



# AGENDA

## NOTICE OF REGULAR MEETING

**TIME:** 6 p.m.

**DATE:** Tuesday, January 7, 2025

**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
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 December 17, 2024  
**Recommended Action:** Approve by Motion
  - 7.B. Approve 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 Add the Cisco Network Hardware Replacement Project (CIP 25-A006) and Authorize a Purchase Order with LookingPoint for Cisco Network Hardware  
**Recommended Action:** Approve by Resolution and Authorize by Motion

8. BOARD BUSINESS

- 8.A. Receive Report on Preparing the Board and Staff for Recorded Board Meeting Productions  
**Recommended Action:** Receive Report
- 8.B. Discuss and Approve Board Committee and Joint Powers Authority Assignments for Calendar Year 2025  
**Recommended Action:** Discuss and Approve by Motion
- 8.C. Public Hearing: Second Reading and Adoption of Ordinance Amending District Code Sections 1.20.080, 2.60.030, and 3.20.020 Relating to Infrastructure Responsibilities and Funding; Sections 3.70.040 and 3.70.080 Relating to Wastewater Capacity Reserve Fees; and Sections 5.30.010, 5.30.020, and 5.30.080 Relating to Wastewater Rates and Charges for Nonresidential Users  
**Recommended Action:** Waive Reading by Motion, Hold Public Hearing, and Adopt Ordinance
- 8.D. Approve Agreement for Investment Management Services with Chandler Asset Management, Inc.  
**Recommended Action:** Approve by Motion

9. REPORTS

9.A. Boardmember Items

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

9.B. Staff Reports

10. CLOSED SESSION

- 10.A. Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): Government Claim Dated November 22, 2024, Received from Vyas Family Living Trust
- 10.B. Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Case

11. REPORT FROM CLOSED SESSION

12. ADJOURNMENT

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

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

**December 17, 2024**

**1. CALL TO ORDER**

A regular meeting of the Board of Directors was called to order at 6:01 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; Michelle Gallardo, Interim Administrative Services Director; 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.

**4. BOARD REORGANIZATION**

**4.A. Select and Approve President and Vice President of the Board of Directors for 2025**

President Johnson reviewed the item for the Board.

Director Vonheeder-Leopold MOVED to Nominate and Approve the Selection of Vice President Goel as President of the Board of Directors for 2025. Director Govindarao SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Govindarao MOVED to Nominate and Approve the Selection of Director Halket as Vice President of the Board of Directors for 2025. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES.

Director Johnson passed the gavel to President Goel who then presided over the remainder of the meeting. President Goel presented Director Johnson with an engraved plaque on behalf of the Board and staff that read "In Recognition of Your Dedicated Service and Steadfast Leadership, and in Appreciation For Championing the District's Long-Term Energy Policy as President of the Board of Directors in 2024."

**5. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None**

**6. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:05 p.m. No public comments received.**

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

8. CONSENT CALENDAR

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

- 8.A. Approve Regular Meeting Minutes of November 19, 2024 – Approved
- 8.B. Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 29-24 – Approved – Resolution No. 50-24
- 8.C. Adopt Revised Investment Policy, Rescind Resolution No. 44-23, and Authorize Treasurer to Invest District Funds – Approved – Resolution No. 51-24
- 8.D. Adopt Revised Surplus Personal Property Policy and Rescind Resolution No. 33-18 – Approved – Resolution No. 52-24

9. BOARD BUSINESS

- 9.A. Accept Annual Comprehensive Financial Report with Independent Auditor's Report for Fiscal Year Ended June 30, 2024, and Memorandum on Internal Control and Required Communications for Fiscal Year Ended June 30, 2024

Finance Director Spray reviewed the item for the Board and introduced Whitney Crockett, a partner with MAZE & Associates, the firm that conducted the audit. Ms. Crockett gave a presentation (handed out to the Board and posted to the website as supplemental materials). She stated the District received a clean opinion which is the highest level of assurance that an agency can receive. She highlighted the sections in the report showing the opinion, changes from last year, and findings. She also complimented the efforts of the District's Finance Department staff.

The Board and staff discussed various aspects of the report including the reduction of capacity reserve fees due to the slowing of developer projects, the prior year balance adjustments related to capital assets and accounts receivables, and improved timeliness for bank and utility billing reconciliations.

Director Vonheeder-Leopold MOVED to Accept the Annual Comprehensive Financial Report with Independent Auditor's Report for Fiscal Year Ended June 30, 2024, and Memorandum on Internal Control and Required Communications for Fiscal Year Ended June 30, 2024. Director Govindarao SECONDED the MOTION, which CARRIED with FIVE AYES.

- 9.B. First Reading of Ordinance Amending District Code Sections 1.20.080, 2.60.030, and 3.20.020 Relating to Infrastructure Responsibilities and Funding; Sections 3.70.040 and 3.70.080 Relating to Wastewater Capacity Reserve Fees; and Sections 5.30.010, 5.30.020, and 5.30.080 Relating to Wastewater Rates and Charges for Nonresidential Users

President Goel read the title of the ordinance.

Director Vonheeder-Leopold MOVED to Waive Reading of Ordinance. Director Govindarao SECONDED the MOTION, which CARRIED with FIVE AYES.

Management Analyst Vivian Chiu reviewed the item for the Board. Director Govindarao inquired if adoption of the ordinance requires two readings which staff confirmed.

Director Johnson MOVED to Schedule Adoption of the Ordinance for January 7, 2025. Director Govindarao SECONDED the MOTION, which CARRIED with FIVE AYES.

9.C. Discuss Board Committee and Joint Powers Authority Assignments for Calendar Year 2025

General Manager Lee reviewed the item for the Board. President Goel stated he will consider succession planning when determining next year's assignments but welcomes input from the Directors. The Directors stated they were pleased with their current assignments but are open to any changes President Goel proposes.

10. REPORTS

10.A. Boardmember Items

10.A.1. Joint Powers Authority and Committee Reports  
LAVWMA Board Meeting of November 20, 2024  
DERWA Board Meeting of December 9, 2024

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

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

Director Vonheeder-Leopold submitted a written report to Executive Services Supervisor/District Secretary Genzale. She reported that she attended the virtual California Association of Sanitation Agencies Board of Directors meeting on November 20. She summarized the activities and discussions at the meeting.

10.A.3. Request New Agenda Item(s) for a Future Board or Committee Agenda – None

10.B. Staff Reports – None

11. CLOSED SESSION

At 6:40 p.m. the Board went into Closed Session.

11.A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957  
Title: General Manager

11.B. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6  
Agency Designated Representative: Douglas E. Coty, General Counsel  
Unrepresented Employee: General Manager

12. REPORT FROM CLOSED SESSION

At 8:32 p.m. the Board came out of Closed Session. President Goel announced that there was no reportable action.

13. ADJOURNMENT

President Goel adjourned the meeting at 8:32 p.m.

Submitted by,

Nicole Genzale, CMC  
Executive Services Supervisor/District Secretary



**TITLE:** Approve 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 Add the Cisco Network Hardware Replacement Project (CIP 25-A006) and Authorize a Purchase Order with LookingPoint for Cisco Network Hardware

**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 add the Cisco Network Hardware Replacement Project (CIP 25-A006) (Project).
2. Authorize, by Motion, the General Manager to execute a purchase order with LookingPoint for the purchase of Cisco network hardware in an amount not to exceed \$177,295.

**SUMMARY:**

The adopted CIP budget for fiscal years 2024 and 2025 includes the Information Systems Replacement Program (CIP 00-A006) to fund information technology projects related to wide area, industrial, and business network infrastructure, and security needs. In accordance with the Budget Accountability policy, staff recommends (1) creating a project out of the Information Systems Replacement Program (CIP 00-A006) in the amount of \$218,000 to replace network infrastructure that is over 10 years old and at or near the end of its useful life, and (2) authorizing the General Manager to execute a purchase order in an amount not to exceed \$177,295 with LookingPoint for the Cisco replacement network equipment. There is sufficient budget in the CIP to fund the creation of the Project and purchase the Cisco replacement network equipment. The fiscal years 2024 and 2025 fund budgets will remain as adopted.

**DISCUSSION:**

DSRSD's network infrastructure is critical for providing safe, efficient, and reliable water and wastewater services to the community. From managing water distribution and wastewater treatment to the day-to-day office work, the network supports every aspect of DSRSD's operations. DSRSD's Cisco network hardware, installed in 2012, has reliably supported these services for over a decade but is now reaching the end of its useful life. Replacing this aging hardware will ensure continued reliability, enhanced cybersecurity, and improved capacity to meet current and future operational needs.

**Cisco Network Hardware Replacement Project (CIP 25-A006):**

The CIP Ten-Year Plan for Fiscal Years 2024 through 2033 and Two-Year Budget for Fiscal Years 2024 and 2025 includes both projects and programs approved by the Board on June 20, 2023. A CIP program sets aside money to fund projects that are anticipated but may not yet have a definitive scope and budget at the time the CIP is prepared. Once a specific scope of work and budget is developed, a project can be created from the CIP program. The Budget Accountability policy requires Board approval to create a project from a program over \$175,000.

The Information Systems Replacement Program (CIP 00-A006) (Program) sets aside annual funding to meet the District's Information Systems asset replacement requirements. Staff are proposing to create the Cisco Network Hardware Replacement Project (CIP 25-A006) from the Program to replace the end-of-life Cisco network hardware. The Program

Originating Department: Engineering and Technical Services	Contact: A. Bahloul/S. Delight	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: \$218,000 with 11% Local Wastewater Replacement (Fund 210), 47% Regional Wastewater Replacement (Fund 310), and 42% Water Replacement (Fund 610)	
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)		7 of 68

has an adopted fiscal year 2025 budget of \$560,000, which includes funding for the proposed Project.

The proposed \$218,000 project budget includes the purchase of Cisco products and District in-house labor to complete the installation. The Project will be 11% funded by the Local Wastewater Replacement (Fund 210), 47% funded by the Regional Wastewater Replacement (Fund 310), and 42% funded by the Water Replacement (Fund 610). The adopted fund budgets for each fund for fiscal year 2025 have sufficient funding to cover the Project and remain as adopted.

**Purchase of Cisco Replacement Network Equipment:**

On December 10, 2024, staff solicited a Request for Quotations (RFQ) for the purchase of Cisco replacement network equipment from Cisco authorized resellers. On December 24, 2024, quotes were received from two vendors. Staff reviewed the quotes, and each met the requirements outlined in the RFQ. LookingPoint provided the lowest cost quote as summarized in the table below.

