

# AGENDA

## NOTICE OF REGULAR MEETING

**TIME:** 6 p.m.

**DATE:** Tuesday, September 17, 2024

**PLACE:** Regular Meeting Place  
7051 Dublin Boulevard, Dublin, CA  
[www.dsrsd.com](http://www.dsrsd.com)

**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. New Employee Introductions
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 District 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. 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 September 3, 2024  
**Recommended Action:** Approve by Motion
  - 7.B. Approve Proclamation Celebrating October 5–13, 2024, as Water Professionals Appreciation Week  
**Recommended Action:** Approve by Motion
  - 7.C. Rescind Use of Clean Water Revival Facilities and Demineralized Recycled Water Policy and Resolution No. 19-16  
**Recommended Action:** Rescind Policy by Resolution

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### Board of Directors

Division 1 ♦ Dinesh Govindarao | Division 2 ♦ Ann Marie Johnson | Division 3 ♦ Richard Halket  
Division 4 ♦ Georgean Vonheeder-Leopold | Division 5 ♦ Arun Goel

- 7.D. Adopt Revised Water Recycling Policy and Rescind Resolution No.42-20  
**Recommended Action:** Adopt Policy by Resolution
- 7.E. Approve Amendment to the Capital Improvement Program Ten-Year Plan and Two-Year Budget to Increase the Alum Addition Project (CIP 18-P016) Budget and Regional Wastewater Expansion (Fund 320) Budget, and Authorize Execution of Amendment No. 3 to Task Order No. 5 with HDR Engineering for Additional Construction Management Services  
**Recommended Action:** Approve by Resolution and Authorize by Motion
- 7.F. Authorize Execution of Task Order No. 1 with Woodard & Curran, Inc. for the Wastewater Collection System Master Plan Update Project (CIP 24-S007)  
**Recommended Action:** Authorize by Motion
- 7.G. Approve Sole Source Purchase Order with Aqua-Metric Sales Company for Advanced Metering Infrastructure Technical Support and Equipment  
**Recommended Action:** Approve by Motion

8. BOARD BUSINESS

- 8.A. Accept Regular and Recurring Reports: Quarterly Financial Report, Capital Projects Created from Programs, and Capital Budget Adjustments Approved by the General Manager  
**Recommended Action:** Accept by Motion
- 8.B. Receive Recycled Water Supply Update and Authorize the General Manager to Negotiate and Execute Necessary Agreements with East Bay Municipal Utility District (EBMUD) and DSRSD-EBMUD Recycled Water Authority (DERWA), and City of Dublin to Add Certain Customers to the Recycled Water System  
**Recommended Action:** Receive Report and Authorize by Motion

9. REPORTS

9.A. Boardmember Items

- 9.A.1. Joint Powers Authority and Committee Reports  
DSRSD/City of Dublin Liaison Committee Meeting of September 16, 2024
- 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. ADJOURNMENT

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

**September 3, 2024**

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:03 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/Treasurer; Steve Delight, Engineering Services Director/District Engineer; Ken Spray/Finance Director, Dan Gill, Operations Director; Douglas E. Coty, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

General Counsel Coty stated that all Boardmembers attended two Board meetings this evening (a special DSRSD Financing Corporation meeting was held immediately before the regular Board meeting), and no Director will receive any compensation or stipend for participating in more than one meeting on this date.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:04 p.m. No public comment received.

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

7. CONSENT CALENDAR

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

7.A. Approve Regular Meeting Minutes of August 20, 2024 – Approved

7.B. Update Officers Authorized to Transfer Monies in the Local Agency Investment Fund and Rescind Resolution No. 27-23 – Approved – Resolution No. 32-24

8. BOARD BUSINESS

8.A. Receive Presentation on the Electrical Resiliency of the Wastewater and Recycled Water Treatment Plants

Principal Electrical Engineer Mike Nakamura reviewed the item. The Board and staff discussed various aspects of the presentation including the District's major electrical

system components, emergency generator use and capabilities, power shut off history and causes, outage recovery process, solar and battery power support, and the criticality of conducting emergency preparedness drills. The Board also inquired about adding back-up power to the recycled water treatment plant. General Manager Lee stated that DERWA (DSRSD-EBMUD Recycled Water Authority) will be discussing energy cost control as well as the potential for adding back-up power to its operations likely in the next six months.

Vice President Goel stated the prudence of including DERWA's energy assessment into the District's emergency planning. He also expressed the importance of being "shelf-ready" to apply for energy and infrastructure funding as it becomes available and that it is the District's fiduciary responsibility to provide the best level of service to its customers.

8.B. Approve the Water Supply Assessment for the Dublin Commons Project

Associate Engineer Roger Chu reviewed the item for the Board and gave a presentation (handed out to the Board and posted to the website as supplemental materials) on the District's Water Supply Assessment (WSA) for the Dublin Commons Project (Project) located within the Downtown Dublin Specific Plan (DDSP), which included review of demand assumptions in the District's 2020 Urban Water Management Plan (UWMP), the foundation for analysis of water supplies sufficiency, the Project's projected demands, and supply availability.

The Board and staff discussed the WSA findings and various aspects of the Project presentation. Staff clarified that the WSA estimates the Project's additional potable water demand will be 318 acre-feet per year (AFY) and estimates an additional potable water demand of 54 AFY to supply the remaining areas within the DDSP, bringing the total demand estimate for the remaining portions of the DDSP to 372 AFY. The current total projected demand is 150 AFY below the UWMP's estimate of 522 AFY. The 2020 UWMP projections were based on higher development assumptions for the DDSP.

The Board requested clarification if the reduction in demand obligates the District to provide the delta of 150 AFY should there be a future request for supply. The Board also requested staff provide the current potable water usage in the Project area.

General Counsel Coty explained that the WSA is a study providing a current snapshot of supply availability for the Project; it does not entitle the developer nor the City to the supply. He went on to explain that supply availability is affected by changing conditions and regulations, and that additional studies would be performed upon future requests from the City. Mr. Chu also reported that the District conducts the UWMP every 5 years on a 25-year horizon, and that the next UWMP will be completed in 2025.

Director Halket MOVED to adopt Resolution No. 33-24, Approving the Water Supply Assessment for the Dublin Commons Project. Vice President Goel SECONDED the MOTION, which CARRIED with FIVE AYES.

President Johnson stated that her approval of the WSA assumes that the recycled water use for the Project will be used at the site. She noted concerns regarding the Project's



landscaping plans and requested that staff advise the City on landscaping measures to ensure the current recycled water usage level continues. General Manager Lee confirmed that staff can provide guidance when submitting the WSA to the City.

9. REPORTS

9.A. Boardmember Items

9.A.1. Joint Powers Authority and Committee  
LAVWMA – August 21, 2024

President Johnson invited comments on recent JPA activities. Directors felt the available staff reports adequately covered the matters considered at the LAVWMA meeting and commented on some of the meeting activities.

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

Director Govindarao submitted a written report to Executive Services Supervisor/District Secretary Genzale. He reported that he attended the Tri-Valley Mayors' Summit Luncheon on August 22 at the Blackhawk Museum in Danville. He summarized the activities and discussions at the meeting.

Director Vonheeder-Leopold submitted written reports to Executive Services Supervisor/District Secretary Genzale. She reported that she also attended the Tri-Valley Mayors' Summit Luncheon on August 22 and the California Association of Sanitation Agencies Board of Directors Strategic Planning Retreat on August 25–27 in Santa Barbara. She summarized the activities and discussions at the meetings.

Director Halket reported on a recent news article that appeared in the New York Times regarding PFAS (perfluoroalkyl and polyfluoroalkyl substances) in biosolids being used as fertilizer for farmland. He requested that staff share the article with the Board and include responses to the article from well-known industry experts. General Manager Lee confirmed they will be included in this week's General Manager Report. Director Halket also reported that he will be attending the upcoming WateReuse conference in Garden Grove and will miss the September 17 Board meeting. He also inquired as to the status of the Boardroom audio/visual system. General Manager Lee stated that staff will bring an update to the Board by the end of this calendar year.

President Johnson reported that she may have stated tonight's meeting date as September 4, 2024, and wished to correct the date to September 3, 2024.

9.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

Vice President Goel requested an item be scheduled for an upcoming meeting regarding a comprehensive emergency response (disaster recovery) and emergency energy planning.

9.B. Staff Reports

General Manager Lee reported on the following items:

- The Annual California Special Districts Association Conference will be held September 9–12 in Indian Wells.
- The WateReuse California Annual Conference will be held September 15–17 in Garden Grove.
- A DSRSD/City of Dublin Liaison Committee meeting will be held on Monday, September 16, at 4 p.m.

10. ADJOURNMENT

President Johnson adjourned the meeting at 7:32 p.m.

Submitted by,

Nicole Genzale, CMC  
Executive Services Supervisor/District Secretary



**TITLE:** Approve Proclamation Celebrating October 5–13, 2024, as Water Professionals Appreciation Week

**RECOMMENDATION:**

Staff recommends the Board of Directors approve, by Motion, a Proclamation celebrating October 5–13, 2024, as Water Professionals Appreciation Week.

**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.” October 5–13, 2024, is recognized in California as Water Professionals Appreciation Week, highlighting the important role of water industry professionals and local public water agencies in ensuring safe and reliable water, wastewater, and recycled water operations in California. To celebrate Water Professionals Appreciation Week, the District will host a town hall meeting for all employees and engage in outreach via the DSRSD website, Pipeline eNewsletter, and on District social media platforms, to spotlight careers in the water industry and the skill and dedication required to provide reliable water service to the community.

Originating Department: Office of the General Manager	Contact: E. Steffen/M. Gallardo	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input checked="" type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	7 of 73	

# Proclamation

Celebrating

## Water Professionals Appreciation Week (October 5–13, 2024)

WHEREAS, in 2017, the California State Senate established Water Professionals Appreciation Week, which is celebrated during the first full week of October each year; and

WHEREAS, it is the mission of Dublin San Ramon Services District to “protect public health and the environment”; and

WHEREAS, water is the lifeblood of California and without safe and reliable water, no community and no sector of the economy—from high tech to manufacturing to agriculture—can thrive or expand; and

WHEREAS, thanks to technological advances by highly skilled and trained water professionals and the dedication of thousands of industry professionals in the state, California drinking water and treated wastewater meets some of the most stringent water quality standards in the nation; and

WHEREAS, California’s drinking water is filtered, cleaned, tested, and distributed in a process carefully managed by trained water professionals; and

WHEREAS, water professionals at local public water and wastewater agencies work 24/7 to plan for the future, maintain and upgrade their systems, and improve the safety and resiliency of local water supplies for their communities; and

WHEREAS, thousands of essential water, wastewater, and recycled water industry professionals in the state dedicate their careers to keeping drinking water, recycled water and treated wastewater safe and reliable for use by Californians; and

WHEREAS, Dublin San Ramon Services District extends its sincere gratitude and appreciation to the water and wastewater professionals who work 24/7 to provide excellent essential services to the community every day.

NOW, THEREFORE, BE IT PROCLAIMED that the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, celebrates:

**October 5–13, 2024, as Water Professionals Appreciation Week**

Adopted this 17th day of September 2024

\_\_\_\_\_  
Ann Marie Johnson, President

\_\_\_\_\_  
Arun Goel, Vice President

\_\_\_\_\_  
Richard M. Halket, Director

\_\_\_\_\_  
Dinesh Govindarao, Director

\_\_\_\_\_  
Georgian M. Vonheeder-Leopold, Director

\_\_\_\_\_  
Nicole Genzale, District Secretary



**TITLE:** Rescind Use of Clean Water Revival Facilities and Demineralized Recycled Water Policy and Resolution No. 19-16

**RECOMMENDATION:**

Staff recommends the Board of Directors rescind, by Resolution, the Use of Clean Water Revival Facilities and Demineralized Recycled Water policy (P300-20-1) and Resolution No. 19-16.

**DISCUSSION:**

District policies are generally reviewed on a rotating four-year cycle to ensure that they remain current. The Use of Clean Water Revival Facilities and Demineralized Recycled Water policy (Policy) was established in 2002 to provide direction to staff to work with other water agencies to re-purpose the District's Clean Water Revival facilities, constructed in the late 1990s, to support water recycling and water quality efforts. The Policy was last reviewed in 2020. Staff recommends that the Policy be rescinded because the policy objectives have generally been achieved, are no longer applicable, or have been incorporated into the District's [Water Recycling \(P300-20-2\)](#) and [Water Resiliency \(P300-21-1\)](#) policies.

In the 1990s, the District developed the Clean Water Revival Project (Project) to produce highly purified recycled water for injection into the Livermore-Amador Valley groundwater basin primarily to meet future wastewater disposal needs for the service area. By 1998, the District had constructed microfiltration (MF), reverse osmosis (RO), and ultraviolet (UV) facilities at the Regional Wastewater Treatment Facility (RWTF) site, and approximately six miles of pipelines from the RWTF to the proposed groundwater injection site in Livermore. Before groundwater injection wells were constructed, the District ceased development and commissioning of the Project due to public acceptance surrounding groundwater injection and the advancement of a project by the Livermore-Amador Valley Water Management Agency (LAVWMA) that would meet the District's future wastewater disposal needs.

In 2002, the District established the Policy to provide direction to staff to work collaboratively with the Tri-Valley agencies to re-purpose the Clean Water Revival facilities for a potable reuse project and other related water recycling and water quality efforts. The MF/UV system was used by the District and DERWA (DSRSD-EBMUD Recycled Water Authority) to produce tertiary recycled water for irrigation from 1999 to 2022. It was decommissioned after DERWA determined that the MF/UV system was no longer needed and had reached the end of its useful life. Similarly, although the RO system was never put into operation, the remaining equipment is almost 40 years old and no longer useable.

The Clean Water Revival pipelines have been repurposed to support water recycling and water quality efforts. The District and Zone 7 Water Agency (Zone 7) currently have an agreement for Zone 7 to use about 3.2 miles of the Clean Water Revival pipeline for disposal of brine from their Mocho Groundwater Demineralization Facility, which demineralizes groundwater to improve water quality, and the District and the City of Pleasanton (Pleasanton) have an agreement under which Pleasanton is allowed to use 1.8 miles of the Clean Water Revival pipeline in exchange for the District's use of Pleasanton's Tassajara Reservoir for storage of recycled water.

The Policy also provides support for DSRSD to work in partnership with the Tri-Valley agencies to develop a potable reuse project. The District's commitment to working with local and regional partners to build a resilient and sustainable water supply, including maximizing the use of recycled water for potable reuse and landscape irrigation, is already captured in the District's Water Recycling and Water Resiliency policies. Therefore, staff recommends rescinding the Policy because the Clean Water Revival facilities have either been decommissioned or are being used by other agencies for water recycling and water quality benefits, and the District's commitment and support for potable reuse is captured in other Board adopted policies.

Originating Department: Engineering and Technical Services	Contact: S. Delight	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	9 of 73	

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

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT RESCINDING THE USE OF CLEAN WATER REVIVAL FACILITIES AND DEMINERALIZED RECYCLED WATER POLICY (P300-20-1) AND RESOLUTION NO. 19-16

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WHEREAS, in 2002, the Board of Directors established the Use of Clean Water Revival Facilities and Demineralized Recycled Water policy (Policy) to provide direction to staff to work with other agencies to re-purpose the District's Clean Water Revival Facilities, constructed in the late 1990s, to support water recycling and water quality efforts; and

WHEREAS, on April 5, 2016, the Board of Directors adopted Resolution No. 19-16 to revise the Policy and authorize and direct the General Manager to work collaboratively with other Tri-Valley water agencies to complete a Joint Potable Reuse Feasibility Study which explores various potable reuse concepts; and

WHEREAS, the Joint Tri-Valley Potable Reuse Technical Feasibility Study was completed in May 2018; and

WHEREAS, the Board last reviewed the Policy (P300-20-1) on April 7, 2020, and recommended no changes; and

WHEREAS, staff has reviewed the Policy and recommends rescinding the Policy because the Clean Water Revival treatment facilities have been decommissioned or are at the end of their useful life, the Clean Water Revival pipelines are being used by other agencies for water recycling and water quality benefits, and the District's commitment and support for potable reuse is incorporated in the Water Recycling (P300-20-2) and Water Resiliency (P300-21-1) policies and, therefore, the Policy is no longer required.

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 Use of Clean Water Revival Facilities and Demineralized Recycled Water policy, attached as Exhibit "A," and Resolution No. 19-16, attached as Exhibit "B," are hereby rescinded.

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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 17th day of September, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Ann Marie Johnson, President

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

# Policy

<b>Policy No.:</b> P300-20-1	<b>Type of Policy:</b> Operations
<b>Policy Title:</b> Use of Clean Water Revival Facilities and Demineralized Recycled Water	
<b>Policy Description:</b> Use of recycled water produced by District's reverse osmosis treatment facility.	
<b>Approval Date:</b> 4/5/2016	<b>Last Review Date:</b> 2020
<b>Approval Resolution No.:</b> 19-16	<b>Next Review Date:</b> 2024
<b>Rescinded Resolution No.:</b> 56-11 and 45-02	<b>Rescinded Resolution Date:</b> 10/4/2011 and 10/17/2002

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

1. In partnership with Zone 7 and the other Tri-Valley water retailers, to develop a potable reuse water supply project through the use of the District's existing and planned reverse osmosis facilities.
2. To commission those District Clean Water Revival Facilities constructed in the 1990's that are still suitable and feasible for use to provide a potable reuse water supply for the purposes of a potable reuse water supply.
3. For those District Clean Water Revival Facilities built in the 1990's that are no longer suitable and/or feasible to support a potable reuse water supply, to work with Zone 7, the Tri-Valley water retailers, and other actual and potential water users in the Tri-Valley area to identify and implement acceptable ways to productively use all the facilities constructed in the 1990's as part of the District's Clean Water Revival project and the valuable high quality water those facilities can produce. Examples of ways the facilities and water could be used include, but are not necessarily limited to:
  - Demineralization of the high-salt groundwater of the Livermore-Amador Valley Groundwater Basin;
  - Treatment of potable water to improve quality;
  - Salt reduction in support of existing and expanded landscape irrigation with recycled water;
  - Further demineralization of reject water from the Zone 7 well head demineralization program;
  - Salt reduction in support of agricultural irrigation with recycled water;
  - Treatment of recycled water for irrigation purposes;
  - Conveyance of brine from groundwater demineralization facilities; and
  - Manufacturing, cooling, decorative or other municipal, commercial or industrial uses.



