supply and DSRSD's distribution system connects
- **DSRSD Results: No detections**

WASTEWATER

San Francisco Bay Region PFAS Study

» Phase 1: Monitor representative subset of facilities in Q4 2020

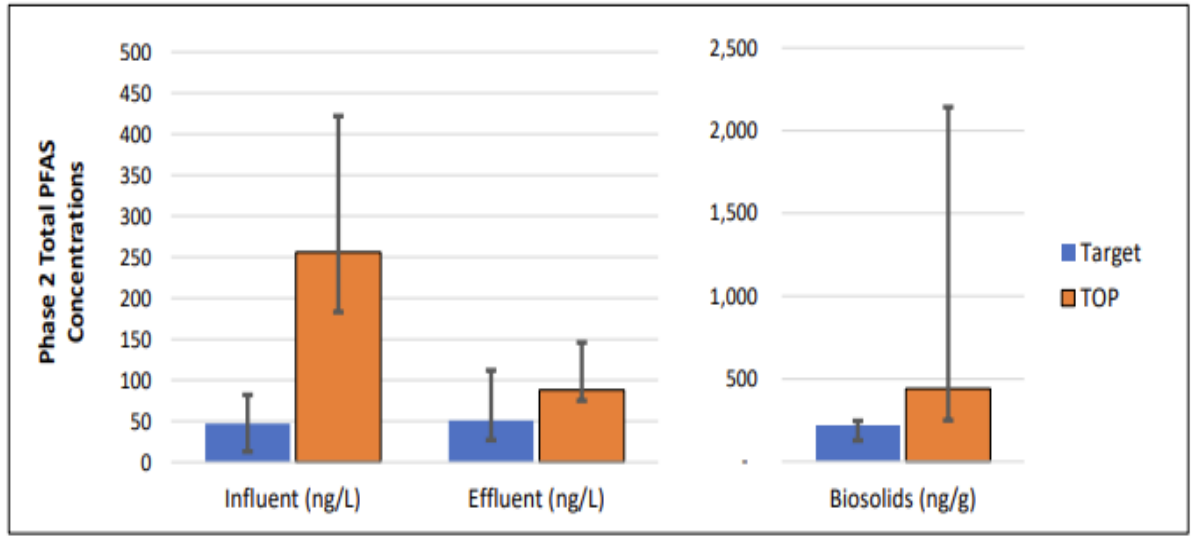
- Fate and transport of PFAS

» Phase 2: Additional Monitoring

- Watershed, influent, effluent, and biosolids sampling + groundwater sampling (DSRSD)

Wastewater: San Francisco Bay Wastewater Study

- Residential and commercial customers may be the dominant source of PFAS
- PFAS is not being created nor destroyed through the treatment process
- PFAS is partitioned out to the effluent and biosolids



Wastewater: San Francisco Bay Wastewater Study

» For as long as PFAS continues to be produced and used in consumer products, PFAS will be present in wastewater influent, effluent and biosolids.

Summary

- Staff continues to monitor legislation
- Federal drinking water regulatory limits for PFAS have been finalized
- Zone 7 on track to comply with PFAS drinking water regulatory limits
- Research on PFAS in wastewater is ongoing

Dublin San Ramon Services District

Water, wastewater, recycled water

Questions?

BACWA BAY AREA CLEAN WATER AGENCIES

FEBRUARY 2024

PFAS STUDY SUMMARY

Bay Area Clean Water Agencies and San Francisco Estuary Institute

Study of PFAS in Bay Area Wastewater

KEY POINTS

PFAS are ubiquitous in numerous everyday products and in the environment.

As long as PFAS continues to be produced and used in consumer products, PFAS will be present in wastewater influent, effluent, and biosolids.

WHAT MAKES THIS STUDY UNIQUE?

This study quantified PFAS in wastewater using a comprehensive lab method called the Total Oxidizable Precursors (TOP) assay. This method quantifies more of the PFAS than other typical lab methods, which means this study was able to better track PFAS through the treatment process. Sampling of residential areas was another unique study feature.

WHERE IS THE PFAS IN WASTEWATER COMING FROM?

Residential users appear to be a significant source of PFAS to Bay Area wastewater treatment plants. Among industrial and commercial facilities included in this study, industrial laundries showed the highest concentrations, followed by car washes.

HOW MUCH PFAS IS IN BAY AREA WASTEWATER?