<b>Vendor Name</b>	<b>Total Price (Includes Taxes and Shipping)</b>
Insight	\$193,511.32
LookingPoint	\$177,920.75

Staff recommends the Board authorize the General Manager to execute a purchase order with LookingPoint in an amount not to exceed \$177,925.

**Next Steps:**

If the Board approves the staff recommendations, staff will place the order with LookingPoint and estimates the equipment will arrive in February 2025. Staff anticipates being able to complete the Project by the end of fiscal year 2025.

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 ADD THE CISCO NETWORK HARDWARE REPLACEMENT PROJECT (CIP 25-A006)

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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 fund budgets for fiscal years 2024 and 2025 to meet the District's capital infrastructure needs; and

WHEREAS, the CIP Budget includes the Information Systems Replacement Program (CIP 00-A006) to fund information technology projects related to wide area, industrial and business network infrastructure and security needs, with an adopted fiscal year 2025 budget of \$560,000; and

WHEREAS, in accordance with the Budget Accountability policy, staff recommends creating the Cisco Network Hardware Replacement Project (CIP 25-A006) from the Information Systems Replacement Program (CIP 00-A006) to replace all DSRSD Business network Cisco routers, switches and a portion of the SCADA network switches, and adding it to the CIP; and

WHEREAS, the project cost is \$218,000 for fiscal year 2025, with funding allocated from Local Wastewater Replacement (Fund 210), Regional Wastewater Replacement (Fund 310), and Water Replacement (Fund 610); and

WHEREAS, the fund budgets for Fiscal Years 2024 and 2025 remain as adopted.

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

The Cisco Network Hardware Replacement Project (CIP 25-A006) is hereby added into the CIP Ten-Year Plan for Fiscal Years 2024 through 2033 and the CIP Two-Year Budget for Fiscal Years 2024 and 2025 in accordance with the project description sheet attached as Exhibit "A."

\*\*\*\*\*

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 7th day of January, 2025, and passed by the following vote:

AYES:

NOES:

ABSENT:

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Arun Goel, President

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

**DSRSD CIP 10-Year Plan for FYEs 2024 through 2033****CATEGORY: GENERAL****Regional Wastewater Replacement (Fund 310)****CIP No. 25-A006 Cisco Network Hardware Replacement**Funding Allocation: 47% **310**      42% **610**      11% **210****Project Manager:** Aomar Bahloul**Status:** New Project**Project Summary:**

This project will replace all DSRSD Business network Cisco routers and switches, as well as some SCADA network switches at the DO, FOF, and WWTP facilities. Some equipment has already reached the end of its useful life with more expected by October 2025.

**Anticipated CEQA:** Not a project under CEQA [CEQA Guideline 15378].**Reference:** N/A**Fund Allocation Basis:** Based on employee allocation.**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
0	0	218,000	0	0	0	0	0	0	0	0	0

**Total Estimated Project Cost** **\$218,000**Current Adopted Budget **\$0**Increase/(Decrease) **\$218,000**



**TITLE:** Receive Report on Preparing the Board and Staff for Recorded Board Meeting Productions

**RECOMMENDATION:**

Staff recommends the Board of Directors receive a report on preparing the Board of Directors and staff for recorded Board meeting productions.

**DISCUSSION:**

At the October 15, 2024 Board meeting, staff provided a report on video production of Board meetings and the intent to begin posting recorded meetings to the District's website beginning with the second regular Board meeting of calendar year 2025. As such, staff, along with General Counsel, will be providing the Board with information on both logistics of such video productions, as well as some best practices for the Board and staff to consider when participating in recorded public meetings.

Originating Department: Office of the General Manager	Contact: M. Gallardo/D. Coty	Legal Review: Yes
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 type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Tips and Tricks for On-Camera Meetings	



# Tips and Tricks for on-camera meetings

- 1** You don't need to look directly into the camera, but be aware of camera locations and angles.
- 2** Keep your focus on the meeting procedures.
- 3** Be mindful of facial expressions and posture. Some people's resting faces look displeased and others' facial expressions are very telling. It's okay to smile! 😊
- 4** Share only what you would tell everyone. Since meeting recordings will be posted and can be easily shared, consider your comments accordingly.
- 5** Make sure your mic is on when you need it and off when you don't. Speak clearly and directly into the mic so that everyone in the room can hear you.
- 6** Take a breath or pause slightly before you speak. This will also help avoid people speaking over each other, which can be confusing to remote viewers.
- 7** Slow down slightly, enunciate, and avoid jargon. People will have a better time understanding you at home (and in the room, too).
- 8** Minimize tabletop movement when speaking. Don't shuffle things or put your hands down when your mic is on as it can cause loud mic noises.

**Avoid:**



water bottles



loud prints or colors



cell phone use



**TITLE:** Discuss and Approve Board Committee and Joint Powers Authority Assignments for Calendar Year 2025

**RECOMMENDATION:**

Staff recommends the Board of Directors discuss and approve, by Motion, the Board President's recommendation for the 2025 Board Committee structure, assignments (including Joint Powers Authority assignments), and mission statements.

**SUMMARY:**

On December 17, 2024, the Boardmembers held an initial discussion of their assignments to the various Committees and Joint Powers Authorities (JPAs) and provided preliminary input of their preferences to President Goel, who has considered their inputs for his recommendation. The Board has two options: (1) approve the Board President's recommended structure and assignments or (2) approve an alternate structure and assignments, for which an updated 2025 Committee/JPA Assignments and Mission Statements document will be completed by staff and deemed final.

**DISCUSSION:**

In December of each year, the Board discusses the Board Committee structure and mission statements, and the Boardmember assignments, as primary or alternate members, to the various Board Committees and Joint Powers Authorities (JPA) in accordance with the process set forth in the Guidelines for Conducting District Business policy, provides input for the newly selected Board President, and considers the President's proposal. Liaison Committees enable the Board to receive information from other agencies and to convey the Board's policy positions to those agencies, whereas Joint Powers Authorities are formal and permanent interagency partnerships governed by state law and interagency agreements. DSRSD is a party to two of these JPAs: DSRSD-EBMUD Recycled Water Authority (DERWA) and Livermore-Amador Valley Water Management Agency (LAVWMA).

There are seven bodies on the 2024 Committee/JPA Assignments and Mission Statements document. Although the City of San Ramon Liaison and Central Contra Costa Sanitary District (Central San) Liaison meet separately, the historical practice has been to group these two Liaison Committees together on the Committee/JPA Assignments and Mission Statements document and assign the same representatives for both Liaison Committees given the similarity in topics covered.

- Tri-Valley Water Liaison
- Zone 7 Water Agency Liaison
- City of Dublin Liaison
- City of Pleasanton Liaison
- City of San Ramon Liaison and Central Contra Costa Sanitary District (Central San) Liaison
- DSRSD-EBMUD Recycled Water Authority (DERWA)
- Livermore-Amador Valley Water Management Agency (LAVWMA)

The Liaison Committees meet on dates coordinated with the other agencies. In 2024, five Liaison Committee meetings were held: one for Tri-Valley Water, two with City of Dublin, one with City of Pleasanton, and one with Central San.

The JPAs meet on the predesignated schedules determined by the JPAs. DERWA meets on the first Monday of February, fourth Monday of April and September, and second Monday in December. LAVWMA meets on the third Wednesday of February, May, August, and November. In addition, JPAs hold special meetings as needed.

Originating Department: Office of the General Manager	Contact: V. Chiu/J. Lee	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: \$195 per Boardmember per day of service from Administrative Cost Center (Fund 900)	
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 – Proposed 2025 Committee/JPA Assignments and Mission Statements Attachment 2 – Draft FPPC Form 806	

The Board is not limited to the existing Liaison Committees and can create new committees specific to a major topic of importance in accordance with Section 2(c) of the Guidelines for Conducting District Business policy:

***Guidelines for Establishing Committees.*** *If so desired, the President will propose a set of standing Board Committees at the start of the term, as well as propose which Directors are to serve on each Committee, per this traditional process:*

- *At the meeting at which the President is elected, the President asks the Directors to provide input on which Committees they might be interested in serving.*
- *At the following meeting, the President proposes a set of standing Committees and membership (including alternates) for each Committee.*
- *The Board considers the President's proposal by Motion.*
- *The Committee term traditionally begins January 1, or shortly thereafter, as feasible.*

Staff recommends, with the concurrence of the Board President, having the same representatives for the Tri-Valley Water Liaison and Zone 7 Water Agency Liaison Committees, following the arrangement of the City of San Ramon and Central San Liaison Committees, after taking into account the frequency of meetings and similarity of topics covered. This results in four Liaison Committees and two JPA bodies for 2025. In addition, changes are being proposed to the alternates for the Dublin and San Ramon/Central San Liaison Committees and DERWA JPA.

Table 1 shows the current 2024 assignments. Table 2 shows the proposed 2025 structure and assignments being recommended by the Board President:

**Table 1 – Current 2024 Assignments**

Name (ordered by Board officers rotation)	Tri-Valley	Dublin	Pleasanton	San Ramon/ Central San	Zone 7	DERWA	LAVWMA	Total M's
President Goel		<b>M</b>	A		<b>M</b>	A	<b>M</b>	<b>3</b>
Vice President Halket	<b>M</b>		<b>M</b>	A	<b>M</b>		A	<b>3</b>
Director Govindarao		A	<b>M</b>	<b>M</b>			<b>M</b>	<b>3</b>
Director Vonheeder-Leopold	<b>M</b>	<b>M</b>			A	<b>M</b>		<b>3</b>
Director Johnson	A			<b>M</b>		<b>M</b>		<b>2</b>

M = Member A = Alternate

**Table 2 – Proposed 2025 Assignments**

Name (ordered by Board officers rotation)	Tri-Valley/ Zone 7	Dublin	Pleasanton	San Ramon/ Central San	DERWA	LAVWMA	Total M's
President Goel	<b>M</b>	<b>M</b>	A			<b>M</b>	<b>3</b>
Vice President Halket	<b>M</b>	A	<b>M</b>		A	A	<b>2</b>
Director Govindarao			<b>M</b>	<b>M</b>		<b>M</b>	<b>3</b>
Director Vonheeder-Leopold		<b>M</b>		A	<b>M</b>		<b>2</b>
Director Johnson	A			<b>M</b>	<b>M</b>		<b>2</b>

M = Member A = Alternate Blue shading = Updated fields

Attendance in a policy maker role at Committee and JPA meetings is eligible for Director compensation of \$195 per day of service, up to 10 days per month, under the Director Compensable Activities policy. In accordance with Regulation 18702.5 of the Fair Political Practices Commission (FPPC), the District must post on its website the FPPC Form 806 (Agency Report of Public Official Appointments) to report additional compensation that officials receive when appointing themselves to positions on committees, boards, or commissions of another public agency or to a committee or position of the agency of which the public official is a member. The form must be posted prior to a vote to appoint a Boardmember if the appointee will participate in the decision and the appointment results in additional compensation to the appointee. Attachment 2 is a draft Form 806 reflecting the proposed 2025 assignments in Table 2.