<b>Policy No.:</b> P300-20-1	<b>Policy Title:</b> Use of Clean Water Revival Facilities and Demineralized Recycled Water
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Policy is current and no changes need to be adopted by the Board of Directors. <u>Status Quo Chronology:</u>	
<b>Date Adopted:</b>	
<b>April 5, 2016</b>	
Reviewed by Committee or Board:	Date:
<b>Board</b>	<b>April 7, 2020</b>

RESOLUTION NO. 19-16

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT  
 REVISING THE USE OF CLEAN WATER REVIVAL FACILITIES AND DEMINERALIZED RECYCLED  
 WATER POLICY AND RESCINDING RESOLUTION NO. 45-02 AND RESOLUTION NO. 56-11

WHEREAS, in 2002 the Board of Directors adopted Resolution No. 45-02 which determined that it is the policy of DSRSD that it will not inject water of wastewater origin produced by its Clean Water Revival Project into the Livermore-Amador Valley Groundwater Basin and that Clean Water Revival facilities are to be re-purposed for other recycled water uses; and

WHEREAS, in 2001 the Board of Directors adopted Resolution No. 56-11 adopting a policy for the "Use of Clean Water Revival Facilities and Demineralized Recycled Water," which directed staff to work with other water agencies to re-purpose the District's Clean Water Revival facilities for various recycled water uses; and

WHEREAS, in 2014 DSRSD faced an unprecedented water shortage resulting from severe drought throughout California, which necessitated mandatory 25% water conservation and highlighted the vulnerability of the Tri-Valley's water supply; and

WHEREAS, on May 19, 2015 the Board of Directors adopted the 5-Year Strategic Plan which included Strategic Goal #2.01 to increase the reliability of the water supply by diversifying the water supply portfolio, and included Work Plan Task #2.01.06 to "develop an Indirect Potable Reuse Project concept in partnership with one or more Tri-Valley partners;" and

WHEREAS on June 2, 2015 the Board of Directors approved the 10-Year Capital Improvement Plan, which appropriated funding of the Water Reuse Demonstration Project (Project #16-R013) and the Water Supply Reliability Project (Project #16-W009); and

WHEREAS, on October 20, 2015 the Board of Directors accepted the 2015 Alternative Water Supply Study that evaluated various alternative water supplies, including Indirect Potable Reuse; and

WHEREAS, on October 20, 2015 the Board of Directors adopted the Water Supply, Storage, Conveyance, Quality, and Conservation policy P300-15-1, which included direction to:

1. Diversify the sources of water supply so that no less than 60% of total demand (potable and recycled) is satisfied by local and regional water supplies (Policy Statement #3); and
2. Explore in partnership with other Tri-Valley agencies the development of an expanded or additional local water facility to supplement the groundwater basin when flows from the State Water Project are jeopardized (Policy Statement #5); and
3. With the exception of brine produced from recycling production, to discharge no treated wastewater to the Bay (Policy Statement #9); and

WHEREAS, on February 11, 2016 at Tri-Valley Water Policy Roundtable #6, the elected officials representing the cities of Dublin, Pleasanton, San Ramon, Livermore; Dublin San Ramon Services District and the Zone 7 Water Agency, received a report on community sentiment on potable reuse, which determined that

63% of Tri-Valley residents are supportive on an indirect potable reuse project involving the injection of purified water injected into the groundwater basin; and

WHEREAS, on February 11, 2016 at Tri-Valley Water Policy Roundtable #6, the elected officials representing the cities of Dublin, Pleasanton, San Ramon, Livermore; Dublin San Ramon Services District and the Zone 7 Water Agency, agreed by consensus to support a joint feasibility study for potable reuse.

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 revised "Use of Clean Water Revival Facilities and Demineralized Recycled Water" policy is hereby adopted and attached as Exhibit "A."
2. Resolution No. 45-02 is hereby rescinded and attached as Exhibit "B."
3. Resolution No. 56-11 that approved the "Use of Clean Water Revival Facilities and Demineralized Recycled Water" policy is hereby rescinded and attached as Exhibit "C."
4. The Board hereby authorizes and directs the General Manager to work collaboratively with other Tri-Valley water agencies to complete a Joint Potable Reuse Feasibility Study which will explore various Potable Reuse project concepts, including but not limited to the evaluation of a project concept for the injection of reverse osmosis treated wastewater into the Livermore-Amador Valley Groundwater Basin.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 5th day of April 2016, and passed by the following vote:

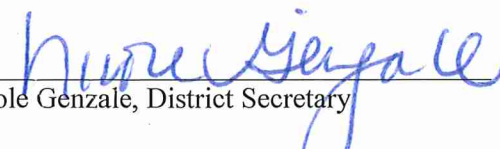
AYES: 4 - Directors Madelyne A. Misheloff,  
Georgean M. Vonheeder-Leopold, Edward R. Duarte,  
D.L. (Pat) Howard

NOES: 0

ABSENT: 1 - Director Richard M. Halket

  
D. L. (Pat) Howard, President

ATTEST:

  
Nicole Genzale, District Secretary



**TITLE:** Adopt Revised Water Recycling Policy and Rescind Resolution No. 42-20

**RECOMMENDATION:**

Staff recommends the Board of Directors adopt, by Resolution, the revised Water Recycling policy (P300-20-2) and rescind Resolution No. 42-20.

**SUMMARY:**

District policies are generally reviewed on a rotating four-year cycle to ensure that they remain current. The Water Recycling policy was initially adopted in 1992 and was last reviewed and revised in 2020. The Water Recycling policy supports maximizing the use of recycled water for both potable reuse and landscape irrigation, addresses supply limitations and outlines the priority of service to various categories of non-potable recycled water customers when supply is available, encourages efficient use of recycled water supplies, and allows for the use of back-up potable water supplies during temporary operational emergencies.

On July 10, 2024, the San Francisco Regional Water Quality Board adopted the Third Nutrient Watershed Permit, which caps nutrient discharges from wastewater treatment plants to the San Francisco Bay at 2022 levels and requires a 40 percent nutrient load reduction over the next 10 years. The District is well positioned to comply with the new regulations through collaborative efforts with neighboring agencies to expand recycled water deliveries. Staff is proposing minor edits to the Water Recycling policy to reflect the District's commitment to water recycling as a nutrient management strategy, and to clarify that recycled water conservation efforts would be consistent with State law and mandatory conservation of recycled water would only be required if wastewater supplies are insufficient to meet recycled water demands.

If adopted by the Board, the next review of the Water Recycling policy will be scheduled for 2028.

<b>Originating Department:</b> Engineering and Technical Services	<b>Contact:</b> S. Delight	<b>Legal Review:</b> Yes
<b>Financial Review:</b> Not Required	<b>Cost and Funding Source:</b> N/A	
<b>Attachments:</b> <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input checked="" type="checkbox"/> Other (see list on right) <input type="checkbox"/> None <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Proclamation	<b>Attachment 1 – Marked-up Water Recycling Policy</b>	



# Policy

<b>Policy No.:</b> <del>P300-20-2</del>	<b>Type of Policy:</b> Operations
<b>Policy Title:</b> Water Recycling	
<b>Policy Description:</b> Provision of Recycled Water Service	
<b>Approval Date:</b> <del>9/17/2024</del> 7/7/2020	<b>Last Review Date:</b> 202 <del>4</del> 0
<b>Approval Resolution No.:</b> <del>42-20</del>	<b>Next Review Date:</b> 202 <del>8</del> 4
<b>Rescinded Resolution No.:</b> <del>42-2037-10</del>	<b>Rescinded Resolution Date:</b> <del>7/7/2020</del> 9/7/2010

The purpose of this policy of the Board of Directors of Dublin San Ramon Services District is to support the use of recycled water and to establish guidelines for its use.

It is the Board's policy to:

## 1. General

- a. Meet contractual obligations to provide recycled water to existing wholesale and retail customers.
- b. Maximize the use and availability of recycled water for potable reuse, landscape irrigation, and all other approved uses to increase the reliability and resiliency of the Tri-Valley's total water supply and minimize nutrient discharges to San Francisco Bay.
- c. Collaborate with regional and statewide partners and regional stakeholders to promote and expand the efficient and effective use of recycled water supplies.
- d. Support scientific and practical research related to potable and non-potable recycled water through staff and financial contributions, as appropriate.

## 2. Non-Potable Recycled Water Service

- a. Restrict the connection of new irrigation customers to the recycled water system until such time there is sufficient wastewater supply to meet projected District recycled demands for a minimum 10-year time horizon.
- b. Limit use of new recycled water supplies to areas within the District boundary that can readily be served by existing infrastructure.

Policy No.: ~~P300-20-2~~

Policy Title: Water Recycling

- c. Prioritize new recycled water supplies to serve public entity irrigation over new commercial or residential irrigation customers.
- d. Prioritize the use of wastewater for the District-wide recycled water program over on-site generation and uses.
- e. Provide recycled water for off-haul to residential customers only in times of mandatory potable water conservation.

### 3. Recycled Water Conservation

- a. ~~Consistent with State regulations, Encourage encourage the prudent efficient use of the Tri-Valley's limited~~ recycled water supplies through education, ~~and outreach strategies, and demand management strategies,~~ and through a formal program of long-term demand management guidelines and regulations.
- b. ~~Based on wastewater supply availability, Requirerequire~~ conservation of recycled water during periods of mandatory potable water conservation, ~~if needed~~.

### 4. Potable Water Addition

- a. Provide supplemental potable water supplies to the recycled water system for use within the District service area, when available, during operational emergencies or for non-recurring short-term contingencies.
- b. Curtail potable water additions to the recycled water system during periods of mandatory potable water conservation.

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

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE WATER RECYCLING POLICY AND RESCINDING RESOLUTION NO. 42-20

---

WHEREAS, on August 4, 1992, the Board initially adopted policies regarding water recycling; and  
WHEREAS, the Board most recently revised the Water Recycling policy on July 7, 2020, by Resolution No. 42-20; and

WHEREAS, the policy supports maximizing the use of recycled water for potable reuse and landscape irrigation, and establishes guidelines for providing recycled water service both within and outside the District; and

WHEREAS, staff has reviewed the policy and recommends that the Board adopt a revised policy to reflect water recycling as a strategy for minimizing nutrient discharges to San Francisco Bay, and to clarify recycled water conservation requirements.

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 revised Water Recycling policy, attached as Exhibit "A," is hereby adopted, and Resolution No. 42-20, attached as Exhibit "B," is hereby rescinded.

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 17th day of September, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

---

Ann Marie Johnson, President

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





# Policy

<b>Policy No.:</b>	<b>Type of Policy:</b> Operations
<b>Policy Title:</b> Water Recycling	
<b>Policy Description:</b> Provision of Recycled Water Service	
<b>Approval Date:</b> 9/17/2024	<b>Last Review Date:</b> 2024
<b>Approval Resolution No.:</b>	<b>Next Review Date:</b> 2028
<b>Rescinded Resolution No.:</b> 42-20	<b>Rescinded Resolution Date:</b> 7/7/2020

The purpose of this policy of the Board of Directors of Dublin San Ramon Services District is to support the use of recycled water and to establish guidelines for its use.

It is the Board's policy to:

## 1. General

- a. Meet contractual obligations to provide recycled water to existing wholesale and retail customers.
- b. Maximize the use and availability of recycled water for potable reuse, landscape irrigation, and all other approved uses to increase the reliability and resiliency of the Tri-Valley's total water supply and minimize nutrient discharges to San Francisco Bay.
- c. Collaborate with regional and statewide partners and regional stakeholders to promote and expand the efficient and effective use of recycled water supplies.
- d. Support scientific and practical research related to potable and non-potable recycled water through staff and financial contributions, as appropriate.

## 2. Non-Potable Recycled Water Service

- a. Restrict the connection of new irrigation customers to the recycled water system until such time there is sufficient wastewater supply to meet projected District recycled demands for a minimum 10-year time horizon.
- b. Limit use of new recycled water supplies to areas within the District boundary that can readily be served by existing infrastructure.



Policy No.:

Policy Title: Water Recycling

- c. Prioritize new recycled water supplies to serve public entity irrigation over new commercial or residential irrigation customers.
- d. Prioritize the use of wastewater for the District-wide recycled water program over on-site generation and uses.
- e. Provide recycled water for off-haul to residential customers only in times of mandatory potable water conservation.

### 3. Recycled Water Conservation

- a. Consistent with State regulations, encourage the efficient use of recycled water supplies through education, outreach, and demand management strategies.
- b. Based on wastewater supply availability, require conservation of recycled water, if needed.

### 4. Potable Water Addition

- a. Provide supplemental potable water supplies to the recycled water system for use within the District service area, when available, during operational emergencies or for non-recurring short-term contingencies.
- b. Curtail potable water additions to the recycled water system during periods of mandatory potable water conservation.

RESOLUTION NO. 42-20

## RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE WATER RECYCLING POLICY AND RESCINDING RESOLUTION NO. 37-10

WHEREAS, on August 4, 1992 the Board initially adopted policies regarding water recycling; and  
WHEREAS, the Board most recently amended the Water Recycling policy on September 7, 2010,  
by Resolution No. 37-10; and

WHEREAS, the policy provides direction regarding the provision of recycled water service both  
within and outside the District; and

WHEREAS, staff has reviewed the policy and recommends the Board adopt a revised policy that  
continues to support the use of recycled water, addresses the limitations of the recycled water supply,  
and reflects the emerging importance of potable reuse in meeting the District's Water Supply, Storage,  
Conveyance, Quality and Conservation policy.

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 revised Water Recycling policy, attached as Exhibit "A," is hereby adopted; and Resolution No.  
37-10, attached as Exhibit "B," is hereby rescinded.

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 7th day of  
July, 2020, and passed by the following vote:

AYES: 4 – Directors Richard M. Halket, Georgean M. Vonheeder-Leopold, Ann Marie Johnson,  
Edward R. Duarte

NOES: 0

ABSENT: 1 – Director D. L. (Pat) Howard



Edward R. Duarte, President

ATTEST:



Nicole Genzale, District Secretary



**TITLE:** Approve Amendment to the Capital Improvement Program Ten-Year Plan and Two-Year Budget to Increase the Alum Addition Project (CIP 18-P016) Budget and Regional Wastewater Expansion (Fund 320) Budget, and Authorize Execution of Amendment No. 3 to Task Order No. 5 with HDR Engineering for Additional Construction Management Services

**RECOMMENDATION:**

Staff recommends the Board of Directors take the following actions:

1. Approve, by Resolution, an amendment to the Capital Improvement Program (CIP) Ten-Year Plan for Fiscal Years 2024 through 2033 and Two-Year Budget for Fiscal Years 2024 and 2025 to (a) increase the Alum Addition Project (CIP 18-P016) budget by \$500,000 from \$2,168,080 to \$2,668,080 and (b) increase the Regional Wastewater Expansion (Fund 320) budget for fiscal year 2024 by \$125,000 from \$417,919 to \$542,919.
2. Authorize, by Motion, execution of Amendment No. 3 to Task Order No. 5 to the Master Agreement for Consulting Services with HDR Engineering, Inc. in an amount not to exceed \$56,936 for additional construction management services for the Alum Addition Project (CIP 18-P016).

**SUMMARY:**

The Capital Improvement Program Two-Year Budget includes the Alum Addition Project (CIP 18-P016) ("Project"), which involves the construction of a new alum addition facility near the facultative sludge lagoons to reduce the formation of struvite in the District's wastewater treatment process. The Project was initially expected to be completed by mid-2023. However, due to inclement weather and supply chain issues affecting the delivery of specific mechanical and electrical equipment, the completion of the Project was delayed. To cover the costs needed to complete the Project, staff is requesting the Board increase the Project budget by \$500,000 from \$2,168,080 to \$2,668,080, increase the Regional Wastewater Expansion (Fund 320) budget by \$125,000, and authorize the execution of Amendment No. 3 to Task Order No. 5 with HDR Engineering in an amount not to exceed \$56,936 for additional construction management services.

**BACKGROUND:**

The 2017 Wastewater Treatment and Biosolids Facilities Master Plan recommended the Alum Addition Project to help control the concentration of phosphates that are dissolved in the facultative sludge lagoon (FSL) return flow to the wastewater treatment plant (WWTP). Controlling phosphates in the FSL return flow alleviates the formation of struvite in the anaerobic digestors and various plant process pipelines, which allows staff to operate the aeration tanks in a mode that improves secondary clarifier efficiency and effluent quality. Overall, the Project will result in lower chemical and maintenance costs for the District.

The new alum addition facility consists of two vertical alum storage tanks and chemical metering pumps, housed within a concrete containment structure. The Project is located on the east side of the FSLs where the return flow is metered and delivered to the collection system. An overview site location map and photo of the newly constructed alum addition facility are shown below.

Originating Department: Engineering and Technical Services	Contact: R. Yamamoto/S. Delight	Legal Review: Not Required
Financial Review: Yes	Cost and Funding Source: \$500,000 with 75% from Regional Wastewater Replacement (Fund 310) and 25% from Regional Wastewater Expansion (Fund 320)	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	23 of 73	



## **DISCUSSION:**

### **Planning and Design:**

On February 2, 2021, the Board authorized execution of Task Order No. 2 to the Master Agreement for Consulting Services with HDR Engineering, Inc. for planning and design services for the Project in the amount of \$218,130. This phase of the Project was completed in June 2022. Under District Code Section 7.40.060, the General Manager has the authority to make cumulative adjustments up to \$175,000 for previously Board-approved purchase contracts. Two amendments to Task Order No. 2, in the amounts of \$129,000 and \$15,031 respectively, were previously authorized by the General Manager for engineering services during construction and record drawings, for a total amount of \$362,161.

The Initial Study/Negative Declaration (IS/ND) for the Project was adopted at the November 2, 2021, Board meeting, and the Notice of Determination was filed on January 10, 2022.

### **Construction:**

On June 21, 2022, the Board awarded a construction contract for the Project to Pacific Infrastructure Corporation in the amount of \$1,265,200 and approved a budget increase of \$500,000 from \$1,668,080 to \$2,168,080 to complete the Project. The Project was initially expected to reach substantial completion in April 2023. However, due to inclement weather and supply chain issues affecting the delivery of specific mechanical and electrical equipment, the completion of the Project was delayed. Final punch list and corrective items are currently being addressed, and final completion is anticipated in October 2024.

Seven change orders to the construction contract, in the total amount of \$139,925.50, were previously authorized by the General Manager. These change orders included two no-cost time extensions to the contract, additional work related to the preparation of the subgrade beneath the new alum facility, and modifications required for the facility's eyewash stations.

The Project also required specialty services due to field conditions that were not anticipated in the original scope. In April 2023, the District retained the services of National Plant Services to remove struvite that had accumulated in the FSL return piping between the FSLs and the WWTP. The cost for this restoration work was approximately \$55,000 and was charged to the CIP Project budget.

The total for construction-related contracts approved for the Project comes to \$1,460,126.

### **Construction Management Services Task Order:**

On June 21, 2022, the Board authorized the General Manager to execute Task Order No. 5 to the Master Agreement for Consulting Services with HDR Engineering, Inc. in an amount not to exceed \$175,000 for construction management services for the Project. Two amendments to Task Order No. 5, in the amounts of \$99,100 and \$75,798 respectively, were previously authorized by the General Manager for specialty inspection, material testing and coating inspection services, for a total amount of \$349,898.

Project delays caused by inclement weather, supply chain issues, and the coordination of design modifications for the alum addition station have resulted in HDR Engineering, Inc. providing construction management services for much longer and at a higher level of effort than was originally contemplated in the original proposal. Staff is requesting the Board authorize a third amendment to Task Order No. 5, in the amount of \$56,936, for additional construction management services required to complete the Project.

### **Proposed Budget Adjustment:**

The District's [Budget Accountability policy \(P400-24-2\)](#) requires project budget adjustments above \$175,000 to be approved by the Board. Staff is requesting an increase to the project budget of \$500,000 from \$2,168,080 to \$2,668,080 to cover prior staff charges to the Project and additional engineering services during construction, construction management services, specialty services for the restoration of the FSL return piping, and staff time needed to complete the Project.

Current project expenses are estimated at \$2,513,707, which exceeds the existing project budget of \$2,168,080 by \$345,627. An estimated \$154,373 is forecasted to complete the Project, for a total proposed budget adjustment of \$500,000. The majority of the proposed budget adjustment is needed to cover in-house labor costs, which are currently estimated at \$368,000. In-house labor costs are significantly higher than originally budgeted due to schedule delays and multiple changes in District project managers.

Staff's ability to properly track CIP project costs has been affected by the Enterprise Resource Planning (ERP) conversion from Eden to Tyler Munis. In July 2022, the District converted from Eden to the Tyler Munis Project Accounting Module for financial tracking and management of CIP projects. However, due to limited Finance staffing, this module was not fully implemented, which impacted staff's ability to track in-house labor costs charged to CIP projects. In April 2024, the District retained the services of a retired annuitant who previously worked in the District's Engineering Department to work with Finance staff to fully implement the conversion to Tyler Munis and perform a comprehensive review of CIP project budgets and expenses, using data from both the Eden and Tyler Munis systems. This effort is almost complete, and Engineering staff will be able to utilize the Project Accounting Module to track and report on the status of CIP project budgets moving forward.

On June 20, 2023, the Board adopted the current CIP Two-Year Budget for Fiscal Years 2024 and 2025, authorizing fund budgets for fiscal years 2024 and 2025 to meet the District's capital infrastructure needs. The Project is 75 percent funded by Regional Wastewater Replacement (Fund 310) and 25 percent funded by Regional Wastewater Expansion (Fund 320). Whereas the adopted fund budget for the Regional Wastewater Replacement (Fund 310) has sufficient budget to accommodate the proposed budget adjustment, the Regional Wastewater Expansion (Fund 320) budget for fiscal year 2024 needs to be increased by \$125,000 from \$417,919 to \$542,919. The Regional Wastewater Expansion (Fund 320) has a preliminary fiscal year 2024 year-end working capital balance of \$46.8 million; and, if this item is approved by the Board, the Project will draw an additional \$125,000 from that fund.