PFAS concentrations in Bay Area wastewater (see Figure 1 on page 3) were similar to levels seen in other communities in California. There are currently no PFAS standards directly applicable to biosolids or San Francisco Bay wastewater discharges. Most biosolids samples were below the "action levels" for land application recently adopted in other states.

What are PFAS?

Per- and polyfluoroalkyl substances (PFAS) are a large group of human-made compounds that are resistant to heat, water, and oil. Common PFAS-containing products include non-stick cookware, cardboard/paper food packaging, water-resistant clothing, carpets, personal care products, and fire-fighting foam. PFAS do not break down in the environment, can accumulate within the human body, and can be toxic at relatively low concentrations.

Publicly Owned Treatment Works (POTWs) receive PFAS from residential, commercial, and industrial customers in their service areas. Some PFAS transform to other PFAS compounds during the treatment process, but are not destroyed. PFAS received in POTW influent ultimately partition into effluent, air, or biosolids depending on the individual compound's chemical characteristics.

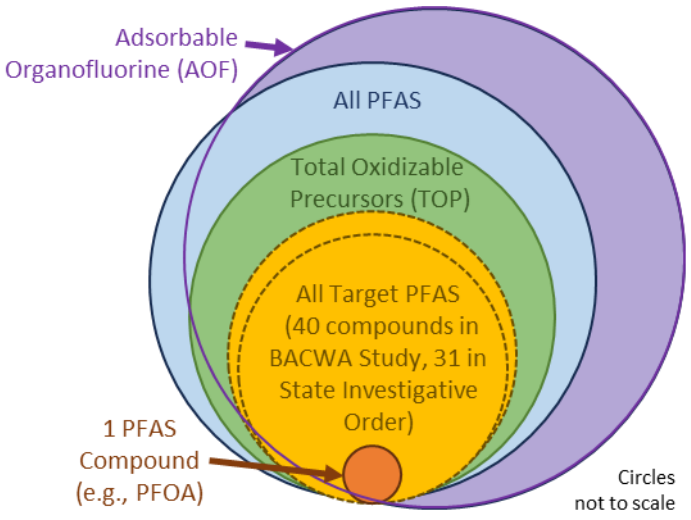
Why did BACWA Complete this Study?

In 2019, the State Water Board started requiring testing of drinking water systems and other high-risk locations for PFAS such as landfills, airports, industrial chrome-platers, refineries & bulk terminals, and POTWs[a]. The Bay Area Clean Water Agencies (BACWA) worked with State and Regional Water Board staff to respond to the need for testing at POTWs. BACWA worked with scientists at San Francisco Estuary Institute (SFEI) to design and complete a two-phase study[b,c]:

- **Phase 1** (Fall 2020). Fourteen representative facilities collected influent, effluent, and biosolids samples to test for PFAS. Facilities were selected based on their size, location, level of industry in their service area, treatment technology, and whether they had participated in previous SFEI PFAS studies, so that trends in individual PFAS compounds could be tracked over time. The final report for Phase 1 was released in October 2021[d].

- **Phase 2** (Mid-2022). Seven facilities collected influent and effluent samples, and five of the seven also collected biosolids samples for PFAS analysis. Samples were also collected upstream of POTWs in residential areas and at select industrial and commercial facilities. Industrial facilities were selected that had not already been included in the State Water Board's investigative orders. Phase 2 was completed by larger agencies that volunteered to participate. Results from Phase 2 were shared at the Regional Monitoring Program Annual Meeting in October 2023[e], and the final report for Phase 2 was completed in December 2023. The report is available from BACWA staff upon request.

While the State Water Board required wastewater samples (influent, effluent, biosolids) to be measured for a specified 31 individual PFAS analytes, the BACWA-SFEI study went beyond this list and used a target method that included 40 individual analytes. Additionally, this study included another method called the Total Oxidizable Precursors (TOP) assay. The TOP assay involves oxidizing the sample to convert PFAS to terminal transformation products, then analyzed with the Target method. The total PFAS quantified with the TOP method includes not only the 40 analytes in the Target method, but additionally includes PFAS precursors that can transform to those 40 analytes. The advantage of the TOP analysis is that it gives a better estimate of all PFAS in a sample, and not just the 40 individual analytes included in the analytical method (see conceptual schematic at left). Both the target and TOP assay quantified PFAS using USEPA Method 1633. Phase 2 also included analysis of Adsorbable Organofluorine (AOF) via USEPA Draft Method 1621.