Staff will finalize and post the 2025 Committee/JPA Assignments and Mission Statements document and Form 806 according to the Board action at this meeting.

**PROPOSED 2025 COMMITTEE/JPA ASSIGNMENTS AND MISSION STATEMENTS**

<b>TRI-VALLEY WATER LIAISON COMMITTEE</b> <b>ZONE 7 WATER AGENCY LIAISON COMMITTEE</b>			
Members:	Goel, Halket	Alternate:	Johnson
Committee Mission:	The mission of the Tri-Valley Water Liaison Committee is to confer and coordinate multi-agency efforts and programs that focus on Tri-Valley water issues. The participating agencies are: DSRSD, Zone 7 Water Agency, California Water Services Company, and the cities of Dublin, Livermore, Pleasanton and San Ramon. The mission of the Zone 7 Water Agency (Zone 7) Liaison Committee is to confer and coordinate programs that focus on the District's service from, relationship with, and communication with Zone 7.		
Type of Committee Meeting Schedule:	Liaison. Liaison to Tri-Valley water agencies and Zone 7. Tri-Valley meetings are held twice a year when mutually agreed upon by the participating agencies. Zone 7 meetings are held when needed, on the afternoon of Board meeting dates when possible, or when mutually agreed upon by Zone 7 and DSRSD.		

<b>CITY OF DUBLIN LIAISON COMMITTEE</b>			
Members:	Goel, Vonheeder-Leopold	Alternate:	Halket
Committee Mission:	The mission of the City of Dublin Liaison Committee is to confer and coordinate on programs that focus on the District's service to, relationship with, and communication with all of our customers in Dublin, including residents, businesses, schools (including Dublin Unified School District), and major institutional customers.		
Type of Committee Meeting Schedule:	Liaison. Liaison to City of Dublin. Meetings are held twice a year, on the afternoon of Board meeting dates when possible, or when mutually agreed upon by the participating agencies.		

<b>CITY OF PLEASANTON LIAISON COMMITTEE</b>			
Members:	Govindarao, Halket	Alternate:	Goel
Committee Mission:	The mission of the City of Pleasanton Liaison Committee is to confer and coordinate on programs that focus on the District's service to, relationship with, and communication with Pleasanton.		
Type of Committee Meeting Schedule:	Liaison. Liaison to City of Pleasanton. Meetings are held twice a year or when needed, on the afternoon of Board meeting dates when possible, or when mutually agreed upon by the participating agencies.		

<b>CITY OF SAN RAMON LIAISON COMMITTEE</b> <b>CENTRAL CONTRA COSTA SANITARY DISTRICT LIAISON COMMITTEE</b>			
Members:	Govindarao, Johnson	Alternate:	Vonheeder-Leopold
Committee Mission:	The mission of the City of San Ramon Liaison Committee and the Central Contra Costa Sanitary District Liaison Committee is to confer and coordinate on programs that focus on the District's service to, relationship with, and communication with all of our customers in San Ramon, including residents, businesses, schools (including San Ramon Valley Unified School District), and major institutional customers.		
Type of Committee Meeting Schedule:	Liaison. Liaison to City of San Ramon and Central Contra Costa Sanitary District. Meetings are held annually or held when needed, on the afternoon of Board meeting dates when possible, or when mutually agreed upon by the participating agencies.		

<b>DERWA JPA</b>			
Members:	Johnson, Vonheeder-Leopold	Alternate:	Halket
JPA Mission:	The DSRSD-EBMUD Recycled Water Authority (DERWA) is a Joint Powers Authority that was formed in 1995 between DSRSD and EBMUD. DERWA's mission is to provide a safe, reliable, and consistent supply of recycled water, and to maximize the amount of recycled water delivered. The San Ramon Valley Recycled Water Program (SRVRWP) was created in 1995 and currently provides recycled water to customers in Dublin and San Ramon. Future phases will extend recycled water delivery to portions of Blackhawk and Danville.		
Type of Body Meeting Schedule:	Legislative. Board meetings are held on the first Monday of February, fourth Monday of April and September, and second Monday of December.		

<b>LAVWMA JPA</b>			
Members:	Goel, Govindarao	Alternate:	Halket
JPA Mission:	The Livermore-Amador Valley Water Management Agency (LAVWMA) is a Joint Powers Agency created in 1974 by the cities of Livermore and Pleasanton and the Dublin San Ramon Services District for the purpose of discharging their treated wastewater to San Francisco Bay. Operations began in September 1979 with expansions in 1983, 1987 and 2003 bringing it to its current maximum discharge capacity of 41.2 mgd. The wastewater is conveyed via a 16-mile pipeline from Pleasanton to San Leandro and enters the East Bay Dischargers Authority (EBDA) system for dechlorination and discharge through a deepwater outfall to the San Francisco Bay.		
Type of Body Meeting Schedule:	Legislative. Board meetings are held quarterly on the third Wednesday of February, May, August, and November.		

**Agency Report of:  
Public Official Appointments**
**A Public Document**

<b>1. Agency Name</b> Dublin San Ramon Services District <b>Division, Department, or Region (If Applicable)</b>		<b>California Form 806</b> For Official Use Only	
<b>Designated Agency Contact (Name, Title)</b> Nicole Genzale, District Secretary		<b>Date Posted:</b> Page <u>1</u> of <u>3</u> 1/8/25 <small>(Month, Day, Year)</small>	
<b>Area Code/Phone Number</b> 925-875-2203	<b>E-mail</b> genzale@dssrd.com		

**2. Appointments**

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
Tri-Valley Water and Zone 7 Water Agency Liaison Committees	<b>►Name</b> Goel, Arun <small>(Last, First)</small>  <b>Johnson, Ann Marie</b> <small>Alternate, if any</small> <small>(Last, First)</small>	<b>► 1 / 7 / 25</b> <small>Appt Date</small>  <b>12 months</b> <small>Length of Term</small>	<b>► Per Meeting:</b> \$ <u>195</u>  <b>► Estimated Annual:</b> <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>Other</u>
Tri-Valley Water and Zone 7 Water Agency Liaison Committees	<b>►Name</b> Halket, Richard <small>(Last, First)</small>  <b>Johnson, Ann Marie</b> <small>Alternate, if any</small> <small>(Last, First)</small>	<b>► 1 / 7 / 25</b> <small>Appt Date</small>  <b>12 months</b> <small>Length of Term</small>	<b>► Per Meeting:</b> \$ <u>195</u>  <b>► Estimated Annual:</b> <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>Other</u>
City of Dublin Liaison Committee	<b>►Name</b> Goel, Arun <small>(Last, First)</small>  <b>Halket, Richard</b> <small>Alternate, if any</small> <small>(Last, First)</small>	<b>► 1 / 7 / 25</b> <small>Appt Date</small>  <b>12 months</b> <small>Length of Term</small>	<b>► Per Meeting:</b> \$ <u>195</u>  <b>► Estimated Annual:</b> <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>Other</u>
City of Dublin Liaison Committee	<b>►Name</b> Vonheeder-Leopold, Georangean <small>(Last, First)</small>  <b>Halket, Richard</b> <small>Alternate, if any</small> <small>(Last, First)</small>	<b>► 1 / 7 / 25</b> <small>Appt Date</small>  <b>12 months</b> <small>Length of Term</small>	<b>► Per Meeting:</b> \$ <u>195</u>  <b>► Estimated Annual:</b> <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> <u>Other</u>

**3. Verification**

I have read and understand FPPC Regulation 18702.5. I have verified that the appointment and information identified above is true to the best of my information and belief.

Nicole Genzale

 District Secretary /  
 Executive Services Supervisor

1/8/25

Signature of Agency Head or Designee

Print Name

Title

(Month, Day, Year)

Comment:

**Agency Report of:  
Public Official Appointments  
Continuation Sheet**

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**1. Agency Name**

Dublin San Ramon Services District

Date Posted: 1/8/25  
(Month, Day, Year)

**2. Appointments**

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
City of Pleasanton Liaison Committee	<p>► Name <u>Govindarao, Dinesh</u> (Last, First)</p> <p>Alternate, if any <u>Goel, Arun</u> (Last, First)</p>	<p>► <u>1 / 7 / 25</u> Appt Date</p> <p>► <u>12 months</u> Length of Term</p>	<p>► Per Meeting: \$ <u>195</u></p> <p>► Estimated Annual:</p> <p><input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
City of Pleasanton Liaison Committee	<p>► Name <u>Halket, Richard</u> (Last, First)</p> <p>Alternate, if any <u>Goel, Arun</u> (Last, First)</p>	<p>► <u>1 / 7 / 25</u> Appt Date</p> <p>► <u>12 months</u> Length of Term</p>	<p>► Per Meeting: \$ <u>195</u></p> <p>► Estimated Annual:</p> <p><input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
City of San Ramon and Central Contra Costa Sanitary District Liaison Committees	<p>► Name <u>Govindarao, Dinesh</u> (Last, First)</p> <p>Alternate, if any <u>Vonheeder-Leopold, Georangean</u> (Last, First)</p>	<p>► <u>1 / 7 / 25</u> Appt Date</p> <p>► <u>12 months</u> Length of Term</p>	<p>► Per Meeting: \$ <u>195</u></p> <p>► Estimated Annual:</p> <p><input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
City of San Ramon and Central Contra Costa Sanitary District Liaison Committees	<p>► Name <u>Johnson, Ann Marie</u> (Last, First)</p> <p>Alternate, if any <u>Vonheeder-Leopold, Georangean</u> (Last, First)</p>	<p>► <u>1 / 7 / 25</u> Appt Date</p> <p>► <u>12 months</u> Length of Term</p>	<p>► Per Meeting: \$ <u>195</u></p> <p>► Estimated Annual:</p> <p><input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
DERWA (DSRSD-EBMUD Recycled Water Authority)	<p>► Name <u>Johnson, Ann Marie</u> (Last, First)</p> <p>Alternate, if any <u>Halket, Richard</u> (Last, First)</p>	<p>► <u>1 / 7 / 25</u> Appt Date</p> <p>► <u>12 months</u> Length of Term</p>	<p>► Per Meeting: \$ <u>195</u></p> <p>► Estimated Annual:</p> <p><input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
DERWA (DSRSD-EBMUD Recycled Water Authority)	<p>► Name <u>Vonheeder-Leopold, Georangean</u> (Last, First)</p> <p>Alternate, if any <u>Halket, Richard</u> (Last, First)</p>	<p>► <u>1 / 7 / 25</u> Appt Date</p> <p>► <u>12 months</u> Length of Term</p>	<p>► Per Meeting: \$ <u>195</u></p> <p>► Estimated Annual:</p> <p><input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>