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

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AN AMENDMENT TO THE CAPITAL IMPROVEMENT PROGRAM TEN-YEAR PLAN FOR FISCAL YEARS 2024 THROUGH 2033 AND TWO-YEAR BUDGET FOR FISCAL YEARS 2024 AND 2025 TO INCREASE THE ALUM ADDITION PROJECT (CIP 18-P016) BUDGET AND THE REGIONAL WASTEWATER EXPANSION (FUND 320) BUDGET FOR FISCAL YEAR 2024

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WHEREAS, the Board of Directors approved the District's Capital Improvement Program ("CIP") Ten-Year Plan for Fiscal Years 2024 through 2033 ("CIP Plan") by Resolution No. 26-23 on June 20, 2023, as amended, to serve as a budgetary planning document providing direction and guidance, in accordance with District policies, for the replacement and improvement of existing District facilities and the construction of new facilities; and

WHEREAS, the Board of Directors adopted the current CIP Two-Year Budget for Fiscal Years 2024 and 2025 ("CIP Budget") by Resolution No. 26-23 on June 20, 2023, as amended, authorizing project and fund budgets for fiscal years 2024 and 2025 to meet the District's capital infrastructure needs; and

WHEREAS, the CIP includes the Alum Addition Project (CIP 18-P016) with a budget of \$2,168,080; and

WHEREAS, staff recommends an increase to the Alum Addition Project (CIP 18-P016) by \$500,000 from \$2,168,080 to \$2,668,080; and

WHEREAS, the CIP includes a fund budget for the Regional Wastewater Expansion (Fund 320) of \$417,919 in fiscal year 2024; and

WHEREAS, staff recommends increasing the Regional Wastewater Expansion (Fund 320) fund budget by \$125,000 in fiscal year 2024.

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 Alum Addition Project (CIP 18-P016) is hereby increased to a total budget of \$2,668,080 in the CIP Two-Year Budget for Fiscal Years 2024 and 2025, in accordance with the project description sheet attached as Exhibit "A."

2. The fiscal year 2024 fund budget for the Regional Wastewater Expansion (Fund 320) is hereby increased by \$125,000, a change from \$417,919 to \$542,919, and incorporated into the CIP Two-Year Budget for Fiscal Years 2024 and 2025.

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 17th day of September, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Ann Marie Johnson, President

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

## DSRSD CIP 10-Year Plan for FYEs 2024 through 2033

### CATEGORY: REGIONAL WASTEWATER TREATMENT

### Regional Wastewater Replacement (Fund 310)

#### CIP No. 18-P016 Alum Addition

Funding Allocation: 75% 310 25% 320

**Project Manager:** Ryan Yamamoto

**Status:** Continuing Project

#### Project Summary:

This project will construct facilities to add alum to the facultative sludge lagoon return water. The addition of alum will precipitate phosphate from the return water and reduce the formation of struvite. Currently, one of the strategies to avoid the formation of struvite at the wastewater treatment plant (WWTP) is to run the WWTP in a mode where the phosphate remains in the liquid process and exits the WWTP with the effluent, rather than remaining in the biosolids and forming struvite in the digesters. However, this mode of operation is not as effective in producing a consistently high quality effluent. The addition of alum will allow the WWTP to operate in an alternate mode that will produce a better settling sludge and higher quality effluent, thus eliminating the need for an additional clarifier.

**Anticipated CEQA:** Categorical Exemption [CEQA Guideline 15302]

**Reference:** 2017 Wastewater Treatment Plant and Biosolids Master Plan

**Fund Allocation Basis:** Project is required to improve current operations; based on current vs. projected buildout average dry weather flow at the time of project inception.

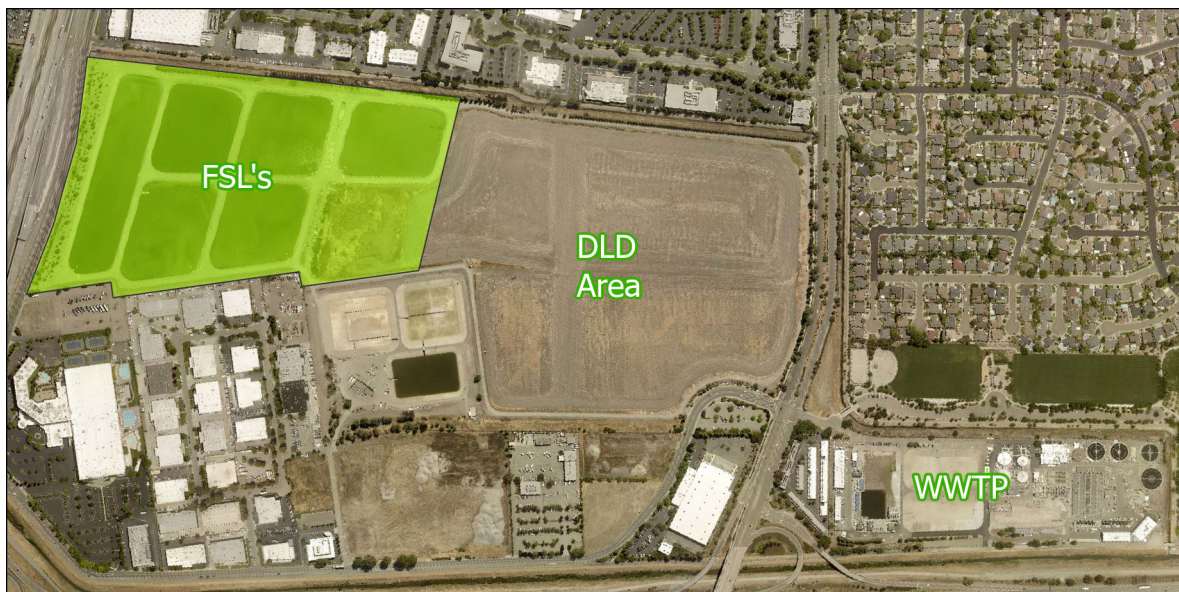
#### 10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 24	FYE 25	FYE 26	FYE 27	FYE 28	FYE 29	FYE 30	FYE 31	FYE 32	FYE 33	Future
1,569,779	943,928	154,373	0	0	0	0	0	0	0	0	0

**Total Estimated Project Cost** \$2,668,080

Current Adopted Budget \$2,168,080

Increase/(Decrease) \$500,000







**TITLE:** Authorize Execution of Task Order No. 1 with Woodard & Curran, Inc. for the Wastewater Collection System Master Plan Update Project (CIP 24-S007)

**RECOMMENDATION:**

Staff recommends the Board of Directors authorize, by Motion, the General Manager to execute Task Order No. 1 with Woodward & Curran, Inc. in an amount not to exceed \$742,733 for the Wastewater Collection System Master Plan Update Project (CIP 24-S007).

**SUMMARY:**

The Capital Improvement Program Two-Year Budget includes the Wastewater Collection System Master Plan Update Project (CIP-24-S007) ("Project"). The purpose of the Wastewater Collection System Master Plan is to evaluate current operations, identify deficiencies, and prioritize improvements that are needed to address current issues and serve future within the District's wastewater collection service area. The District last completed a Wastewater Collection System Master Plan in 2017. Staff is recommending that the Board authorize Task Order No. 1 to the Master Agreement for Consulting Services with Woodard & Curran, Inc. (W&C) to prepare the Wastewater Collection System Master Plan Update at a cost not to exceed \$742,733.

**BACKGROUND:**

The District provides wastewater collection service to the City of Dublin and the southern portion of the City of San Ramon. In calendar year 2023, average flows for the District's wastewater collection system were approximately 7.8 million gallons per day. Wastewater is conveyed to the District's Regional Wastewater Treatment Facility (RWTF) in the City of Pleasanton. By contract, the RWTF also treats wastewater from the City of Pleasanton.

DSRSD's wastewater collection system is shown in Attachment 1 and is comprised of approximately 226 miles of pipelines, one permanent lift station, and one temporary lift station. Most remaining development within DSRSD's wastewater service area is expected in central and eastern Dublin. There is some development projected in southern San Ramon, while western Dublin is essentially built out.

A facility master plan is a strategic document that provides a comprehensive overview of the functions and capacities of a particular system and recommends capital improvements over a long-term planning horizon, typically 10 to 20 years. The District last completed a Wastewater Collection System Master Plan in 2017. Information from the Wastewater Collection System Master Plan will be used to update future rate and capacity reserve fee studies.

**DISCUSSION:**

The Project will evaluate the performance of the wastewater collection system under existing and future conditions and develop a long-term plan to replace or rehabilitate existing facilities and add new facilities needed to address current issues and serve future development within the District's wastewater collection service area.

On June 17, 2024, staff solicited proposals from four consulting firms to provide engineering services for the Project. Two firms submitted proposals: West Yost & Associates, Inc. and W&C. Staff evaluated the proposals based on established criteria, including project understanding and approach, scope of work, experience/qualifications, project schedule, level of effort, and fee estimate. Based on an objective review of the proposals, staff unanimously rated W&C as the better qualified consultant to perform the work and successfully and efficiently deliver the Project.

<b>Originating Department: Engineering and Technical Services</b>	<b>Contact: R. Chu/S. Delight</b>	<b>Legal Review: Not Required</b>
<b>Financial Review: Not Required</b>	<b>Cost and Funding Source: \$742,733 with 75% from Local Wastewater Replacement (Fund 210) and 25% from Local Wastewater Expansion (Fund 220)</b>	
<b>Attachments:</b> <input type="checkbox"/> None <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Other (see list on right)	<b>Attachment 1 – Map of existing wastewater collection system</b>	

As shown in the table below, the proposed scope of work includes providing project management, summarizing the existing wastewater collection system and flows, updating and calibrating the wastewater collection system hydraulic model, evaluating system capacity, and developing a prioritized capital improvement program.

**Wastewater Collection System Master Plan Update Project (CIP 24-S007) Scope of Work and Estimated Fee**

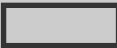


<b>Task</b>	<b>Description</b>	<b>Fee</b>
1	Project Management	\$52,943
2	Summarize Existing Wastewater Collection System	\$43,030
3	Summarize Existing Flows and Develop Future Flow Estimates	\$211,510
4	Develop Wastewater Collection System Evaluation Criteria	\$21,150
5	Select Modeling Software and Update Hydraulic Model	\$116,800
6	Evaluate Wastewater Collection System Capacity	\$93,370
7	Review Wastewater Collection System Programs	\$71,490
8	Develop Capital Improvement Program	\$51,410
9	Wastewater Collection System Master Plan Update Report	\$81,030
	<b>Total Estimated Fee</b>	<b>\$742,733</b>

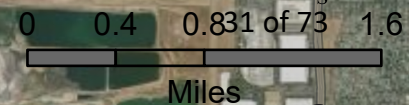
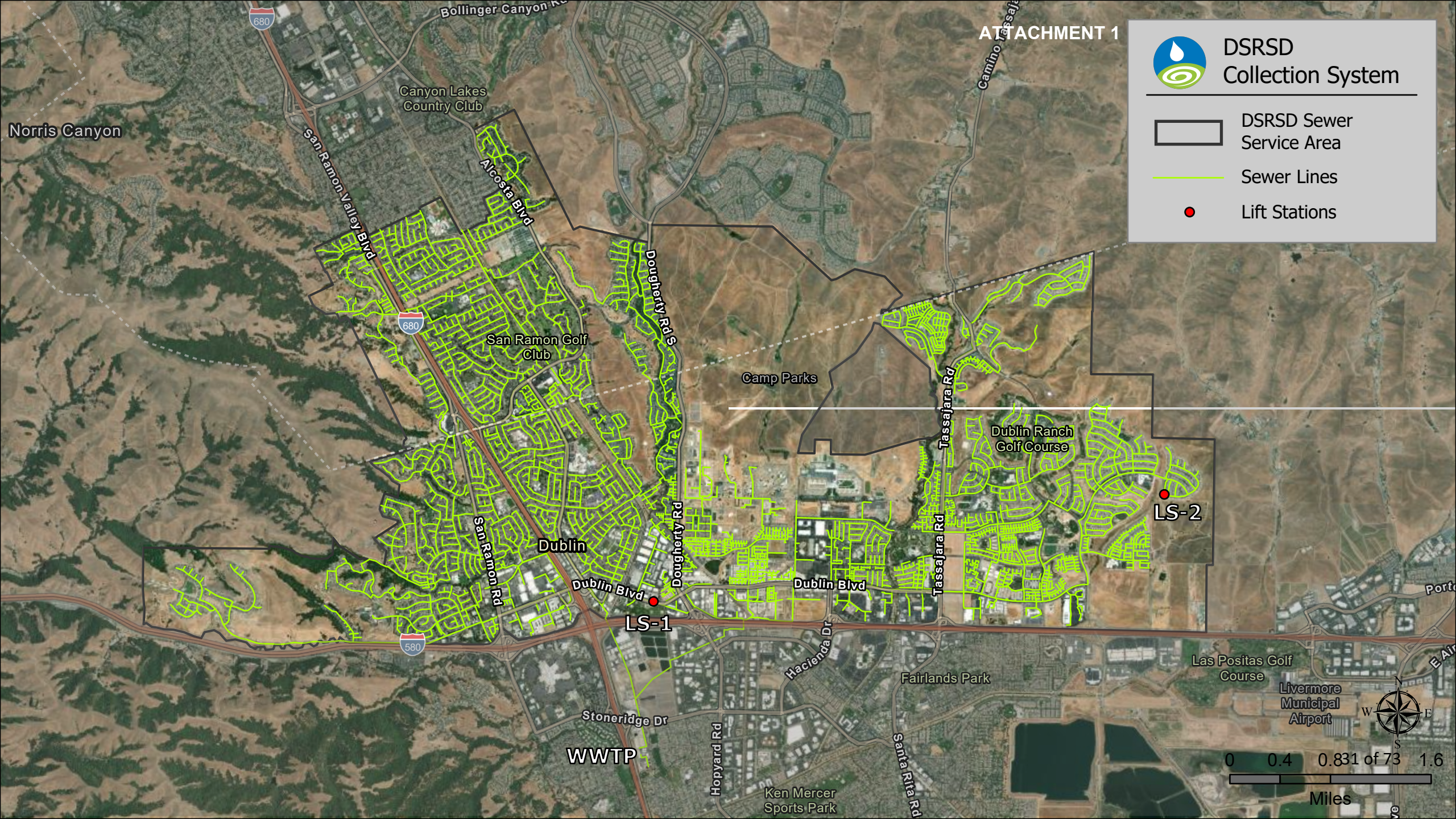
The estimated cost to complete the Project is \$742,733. The adopted Capital Improvement Program Two-Year Budget for 2024 and 2025 includes funding for the Project with a budget of \$900,000, with 75% funded by Local Wastewater Replacement (Fund 210) and the remaining 25% funded by Local Wastewater Expansion (Fund 220).

The Project is estimated to be completed by February 2026. Upon completion, staff will present the Project results to the Board of Directors.





-  DSRSD Sewer Service Area
-  Sewer Lines
-  Lift Stations







**TITLE:** Approve Sole Source Purchase Order with Aqua-Metric Sales Company for Advanced Metering Infrastructure Technical Support and Equipment

**RECOMMENDATION:**

Staff recommends the Board of Directors approve, by Motion, a sole source purchase order with Aqua-Metric Sales Company (Aqua-Metric) for advanced metering infrastructure (AMI) technical support and equipment in an amount not to exceed \$350,000 for fiscal year ending (FYE) 2025.

**DISCUSSION:**

The District was one of the earliest Bay Area agencies to utilize technology to remotely collect and manage water consumption more efficiently. In 2013, the District installed the Sensus Flex-Net AMI system, which converted the District's drive-by meter reading system to an automated data collection system. This project replaced the radio transmitters that were installed around 2005 on the existing water meters to collect water use data more efficiently as the customer base expanded. The AMI upgrade eliminated the need to drive by approximately 20,000 meters, enabling staff to collect billing data automatically and focus efforts on water system maintenance and to investigate and resolve problems in the field. AMI also provides real-time monitoring, which allows for timely customer notifications of leaks and provides support for customer conservation efforts. The District currently has over 27,000 AMI meters installed throughout the system.

The Sensus AMI technology is proprietary, and there are no known substitute meters from another manufacturer in use at this time that will work on this platform. Aqua-Metric is the sole authorized distributor of Sensus AMI equipment, with troubleshooting and field technical support, for Northern California. AMI equipment includes meters, endpoints (communication module), endpoint housing, base station hardware, and Command Link hardware. The proposed purchase order amount of \$350,000 for FYE 2025 is to build up meter inventory for the anticipated annual meter replacement program, and to provide for AMI technical support. The typical life of an AMI meter is 15–20 years, and the typical life of an endpoint is approximately 10 years. On average, the District replaces approximately 200 meters and endpoints per year. This number is expected to increase with the meter replacement program that is required to meet the State's long-term water conservation regulations.

Staff is requesting the Board approve a sole source purchase with Aqua-Metric for AMI equipment and related services in an amount not to exceed \$350,000 for FYE 2025. This item meets the District's purchasing guidelines for an exemption from competitive procurement. As set forth in District Code Section 7.40.070, Board approval is required for purchases above \$175,000. Budget for this purchase is included in the adopted FYE 2025 Operating Budget.

<b>Originating Department:</b> Engineering and Technical Services	<b>Contact:</b> C. Byrum/S. Delight	<b>Legal Review:</b> Not Required
<b>Financial Review:</b> Not Required	<b>Cost and Funding Source:</b> \$350,000 from Water Enterprise (Fund 600)	
<b>Attachments:</b> <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		32 of 73



**TITLE:** Accept Regular and Recurring Reports: Quarterly Financial Report, Capital Projects Created from Programs, and Capital Budget Adjustments Approved by the General Manager

**RECOMMENDATION:**

Staff recommends the Board of Directors accept, by Motion, regular and recurring reports: Quarterly Financial Report, Capital Projects Created from Programs, and Capital Budget Adjustments Approved by the General Manager for the fourth quarter of fiscal year ending 2024 covering July 1, 2023, through June 30, 2024.

**DISCUSSION:**

To maximize openness and transparency and to allow the Board to be informed about key aspects of District business, the Board directed that various regular and recurring reports be presented for Board acceptance at regular intervals.

The following reports are presented this month for acceptance as part of Attachment 1:

**Reference C – Quarterly Financial Report**

The Quarterly Financial Report presents an unaudited budget-to-actual financial report of the operating and capital funds for the District's three enterprises (Local Wastewater, Regional Wastewater, and Water), and the Administrative Cost Center, including revenues and expenses, transfers, beginning and ending working capital, and reserve levels for the period from July 1, 2023 through June 30, 2024. Information is preliminary as final audited amounts will be presented in the Fiscal Year Ending (FYE) 2024 Annual Comprehensive Financial Report (ACFR).

For the unaudited fourth quarter financial report for FYE 2024, the District's three enterprises have received 99 percent of budgeted operating revenues and expended 97 percent of budgeted operating expenses as of June 30, 2024. Working capital for the Local Wastewater and Regional Wastewater operating funds (Enterprise and Rate Stabilization) are above policy target levels. The working capital for the Water enterprise is below target reserve levels but above the minimum reserve level.

For the unaudited fourth quarter financial report for FYE 2024, across the three enterprises, Replacement capital funds are at 135 percent of budgeted revenues and 46 percent of budgeted expenses, and Expansion capital funds are at 144 percent of budgeted revenues and 79 percent of budgeted expenses. Working capital for all capital funds are above policy minimum target levels.

**Reference H – Capital Projects Created from Programs**

The Capital Improvement Program (CIP) consists of the Ten-Year Capital Improvement Plan and the Two-Year Capital Improvement Budget. The CIP includes funding for projects and programs. A CIP program sets aside money to fund projects that are anticipated but do not yet have definitive scope and budget. The amounts set aside are based on asset management replacement models. Per the District's [Budget Accountability policy \(P400-24-2\)](#), the General Manager is authorized to create a project from a CIP program up to a maximum of \$175,000. Creation of new projects in excess of this amount are required to be approved by the Board. The District Engineer is responsible for ensuring projects created from programs meet the intention of the program. To maximize transparency, Capital Projects created from Programs under the General Manager's authority will be reported quarterly to the Board as regular and recurring reports.