What did the Study Find?

KEY FINDING

In Phase 2, TOP analysis was completed for influent, effluent, and biosolids from 5 facilities.

On average, about half of the mass of total quantified PFAS contained in POTW influent was partitioned to biosolids.

Phase 1 of the study demonstrated that sampling a representative selection of POTWs (rather than all POTWs) was an appropriate strategy for characterizing PFAS. PFAS levels were similar across the 14 participating facilities, as summarized in the Phase 1 report[d]. Both phases of this BACWA-SFEI study showed similar results to the State Water Board's Investigative Order[f] for the targeted analysis. This study also showed that the targeted analysis only captures a fraction of total PFAS compounds. In Phase 2 influent samples, for example, the median for sum of PFAS via the TOP method was 5 times greater than the median for sum of PFAS via target analysis, while the ratio was about 2 for effluent.

Phase 2 showed that PFAS in influent is both transformed and partitioned to biosolids before leaving as treated effluent, as shown below in **Figure 1.** This finding may seem self-evident, but the results of the Phase 1 study and the statewide Investigative Order were not conclusive on this point. Based on targeted analysis, the total quantified PFAS concentration is often *higher* in effluent than influent, potentially leading to the false conclusion that PFAS are added or created within treatment plants. As expected, total quantified PFAS based on Phase 2 TOP analysis conclusively showed substantial removal from influent to effluent at each of the seven facilities sampled (*see orange bars for influent and effluent, Figure 1*). AOF data showed a similar trend.

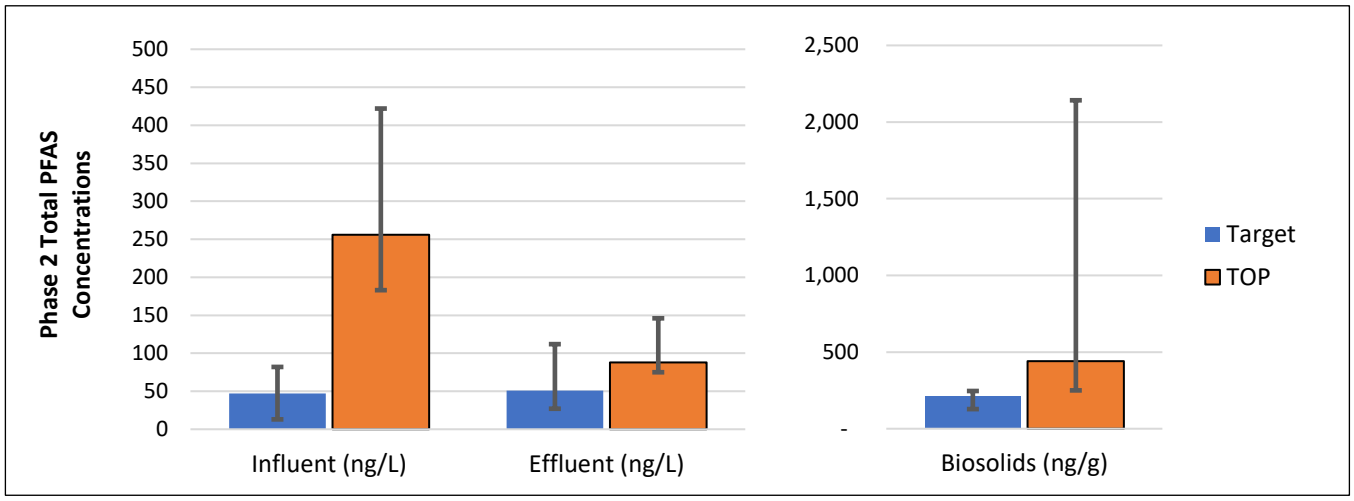


Figure 1. *Phase 2 Total Quantified PFAS based on a sum of targeted analysis of 40 compounds ("Target") and Total Oxidizable Precursors analysis ("TOP"). Note TOP results includes 40 compounds included in Target method, plus PFAS precursors that are converted to one of the 40 Target compounds. Influent and effluent data are in units ng/L and Biosolids are in ng/g (dry weight). The height of each bar chart indicates the median, while the error bars show the minimum and maximum. Phase 1 data are excluded because the TOP analysis was not performed.*

How do PFAS Levels in Bay Area Wastewater Compare to Regulatory Thresholds?