**Agency Report of:  
Public Official Appointments  
Continuation Sheet**

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**1. Agency Name**

Dublin San Ramon Services District

Date Posted: 1/8/25  
(Month, Day, Year)

**2. Appointments**

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
LAVWMA (Livermore-Amador Valley Water Management Agency)	<p>► Name <u>Goel, Arun</u> (Last, First)</p> <p>Alternate, if any <u>Halket, Richard</u> (Last, First)</p>	<p>► <u>1 / 7 / 25</u> Appt Date</p> <p>► <u>12 months</u> Length of Term</p>	<p>► Per Meeting: \$ <u>195</u></p> <p>► Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
LAVWMA (Livermore-Amador Valley Water Management Agency)	<p>► Name <u>Govindarao, Dinesh</u> (Last, First)</p> <p>Alternate, if any <u>Halket, Richard</u> (Last, First)</p>	<p>► <u>1 / 7 / 25</u> Appt Date</p> <p>► <u>12 months</u> Length of Term</p>	<p>► Per Meeting: \$ <u>195</u></p> <p>► Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
	<p>► Name _____ (Last, First)</p> <p>Alternate, if any _____ (Last, First)</p>	<p>► / / _____ Appt Date</p> <p>► _____ Length of Term</p>	<p>► Per Meeting: \$ _____</p> <p>► Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
	<p>► Name _____ (Last, First)</p> <p>Alternate, if any _____ (Last, First)</p>	<p>► / / _____ Appt Date</p> <p>► _____ Length of Term</p>	<p>► Per Meeting: \$ _____</p> <p>► Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
	<p>► Name _____ (Last, First)</p> <p>Alternate, if any _____ (Last, First)</p>	<p>► / / _____ Appt Date</p> <p>► _____ Length of Term</p>	<p>► Per Meeting: \$ _____</p> <p>► Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>
	<p>► Name _____ (Last, First)</p> <p>Alternate, if any _____ (Last, First)</p>	<p>► / / _____ Appt Date</p> <p>► _____ Length of Term</p>	<p>► Per Meeting: \$ _____</p> <p>► Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> _____ Other</p>



**TITLE:** Public Hearing: Second Reading and Adoption of Ordinance Amending District Code Sections 1.20.080, 2.60.030, and 3.20.020 Relating to Infrastructure Responsibilities and Funding; Sections 3.70.040 and 3.70.080 Relating to Wastewater Capacity Reserve Fees; and Sections 5.30.010, 5.30.020, and 5.30.080 Relating to Wastewater Rates and Charges for Nonresidential Users

**RECOMMENDATION:**

Staff recommends the Board of Directors take the following actions:

1. Waive, by Motion, the second reading of an ordinance amending District Code Sections 1.20.080, 2.60.030, and 3.20.020 relating to infrastructure responsibilities and funding; Sections 3.70.040 and 3.70.080 relating to wastewater capacity reserve fees; and Sections 5.30.010, 5.30.020, and 5.30.080 relating to wastewater rates and charges for nonresidential users.
2. Hold a public hearing.
3. Adopt, by Ordinance, the proposed District Code amendments.

**DISCUSSION:**

The District Code (Code) consists of the District's rules and regulations, codified under the authority of Article 2 (commencing with Section 50020) of Chapter 1 of Part 1 of Division 1 of Title 5 of the California Government Code (CGC). Code updates are necessary over time to reflect changes in applicable law and regulations and to improve coordination with the District's policies, practices, and procedures. Three topics in the Code require amendments because of recent Board actions and staff review of the Infrastructure Responsibilities and Funding policy.

On December 17, the Board conducted the first reading of the ordinance and scheduled the second reading for the January 7 meeting. As presented in the December 17 staff report, the ordinance amends eight Code sections concerning three subject matters:

- Sections 1.20.080, 2.60.030, and 3.20.020 to fully incorporate provisions in the Infrastructure Responsibilities and Funding policy into the District Code
- Sections 3.70.040 and 3.70.080 to update provisions related to the wastewater capacity reserve fee installment program, such that the Code will base the eligibility range on dwelling unit equivalents (DUEs) rather than fixed dollar amounts and authorize agreements to defer payment of wastewater capacity reserve fees until issuance of a building occupancy permit for affordable housing projects
- Sections 5.30.010, 5.30.020, and 5.30.080 to clean up provisions related to wastewater rate and charges for nonresidential users, such that the Code will reflect the approved rate structure which, along with the updated rates, was implemented on July 1, 2023, following the adoption of Resolution No. 14-23

The marked-up Code sections are provided in Attachments 1, 2 and 3, and the clean versions are attached as exhibits to the ordinance. After the Board adopts the proposed Code amendments, staff will bring an item to the Board to rescind the Infrastructure Responsibilities and Funding policy.

Pursuant to CGC Section 61060(a), to adopt ordinances, the District must follow the procedures of Article 7 (commencing with Section 25120) of Chapter 1 of Part 2 of Division 2 of Title 3 of the CGC, which require the publication of a summary of the proposed ordinance before and after its adoption and availability of the full text of the ordinance for public review. The first summary was published on December 24, 2024, and the second summary will be published on January 14, 2025. The full text of the ordinance is included in the agenda packets of December 17, 2024 and January 7, 2025 which are posted on the District's website, and a paper copy is available in the District Office lobby.

Originating Department: Office of the General Manager	Contact: V. Chiu/J. Lee	Legal Review: Yes
Financial Review: Yes	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Marked-up Code Sections 1.20.080, 2.60.030, and 3.20.020 Attachment 2 – Marked-up Code Sections 3.70.040 and 3.70.080 Attachment 3 – Marked-up Code Sections 5.30.010, 5.30.020, and 5.30.080 1 of 68	

**Amendments to Sections 1.20.080, 2.60.030, and 3.20.020  
Relating to Infrastructure Responsibilities**

**1.20.080 Definitions.**

In the construction of this code and of all ordinances of the District, the following rules shall be observed, unless such construction would be inconsistent with the manifest intent of the Board of Directors or the context clearly requires otherwise.

**“Account”** means the arrangement under which the District furnishes District services to a customer and under which the customer pays for those services.

**“Applicant”** means a person (who may or may not be a property owner or an authorized agent thereof) who applies for annexation (under Chapter [2.20](#) DSRSDC, Annexation Buy-In Fee), or seeks a planning service agreement (under Chapter [2.30](#) DSRSDC, Planning Services Agreements), an area-wide facilities agreement (under Chapter [2.40](#) DSRSDC, Area-Wide Facilities Agreements), a reimbursement agreement (under Chapter [2.50](#) DSRSDC, Reimbursement Agreements), or a special agreement (under Chapter [2.60](#) DSRSDC, Authority of the District Engineer) with the District under DSRSDC Title [2](#), Planning Level Activities. “Applicant” also means a person who has filed a completed application for water and/or wastewater service under the terms of the appropriate regulations in DSRSDC Titles [3](#), Application for Services, [4](#), Water Service Delivery, and [5](#), Wastewater Service Delivery, respectively. The approved customer may be a different person than the applicant.

**“Board of Directors” or “Board”** means the Board of Directors of the Dublin San Ramon Services District, California, which is comprised of officials elected by the citizens of the District service area.

**“BOD (biochemical oxygen demand)”** means the quantity of dissolved oxygen utilized in the biochemical oxidation of organic matter measured using the standard laboratory method therefor, usually expressed in milligrams per liter (mg/L).

**Capacity Rights.**

1. With respect to a wastewater connection, “capacity rights” means the flow, BOD and suspended solids (SS) capacity purchased by a user upon obtaining a certificate of capacity rights, or, if such data is not available, the average month loadings of a user during some prior calendar year when it can be shown to the satisfaction of the District Engineer that such prior year’s average month loadings are more representative of a user’s use of the wastewater system.
2. With respect to a water connection, “capacity rights” means the flow of water that can pass through the meter purchased by a user upon obtaining a certificate of capacity rights, through which the water is, or is proposed to be, delivered.

**“Certificate of capacity rights”** (formerly known as “connection permit”) means a certificate granted by the District to an applicant reserving capacity sufficient to provide potable and/or recycled water service through a specified number of equivalent 5/8-inch water meters to be provided on the parcel which will be served by the District, or to provide the wastewater capacity

in terms of flow and strength allocated to the parcel to be served by the District, or both. A certificate of capacity rights will only be issued under DSRSDC Title [3](#), Application for Services, following compliance with all requirements of DSRSDC Titles [1](#), General Provisions, and [2](#), Planning Level Activities. A certificate of capacity rights is subject to the provisions of Chapter [3.60](#) DSRSDC, Service Capacity Allocation.

**“Code”** means the Dublin San Ramon Services District Code (DSRSDC).

**“Connection,” or “service connection,” or “point of connection”** each means the point of connection of the customer’s piping with the pipe, meter or other facility owned by the District. **“New connection”** means any connection for which each construction permit required by this code has not been issued by the District for a service connection at the time that a provision of this code is to be applied.

**“Construction permit”** means a permit which allows the construction, installation, alteration or repair of potable and/or recycled water and/or wastewater facilities connecting to, or proposed to become, District-owned facilities. Construction permits are only issued under Chapter [3.50](#) DSRSDC, Construction Permit, following compliance with all requirements of DSRSDC Titles [1](#), General Provisions, and [2](#), Planning Level Activities. Two types of construction permits are issued by the District:

1. A **“District facilities construction permit”** allows the construction, installation, alteration or repair of any District facilities, subject to all of the requirements set forth in Chapter [3.50](#) DSRSDC, Construction Permit.
2. A **“limited construction permit”** allows the construction, installation, alteration or repair of any customer facilities proposed to be connected, or already connected, to District facilities, subject to all of the requirements set forth in Chapter [3.50](#) DSRSDC, Construction Permit, except for DSRSDC [3.50.020](#)(E) through (H), [3.50.030](#)(A), Faithful Performance and Payment Security, through (D), Indemnification, and DSRSDC [3.50.120](#), Acceptance of fee title or easement(s) and work.

**“County”** means either the county of Alameda or the county of Contra Costa in the state of California.

**“Cross-connection”** means any physical connection between any part of a water system used or intended to supply water for potable purposes and any source or system containing water or substance that is not or cannot be approved as safe, wholesome and potable for human consumption. This includes direct piping between the two systems, regardless of the presence of valves, backflow prevention devices, or other appurtenances.