Originating Department: Finance	Contact: K. Spray	Legal Review: Not Required
Financial Review: Yes	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Summary of Regular and Recurring Reports with: Reference C – Quarterly Financial Report Reference H – Capital Projects Created from Programs Reference I – Capital Budget Adjustments Approved by the General Manager	

During this period (July 1, 2023 through July 30, 2024), the General Manager approved the creation of 17 CIP projects from programs, totaling \$1,504,700. There were no budgetary impacts as program funding is included in the Two-Year Capital Improvement Budget.

**Reference I – Capital Budget Adjustments Approved by the General Manager**

The District's [Budget Accountability policy \(P400-24-2\)](#) authorizes the General Manager to approve capital budget adjustments of up to \$175,000 per project, and requires that any project adjustments approved by the General Manager be reported to the Board as regular and recurring reports. During this period (July 1, 2023, through July 30, 2024), the General Manager approved budget adjustments for four CIP projects, for a total budget increase of \$51,000.

**SUMMARY OF REGULAR AND RECURRING REPORTS**

Ref	Description	Frequency	Authority	Last Acceptance	Acceptance at this Meeting?	Next Acceptance
A	Warrant List	Monthly	Board Direction	Posted monthly on website		Posted monthly on website
B	Treasurer's Report <sup>1</sup>	Quarterly	CA Government Code 53646	8/6/2024		November 2024
C	Quarterly Financial Report	Quarterly	Budget Accountability Policy	6/18/2024	Yes	November 2024
D	Outstanding Receivables Report	Annually – Fiscal Year	District Code 1.50.050	8/6/2024		August 2025
E	Employee and Director Reimbursements greater than \$100 <sup>2</sup>	Annually – Fiscal Year	CA Government Code 53065.5	8/6/2024		August 2025
F	Utility Billing Leak Adjustments <sup>3</sup>	Annually – Fiscal Year	Utility Billing Leak Adjustments Policy	Total FYE 2024 credits below \$25,000		August 2025
G	Annual Rate Stabilization Fund Transfer Calculation	Annually – After Audit	Financial Reserves Policy	5/6/2024		March 2025
H	Capital Projects Created from Programs	Quarterly	Budget Accountability Policy	N/A <sup>4</sup>	Yes	November 2024
I	Capital Budget Adjustments Approved by the General Manager			N/A <sup>4</sup>	Yes	

<sup>1</sup> To meet the 45-day reporting requirement, the Quarterly Treasurer's Report (Ref B) will be included in (1) the General Manager Report to Board and the next Board meeting agenda packet, or (2) the next Board meeting agenda packet only.

<sup>2</sup> Reimbursements also reported monthly in the Warrant List (Ref A).

<sup>3</sup> Per Utility Billing Leak Adjustments policy, a report will be presented to the Board if total credits in any fiscal year exceed \$25,000.

<sup>4</sup> Capital reporting will be consistent with the Budget Accountability policy adopted by the Board on May 16, 2023.

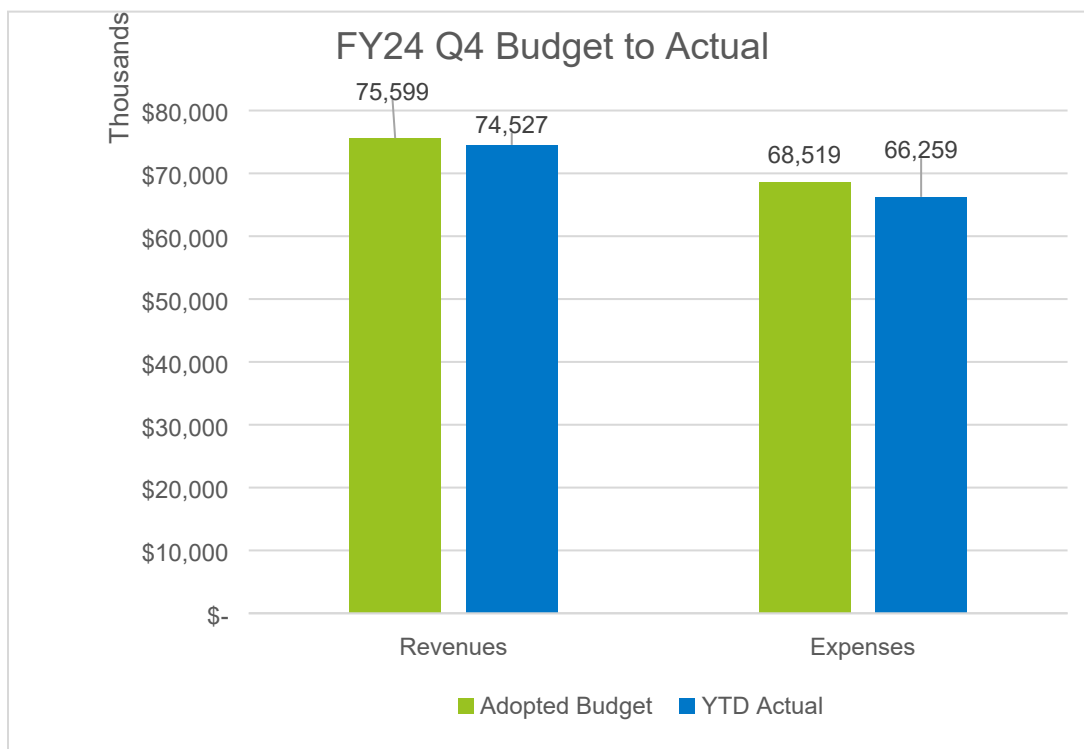
**Dublin San Ramon Services District**

**Unaudited Quarterly Financial Report – Fourth Quarter of Fiscal Year Ending 2024** Page 1 of 15  
**Period: 7/1/2023 to 6/30/2024**

This Quarterly Financial Report presents an unaudited budget-to-actual financial report of the operating and capital funds for the District's three enterprises (Local Wastewater, Regional Wastewater, and Water), and the Administrative Cost Center, including revenues and expenses, transfers, beginning and ending working capital, and reserve levels for the period from July 1, 2023, through June 30, 2024.

**OPERATING FUNDS:**

The District maintains two operating funds (Enterprise and Rate Stabilization) for each of its three enterprises (Local Wastewater, Regional Wastewater, and Water). For the unaudited fourth quarter financial report for fiscal year ending (FYE) 2024, the District's three enterprises have received 99% of budgeted operating revenues and expended 97% of budgeted operating expenses as of June 30, 2024.



The FYE 2024 Adopted Budget reflects mid-cycle adjustments approved by the Board on July 16, 2024. Operating expenses for the Local Wastewater and Water enterprises are below the FYE 2024 budget. Operating expenses for Regional Wastewater enterprise exceed the FYE 2024 budget due to a noncash pension accrual.

Working capital for the Local Wastewater and Regional Wastewater operating funds (Enterprise and Rate Stabilization) are above policy target levels (combined eight months working capital). The working capital for the Water enterprise is below target reserve levels but above the minimum reserve level (four months of combined working capital).

A breakdown of revenue, expenses, and working capital by enterprise is provided in the following sections.

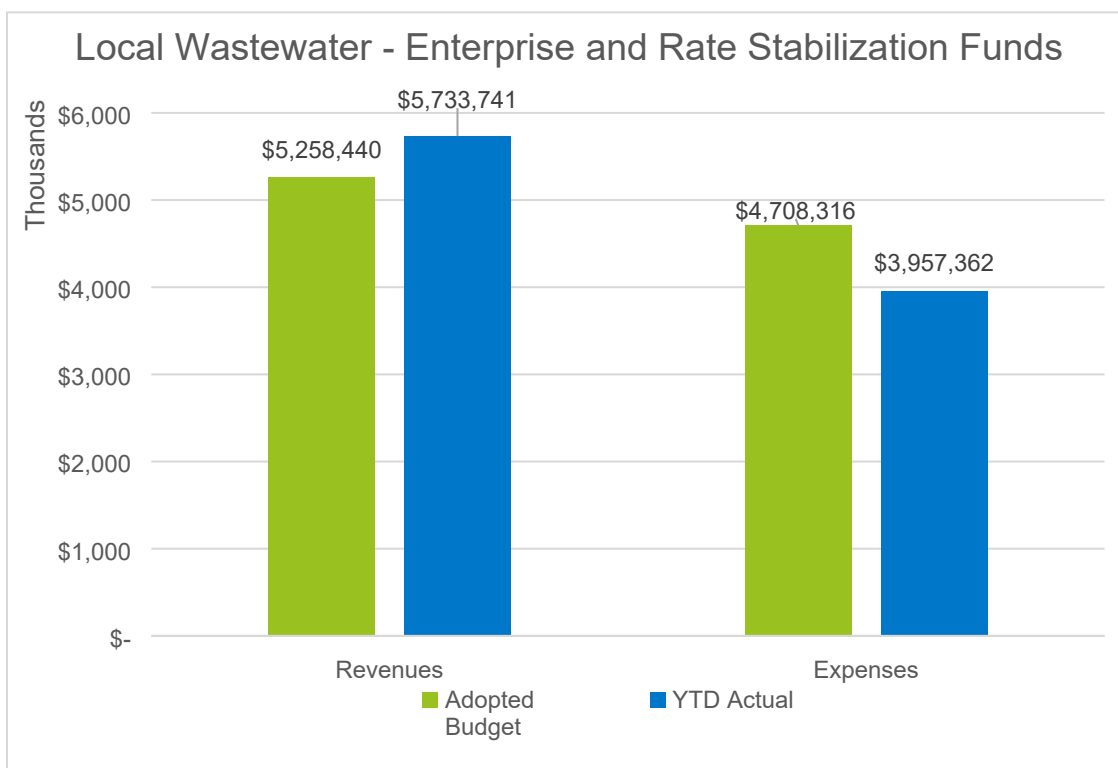


**Local Wastewater Funds 200 and 205:**

The Local Wastewater enterprise provides sewer collection services in Dublin and southern San Ramon. The collection system consists of the sewer pipes that convey wastewater from residences and businesses to the Regional Wastewater Treatment Plant. For the unaudited fourth quarter financial report for FYE 2024, the District's Local Wastewater enterprise is at 109% of budgeted operating revenues and 84% of budgeted operating expenses as of June 30, 2024.

**Highlights Include:**

- **Revenues** – Local Wastewater service charges for Dublin and San Ramon are near or fully collected for the fiscal year. Inspections and Plan Check Fees are up due to higher development activity. Other revenues are at a high percentage increase, but low dollar amount, for sale of a vehicle. Interest rates have increased substantially due to market conditions.
- **Expenses** – Salary and Benefits are below budget for Local Wastewater but substantially spent at 86.4%. The Salary and Benefits expense includes the allocated portion of a pension accrual. All other operating expenses are substantially spent below or near budget.
- **Transfers** – Transfers include a transfer from the Local Rate Stabilization Fund to the Local Replacement Capital Fund, which was approved by the Board based on the FYE 2023 Annual Report on Rate Stabilization Fund Reserves on May 6, 2024.
- **Working Capital** – The ending working capital is estimated at slightly below the 12-month maximum working capital target.



## Local Wastewater Funds

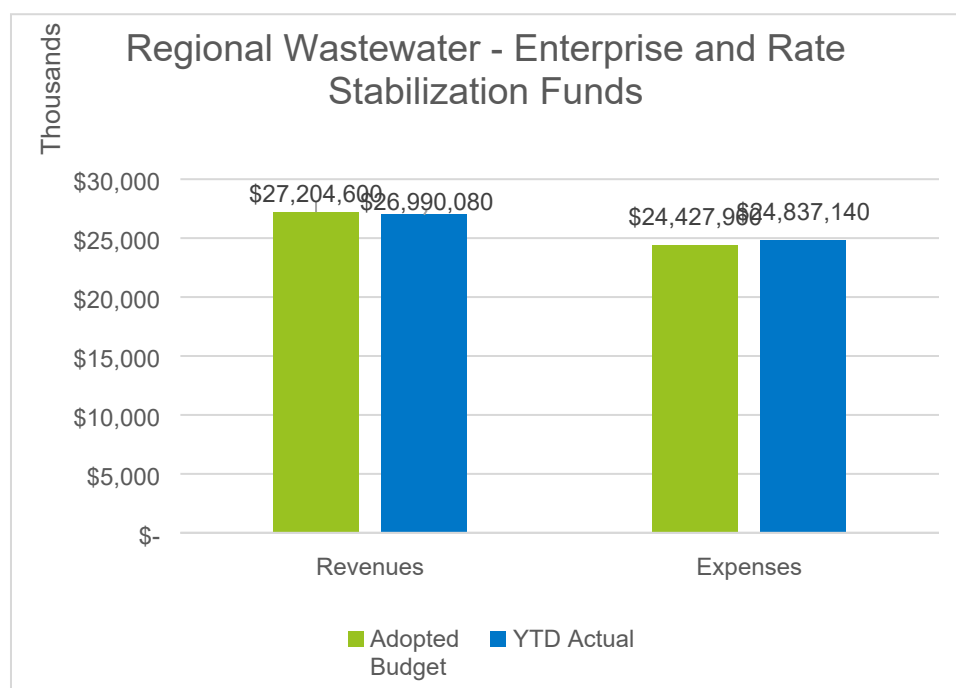
## Enterprise (Fund 200) and Rate Stabilization (Fund 205)

	(a)	(b)	(a) - (b)	
	Adopted Budget	Actual YTD (100%)	Over/ Under Budget	Percentage Collect/Use
<b>Operating Revenues:</b>				
Service Charges - Dublin	\$3,933,313	\$3,827,466	\$105,847	97.3%
Service Charges - San Ramon	875,127	995,577	(120,450)	113.8%
Inspections & Plan Check Fees	369,500	612,906	(243,406)	165.9%
Other Revenues	500	22,323	(21,823)	4464.7%
Interest	80,000	275,468	(195,468)	344.3%
<b>Total Revenues</b>	<b>\$5,258,440</b>	<b>\$5,733,740</b>	<b>(\$475,300)</b>	<b>109.0%</b>
<b>Operating Expenses:</b>				
Salaries & Benefits	\$3,284,670	\$2,837,548	\$447,122	86.4%
Staff Time Charged to CIP & JPAs	(159,635)	(133,406)	(26,229)	83.6%
Materials & Supplies	117,655	102,553	15,102	87.2%
Gas & Electric	16,060	15,015	1,045	93.5%
Contract Services	413,807	261,791	152,016	63.3%
Allocated Costs	1,020,019	854,198	165,821	83.7%
Other Expenses	15,740	19,663	(3,923)	124.9%
<b>Total Expenses</b>	<b>\$4,708,316</b>	<b>\$3,957,361</b>	<b>\$750,954</b>	<b>84.1%</b>
Transfer Out to F210, BOD approved 05/06/24 (1)	-	(\$2,059,412)	-	
Transfers Out to Replacement and OPEB	(\$891,254)	(800,000)	(\$91,254)	89.8%
Residual Equity Transfer Out- BOD approved 07/16/24	(228,984)	(226,415)	(2,569)	98.9%
<b>Net Increase/(Decrease)</b>	<b>(\$570,114)</b>	<b>(\$1,309,448)</b>		
<b>Beginning Working Capital</b>	<b>5,632,287</b>	<b>5,632,287</b>		
<b>Ending Working Capital</b>	<b>\$5,062,173</b>	<b>\$4,322,839</b>		
Working Capital Minimum (4 mos)	\$1,569,439	\$1,569,439		
Working Capital Target (8 mos)	3,138,877	3,138,877		

**Regional Wastewater Funds 300 and 305:**

The Regional Wastewater enterprise provides wastewater treatment and disposal services in Dublin and southern San Ramon, and the City of Pleasanton (by contract). For the unaudited fourth quarter financial report for FYE 2024, the District's Regional Wastewater enterprise received 99% of budgeted operating revenues and expended 102% of budgeted operating expenses as of June 30, 2024. Highlights include:

- **Revenues** – Regional Wastewater charges for Dublin and San Ramon are fully collected. Pleasanton wastewater charges are lower than budgeted due to the timing of billing and collections. Pleasanton collects DSRSD wastewater treatment charges on their combined bimonthly water/sewer bill and remits payments to DSRSD. Therefore, it is typical for there to be a delay in the timing between when services are billed and when payments are remitted to DSRSD. Pleasanton wastewater charges are anticipated to be close to budget once final payments for FYE 2024 are received. Industrial waste charges vary by area. Industrial waste collections are very near budget with Pleasanton at approximately 97% and are currently down with Dublin at approximately 57%. DERWA charges, other revenues, and Interest income all exceeded budget.
- **Expenses** – Operating expenses for Regional Wastewater exceeded the FYE 2024 budget by \$410,000, primarily due to a noncash pension accrual from CalPERS, in the amount of \$1,238,000 for market under performance. The accrual increases operating expenses and is an accounting requirement. Without accrual, total operating expenses would be at 97% of budget. All other operating expenses are substantially spent and at or near budget at approximately 102% in total.
- **Transfers** – Transfers include a transfer from the Regional Wastewater Rate Stabilization Fund to the Regional Wastewater Replacement Capital Fund, which was approved by the Board based on the FYE 2023 Annual Report on Rate Stabilization Fund Reserves on May 6, 2024.
- **Ending Working Capital** – The estimated ending working capital exceeds the 8-month working capital target.



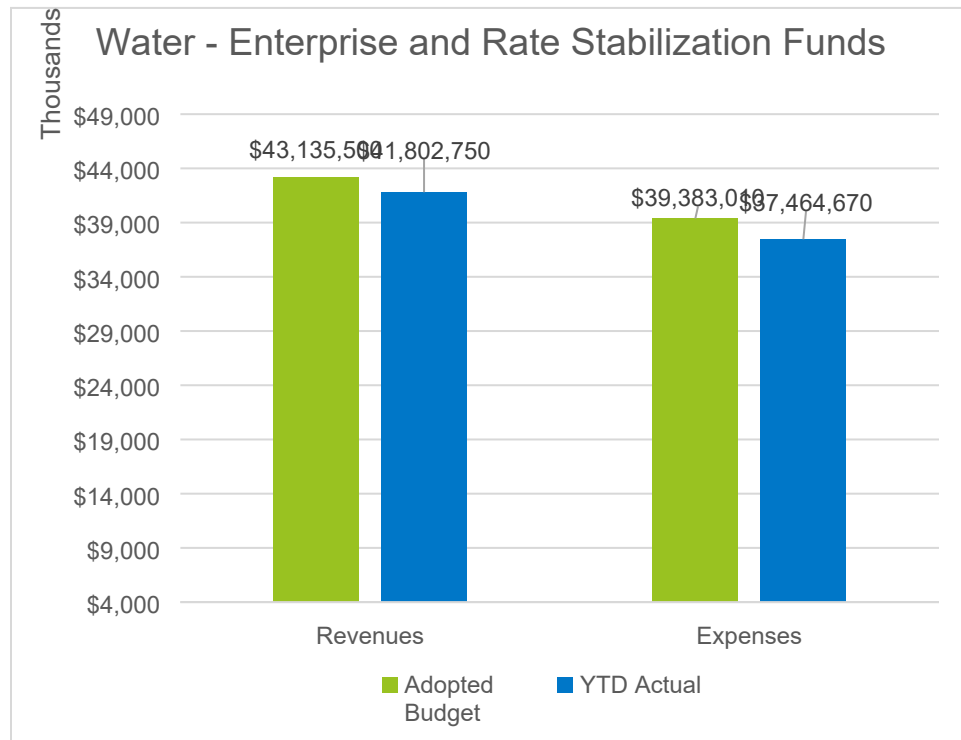
**Regional Wastewater Funds****Enterprise (Fund 300) and Rate Stabilization (Fund 305)**

	(a) Adopted Budget	(b) Actual YTD (100%)	(a) - (b) Over/ Under Budget	Percentage Collect/Use
<b>Operating Revenues</b>				
Wastewater Charges-Dublin (1)	\$9,816,719	\$10,662,193	(\$845,474)	108.6%
Wastewater Charges-Pleasanton	11,985,722	9,612,199	2,373,523	80.2%
Wastewater Charges-San Ramon	2,281,115	2,498,533	(217,418)	109.5%
Industrial Waste-Dublin	80,000	45,911	34,089	57.4%
Industrial Waste-Pleasanton	85,000	82,269	2,731	96.8%
DERWA charges	2,577,048	2,724,732	(147,684)	105.7%
Other Revenues	30,000	147,780	(117,780)	492.6%
Interest	349,000	1,216,463	(867,463)	348.6%
<b>Total Revenues</b>	<b>\$27,204,604</b>	<b>\$26,990,080</b>	<b>\$214,524</b>	<b>99.2%</b>
<b>Operating Expenses</b>				
Salaries & Benefits	\$11,229,368	12,300,774	-\$1,071,407	109.5%
Staff Time Charged to CIP & JPAs	(1,699,611)	(1,415,410)	(284,201)	83.3%
Materials & Supplies	2,911,254	2,531,886	379,368	87.0%
Gas & Electric	2,178,206	2,212,796	(34,590)	101.6%
Contractual Services	1,648,258	1,377,161	271,098	83.6%
Allocated costs	3,071,473	2,736,111	335,362	89.1%
LAWMA JPA Contribution	5,066,497	5,066,497	-	100.0%
Other Expenses	22,520	27,326	(4,806)	121.3%
<b>Total Expenses</b>	<b>\$24,427,964</b>	<b>\$24,837,142</b>	<b>(\$409,177)</b>	<b>101.7%</b>
Transfer Out to F310 - BOD approved 05/06/24 (1)	-	(\$3,378,211)		
Transfer Out to Replacement	(\$2,674,784)	(2,400,000)	(\$274,784)	89.7%
Transfer Out to Water for 5th Supplement Agreement	(400,000)	(332,069)	(67,931)	83.0%
Residual Equity Transfer Out- BOD approved 07/16/24	(926,304)	(928,829)	2,525	100.3%
<b>Net Increase/(Decrease)</b>	<b>(\$1,224,449)</b>	<b>(\$4,886,171)</b>		
<b>Beginning Working Capital</b>	<b>24,415,324</b>	<b>24,415,324</b>		
<b>Ending Working Capital</b>	<b>\$23,190,875</b>	<b>\$19,529,153</b>		
Working Capital Minimum (4 mos)	\$8,142,655	\$8,142,655		
Working Capital Target (8 mos)	16,285,310	16,285,310		

**Water Funds 600 and 605:**

The Water enterprise provides potable and recycled water to Dublin and the Dougherty Valley area of San Ramon. For the unaudited fourth quarter financial report for FYE 2024, the District's Water enterprise is at 97% of budgeted operating revenues and 95% of budgeted operating expenses as of June 30, 2024.