There are currently no water quality criteria for PFAS directly applicable to San Francisco Bay. USEPA has developed draft aquatic life criteria[g], and plans to develop human health criteria based on fish consumption (see side bar). Although surface water quality criteria are still in development, both the State Water Board and USEPA have developed regulatory thresholds for drinking water. Drinking water criteria are not applicable to most Bay Area POTWs, since the Bay is not used as a drinking water supply. They are included here for informational purposes only.

The State Water Board has adopted notification levels of 6.5 ng/L for perfluorooctane sulfonic acid (PFOS), 5.1 ng/L for perfluorooctanoic acid (PFOA), and 3 ng/L for perfluorohexane sulfonic acid (PFHxS)[h]. The USEPA's proposed drinking water Maximum Contaminant Level (MCL) is 4 ng/L for PFOS and PFOA[i]. The proposed MCL for PFHxS is included as part of a unitless "Hazard Index." Effluent concentrations observed from Phase 1 and 2 are compared to these thresholds in **Figure 2**. Although production of both PFOS and PFOA has been phased out in the United States, these compounds were detected in all but one of the study's effluent samples. Some PFOS and PFOA may come from the transformation of other PFAS compounds. Typical concentrations were near or above the proposed federal MCLs.

PFAS IN THE BAY

Through the Regional Monitoring Program, SFEI scientists are monitoring PFAS in San Francisco Bay water, sediment, and sport fish. PFOS is the predominant compound in sport fish, and fish caught in the South Bay have the highest concentrations. Stormwater and wastewater are both possible sources of PFAS in sport fish.

As part of its PFAS Strategic Roadmap, USEPA is planning to publish water quality criteria based on fish consumption in Fall 2024. In the future, the levels of PFAS in sport fish may cause San Francisco Bay to be listed as an impaired water body per section 303(d) of the federal Clean Water Act.