**“Customer”** means any person, persons, or firm including any public utility, municipality or other public body or institution with an account with the District for service. The customer may be the owner, tenant, or property manager, as appropriate. The customer may be a different person than the applicant.

**“Customer facilities”** means facilities that solely serve the customer’s buildings and/or property. With respect to the facilities that provide water service (other than facilities dedicated to fire

suppression), customer facilities comprise all facilities located downstream of the District's water meter, typically including pipelines, backflow prevention device, pressure regulating device, and other appurtenances such as sprinklers, pumps, valves, and other fixtures. With respect to the facilities that provide wastewater service, "customer facilities" means the sampling manhole, flow meter, grease interceptor, sewer overflow prevention device, and other pretreatment facilities, if any, and the pipelines from the building structure up to, and including, the connection at the District sewer, whether the pipelines are located within private property or a public road right-of-way, and appurtenances such as pumps and other fixtures used to collect and transport wastewater to the District facilities; such customer facilities are sometimes called side sewers, which include sewer laterals and building sewers. Customer facilities are owned, operated, and required to be maintained by the customer in order to receive District services.

**"Customer records"** means the public records of the District relating to a particular customer of the District, including, without limitation, records of a customer's name, home and service address, and telephone number; the location, type and size of the customer's service connections, the quantities of water delivered to the customer, and other utility usage data; the charges to, and the payments by, and other credit history of the customer.

**"Day"** means the period of time between midnight and the midnight following.

**"Deduct meter"** means a device located downstream of a District water meter, owned and operated by the customer, that, by agreement between the District and the customer, is used for measuring the quantity of water that is delivered for irrigation (or another use that will prevent from being discharged by a customer into a side sewer) in order to calculate the flow being discharged by a customer into a side sewer.

**"Developer"** means the owner of property being developed, or their agent, acting as the developer, a person who applies for District services to a development which comprises more than a single premises.

**"Development"** means any construction, expansion, alteration, addition to, rehabilitation, or replacement of any building, structure, or other improvement to, changes in the grade or surface of, real property, or the installation of landscaping thereon. Development is usually, but not necessarily, for the purpose of changing the type, density, or intensity of use of land, which use(s) will require District services through one or more new connections. "New development" means any development for which each construction permit required by this code has not been issued by the District for a service connection at the time that a provision of this code is to be applied.

**"District"** means the Dublin San Ramon Services District. The words "in the District" mean and include all territory over which the District has or acquires jurisdiction for the exercise of its regulatory or proprietary powers.

**"District Engineer"** means the District Engineer of the Dublin San Ramon Services District, appointed by the General Manager, or his or her authorized representative acting within the scope of assigned duties. The District Engineer as so appointed shall be a professional engineer registered by the state of California. Notwithstanding the two preceding sentences, the General Manager, if so registered, may act directly as District Engineer.

**“District facilities”** means the facilities owned, operated, and maintained by the District to provide District services to the public in general. With respect to the facilities that provide water service (other than facilities dedicated to fire suppression), District facilities comprise the primary water meter and all facilities upstream thereof, including turnouts, pipelines, pumps and other appurtenances used to transport and distribute potable water and recycled water, water meters, and reservoirs and other storage and treatment facilities. With respect to the facilities that provide wastewater service, “District facilities” means the sewerage facilities, the pipelines, manholes, lift stations, pumps and other appurtenances (other than the side sewer or other customer facilities) used to collect and transport wastewater, and the treatment works, the facilities used for storage, treatment, and disposal thereof. Except in very rare situations, District facilities serve more than one customer.

**“District Secretary”** means the Secretary of the Dublin San Ramon Services District, as appointed by the Board of Directors, or his or her authorized representative acting within the scope of assigned duties.

**“District services”** means all or any portion of the activities required to provide treatment, storage, transmission, and distribution of potable or recycled water, or the collection, transportation, storage, treatment, and disposal of wastewater.

**“Facility”** means a facility used, or to be used, by the District to provide, or a customer to receive, a District service.

**“Flow”** means the rate at which a volume of fluid (water or wastewater) passes through a point of measure over a period of time (e.g., gallons per minute (gpm), million gallons per day (MGD), etc.). For water, flow is calculated by the District Engineer in units corresponding to the maximum continuous flow that can pass through a 5/8-inch water meter.

**Gender.** The masculine gender includes the feminine and neuter.

**“General Manager”** means the General Manager of the Dublin San Ramon Services District, appointed by the Board of Directors, or his or her authorized representative acting within the scope of assigned duties.

**“Government agency”** shall include, but not be limited to, any agency of the United States Government, the state of California, any political subdivision of the state of California, and any city, county, or special district (other than the District as defined herein).

**“Industrial, commercial or institutional structures”** refers to buildings and appurtenances including, but not limited to, shops, offices, warehouses, factories, theaters, churches, hospitals and schools.

**“Industrial user”** means a nonresidential user whose operations generate and/or produce discharges of industrial wastes derived from any production, manufacturing, processing, institutional, industrial, commercial, agricultural, or other activity or operation (whether or not the user also discharges sewage) and whose activity or operations are identified in the North American Industry Classification Manual, 2007, as said manual now exists or is hereafter amended or supplemented.

**“Industrial wastes”** means the wastes generated by or from industrial processes (including cooling) and/or any wastewater other than sewage generated by an industrial user. Generally, industrial wastes differ from sewage in quantity, strength, temperature, pH, or other chemical constituents, and have the potential, as determined by the District, to adversely impact the operation of the treatment works.

**“Local,”** with regard to rates, charges, and fees for wastewater services, refers to rates, charges, and fees imposed to pay for the capital costs, including debt service, and operation, maintenance, rehabilitation and replacement expenses of the sewerage facilities, for the collection and/or transportation of wastewater.

**“Main”** means a pipeline owned by the District and dedicated to public use in the District’s water distribution systems or in the District’s wastewater collection system. Except in very rare circumstances, a main will generally serves or will serve more than one customer.

**“Major infrastructure”** means District facilities (whether or not such facilities are yet in existence) that are determined by the District Engineer to be necessary or useful to provide large areas with water or wastewater service ~~in accordance with the District’s major infrastructure policy entitled “Infrastructure Responsibilities and Funding,” as such policy may be updated from time to time by the Board of Directors. Major infrastructure may include, but is not limited to, reservoirs, treatment facilities, pumping plants, transmission and major distribution or collection mains, appurtenances thereto, and necessary or appropriate property interests, and other capital improvements of the potable water system, the recycled water system, the wastewater system, or all. The District Engineer shall determine the size and location of all Major Infrastructure, and the portion or portions of the District’s service area benefited thereby. Responsibility for the planning, design, and construction of major infrastructure shall be directly through the District’s organization, unless otherwise approved by the Board pursuant to DSRSDC 2.6.030, Area-wide facility agreements. Major Infrastructure may include, but is not limited to, the following:~~

1. With respect to the potable water system, all turnouts, pump stations, reservoirs, chemical addition and other similar facilities, primary interconnecting pipeline loop between facilities, and all pipelines, regardless of size, determined by the District Engineer to be Major Infrastructure.
2. With respect to the wastewater system, or any portion of the District’s potable water service area served thereby, all wastewater pumping, treatment, storage and disposal facilities; sludge and other residuals processing and disposal facilities, and other similar facilities; all force mains; and all sewers in the collection system, regardless of size, determined by the District Engineer to be Major Infrastructure.
3. With respect to the recycled water system, or any portion of the District’s potable water service area served thereby, all treatment, pump stations, reservoirs or other forms of storage, and other similar facilities; primary interconnecting pipelines between facilities; and all pipelines, regardless of size, determined by the District Engineer to be Major Infrastructure.

**“MGD”** means million gallons per day.

**"Minor Infrastructure"** means all infrastructure, as determined by the District Engineer, to not be Major Infrastructure. The District Engineer shall determine the size and location of all Minor Infrastructure, and the portion or portions of the District's service area benefited thereby.

**"Month"** means a calendar month.

**Number.** The single number includes the plural, and the plural number includes the singular.

**Or, And.** "Or" may be read "and," and "and" may be read "or" if the sense requires it.

**"Owner,"** applied to a building or land, includes any part owner, joint owner, tenant in common, tenant in partnership, joint tenant of or owner of an undivided interest or condominium interest in the whole or part of such building or land. "Owner" also means a developer, agent, or other person authorized in writing to act for the owner with respect to such building or land.

**"Permittee"** is a person to whom the District has issued any of its permits, including but not limited to construction permit, discharge permit, or use permit.

**"Person"** means an individual, partnership, association, corporation, limited liability company, association, trust or any other legal entity, public or private, and includes any natural person, firm, organization, company or political subdivision, city, county, the state and the United States of America or any department or agency thereof (excepting the District) unless the code expressly provides otherwise.

**"Personal property"** includes every kind of property except real property.

**"Personnel records"** means the personnel, medical and similar files relating to the officers and employees of the District, the disclosure of which would constitute an unwarranted invasion of personal privacy. Employment contracts are not personnel records.

**"Potable water"** means water of a quality suitable for human consumption as defined in the California Safe Drinking Water Act, Health and Safety Code Section [116275](#), Subdivision (e), as it may be amended from time to time.

**"Property"** includes real property and personal property.

**"Public records of the District"** means any writing, document, picture or recording relating to the conduct of the public's business that is prepared, owned, used or retained by the District regardless of physical form or characteristics and which is a public record authorized to be disclosed under the provisions of the California Public Records Act.

**"Real property"** includes lands and improvements thereon, as well as any possessory or remainder interests, together with associated mineral rights. "Real property" may include both improved or unimproved real property and real property located within and outside the District's boundaries. "Real property" may also be referred to as "property" or "owner's property" in a planning services agreement or other agreement concerning facilities planning.

**"Recycled water"** means water produced by further treatment of secondary effluent as defined in Title 22, California Code of Regulations, Division 4, Environmental Health, Chapter 3, Reclamation Criteria, as it may be amended from time to time.

**“Regional,”** with regard to rates, charges, and fees for wastewater services, refers to rates, charges, and fees imposed to pay for the capital costs, including debt service, and operation, maintenance, rehabilitation and replacement expenses of the treatment works, for the storage, treatment, and/or disposal of wastewater.

**“Rehabilitation”** means extraordinary expenditures for obtaining and installing equipment, accessories or appurtenances which extend the service life and/or improve the capacity or efficiency of the treatment works as originally designed. Rehabilitation costs are considered capital outlays.

**“Sanitary sewer”** means a sewer into which wastewater is discharged and to which storm, surface and ground waters are not intentionally admitted.

**“Service”** means the provision by the District of potable water and/or recycled water and/or wastewater service, as the case may be.