- *Revenues* – Potable Water and Recycled Water charges are near or substantially collected for FYE 2024. Potable water revenues showed a modest increase of 3% compared to the prior year. Recycled water revenues are projected to be approximately 87% of budget. Overall water revenues are up approximately 5% from the prior year. The Power Charge is below budget at approximately 67% due to over estimating revenue projections and \$127,000 customer billing credits that were reflected during this financial reporting period. Inspections and Plan Check Fees are up due to higher development activity. Other revenues and Interest income are near or exceeded budget.
- *Expenses* – Salaries and Benefits exceeded the FYE 2024 budget by \$714,000 due to a noncash pension accrual from CalPERS, in the amount of \$1,094,000 for market under performance. The accrual increases operating expenses and is an accounting requirement. The DERWA JPA contribution exceeded the FYE 2024 budget by \$446,000. This overage will mostly be offset once DERWA completes the FYE 2024 true-up of Pleasanton payments and reimburses DSRSD for Pleasanton's share of operating expenses. However, this payment is not expected to be received until FYE 2025. Materials, supplies, and contractual service expenses are below budget due to less usage.
- *Transfers* –The District follows a table of scheduled transfers for its interfund transfer activity.
- *Ending Working Capital* – the ending working capital is estimated at 7-months versus the 8-month working capital target.



**Water Funds****Enterprise (Fund 600) and Rate Stabilization (Fund 605)**

	(a)	(b)	(a)-(b)	
	Adopted Budget	Actual YTD (100%)	Over/ Under Budget	Percentage Collect/Use
<b>Operating Revenues</b>				
Potable Water Charges	\$33,600,000	\$32,367,969	\$1,232,031	96.3%
Recycled Water	5,680,000	4,935,716	744,284	86.9%
Power Charge	1,030,000	687,095	342,905	66.7%
Inspections & Plan Check Fees	1,040,500	1,407,864	(367,364)	135.3%
Other Revenues	1,175,000	1,138,542	36,458	96.9%
Interest	610,000	1,265,565	(655,565)	207.5%
<b>Total Revenues</b>	<b>\$43,135,500</b>	<b>\$41,802,751</b>	<b>\$1,332,749</b>	<b>96.9%</b>
<b>Operating Expenses</b>				
Salaries & Benefits	\$9,141,597	\$9,855,728	(\$714,131)	107.8%
Staff Time Charged to CIP & JPAs	(958,118)	(885,889)	(72,230)	92.5%
Water Purchases	18,722,350	17,990,942	731,408	96.1%
Gas & Electric	1,716,000	1,380,898	335,102	80.5%
Materials & Supplies	1,437,105	856,083	581,022	59.6%
Contract Services	2,908,531	1,664,173	1,244,359	57.2%
Allocated Costs	2,623,577	2,367,831	255,746	90.3%
DERWA/JPA Contribution	3,583,200	4,029,086	(445,886)	112.4%
Other Expenses	208,765	205,818	2,947	98.6%
<b>Total Expenses</b>	<b>\$39,383,007</b>	<b>\$37,464,670</b>	<b>\$1,918,337</b>	<b>95.1%</b>
Transfer In from F300 for Recycled Water 5th Supplement	\$400,000	\$332,069	-	83.0%
Transfer In from F620 Per Resolution 9-24	-	700,000	-	100.0%
Transfer Outs to Replacement and OPEB	(6,624,714)	(6,390,000)	(\$234,714)	96.5%
Residual Equity Transfer Out- BOD approved 07/16/24	(839,588)	(839,632)	44	100.0%
<b>Net Increase/(Decrease)</b>	<b>(\$3,311,809)</b>	<b>(\$1,859,482)</b>		
<b>Beginning Working Capital</b>	<b>24,812,930</b>	<b>24,812,930</b>		
<b>Ending Working Capital</b>	<b>\$21,501,121</b>	<b>\$22,953,448</b>		
Working Capital Minimum (4 mos)	\$13,127,669	\$13,127,669		
Working Capital Target (8 mos)	26,255,338	26,255,338		

**Administrative Cost Center Fund 900:**

The Administrative Cost Center captures costs not specifically identifiable to any one of the District's operational activities. A majority of the cost for the Administrative Services Department and the Board of Directors/Office of the General Manager Department is included in this fund. Revenue is generated for general administrative services provided to the two joint powers authorities (DERWA and LAVWMA), the general overhead for capital project management, and miscellaneous services to customers and other local agencies. The Administrative Cost Center is at 94% of budgeted operating revenues and 91% of budgeted operating expenses as of June 30, 2024. All costs of the Administrative Cost Center have been allocated to the other funds as applicable. The Administrative Cost Center does not compute a working capital position.

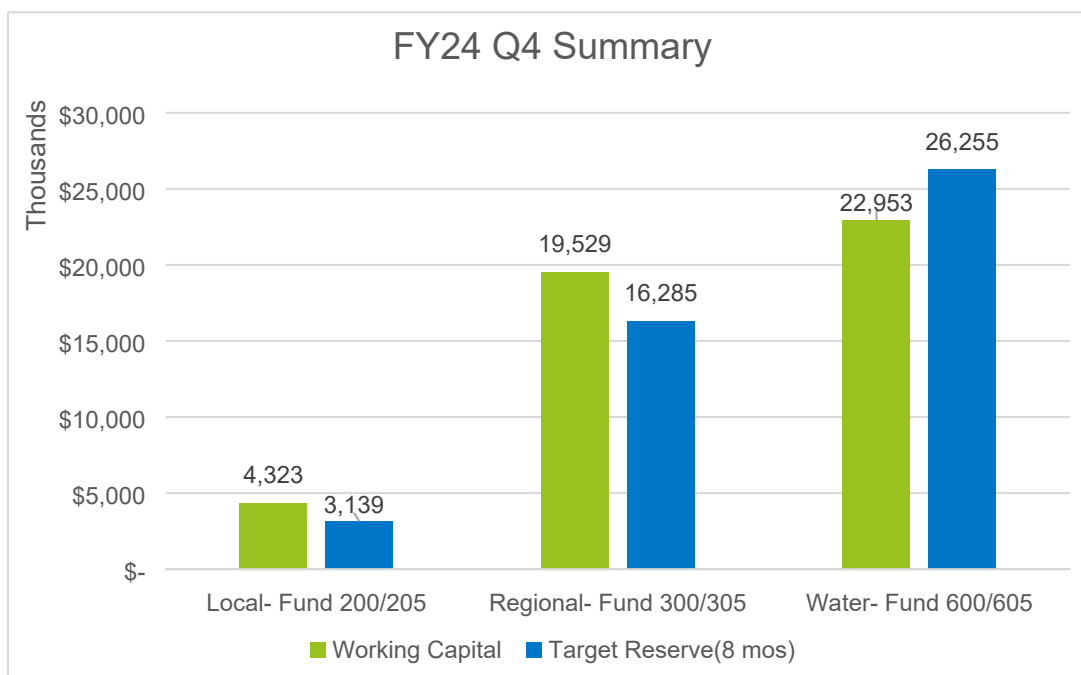
	(a) Adopted Budget	(b) Actual YTD (100%)	(a)-(b) Over/ Under Budget	Percentage Collect/Use
<b>Operating Revenues</b>				
Customer Service Late Fees	\$200,000	\$371,958	(\$171,958)	186.0%
Administrative Fees	200,000	97,003	102,997	48.5%
LAVWMA	909,000	1,050,101	(141,101)	115.5%
DERWA	1,376,000	1,204,221	171,779	87.5%
QIP	806,000	544,543	261,457	67.6%
Misc Revenues	-	19,412	(19,412)	100.0%
<b>Total Revenues</b>	<b>\$3,491,000</b>	<b>\$3,287,237</b>	<b>\$203,763</b>	<b>94.2%</b>
<b>Operating Expenses</b>				
Salaries & Benefits	\$7,608,780	\$7,904,759	(\$295,979)	103.9%
Staff Time Charged to QIP & JPAs	(213,889)	(122,302)	(91,587)	57.2%
Materials & Supplies	391,922	375,191	16,731	95.7%
Contract Services	2,395,049	2,135,767	259,282	89.2%
Allocated Costs	(6,715,069)	(7,117,029)	401,960	106.0%
Miscellaneous	47,840	37,083	10,757	77.5%
<b>Total Expenses</b>	<b>\$3,514,632</b>	<b>\$3,213,469</b>	<b>\$301,164</b>	<b>91.4%</b>
Residual Equity Transfer In- BOD approved 07/16/24	1,994,876	1,994,876	-	100.0%
<b>Net Increase/(Decrease)</b>	<b>\$1,971,244</b>	<b>\$2,068,644</b>		
<b>Beginning Working Capital</b>	<b>(1,926,455)</b>	<b>(1,926,455)</b>		
<b>Ending Working Capital</b>	<b>\$44,789</b>	<b>\$142,190</b>		



**Operating Reserves:**

The District funds water and wastewater operations from its Enterprise and Rate Stabilization funds. Operating reserves, referred to as “working capital,” are defined as current assets minus current liabilities. Working capital is a measure of available resources to meet fluctuations in cash flow. The District’s Financial Reserves policy establishes working capital targets to define the appropriate amount of operating reserves available in each fund to cover ongoing costs. These targets are defined in terms of “months of working capital,” or the amount of cash needed to cover expenses for a set period. For all three enterprise funds, the target is four months of working capital for the Enterprise fund and four months of working capital for the Rate Stabilization fund, or a combined eight months of budgeted operating expenses.

As shown in the following figure, working capital for the Local Wastewater and Regional Wastewater operating funds (Enterprise and Rate Stabilization) are above policy target levels through the fourth quarter of FYE 2024. The working capital for the Water enterprise is below target but above the minimum reserve level. The District’s recently adopted [Water Cost of Service Study \(HDR, 2024\)](#) and five-year schedule of rate adjustments for calendar years 2024 through 2028 are projected to bring operating reserves back up to target levels by 2028.



CAPITAL FUNDS:

The District maintains a Replacement fund and an Expansion fund for each of its three enterprises (Local Wastewater, Regional Wastewater, and Water). Replacement funds receive non-operating revenue from developer capacity reserve fees (“buy-in” component) and replacement allocation transfers from enterprise funds. In addition to capital projects, replacement funds also fund the District’s capital asset (formerly called capital outlay) expenses. Expansion funds receive revenue from developer capacity reserve fees, to cover the cost of building expanded facilities for new development, including debt service, direct staff time and overhead.

For the unaudited fourth quarter financial report for FYE 2024, Replacement funds are at 135% of budgeted revenues and 46% of budgeted expenses, while Expansion funds received 144% of budgeted revenues and 79% of budgeted expenses.



A breakdown of revenue, expenses, and working capital for each capital fund is provided in the following tables.

**Local Wastewater Capital Funds 210 and 220:**

	(a)	(b)	(a) - (b)	
Local Wastewater Replacement (Fund 210)	Adopted Budget	Actual YTD (100%)	Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
WW Capacity Fee-Dublin	\$539,817	\$834,902	(\$295,085)	154.7%
Interest	82,000	325,784	(243,784)	397.3%
Other Revenues	-	-	-	
<b>Total Revenues</b>	<b>\$621,817</b>	<b>\$1,160,687</b>	<b>(\$538,870)</b>	<b>186.66%</b>
<b>Expenses</b>				
Capital Outlay	\$55,517	\$16,259	\$39,259	29.3%
CIP- Projects	939,171	190,732	748,439	20.3%
<b>Total Expenses</b>	<b>\$994,688</b>	<b>\$206,991</b>	<b>\$787,697</b>	<b>20.81%</b>
Transfer In - Annual contribution	\$800,000	\$800,000	-	100.0%
Transfer In from F205- BOD approved 05/06/24	-	2,059,412	-	100.0%
<b>Net Increase/(Decrease)</b>	<b>\$427,129</b>	<b>\$3,813,108</b>		
<b>Beginning Working Capital</b>	<b>5,797,290</b>	<b>5,797,290</b>		
<b>Ending Working Capital</b>	<b>\$6,224,419</b>	<b>\$9,610,398</b>		
<b>Working Capital Minimum</b>	<b>\$2,429,000</b>	<b>\$2,429,000</b>		

	(a)	(b)	(a) - (b)	
Local Wastewater Expansion (Fund 220)	Adopted Budget	Actual YTD (100%)	Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
WW Capacity Fee-Dublin	\$16,581	\$25,466	(\$8,885)	153.6%
Interest	164,000	437,711	(273,711)	266.9%
Other Revenues	-	-	-	
<b>Total Revenues</b>	<b>\$180,581</b>	<b>\$463,177</b>	<b>(\$282,596)</b>	<b>256.49%</b>
<b>Expenses</b>				
CIP- Projects	156,250	140,024	16,226	89.6%
<b>Total Expenses</b>	<b>\$156,250</b>	<b>\$140,024</b>	<b>\$16,226</b>	<b>89.62%</b>
<b>Net Increase/(Decrease)</b>	<b>\$24,331</b>	<b>\$323,153</b>		
<b>Beginning Working Capital</b>	<b>9,422,778</b>	<b>9,422,778</b>		
<b>Ending Working Capital</b>	<b>\$9,447,109</b>	<b>\$9,745,931</b>		
<b>Working Capital Minimum</b>	<b>\$1,149,000</b>	<b>\$1,149,000</b>		

**Regional Wastewater Capital Funds 310 and 320:**

	(a)	(b)	(a)-(b)	
Regional Wastewater Replacement (Fund 310)	Adopted Budget	Actual YTD (100%)	Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
WW Capacity Fee-Dublin	\$903,726	\$1,320,490	(\$416,764)	146.1%
WW Capacity Fee-Pleasanton	443,003	83,029	359,974	18.7%
WW Capacity Fee-Defer	10,495	8,552	1,943	81.5%
Interest	720,000	1,682,057	(962,057)	233.6%
Other Revenues	-	-	-	
<b>Total Revenues</b>	<b>\$2,077,224</b>	<b>\$3,094,129</b>	<b>(\$1,016,905)</b>	<b>148.95%</b>
<b>Expenses</b>				
LAWMA JPA	\$279,600	\$279,600	-	100.0%
CIP - Projects	11,266,795	4,114,831	\$7,151,964	36.5%
<b>Total Expenses</b>	<b>\$11,546,395</b>	<b>\$4,394,431</b>	<b>\$7,151,964</b>	<b>38.06%</b>
Transfer In - Annual contribution	2,400,000	2,400,000	-	100.0%
Transfer In from F605- BOD approved 05/06/24	-	3,378,211		
<b>Net Increase/(Decrease)</b>	<b>(\$7,069,171)</b>	<b>\$4,477,909</b>		
<b>Beginning Working Capital</b>	<b>35,649,882</b>	<b>35,649,882</b>		
<b>Ending Working Capital</b>	<b>\$28,580,711</b>	<b>\$40,127,791</b>		
<b>Working Capital Minimum</b>	<b>\$18,157,000</b>	<b>\$18,157,000</b>		

	(a)	(b)	(a)-(b)	
Regional Wastewater Expansion (Fund 320)	Adopted Budget	Actual YTD (100%)	Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
WW Capacity Fee-Dublin	\$2,818,301	\$3,563,781	(\$745,480)	126.5%
WW Capacity Fee-Pleasanton	483,379	206,075	277,304	42.6%
WW Capacity Fee-Defer	29,457	21,143	8,314	71.8%
Interest	890,000	1,810,314	(920,314)	203.4%
Other Revenues	-	-	-	
<b>Total Revenues</b>	<b>\$4,221,137</b>	<b>\$5,601,313</b>	<b>(\$1,380,176)</b>	<b>132.70%</b>
<b>Expenses</b>				
LAWMA JPA	\$3,583,046	\$3,583,047	(\$1)	100.0%
CIP - Projects (1)	417,919	483,871	(65,952)	115.8%
<b>Total Expenses</b>	<b>\$4,000,965</b>	<b>\$4,066,918</b>	<b>(\$65,953)</b>	<b>101.65%</b>
<b>Net Increase/(Decrease)</b>	<b>\$220,172</b>	<b>\$1,534,396</b>		
<b>Beginning Working Capital</b>	<b>45,253,855</b>	<b>45,253,855</b>		
<b>Ending Working Capital</b>	<b>\$45,474,027</b>	<b>46,788,251</b>		
<b>Working Capital Minimum</b>	<b>\$3,571,000</b>	<b>\$3,571,000</b>		

- (1) Staff will be requesting an adjustment to the Fund Budget on 09/14/24 due to the Alum Addition Project (CIP 18-P016).