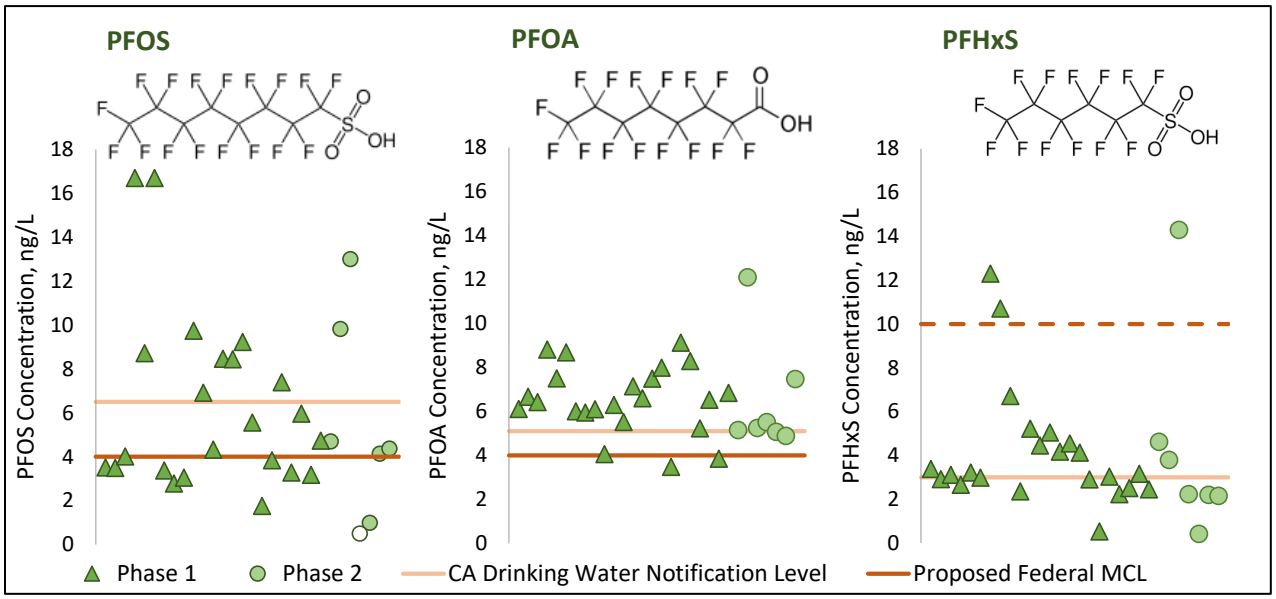


Figure 2. *Phase 1 and 2 effluent concentrations of PFOA, PFOS, and PFHxS compared to California notification levels and proposed USEPA Maximum Contaminant Levels (MCLs) for drinking water. For PFHxS, the proposed MCL is illustrated with a dashed line at 10 ng/L; the unitless Hazard Index of 1.0 is calculated by dividing PFHxS concentrations by 10. The 3 other compounds included in the Hazard Index were primarily non-detects. The open circle for PFOS indicates a non-detected value; all filled shapes indicate a detected result.*

How do PFAS Levels in Bay Area Biosolids Compare to Regulatory Thresholds?

PFAS is a potential concern for biosolids end uses, particularly land application or other uses where PFAS could migrate to food crops or drinking water. There are currently no federal or state standards for PFAS in biosolids. However, several other states have established "action levels" for biosolids that may be "industrially impacted." When PFOA or PFOS concentrations in biosolids exceed the action level of 20 ng/g (µg/kg or ppb), utilities in Michigan[j] and New York[k] are subject to restrictions on biosolids recycling. In this BACWA-SFEI study, the only biosolids samples that exceeded these thresholds were from agencies that have exceptionally long storage times in lagoons and storage beds, which may allow more time for PFAS transformations to occur or allow PFAS to become more concentrated on a dry weight basis.

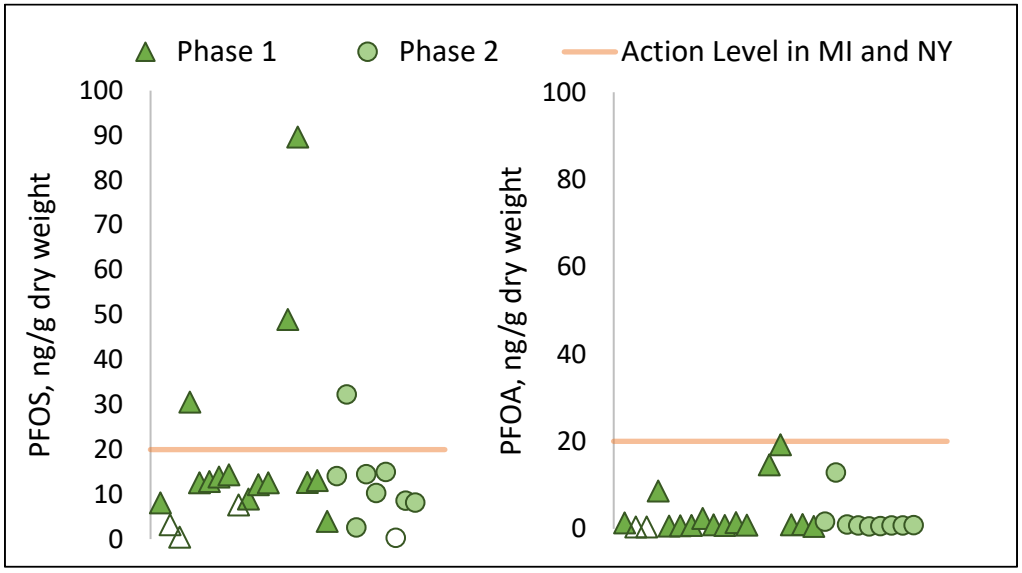


Figure 3. *Phase 1 and 2 biosolids concentrations of PFOA and PFOS (ng/g dry weight) compared to action levels in Michigan and New York. Filled shapes indicate detected values. Unfilled shapes indicate non-detects.*

Where is PFAS in Bay Area Wastewater Coming From?

To identify potential sources of PFAS, Phase 2 of the BACWA-SFEI study focused on sampling in residential areas and at commercial and industrial facilities. Samples were collected from residential areas (n=14), industrial laundries (n=5), hospitals (n=4), facilities with chrome plating onsite (n=3), semiconductor manufacturing (n=2), car washes (n=3), a military site, and a pulp paperboard manufacturing facility. Landfill leachate is also a known source of PFAS in wastewater that was previously sampled under a State Water Board investigative order[a]. Results of this study's collection system monitoring are shown in **Figure 4** and indicate that:

- **Residential** samples showed a large range of total quantified PFAS concentrations. The median sum of TOP and target analytes were only slightly lower than those found in plant influent.
- **Industrial Laundries.** Concentrations of total quantified PFAS measured as TOP were significantly higher than median influent concentrations at several (but not all) industrial

laundries. These facilities typically launder uniforms, linens, floor mats, and similar items. Some laundered textiles could contain intentionally added PFAS (e.g., for stain resistance).