**“Service area”** means that certain area, either within or outside the boundaries of the District, designated as such by the applicable Local Agency Formation Commission under the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of [2000](#), California Government Code Section [56000](#) et seq., as may be amended from time to time, in which the District is authorized to provide one or more District services.

1. **“Water service area”** includes the portion of Contra Costa County, whether or not incorporated, by the Contra Costa County Local Agency Formation Commission designated to receive potable or recycled water service from the District, and also includes the portion of Alameda County, whether or not incorporated, by the Alameda County Local Agency Formation Commission designated to receive potable and/or recycled water service from the District.

2. **“Wastewater service area”** includes the portion of Contra Costa County, whether or not incorporated, by the Contra Costa County Local Agency Formation Commission designated to receive wastewater service from the District, and also includes the portion of Alameda County, whether or not incorporated, by the Alameda County Local Agency Formation Commission designated to receive wastewater service from the District.

**“Service assembly”** means the pipe and fittings between the District’s water mains and the water meter.

**“Sewage”** means water or other liquid carrying domestic wastes from sanitary conveniences located in residences, industrial, institutional or commercial structures, whether treated or not, together with such other waters as may be present, or any combination of such wastes and waters.

**“Sewer”** means a pipe or conduit for carrying sewage and other wastewater.

**“Sewer overflow protection device”** means a device, installed on a side sewer, owned, operated, and maintained by the owner of the property it serves, which prevents sewage overflow from entering a building by rerouting sewage overflow outside the building.

**“Sewerage facilities”** means the District facilities (other than treatment works) used to provide wastewater services. Sewerage facilities include pipelines, including manholes, lift stations, pumps

and other appurtenances (other than the side sewer or other customer facilities) used to collect and transport wastewater.

**Shall, May.** "Shall" is mandatory and "may" is permissive.

**"Side sewer"** means the sewer lateral and the building sewer pipe, at the point of connection to the sewer main to the house or building piping. The side sewer is owned, operated, and maintained by the owner of the property it serves.

1. **"Sewer lateral"** means the sewer pipe in a public street or easement connecting a house or building sewer to the District's sewer main. The sewer lateral is owned, operated, and maintained by the owner of the property which it serves.
2. **"Building sewer"** means the sewer pipe on private property connecting a house or a building with the sewer lateral on public property at the property line. The building sewer is owned, operated, and maintained by the owner of the property which it serves.

**"SS (suspended solids)"** means solids, as measured using the standard laboratory method therefor, that are in suspension in wastewater and which are largely removable by laboratory filtration procedures.

**"State"** means the state of California.

**"Storm sewers"** are sewers which carry storm waters, but exclude sewage and industrial wastes. Storm sewers are sometimes also called storm drains.

**"Storm water"** means liquid flowing in sewers during or following a period of natural precipitation (including rainfall and snowmelt) and resulting therefrom.

**"Subscribing agency"** means a public agency which contributes wastewater from its wastewater collection system to a wastewater system operated by the District.

**"Tenant" or "occupant,"** applied to a building or land, includes any person holding a written or an oral lease of, or who occupies, the whole or a part of such building or land, either alone or with others.

**"Treasurer"** means the Treasurer (formerly the District Finance Officer) of the Dublin San Ramon Services District, appointed by the Board of Directors, or his or her authorized representative acting within the scope of assigned duties.

**"Treatment works"** means devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or industrial wastes containing liquids and/or solids to implement Section 201 of the Clean Water Act, or necessary to recycle or reuse water at the most economical cost over the useful life of the works. "Treatment works" includes pumping, power and other equipment and their appurtenances; extensions, improvements, remodeling, additions and alterations thereof; elements essential to provide a reliable recycled water supply, such as standby treatment units and clear well facilities; and any works, including acquisition of the land that will be an integral part of the treatment process or is used for ultimate disposal of residues resulting from such treatment; or any other method or system for preventing, abating, reducing, storing, treating,

separating or disposing of municipal waste, including storm water runoff, or industrial waste, including waste in combined storm water and sanitary sewer systems. “Treatment works” includes, without limitation, the definition of “publicly owned treatment works” or “POTW,” as defined by Section 212 of the Clean Water Act ([33](#) USC Section [1292](#)) owned by the District (as defined by Section 502(4) of the Act ([33](#) USC Section [1362](#))).

**“TSS (total suspended solids)”** means solid matter, as measured using the standard laboratory method therefor, that is suspended in water, wastewater, or other liquids.

**“User”** means a recipient of potable water, recycled water, and/or wastewater services, including an applicant for a permit authorized or required under this code and a permittee of such permit. A user may or may not be a customer.

**“Volume”** means the volumetric amount of water or wastewater discharged over a specified period of time.

**“Wastewater”** means water or other liquid carrying domestic, sanitary, industrial, institutional, and/or commercial wastes from residences, industrial, institutional, or commercial structures, whether treated or not, together with such other waters as may be present, or any combination of such wastes and waters. Sewage and industrial wastes are the principal types of wastewater.

**“Wastewater flow meter”** means a device used for measuring the flow being discharged by a customer.

**“Wastewater services”** means the collection, transportation, storage, treatment, and/or disposal of wastewater.

**“Water meter”** or **“primary water meter”** means a device owned, operated and maintained by the District, used for measuring the quantity of water delivered to a customer.

**“Water services”** means the transportation, pumping, storage, treatment, and/or distribution of potable water or recycled water.

**“Water”** means all potable and recycled water intended for delivery to a customer by the District. “Water” includes water that is taken by a user without authorization of the District, and includes water lost during transit through whatever means.

**“Week”** means seven consecutive days.

**“Year”** means a calendar year except where otherwise provided.

**“Zone 7 Water Agency (Zone 7)”** means the Alameda County Flood Control and Water Conservation District, Zone 7 Water Agency, which provides wholesale, treated potable water to the District. [Ord. 69, 1969; Ord. 90, 1971; Ord. 118, 1975; Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 185, 1983; Ord. 192, 1984; Ord. 216, 1988; Ord. 224, 1989; Ord. 227, 1989; Ord. 229, 1989; Ord. 232, 1990; Ord. 254, 1993; Ord. 255, 1994; Ord. 273, 1997; Ord. 327, 2010.]

## **2.60.030 Area-wide facility agreements.**

The District Engineer, subject to Board approval of an area-wide facility agreement, is authorized to determine what facilities comprise Major Infrastructure in accordance with DSRSDC 1.20.080, Definitions, and DSRSDC 3.20.020, Requirements of adequate infrastructure and payment of fees the District's major infrastructure policy, as such policy may be updated from time to time by the Board of Directors. All planning, design, construction, property matters, and other requirements, of Major and/or Minor Infrastructure, shall be as proscribed pursuant to this Code, District Standard Procedures, Specifications and Drawings, and standard District practices, unless otherwise approved by the Board. [Ord. 327, 2010.]

### **3.20.020 Requirement of adequate infrastructure and payment of fees.**

A. Adequate Infrastructure. This section governs all Major Infrastructure and all Minor Infrastructure, as specified in DSRSDC 1.20.080, Definitions, that is not major infrastructure regardless of its location. The District Engineer shall maintain the authority to determine the proper design and installation of all such infrastructure. The applicant is responsible for installing its connection to District facilities at the location selected by the District and at the elevation selected by the District. Service will be granted only where all necessary infrastructure has been accepted as substantially complete by District staff. Infrastructure will be accepted as substantially complete by the District only after it has been properly designed, installed, tested, and fully made operational. Infrastructure shall be conveyed to the District at no cost to the District. Infrastructure will not be formally accepted by the District for operation and maintenance until, in the determination of the District in its sole discretion, the infrastructure is adequately protected against the risk of damage, all applicable fees and charges are fully paid, all real property interests have been dedicated to the District, and special conditions outlined in the construction permit have been satisfied. Determination as to proper design and installation shall be made by the District Engineer.

1. The District shall retain the responsibility for the planning, design and construction of all Major Infrastructure. The planning, design and construction of all Minor Infrastructure is that is not major infrastructure are the responsibility of the applicant and shall be done at the applicant's sole expense. For Minor Infrastructure installed to provide service to the applicant's project, the design and construction responsibilities may be revised, at the sole discretion of the District Engineer. The terms of such revision shall be made in writing by the District Engineer. All of such planning, design and construction requirements shall, at a minimum, be in accordance with the requirements of the Dublin San Ramon Services District Code, District master plans, the District's Standard Procedures, Specifications and Drawings, Recycled Water Use Guidelines, and such other pertinent requirements specified by the District.
2. The applicant shall dedicate sufficient and necessary real property interests to the District for all infrastructure, as determined by the District in its sole discretion. For all items of infrastructure, excluding pipeline infrastructure, such real property interest shall be fee title except as the General Manager may otherwise expressly and specifically determine. For pipeline infrastructure, such real property interests may be in the form of an easement conveying to the District the perpetual right to operate, maintain, repair, rehabilitate and

replace the pipeline infrastructure and which prohibits or limits limiting the construction of any other improvements over the easement. Notwithstanding anything to the contrary in this paragraph, unless the District may has accepted or agrees to accept a public utility easement within a roadway depicted in a subdivision or parcel map, or to use its statutory franchise within an existing public right-of-way, or to accept an alternative property right determined in the sole discretion of the District to be sufficient for its purposes.

3. The applicant shall obtain a construction permit pursuant to DSRSDC 3.40.030, Application for service – Construction permit required, from the District prior to construction of any and all infrastructure to be connected to District facilities and dedicated to the District for operation and maintenance. Unpermitted construction, in whole or in part, of any potable water, recycled water, and/or wastewater infrastructure and any appurtenances thereto is a violation of this code~~unlawful~~.
4. Facilities installed as provided herein shall be operated and maintained by the applicant until the facilities have been accepted by the District, except as specified in the following sentence. In circumstances where a developer requests the District to commence water or wastewater service to one or more parcels within a development before all of the facilities contemplated to be dedicated to the District for the development are complete and ready for acceptance by the District, the District may (but need not), at the sole discretion of the District Engineer, commence service through the facilities then completed, on condition that the developer bear all risk of damage to the as-yet-unaccepted facilities, reimburse the District for costs of repair to the District facilities and other damages resulting from the as-yet-unaccepted facilities as specified in DSRSDC 4.10.080 and 5.10.090, both entitled Damage to District facilities or property, and pay all costs described in the following sentence. Cost of operation and maintenance of the as-yet-unaccepted facilities by the District prior to acceptance by the District shall be borne by applicant.