**Water Capital Funds 610 and 620:**

	(a)	(b)	(a)-(b)	
Water Replacement (Fund 610)	Adopted Budget	Actual YTD (100%)	Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
Water Capacity Fee	\$2,130,526	\$1,630,575	\$499,951	76.5%
Interest	580,000	1,437,812	(857,812)	247.9%
Other Revenues	-	-	-	
<b>Total Revenues</b>	<b>\$2,710,526</b>	<b>\$3,068,386</b>	<b>(\$357,860)</b>	<b>113.20%</b>
<b>Expenses</b>				
DERWA JPA	\$517,700	\$75,738	\$441,962	14.63%
Capital Outlay	558,026	147,227	410,799	26.38%
QP - Projects	9,900,469	5,878,613	4,021,856	59.38%
Misc. Services	250	-	250	0.00%
<b>Total Expenses</b>	<b>\$10,976,445</b>	<b>\$6,101,577</b>		
Transfer In - Annual contribution	6,390,000	6,390,000	-	100.00%
<b>Net Increase/(Decrease)</b>	<b>(\$1,875,919)</b>	<b>\$3,356,809</b>		
<b>Beginning Working Capital</b>	<b>35,649,882</b>	<b>35,649,882</b>		
<b>Ending Working Capital</b>	<b>\$33,773,963</b>	<b>\$39,006,691</b>		
<b>Working Capital Minimum</b>	<b>\$24,315,000</b>	<b>\$24,315,000</b>		

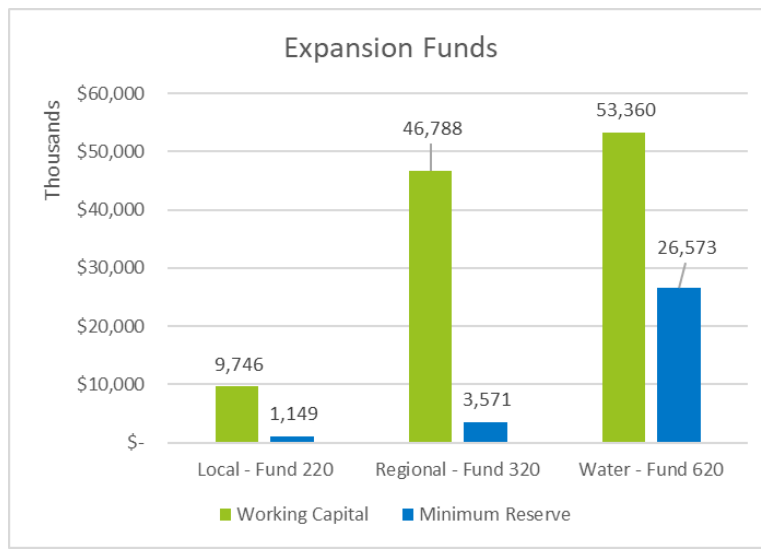
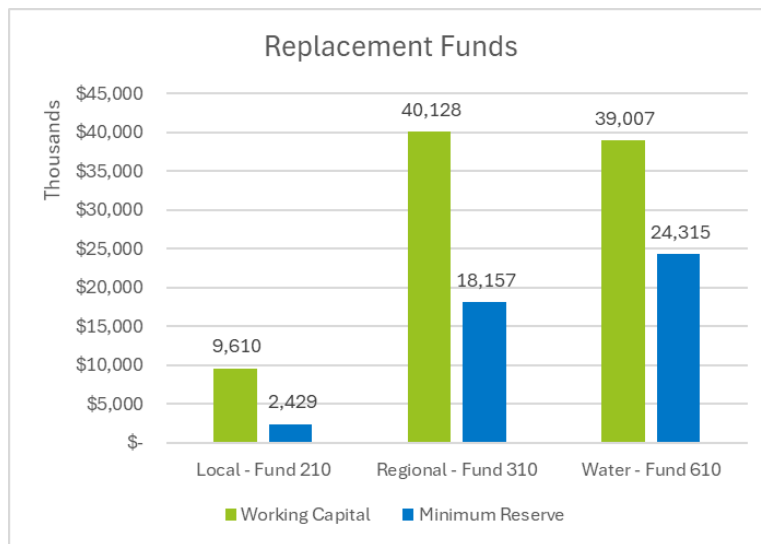
	(a)	(b)	(a)-(b)	
Water Expansion (Fund 620)	Adopted Budget	Actual YTD (100%)	Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
Water Capacity Fee	\$2,605,841	\$2,965,423	(\$359,582)	113.8%
Interest	1,000,000	2,474,340	(1,474,340)	247.4%
Other Revenues	-	-	-	
<b>Total Revenues</b>	<b>\$3,605,841</b>	<b>\$5,439,764</b>	<b>(\$1,833,923)</b>	<b>150.86%</b>
<b>Expenses</b>				
DERWA JPA	\$1,098,094	\$970,383	\$127,711	88.37%
QP - Projects	2,692,702	470,587	2,222,115	17.48%
Debt Services	1,877,813	1,369,146	508,667	72.91%
<b>Total Expenses</b>	<b>\$5,668,609</b>	<b>\$2,810,116</b>	<b>\$2,858,493</b>	<b>49.57%</b>
Transfer Out from F620 to F600 per RESO 9-24	-	(700,000)		
<b>Net Increase/(Decrease)</b>	<b>(\$2,062,768)</b>	<b>\$1,929,648</b>		
<b>Beginning Working Capital</b>	<b>51,430,441</b>	<b>51,430,441</b>		
<b>Ending Working Capital</b>	<b>\$49,367,673</b>	<b>\$53,360,089</b>		
<b>Working Capital Minimum</b>	<b>\$26,573,000</b>	<b>\$26,573,000</b>		

### Capital Funds Reserves:

**Replacement Funds:** The District's Financial Reserves policy establishes working capital targets to ensure that adequate funds are available to purchase new capital assets that benefit current ratepayers, to fund replacements, improvements and major refurbishments to existing capital assets and to provide two year's debt service.

**Expansion Funds:** The District's Financial Reserves policy establishes working capital targets to minimize the need for ratepayers to pay for expansion debt by having sufficient reserves on hand to pay annual debt service on District bonds or loans for a two-year period.

As shown in the following figures, working capital for all Replacement and Expansion funds are above policy minimum target levels through the fourth quarter of FYE 2024.



Dublin San Ramon Services District  
 Capital Projects Created from Programs  
 7/1/2023- 6/30/2024

Line	Date	Project No.	Project Name	Program Name	Fund 210 Local WW Replacement	Fund 310 Regional WW Replacement	Fund 610 Water Replacement	Total Project Budget
1	7/7/2023	24-A029	FY24 FLEET 1 - Field Operations Division - Ford F-250 Pickup Trucks (Qty 2)	Fleet Asset Program 00-A004	\$16,070	-	\$144,630	\$160,700
2	8/8/2023	24-A032	FY24 FLEET 3 - Ford F-150 and Ford Ranger	Fleet Asset Program 00-A004	-	\$91,000	-	91,000
3	8/31/2023	24-W036	FY24 Pump Station Painting	Facilities Asset Program 00-A005	-	-	145,000	145,000
4	9/29/2023	24-A039	FY24 FLEET 5 - Transit Connect Cargo Van	Fleet Asset Program 00-A004	-	17,500	17,500	35,000
5	10/2/2023	24-P035	FY24 Secondary Treatment Mixer Replacements	WWTP Replacement and Rehabilitation 00-P026	-	140,000	-	140,000
6	10/2/2023	24-P034	FY24 Biosolids Processing Pump and Mixer Replacements	WWTP Replacement and Rehabilitation 00-P026	-	135,000	-	135,000
7	10/2/2023	24-P037	FY24 Facultative Sludge Lagoon Mixer Replacement	WWTP Replacement and Rehabilitation 00-P026	-	125,000	-	125,000
8	10/2/2023	24-P038	FY24 Secondary Treatment Pump Replacements	WWTP Replacement and Rehabilitation 00-P026	-	80,000	-	80,000
9	11/3/2023	24-A042	Business Network Wide Area Network Improvements	Information Systems Replacement Program 00-A006	7,700	32,900	29,400	70,000
10	11/18/2023	24-W040	Pump Station 300C Pump #2 Replacement	Water System Replacement and Rehabilitation 00-W011	-	-	35,000	35,000
11	12/7/2023	24-A043	District Office Storage Area Network Replacement	Information Systems Replacement Program 00-A006	12,100	51,700	46,200	110,000
12	2/8/2024	24-A048	District Office Water Damage Repair	Facilities Asset Program 00-A005	11,550	49,350	44,100	105,000
13	3/18/2024	24-P049	Influent Pump No. 1 Header Piping Repair	WWTP Replacement and Rehabilitation 00-P026	-	35,000	-	35,000
14	4/2/2024	24-P050	WWTP Agitation Air Line Replacement	WWTP Replacement and Rehabilitation 00-P026	-	48,000	-	48,000
15	4/18/2024	24-P051	Odor Reduction Tower Railing Replacement	WWTP Replacement and Rehabilitation 00-P026	-	40,000	-	40,000
16	4/18/2024	24-P047	Digester #3 Repairs	WWTP Replacement and Rehabilitation 00-P026	-	30,000	-	30,000
17	5/13/2024	24-A052	ERP Implementation Phase 2	Information Systems Replacement Program 00-A006	14,400	60,000	45,600	120,000
<b>Total</b>					<b>\$61,820</b>	<b>\$935,450</b>	<b>\$507,430</b>	<b>\$1,504,700</b>

Per the Budget Accountability policy, the General Manager, or designee, is authorized to create a project from a CIP Program up to maximum \$175,000

Dublin San Ramon Services District  
 Capital Budget Adjustments Approved by the General Manager  
 7/1/2023- 6/30/2024

Effective Date	Project No.	Project Name	Adopted Budget	Adjusted Budget	Increase/ (Decrease)	Funding Source	Justification
3/5/2024	24-A039	FY24 FLEET 5 - Transit Connect Cargo Van	\$35,000 (1)	\$41,000	\$6,000	Fund 210 50%, Fund 310 50%	Vehicle supply shortage, newer model was delivered , with slightly higher sales price.
3/29/2024	24-A048	District Office Water Damage Repair	105,000 (2)	125,000	20,000	Fund 210 11%, Fund 310 47% and Fund 610 42%	Contractor services and labor cost increase
3/29/2024	24-P034	FY24 Biosolids Processing Pump and Mixer Replacements	135,000 (3)	160,000	25,000	Fund 310 100%	Additional service, which was not included in the original scope of work.Replacing the RAS Channel submersible pump that has reached the end of its life.
4/2/2024	24-W036	FY24 Pump Station Painting	145,000 (4)	145,000	-	Fund 610 100%	Reclass funding from the Facilities Asset Replacement Prog. CIP 00-A005 to the Water System Replacement and Rehabilitation Prog. CIP 00-W011
<b>Total</b>			<b>\$420,000</b>	<b>\$471,000</b>	<b>\$51,000</b>		

(1) On 9/29/2023 CIP 24-A039 was created out of the Fleet Asset Program 00-A004 with an initial budget of \$35,000.

(2) On 2/28/2024 CIP 24-A048 was created out of the Facilities Asset Program 00-A005 with an initial budget of \$105,000.

(3) On 10/2/2023 CIP 24-P034 was created out of the WWTP Replacement and Rehabilitation Program 00-P026 with an initial budget of \$135,000.

(4) On 8/31/2023 CIP 24-W036 was created out of the Facilities Asset Program 00-A005 with an initial budget of \$145,000.

Per the Budget Accountability policy, if an individual project is expected to exceed its total budget, the General Manager is authorized to approve budget adjustments up to a maximum of \$175,000 per project.





**TITLE:** Receive Recycled Water Supply Update and Authorize the General Manager to Negotiate and Execute Necessary Agreements with East Bay Municipal Utility District (EBMUD) and DSRSD-EBMUD Recycled Water Authority (DERWA), and City of Dublin to Add Certain Customers to the Recycled Water System

**RECOMMENDATION:**

Staff recommends the Board of Directors receive a recycled water supply update and authorize, by Motion, the General Manager to negotiate and execute the following agreements:

1. The Second Amendment to the Interim Agreement Related to the Supply and Sale of Recycled Water (Interim Agreement) with East Bay Municipal Utility District (EBMUD) and DSRSD-EBMUD Recycled Water Authority (DERWA) to amend the connection moratorium to allow certain customers to be added to the recycled water system.
2. A letter agreement with the City of Dublin outlining the conditions under which certain City-owned sites can be added the recycled water system.

**SUMMARY:**

In 1995, DSRSD and EBMUD formed DSRSD-EBMUD Recycled Water Authority (DERWA), a Joint Powers Authority, to provide recycled water to DSRSD and EBMUD customers in the San Ramon Valley. In 2019, due to limited recycled water supplies during peak summer demand periods, DERWA requested that its member agencies implement a recycled water connection moratorium, which was formalized in the Interim Agreement executed by the parties on March 29, 2022. Since then, DERWA has completed a Recycled Water Supply Management Plan, and the parties have initiated discussions with Central Contra Costa Sanitary District (Central San) on a long-term supplemental supply agreement. Based on these efforts and review of existing recycled water supplies, DERWA, DSRSD, and EBMUD have determined that sufficient near-term supply exists to add certain customer sites (Attachment 1) to the recycled water system. On September 17, staff will provide a recycled water supply update to the Board and request authorization for the General Manager to negotiate and execute necessary agreements with EBMUD, DERWA, and the City of Dublin, to amend the connection moratorium to serve recycled water to certain identified customer sites.

**BACKGROUND:**

In 1995, DSRSD and EBMUD formed a partnership called DERWA to provide an alternative water supply option for irrigation in the San Ramon Valley. The first deliveries of recycled water from the DERWA Program began in 2006. In 2014, the recycled water treatment system was expanded to serve the City of Pleasanton (Pleasanton) with recycled water. Deliveries to Pleasanton began in 2015. To date, the DERWA program has produced over 20 billion gallons of recycled water, reducing the reliance on limited drinking water supplies, providing a sustainable and climate-resilient water supply for the region, and reducing nutrient discharges to San Francisco Bay.

DSRSD maintains an active role in the DERWA Program (Program). The wastewater influent to the District's Regional Wastewater Treatment Facility (RWTF) serves as the source of supply to the Program and, by agreement, DSRSD is responsible for the operation and maintenance of the DERWA recycled water treatment plant and transmission system. DSRSD staff also acts as the project manager for most DERWA capital projects.

When the Program was envisioned over two decades ago, wastewater influent (and therefore recycled water supply) was projected to significantly increase with population growth until buildout is reached. However, due to improved water efficiency and conservation by customers, DSRSD wastewater flows have remained relatively constant, fluctuating

<b>Originating Department: Operations</b>	<b>Contact: C. Ferreyra/D. Gill</b>	<b>Legal Review: Not Required</b>
<b>Financial Review: Not Required</b>	<b>Cost and Funding Source: N/A</b>	
<b>Attachments:</b> <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	<b>Attachment 1 – Proposed EBMUD and DSRSD “Ready to Connect” Recycled Water Customers</b> <b>Attachment 2 – Presentation Slides</b>	

between 9 and 11 million gallons per day (MGD) since 2005, even though potable water connections in DSRSD's service area have nearly doubled over that period.

The Program has steadily grown since 2006 and the demand for recycled water occasionally exceeds the available supply on peak summer days, resulting in zero discharge of treated secondary effluent from the RWTF to San Francisco Bay during these peak periods. On a short-term basis, DSRSD (the operator of the DERWA system) can balance supplies and demands using operational storage. However, without additional permanent supplemental supplies, the amount of wastewater available is projected to be insufficient to reliably meet current and buildout demands for the Program.

Over the last decade, DERWA, DSRSD, and EBMUD have explored options to secure a permanent supplemental supply source for the Program, including pursuing wastewater effluent from neighboring agencies, supplementing with groundwater, and looking at seasonal storage options. In February 2019, DERWA and Central San executed a temporary agreement to divert a portion of Central San's raw wastewater upstream of Central San's San Ramon Pumping Station to DSRSD's collection system. Under the temporary agreement, approximately 0.7 MGD of Central San's wastewater can be diverted, treated, and used to produce supplemental recycled water during the summer months. Construction of the project was completed in 2020, and the diversion facility was successfully used during the 2021 peak irrigation season. However, due to lower recycled water demands, the diversion facility was not operated in the past three years, 2022 – 2024. The temporary agreement provides for a maximum term of five years, which would allow DERWA to use the facility through the end of the 2025 irrigation season. Any use of the diversion facility beyond the 2025 irrigation season requires negotiation of a new agreement with Central San.

Due to projected near-term and long-term recycled water shortages, in March 2019, the DERWA Board adopted a resolution requesting that EBMUD and DSRSD implement a moratorium on new connections and focus efforts on supplemental supply and demand management strategies. Given the projected shortfall in recycled water and the complexity of implementing demand management on a real-time peak day basis, a connection moratorium was seen as the most prudent and practical method of demand management for the Member Agencies to implement.

On March 29, 2022, DERWA, EBMUD, and DSRSD executed an Interim Agreement Related to the Supply and Sale of Recycled Water (Interim Agreement). The Interim Agreement formalizes the 2019 recycled water connection moratorium and provides a framework for DERWA and its member agencies to focus near-term efforts on evaluating strategies for DERWA to reliably meet current and future recycled water demands. On March 4, 2024, the parties executed the First Amendment to the Interim Agreement, which extended the term and deadlines specified in the Interim Agreement in recognition that more time was needed for the parties to complete the Supply Plan and work together on supply efforts.

In early 2023, DERWA initiated preparation of a Recycled Water Supply Management Plan (Supply Plan). The Supply Plan incorporates new and refined information on supply and demand to create a roadmap for implementing demand management and supply strategies. The results of the Supply Plan were presented at the September and December 2023 DERWA Board meetings. Input from the Board was incorporated into the final [Supply Plan](#) that was completed in March 2024.

## **DISCUSSION:**

### **Near-Term Supply and Ready to Connect Customers:**

DSRSD staff has been closely monitoring recycled water production and demand to evaluate available near-term supply. Program demands have been relatively consistent over the last five years, aside from 2021 where recycled water demands peaked due to an abnormally warm irrigation season. Since 2021, District staff has implemented a number of strategies to better manage supply, including use of the RWTF wet weather storage basins for temporary storage and improved metering. DSRSD has also observed lower recycled water demands due to improved water use efficiency on the customer end.

In July 2024, typically the warmest month of the irrigation season, recycled water production averaged 9.8 MGD. Despite several sustained heat waves, DSRSD discharged between 1 and 1.5 MGD of treated wastewater to the San Francisco Bay through the Livermore-Amador Valley Water Management Agency (LAVWMA) pipeline during the month of July. The quantity of treated wastewater discharged to San Francisco Bay during July 2024 and the fact that the DERWA-

Central San temporary diversion project has not been operated since 2021, are indications that excess supply is available to serve additional recycled water customers.

The Supply Plan identified that even if the connection moratorium were lifted today, recycled water demands are expected to remain relatively constant until 2030. Each member agency only has a few “Ready to Connect” customers that could be connected to the recycled water system within the next few years. DSRSD’s recycled water system is almost built out, and the vast majority of future DERWA recycled water customers are located within EBMUD’s service area, and reaching these customers requires significant new infrastructure, which could take five to ten years to design and construct. EBMUD would need assurances that adequate supply is available to serve these future phases before making the investment.

Based on review of the Supply Plan recommendations and available near-term recycled water supplies, DERWA, EBMUD, and DSRSD staff proposed amending the connection moratorium to add certain “Ready to Connect” customers to the recycled water system. These customers were identified in the Supply Plan and are located close to existing recycled water infrastructure (Attachment 1). On July 1, 2024, the DERWA Board of Directors authorized the DERWA Authority Manager to negotiate and execute the Second Amendment to the Interim Agreement to allow the Member Agencies to serve recycled water to the customers listed in Attachment 1. Key terms of the Second Amendment include:

- EBMUD recycled water customer connections – EBMUD customers listed in Attachment 1 would be allowed to connect to the recycled water system when ready. No additional conditions would apply. The total maximum day demand is estimated at 0.041 MGD and would have no noticeable impact on supply.
- DSRSD recycled water customer connections – DSRSD would be allowed to connect two City of Dublin sites listed in Attachment 1, the Dublin Sports Grounds and Butterfly Knoll Park, to the recycled water system. These two sites have a total estimated maximum day demand of 0.12 MGD. DSRSD would be required to monitor supply and demand to ensure sufficient supplies are available to serve these customers and take immediate corrective action to remedy any adverse impacts to existing DERWA customers. Prior to connecting the two sites, DSRSD would execute an agreement with the City of Dublin setting forth conditions for providing recycled water.
- Future Connections – The terms of the agreement would allow for additional customers to be added in the future, subject to supply availability, and agreement by all three parties.

As mentioned above, under the proposed terms of the Second Amendment to the Interim Agreement, DSRSD would also be required to implement an agreement with the City of Dublin requiring the City to implement demand management measures, if needed, to address recycled water shortages during the peak irrigation season. In 2023, with DSRSD’s assistance, the City secured a grant for smart irrigation controllers. The City is currently embarking on a project to install these new controllers at sites that use recycled water and projects being able to offset the added demand from the two “Ready to Connect” sites through increased water use efficiency.