- **Car Washes** showed total PFAS measured as TOP at moderately higher concentrations than plant influent. Unlike industrial laundries, however, there were not any extremely high values at the car washes, and discharge flow rates tend to be lower at the car washes.

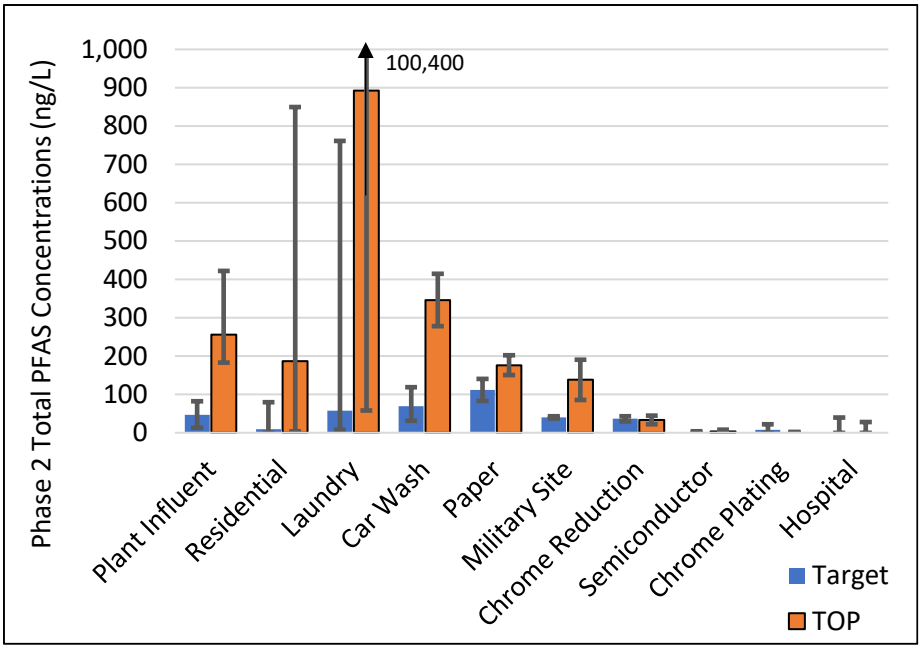


Figure 4. *Comparison of Phase 2 plant influent results with residential, commercial, and industrial wastewater (ng/L). Total PFAS is based on a sum of targeted analysis of 40 compounds("Target") and Total Oxidizable Precursor analysis ("TOP"). The height of each bar chart indicates the median, while the error bars show the minimum and maximum.*

At most Bay Area treatment plants, more than 95% of flows are from residential and commercial customers. Phase 2 results indicate that residential areas may contribute PFAS at concentrations similar to plant influent, which means that residential users may be the dominant source of PFAS to many treatment facilities. PFAS is found in many consumer products, including textiles, household chemicals, cosmetics, and food packaging, at concentrations several orders of magnitude higher than those found in this study, as shown in **Figure 5**. This source of PFAS can only be controlled by removing or reducing the amount of PFAS found in consumer products.