B. Fees and Charges Paid.

1. Major Infrastructure. The planning, design, construction, renewal, rehabilitation, and replacement costs of Major Infrastructure shall be fully funded by connection fees, development agreements, or other special financing arrangements paid by those within the District's service area, or the portion thereof, that receive the benefit of the Major Infrastructure. Such infrastructure costs that only benefit a defined portion of the District's service area shall be fully funded from connection fees, development agreements, or other special financing arrangements paid by those developments within the benefited portion of the service area. To accommodate future growth within the District, the District shall design and maintain Major Infrastructure that is sized to meet future demands by building excess capacity into this infrastructure. The District shall incorporate a renewal and replacement component into all connection fees, development agreements, or other special financing arrangements related to the portion of the capacity of the Major Infrastructure that is reserved for future growth within all or a portion of the District's service area.
2. Minor Infrastructure. Service to a customer and/or to property will be granted only if the fees, bills and penalties due at the time of connection and charged to or against the property by

the District are paid, and all costs of planning, design and construction of all infrastructure that is not Major Infrastructure have been paid in full by the applicant. Except to the extent the law otherwise requires, an owner, tenant or other user of the property are each jointly and severally liable for payment of the foregoing costs and all fees, bills and penalties. [Ord. 69, 1969; Ord. 90, 1971; Ord. 118, 1975; Ord. 147, 1979; Ord. 212, 1987; Ord. 273, 1997; Ord. 327, 2010.]

**Amendments to Sections 3.70.040 and 3.70.080  
Relating to Wastewater Capacity Reserve Fees**

**3.70.040 Installment payment of regional wastewater capacity reserve fees.**

Payment of the eligible portion of the regional wastewater capacity reserve fee in monthly installments is an option available, in the manner described in this section, to: (A) nonresidential applicants, including school applicants; (B) the affordable units within any residential development in the city of San Ramon that meet or exceed the adopted “Citywide Below Market Rate” requirement, as described in the San Ramon general plan; (C) the affordable units within any residential development in the city of Dublin that meet or exceed the implemented “affordability requirement,” as described in the city of Dublin zoning ordinance; and (D) the affordable units within any residential development in the city of Pleasanton that meet or exceed the required percentage of “inclusionary units” for a development as defined in the inclusionary zoning ordinance of the city of Pleasanton. To the extent allowed by the preceding sentence, the District may allow a qualified applicant to defer payment of the specified portion of the regional wastewater capacity reserve fee. Applicants participating in the option offered herein shall enter into an agreement with the District and pay an initial setup fee and a monthly charge associated with the administration of this option.

- A. Minimum and Maximum Regional Wastewater Capacity Reserve Fee. Where the ~~amount of the~~ regional wastewater capacity reserve fee otherwise eligible for deferral pursuant to this section is ~~calculated at~~ between ~~the fee amount then applicable to two dwelling unit equivalents and ten dwelling unit equivalents~~~~\$25,000 and \$100,000~~, payment of the eligible portion thereof plus five percent per annum interest may be made in monthly installments over a period up to 10 years, if, following execution by the user of an agreement for installment payments of regional wastewater capacity reserve fees in a form approved by the Board, the agreement is executed by the General Manager on behalf of the District.
- B. Agreement Conditions. Without limitation upon such other terms and conditions as the Board may require, such agreement shall at a minimum provide: (1) that an individual water meter shall be installed for the measurement of all potable water used on the property or that portion of the property for which wastewater service has been requested; and (2) that the user shall pay in full, upon entering into the agreement, all of the potable water capacity reserve fee, all of the recycled water capacity reserve fee, all of the local wastewater capacity reserve fee, all of the regional wastewater capacity reserve fee not eligible for deferral, and 20 percent of the regional wastewater capacity reserve fee eligible for deferral, and the user shall thereafter, in monthly installments, pay the balance of the regional wastewater capacity reserve fee eligible for deferral. Each installment payable under the agreement shall be paid within 30 days of billing.
  - 1. Administrative Charges. As a condition of approval of an agreement for installment payments of regional wastewater capacity reserve fees, the applicant shall also pay an installment payment initial setup fee and a monthly administration charge pursuant to DSRSDC 3.70.070(B)(14), Inspection and project review fees – Miscellaneous fees, to compensate for the District’s cost of administering the agreement.

For all agreements for installment payments of regional wastewater capacity reserve fees executed on or after October 16, 2003, the balance of the regional wastewater capacity reserve fee eligible for deferral shall be deemed to include an installment payment initial setup fee, in an amount established by separate ordinance or resolution of the Board to compensate for the District's cost of administering the agreement.

For all agreements for installment payments of regional wastewater capacity reserve fees executed before October 16, 2003, each monthly installment shall include a monthly administration charge in an amount determined by the District from time to time to compensate for the District's cost of administering the agreement.

2. Additional Charges for Late Payment. Upon late payment or nonpayment of any installment when due, the entire remaining balance shall immediately become due and payable. A late charge may also be assessed in accordance with Chapter [1.50](#) DSRSDC, Nonpayment of Fees and Charges. The District, at its discretion, may charge an additional fee for collection of overdue fees and charges. Remedies for collection and enforcement shall be in accordance with Chapter [1.50](#) DSRSDC, Nonpayment of Fees and Charges.
3. Reduction in Capacity. Upon failure to pay the entire remaining balance (as described in subsection (B)(2) of this section, Additional Charges for Late Payment) within 60 days of notice of delinquency, service to the property shall be discontinued by means of disconnecting or plugging the wastewater service lateral in its entirety, or, as an alternative, the District may install a device in the wastewater service lateral (or in the water service lateral) to reduce the allowable flow therein in proportion to the amount paid towards the entire regional wastewater capacity reserve fee for the applicant's property. In making this calculation, the District may treat revenues received from the local wastewater capacity charge as if they had been paid against the regional wastewater capacity charge in order to arrive at a single amount of capacity in both the local and the regional wastewater systems, measured in dwelling unit equivalents.
4. Assignment to Property. Agreements entered pursuant hereto shall include a description of the property affected thereby, shall provide that they shall not be assignable without the express written consent of the General Manager, and each such agreement shall be submitted by the District to the county recorder's office for the county in which the property is located, for recordation in the official records thereof.

C. Nonpayment Remedies. Remedies of the District for nonpayment or any other failure to comply with the terms and conditions of any agreement entered pursuant to the provisions of this section shall be deemed cumulative and in addition to any and all other remedies which may accrue to the District by such reason. [Ord. 273, 1997; Ord. 274, 1997; Ord. 303, 2004; Ord. 318, 2006; Ord. 321, 2008; Ord. 324, 2009; Ord. 327, 2010.]

### **3.70.080 Time of payment.**

Construction permits shall not be issued until all District fees have been paid, except for capacity reserve fees pursuant to DSRSDC [3.70.010](#) through [3.70.030](#), to be paid later in accordance with this

section. Certificates of capacity rights shall not be issued until all District fees associated therewith have been paid in full except for payment of the portion of the regional wastewater capacity reserve fee eligible for installment payments pursuant to an agreement duly executed by the applicant and the District as provided in DSRSDC 3.70.040, Installment payment of regional wastewater capacity reserve fees. Zone 7 wholesale fees shall be collected at the time the water meter is installed pursuant to the agreement between Zone 7 and the District. Prepayment of capacity reserve fees is not permitted.

A. Capacity Reserve Fee. No connection to the facilities of the District shall be made, certificate of capacity rights issued, nor water meter installed until the capacity reserve fees are paid except as otherwise provided in DSRSDC 3.70.040, Installment payment of regional wastewater capacity reserve fees.

1. Water capacity reserve fees shall be paid within 30 calendar days prior to installation of a new or larger water meter.

2. Wastewater capacity reserve fees shall be paid as follows:

a. For connections within the District's wastewater service area, wastewater capacity reserve fees shall be paid within 30 calendar days prior to installation of a new or larger water meter.

ba. If installation of a new or larger water meter is not required but a building permit is required by the city or county of jurisdiction, wastewater capacity reserve fees shall be paid within 30 calendar days prior to issuance of the building permit. No building permit may be issued until capacity reserve fees are paid.

cb. If neither a building permit nor a new or larger water meter is required, wastewater capacity reserve fees shall be paid within 30 calendar days prior to an application for wastewater service submitted pursuant to DSRSDC 3.40.030.

de. If the initiation of service is not subject to the provisions of DSRSDC 3.40.030, and neither a building permit nor a new or larger water meter is required, wastewater capacity reserve fees shall be paid within 30 calendar days prior to the first use of the additional capacity required as a result of the expansion of any building or structure, or of the intensification of use, or of the initiating of service to a new building or structure subject to the provisions of DSRSDC 3.40.040.

e. Notwithstanding any provision to the contrary in DSRSDC 3.70.010, 3.70.040, or 3.70.080, the General Manager may provide by written agreement, which shall be approved by the Board, for the deferral of payment of wastewater capacity reserve fees until issuance of a building occupancy permit for affordable housing projects within Dublin, San Ramon, and Pleasanton as these projects are defined in DSRSDC 3.70.040. Any agreement proposed pursuant to DSRSDC 3.70.080 (A)(2)(e) may include both regional and local wastewater capacity fees and shall, to the extent applicable, contain substantially the same terms as provided for installment payment agreements as provided in DSRSDC 3.70.040(B) and 3.70.040(C).

- B. Project Planning and Review Fees. Project planning and review fees pursuant to DSRSDC [3.70.070](#), Inspection and project review fees – Miscellaneous fees, shall be due and payable upon the initial submittal of plans for review. Project planning and review fees assume review of two iterations of improvement plans for which the fees are charged; review of additional iterations is beyond typical services and will require additional payments. Payment for additional plan review services shall be made prior to approval of plans if no construction permit is required, and prior to issuance of a construction permit if a construction permit is required.
- C. Inspection Fees. Inspection fees pursuant to DSRSDC [3.70.070](#), Inspection and project review fees – Miscellaneous fees, shall be due and payable prior to issuance of a construction permit. In the event that the construction permit expires per DSRSDC [3.50.040](#), Expiration of construction permit, and an extension is not granted per DSRSDC [3.50.050](#), Extension of construction permit, inspection fees paid in advance under this section may be refunded, pro rata, based upon services rendered by the District.
- D. Miscellaneous Fees and Charges. Other fees and charges established by the Board from time to time shall be due and payable as specified in the ordinance or resolution establishing such fees or charges.
- E. Failure to Timely Pay Fees and Charges. Failure to pay for fees or charges incurred during construction and prior to project acceptance may result in halt in construction inspection, or provision of services that the District provides, until such fees or charges are paid in full. [Ord. 339, 2016. Prior legislation: Ord. 69, 1969; Ord. 107, 1974; Ord. 118, 1975; Ord. 133, 1978; Ord. 142, 1978; Ord. 146, 1979; Ord. 170, 1981; Ord. 190, 1984; Ord. 216, 1988; Ord. 247, 1992; Ord. 249, 1992; Ord. 270, 1996; Ord. 273, 1997; Ord. 327, 2010; Ord. 331, 2013.]