DSRSD staff is supportive of the additional connections because there is existing supply available to serve these additional customers and increasing recycled water usage will further reduce nutrient discharges to San Francisco Bay. Therefore, staff is recommending that the Board authorize the General Manager to negotiate and execute the necessary agreements with DERWA and EBMUD, and the City of Dublin, to amend the connection moratorium to allow these certain identified recycled water sites to be added to the recycled water system.

#### **Discussions with Central San on a Long-term Agreement:**

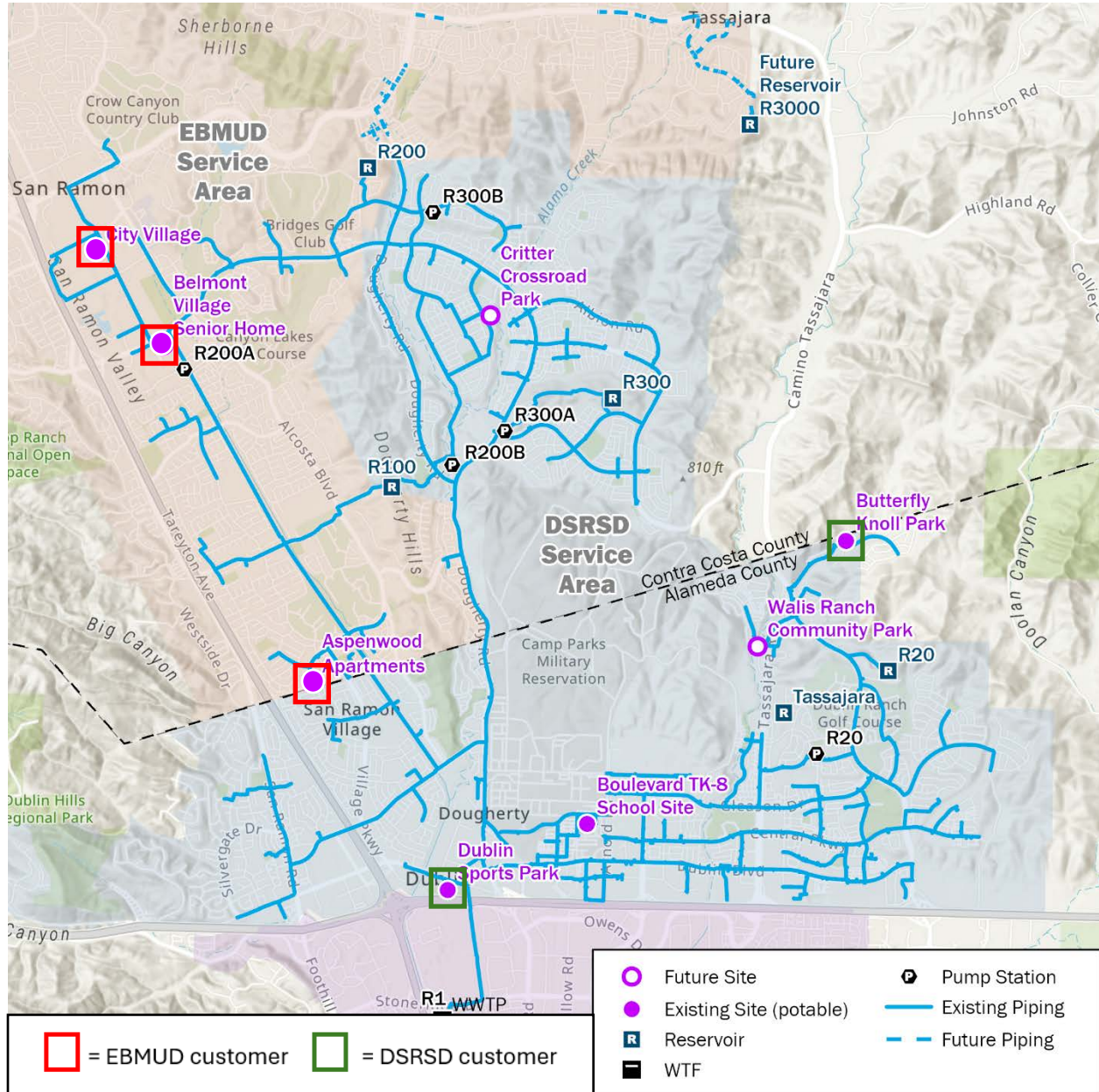
The Supply Plan recommends exploring the option for a long-term partnership with Central San, including the potential to increase the diversion quantity by 2.0 MGD, from 0.7 to 2.7 MGD, which is the current estimated flow to the San Ramon Pumping Station. Changes in the nutrient management regulatory landscape have played a critical factor in Central San’s interest and schedule for developing and implementing a long-term agreement with DERWA. On July 10, 2024, the Regional Water Quality Control Board adopted a National Pollutant Discharge Elimination System permit for nearly all wastewater dischargers in the region, including DSRSD and Central San, which caps nutrient discharges from wastewater treatment plants to the San Francisco Bay at 2022 levels and requires a 40 percent nutrient load reduction over the next ten years. The new permit encourages agencies to pursue multi-benefit programs, such as water recycling, as a strategy for reducing nutrient discharges to the San Francisco Bay.

On August 12, 2024, the DERWA Board of Directors received a presentation from DSRSD, EBMUD, and Central San staff summarizing the process, critical decision points, schedule, and recommended next steps for developing the long-term agreement. The parties are targeting mid-2025 for execution of the long-term agreement. Once executed, the long-term agreement would replace the temporary diversion agreement with Central San and provide the assurance for EBMUD to begin design and construction of future infrastructure needed to connect new customers in EBMUD's service area, which is anticipated to take approximately ten years to complete.

**NEXT STEPS:**

Subject to the DSRSD Board's approval, the General Manager would complete negotiations and execute (1) the Second Amendment to the Interim Agreement with DERWA and EBMUD, and (2) a letter agreement with the City of Dublin outlining the conditions under which City-owned sites could be connected to the recycled water system. DSRSD will also continue to work closely with DERWA, EBMUD, and Central San to support efforts to develop and implement the long-term agreement with Central San and keep the DSRSD Board apprised of progress.

## Proposed EBMUD and DSRSD “Ready to Connect” Recycled Water Customers



Member Agency	Customer Site	Owner	Estimated Connection Schedule	Estimated Average Demand (MGD)	Estimated Max Day Demand (MGD)
EBMUD	Aspenwood Apartments	Private	2025	0.000	0.001
EBMUD	Belmont Village Senior Home	Private	2025	0.001	0.002
EBMUD	City Village	Private	2025	0.015	0.038
DSRSD	Dublin Sports Grounds	City of Dublin	2024	0.043	0.110
DSRSD	Butterfly Knoll Park	City of Dublin	2024	0.004	0.010



# Recycled Water Supply Update

September 17, 2024  
Board of Directors Meeting



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

# Discussion Topics

- Background
- 2024 Supply Update
- Ready to Connect Customers
- Long-Term Supplemental Supply
- Next Steps

# Background

FIRST DELIVERY OF  
RECYCLED WATER



20  
06

NEW  
CONNECTION  
MORATORIUM



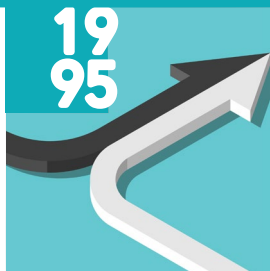
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DERWA SUPPLY  
MANAGEMENT  
PLAN



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DERWA  
FORMATION



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TEMPORARY  
SUPPLEMENTAL  
SUPPLY



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INTERIM  
AGREEMENT FOR  
SUPPLY AND SALE  
OF RECYCLED  
WATER



20  
22

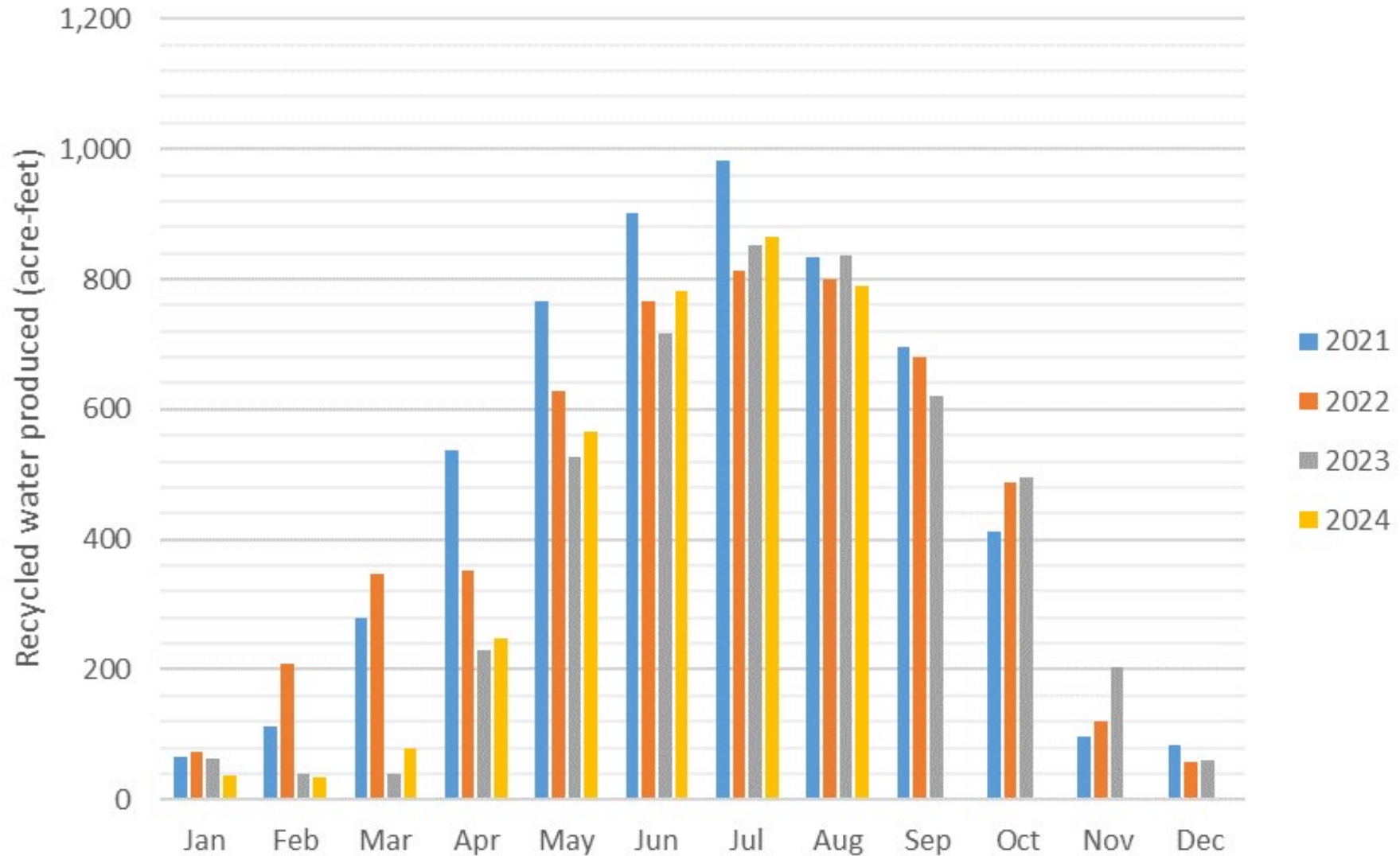
NUTRIENT  
WATERSHED  
PERMIT



20  
24



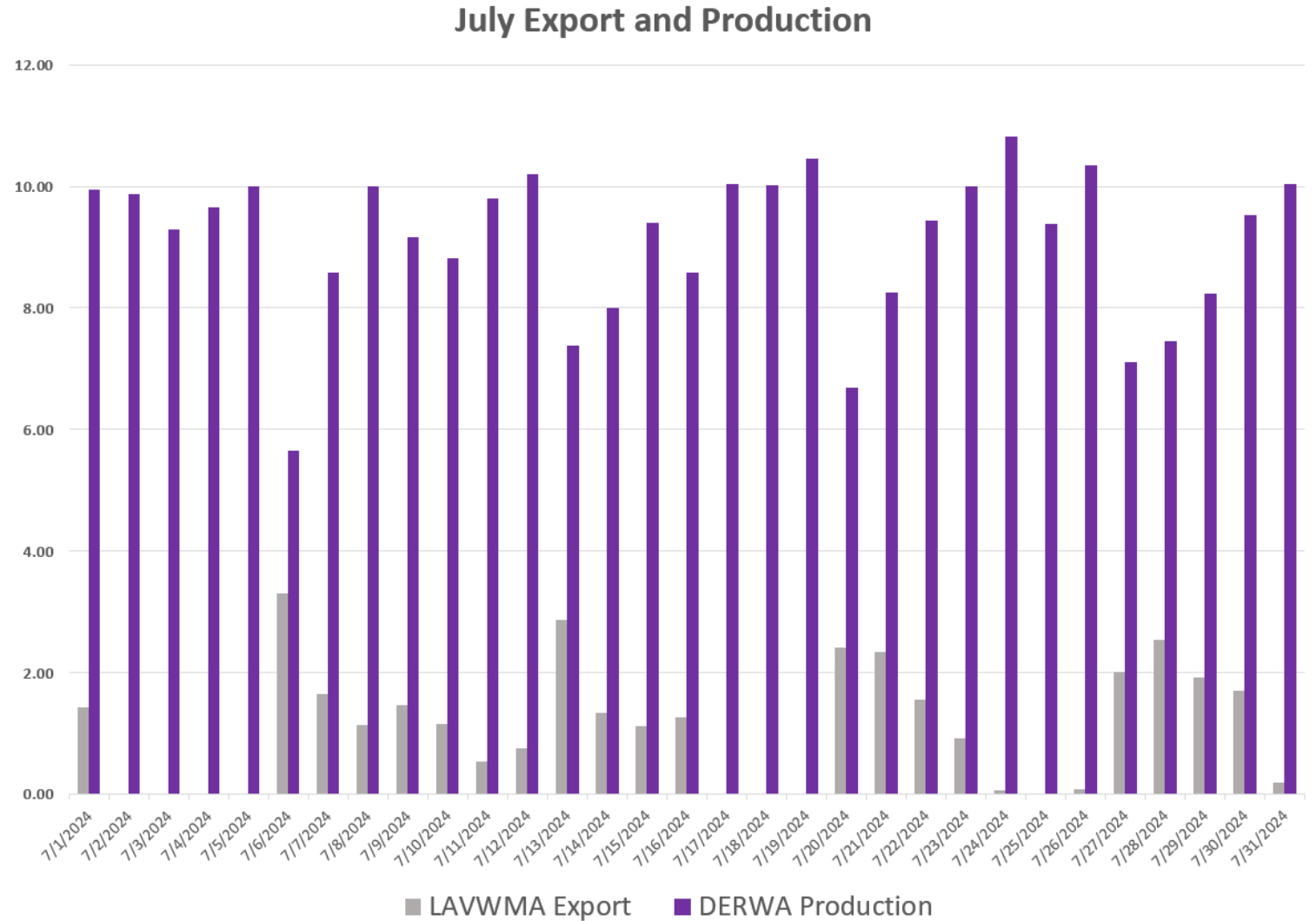
# Annual Demand Graph



# July 2024 Heatwave:

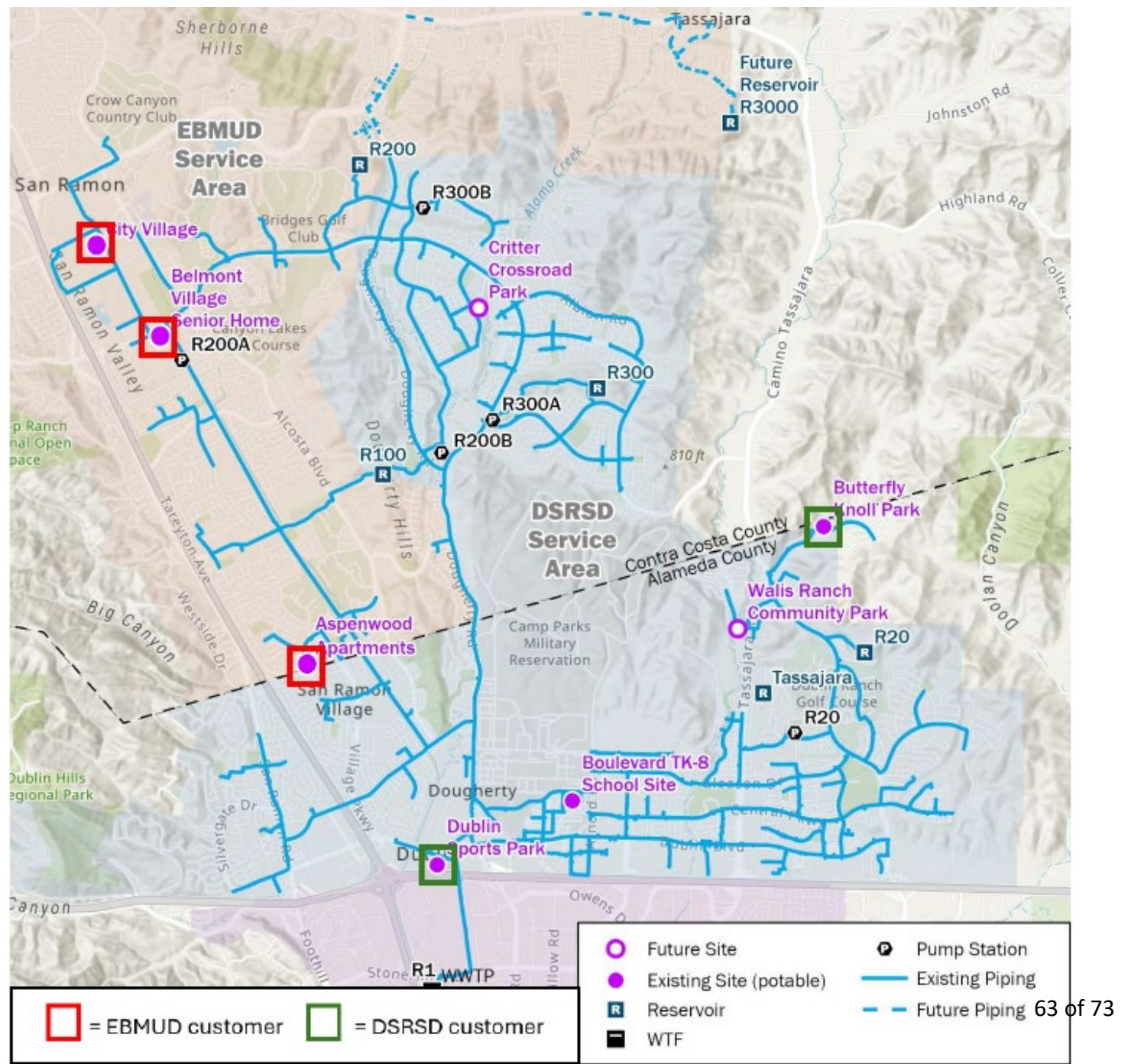
- DERWA  
Production  
Averaged 9.8  
MGD

- LAVWMA  
Export  
Averaged 1.0  
MGD



# Proposed “Ready to Connect” Customers

- Customer sites that can be served by existing infrastructure
- Existing City of Dublin parks already plumbed to receive recycled water