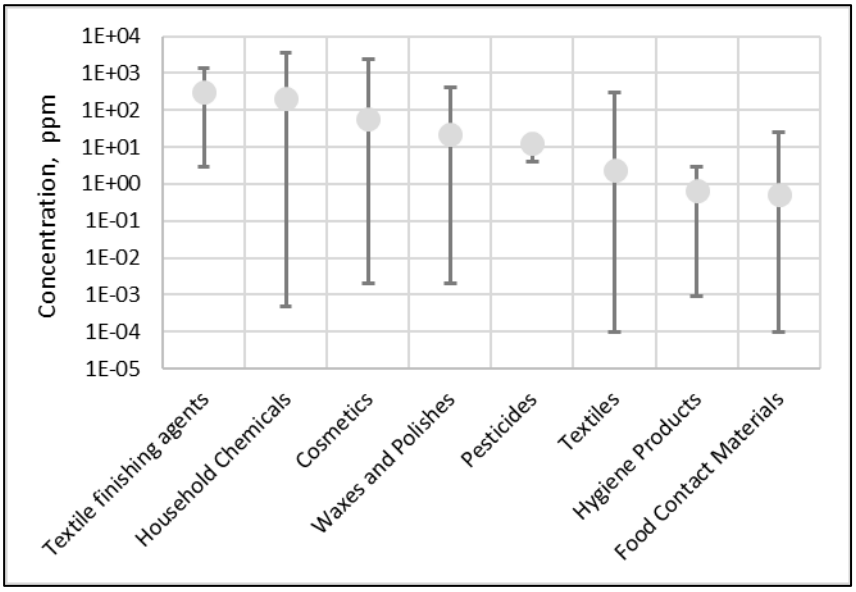


Figure 5. *PFAS concentrations in select categories of consumer products. Figure adapted from Dewapriya et al., 2023[l]. The round marker indicates the average, while the error bars show the minimum and maximum values. The units (ppm) are equivalent to ng/L x 1,000,000.*

What is BACWA Doing Next?

BACWA and its members are interested in developing actionable data that will inform future source control or other management efforts. To start, BACWA and its members plan to continue working with SFEI, the Water Board, and the California Department of Toxic Substances Control to identify consumer products with PFAS that have a potential nexus to wastewater, stormwater, and surface waters like San Francisco Bay. In the coming years, SFEI plans to continue studying PFAS in stormwater and the Bay, while BACWA will continue to focus on identifying controllable sources within sewer service areas.

Where Can I Find More Information?

USEPA PFAS Strategic Roadmap:
https://www.epa.gov/pfas/pfas-strategic-roadmap-epas-commitments-action-2021-2024

[a] SWRCB Investigative Order for POTWs:
https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2020/wqo2020_0015_dwq.pdf

[b] Study of PFAS in Bay Area POTWs: Phase 1 Sampling and Analysis Plan:
https://bacwa.org/wp-content/uploads/2020/12/SFEI-Final-PFAS-SAP-Phase-1-2020-11-23.pdf

[c] Study of PFAS in Bay Area POTWs: Phase 2 Sampling and Analysis Plan: https://bacwa.org/wp-content/uploads/2022/03/Final-PFAS-Phase-2-SAP-2022-03-28.pdf

[d] Study of PFAS in Bay Area POTWs, Phase 1 Memo:
https://bacwa.org/wp-content/uploads/2023/03/Memo_BACWA-PFAS-Phase-1.pdf

[e] Lin, D. and Fono, L. Investigation of PFAS Sources to Municipal Wastewater. Presentation to 2023 Regional Monitoring Program Annual Meeting, October 2023. Video and slides available at https://www.sfei.org/projects/rmp-annual-meeting

[f] Aflaki, R. "What can we learn from the GeoTracker PFAS data?" Presentation to CASA; Available at https://casaweb.org/wp-content/uploads/2023/10/Aflaki-Roshan.pdf

[g] USEPA, 2022. "Fact Sheet: Draft 2022 Aquatic Life Ambient Water Quality Criteria for PFOA and PFOS. "Available at https://www.epa.gov/system/files/documents/2022-04/pfoa-pfos-draft-factsheet-2022.pdf

[h] SWRCB. "PFAS Regulations for California Drinking Water." Available at https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas.html

[i] USEPA. Proposed PFAS National Drinking Water Regulation. Available at https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas

[j] Michigan Department of Environment, Great Lakes, and Energy. "Interim Strategy – Land Application of Biosolids Containing PFAS (2024)." Available at https://www.michigan.gov/egle/about/organization/water-resources/biosolids/pfas-related

[k] New York State Department of Environmental Conservation. "Biosolids Recycling in New York State – Interim Strategy for the Control of PFAS Compounds." September 7, 2023. Available at https://extapps.dec.ny.gov/docs/materials_minerals_pdf/dmm7.pdf

[l] Dewapriya, P., et al. "Per- and polyfluoroalkyl substances (PFAS) in consumer products: Current knowledge and research gaps." Journal of Hazardous Materials Letters, Volume 4, November 2023, 100086. https://doi.org/10.1016/j.hazl.2023.100086