# Proposed “Ready to Connect” Customers

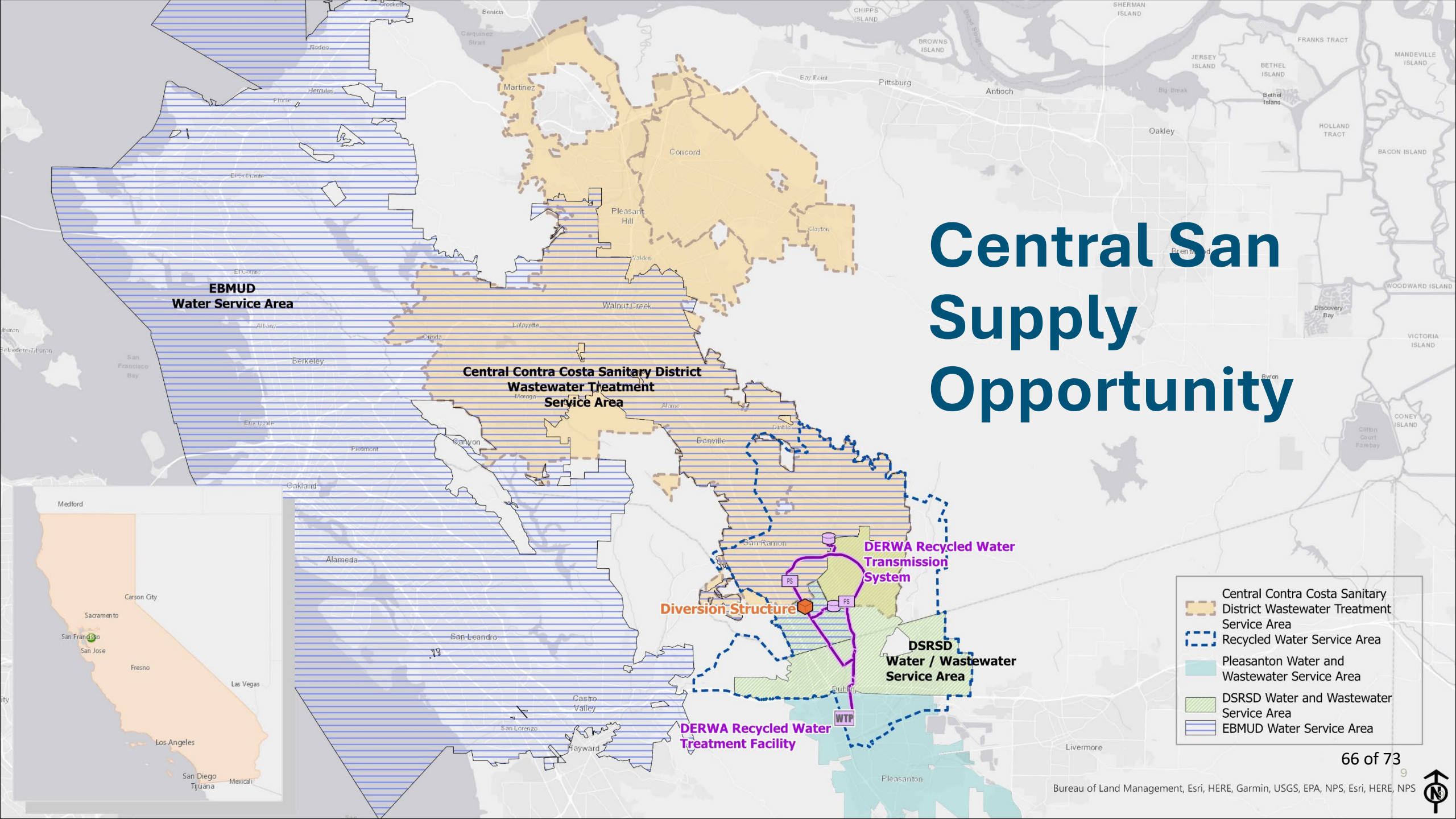
Member Agency Name		Owner	Feasible Timing for Connection	Estimated Demand, Average (MGD)	Estimated Demand, Max Day (MGD)
EBMUD	Aspenwood Apartments	Private	2025	0.000	0.001
EBMUD	Belmont Village Senior Home	Private	2025	0.001	0.002
EBMUD	City Village	Private	2025	0.015	0.038
DSRSD	Dublin Sports Grounds	City of Dublin	2024	0.043	0.11
DSRSD	Butterfly Knoll Park	City of Dublin	2024	0.004	0.01
TOTAL				0.063	0.161



# Key Terms of the “Ready to Connect” Agreements

- Second Amendment to Interim DERWA Supply Agreement
  - EBMUD may connect certain customers
  - DSRSD may connect certain customers provided there are no adverse impacts to existing DERWA customers; adverse impacts must be remedied
  - Prior to connecting City of Dublin customers, DSRSD will execute a letter agreement with City of Dublin setting forth conditions for providing recycled water
  - Subject to supply availability, parties may mutually agree to add more customers
- Letter Agreement between DSRSD and City of Dublin
  - City of Dublin agrees to implement demand management measures, if needed, to address recycled water shortages during peak irrigation season

# Central San Supply Opportunity





# Temporary DERWA-Central San Diversion Project

- Executed agreement in 2019
- Up to 5-year term, expires January 2026
- 0.7 mgd of wastewater diverted to DSRSD collection system during peak irrigation season

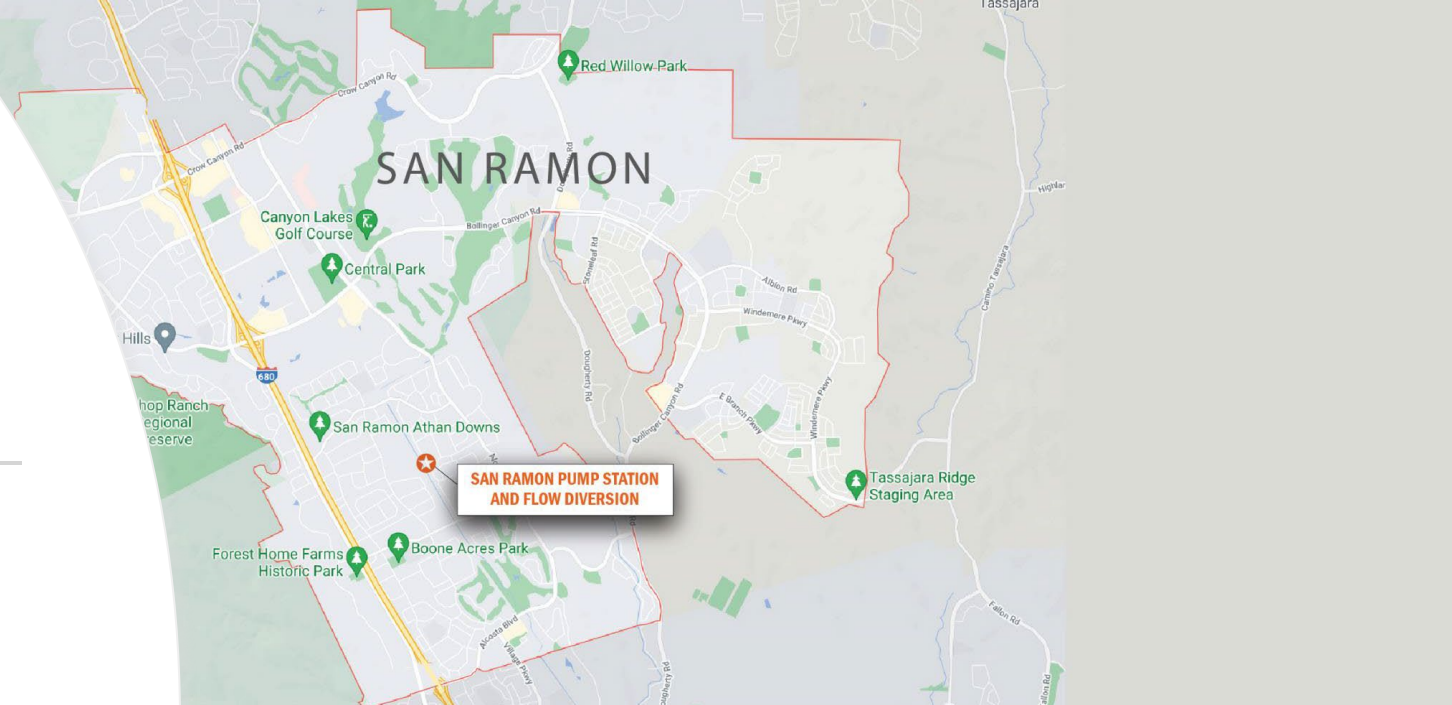


Photo: San Ramon Pumping Station



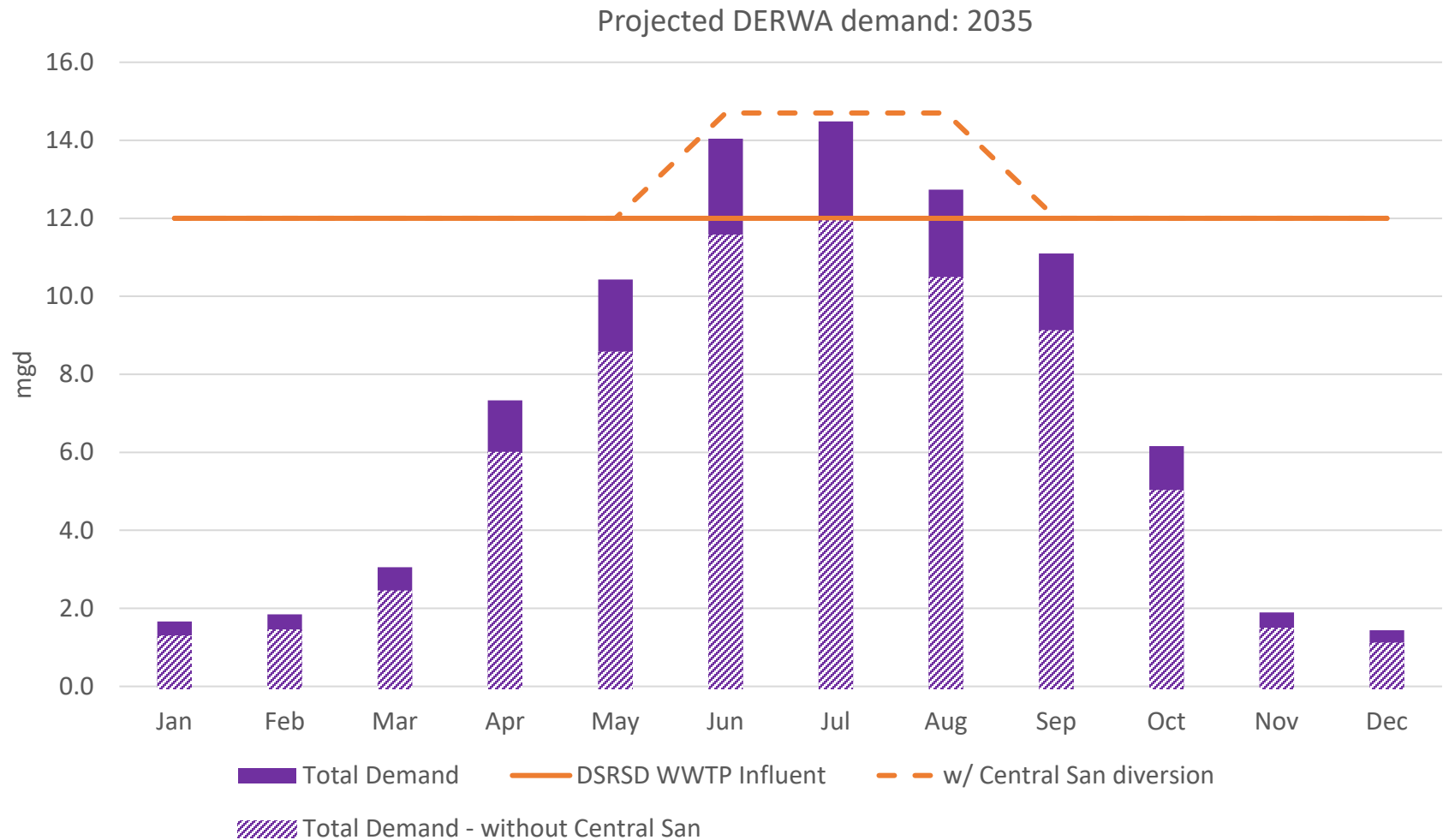
# Long-term Agreement with Central San

## Multiple Benefits



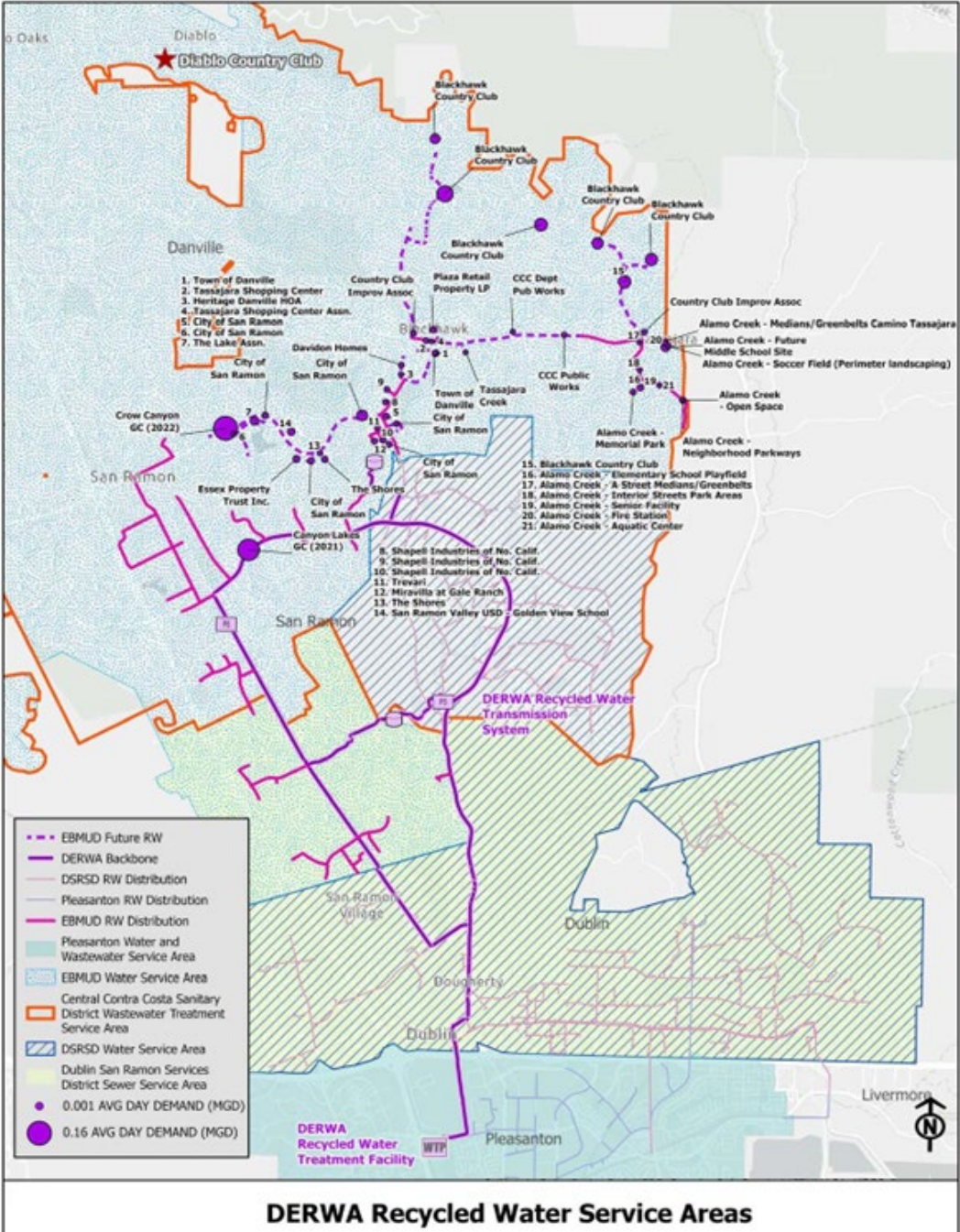
- Improve water resiliency for the region
- Expand recycled water system to reach new customers
- Reduce nutrient discharges to San Francisco Bay

# Diverting wastewater from Central San (2.7 mgd, June-Aug) would enable DERWA to expand its customer base and meet demands for next 10 years





# Future Expansion of the Recycled Water Irrigation System



# Schedule

◆ KEY DECISION POINT

## CENTRAL SAN SUPPLY AGREEMENT

Existing Temporary Agreement

Negotiate Long-term Agreement

## REVISE AND UPDATE DERWA AGREEMENTS

## TECHNICAL STUDIES AND PERMITS

## RECYCLED WATER SYSTEM EXPANSION

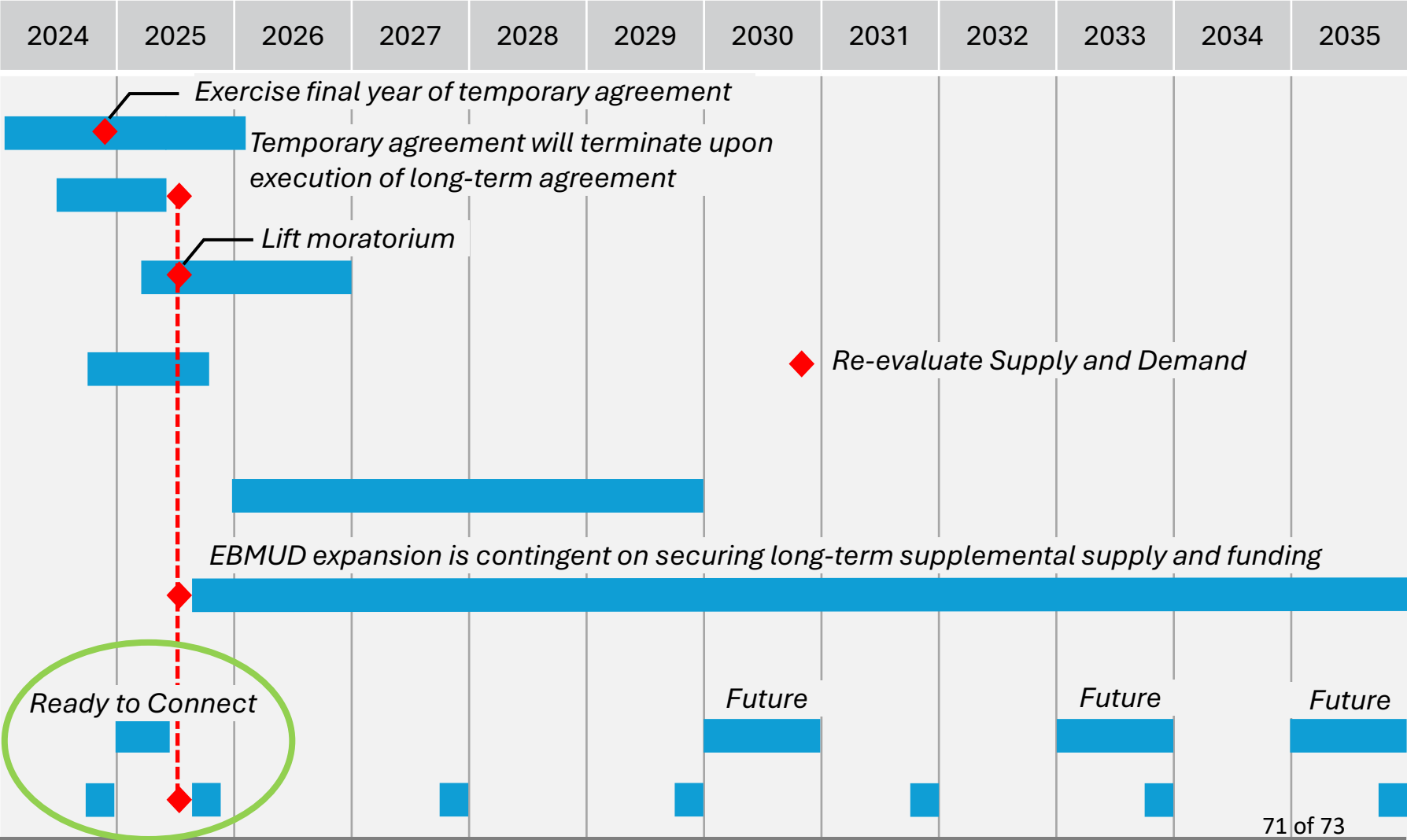
Existing facility improvements  
(if identified)

EBMUD recycled water distribution  
system

## CUSTOMER CONNECTIONS

EBMUD

DSRSD



# NEXT STEPS

- Authorize General Manager to negotiate and execute agreements to add Ready to Connect customers to recycled water system
- Continue multi-agency efforts to develop and implement long-term agreement with Central San



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# Questions?