**Amendments to Sections 5.30.010, 5.30.020, and 5.30.080  
Relating to Wastewater Rates and Charges**

**5.30.010 User classification.**

Users of the treatment works shall be categorized as follows for billing purposes:

- A. Residential Users. **“Residential user”** means a resident of a single- or multiple-family dwelling receiving District services at his or her place of residence. The classes of residences are generally defined in subsections (A)(1) through (4) of this section, and the District Engineer shall have discretion to determine which class is applicable to a particular residential user where that user shares some characteristics of more than one class. In the absence of a determination to the contrary, each residential user shall be deemed to be residing in a single-family dwelling unit (or residence).
  1. **“Multifamily residence”** (or **“multiple-family residence”**) means a residential unit (other than an accessory dwelling unit) attached to one or more other residential units, with one or more adjacent common areas irrigated through a separate irrigation water meter. This includes apartments, condominiums, and townhomes as further described in subsections (A)(1)(a) through (c) of this section. Neither a single-family dwelling nor an accessory dwelling unit is a multifamily residence.
    - a. **“Apartment”** means a multifamily residence that is owned in common with one or more other apartments, and with the underlying land and one or more adjacent common areas. Apartments are intended to be rented to a tenant or other occupant.
    - b. **“Condominium”** means a multifamily residence that is individually owned, where the underlying land and one or more adjacent common areas are under common ownership.
    - c. **“Townhome”** means a multifamily residence that is individually owned along with the underlying land, but adjacent to common areas under separate or common ownership.
  2. **“Accessory dwelling unit”** means a residential unit, no larger than the maximum size authorized for use as a second dwelling unit, or as an accessory dwelling unit, by the local agency with land use authority, with a separate kitchen, sleeping, and bathroom facilities, which receives water service through the same water meter as, and which is located on the same individual parcel of land with the same numerical street address as, the single-family dwelling unit, but which is smaller than (or otherwise subservient to) the single-family dwelling unit that serves as the principal residence on the parcel of land.
  3. **“Single-family dwelling unit”** (or **“residence”**) means a residential unit located on its own individual parcel of land (with or without an accessory dwelling unit) and designed to house one family and which is not attached to another dwelling (other than an accessory dwelling unit).

- a. **“Single-family dwelling unit”** (or **“residence”**) includes each mobile home located on its own individual parcel of land and not in a mobile home park.
  - b. **“Single-family dwelling unit”** (or **“residence”**) also includes each residential dwelling unit attached to one or more other residential units where each unit is located on its own individual parcel of land, but without an adjacent common area irrigated through a separate irrigation water meter.
4. Notwithstanding the foregoing, each mobile home located in a mobile home park is also defined as a multifamily residence, subject to the District Engineer’s discretion to determine that another class is more appropriate.

B. Nonresidential ~~Nonindustrial Dischargers~~/Users. Nonresidential ~~nonindustrial dischargers~~/users are characterized ~~by the District Engineer as low, medium, and high strength uses~~ based on ~~the wastewater strength that the user supplies to the District’s wastewater treatment facility and may be commercial, institutional, and industrial customer types estimates of the respective BOD and SS being discharged. Wastewater strength is an average of the BOD and TSS, per mg/L. Nonresidential users are designated as follows:~~

1. Less than or equal to 300 mg/L
2. Between 300 and 450 mg/L
3. Between 450 and 600 mg/L
4. Between 600 and 750 mg/L
5. Between 750 and 900 mg/L
6. Between 900 and 1,050 mg/L
7. Greater than 1,050 mg/L.

1. ~~The following categories are examples of low strength institutional and commercial uses:~~

- a. ~~Gas stations, banks, hotels, private office complexes, schools (excluding cafeterias), retail and wholesale stores and bars.~~  
~~Low strength uses includes all users not assigned by the District Engineer to a higher strength classification.~~

2. ~~The following categories are examples of medium strength institutional and commercial uses:~~

- a. ~~Fast Food Restaurant. Primarily engaged in cooking and serving of food utilizing disposable serving products (i.e., styrofoam, plastic or paper). May perform limited baking activities relative to foods which are served with the meal and are generally not sold separately.~~
- b. ~~Full Service Restaurant, Cafeteria and Banquet Facilities. Primarily engaged in cooking and serving of meals utilizing flatware, silverware, glasses, dishwashing and limited baking activities for on-site use.~~

3. The following categories are examples of high strength industrial and commercial uses:

- a. ~~Grocery Market with Garbage Disposal. Primarily engaged in selling of goods and food products that are not dry goods, where food products are prepared on-site.~~
- b. ~~Bakeries.~~

C. Significant Industrial User. As defined in the definition for "Significant industrial user" in DSRSDC [5.20.030](#), Definitions. ~~Other industrial users are characterized as low, medium, and high strength dischargers as determined by the District Engineer.~~

D. Subscribing Agency. A public agency that contributes wastewater from its wastewater collection system to a wastewater system operated by the District. [Ord. 341, 2017; Ord. 342, 2017. Prior legislation: Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 273, 1997; Ord. 327, 2010.]

#### **5.30.020 Establishment of service and calculation of service charges.**

- A. Establishment. Periodic service charges, including a local service charge and a regional service charge, are established for all users connected to the wastewater system according to the schedule set forth by separate ordinance or resolution duly adopted from time to time by the Board. As is set forth in DSRSDC [5.10.050\(E\)](#), Liability of Owner and Tenant, owners, their tenants, and other users of the property shall be jointly and severally liable for payment of charges, including the service, demand, and loading charges described in this section.
- B. Calculation. Service charges shall be calculated by user class in the following manner:
  1. Residential Users. Service charges for residential users shall be based on discharges of wastewater flow based on water deliveries, and the BOD and TSS as estimated by the District Engineer. The service charge will apply to each residential dwelling unit, as such units are described in DSRSDC [5.30.010\(A\)](#), Residential Users. The Board may adopt a flat rate for all residential customers residing in a certain residence class or dwelling unit type.
  2. Nonresidential ~~Dischargers/~~Users. Except as specified in DSRSDC [5.30.080](#), Shared potable meter or nonmetered service, or in subsection (B)(3) of this section, Significant Industrial Users, service charges for commercial, institutional, and industrial and commercial users shall be based on flow as measured by deliveries of potable water through the potable water meter serving that user, and the volume and wastewater strength that the user supplies to the District's wastewater treatment facility ~~estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the estimated strength (typically classified as low, medium, or high) of that type of use.~~ The District Engineer has the discretion to recommend that a flat rate or a minimal charge be developed for and levied upon all commercial, institutional, and industrial and commercial users of a common type or classification.
  3. Significant Industrial Users. Service charges for such significant industrial users shall be based on the measured volume and wastewater strength that the user supplies into the District's sewer system ~~discharges of wastewater flow, BOD and SS.~~ The measurements shall be

obtained from monitoring facilities installed on public property at the points of discharge to the sewer system, unless another location is approved by the District Engineer. Both installation and operating costs of the monitoring facilities shall be at the sole expense of the user. Frequency of monitoring shall be determined by the District Engineer.

Service charges for such significant industrial users shall be comprised of demand charges and loading charges. Demand charges shall be based on capacity rights for each peak month billable parameter and shall be collected in periodic installments. Upon determining that an unusually high measurement is not representative of a significant industrial user's long-term use of the wastewater system and/or can be explained by a onetime event, the District Engineer shall have discretion to decline to use such measurement as the peak month billable parameter for the calculation of demand charges. Daily use shall be based on the number of normal working days in the peak month. Normal working days shall be defined as the normal five-day work week of Monday through Friday, less holidays. For a user's normal work days to exceed five days a week, the flow from the sixth and/or seventh day must approximate the average daily flow of the five-day work week.

The District Engineer has the discretion to use a significant industrial user's peak month use for each billable parameter to calculate demand charges, if: (a) each billable parameter used is greater than the capacity rights; (b) the significant industrial user does not want to purchase more capacity rights; and (c) it appears that the significant industrial user will eventually lower use to within the significant industrial user's capacity rights.

When a significant industrial user discharges less than the peak month use figures used to calculate the demand charge, regardless of whether they are based on capacity rights or actual wastewater discharges, the significant industrial user shall be billed for the full amount for which capacity was reserved. Should the peak month use figures be exceeded, the significant industrial user shall be billed the demand unit costs multiplied by the new peak month discharge. This amount shall be assessed retroactively to the beginning of the fiscal year and for each month through the remainder of the fiscal year. The new peak month discharge shall also be used to calculate demand charges for the following four years or until either a higher peak month discharge occurs or the significant industrial user maintains discharges within the significant industrial user's capacity rights for a period of one year.

Loading charges shall be computed and derived according to the recorded discharge for the billing period.

If the significant industrial user's wastewater flow and strengths are relatively constant, the District Engineer may establish a unit rate per hundred cubic feet (ccf) of metered water use or wastewater discharged until the time that it has been determined that there has been a significant change, as determined at the discretion of the District Engineer, in the significant industrial user's operation which would materially affect sewage flows and strengths.

4. Subscribing Agencies. Service charges to subscribing agencies shall be based on measured discharges of wastewater flow, BOD and TSS and shall be established by contract, or, if the contract so provides, as determined by the District Engineer from time to time. [Ord. 341, 2017. Prior legislation: Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 185, 1983; Ord.

187, 1984; Ord. 192, 1984; Ord. 197, 1985; Ord. 199, 1985; Ord. 214, 1987; Ord. 221, 1988; Ord. 228, 1989; Ord. 231, 1990; Ord. 237, 1991; Ord. 245, 1991; Ord. 253, 1993; Ord. 257, 1994; Ord. 262, 1995; Ord. 267, 1995; Ord. 270, 1996; Ord. 273, 1997; Ord. 319, 2007; Ord. 327, 2010.]

#### **5.30.080 Shared potable meter or nonmetered service.**

A. Shared Potable Meter. The service charges for multiple nonresidential users who receive water service through a single water meter shall be calculated using the estimated BOD and TSS for the classification (selected from the classifications applicable to the use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer.

If the customer properly installs and maintains an approved submeter in full compliance with DSRSDC 5.30.050(C), Submetering Requested by Customer, and with the agreement between the customer and the District pursuant thereto:

1. The estimated BOD and TSS for the classification (selected from the classifications applicable to the use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer, shall be applied to the full quantity of water delivered through the submeter.
2. The estimated BOD and TSS for the classification (selected from the classifications applicable to the remaining use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer, shall be applied to the remainder of the quantity of water delivered through the shared meter.

B. Nonresidential Users Not Receiving Metered Water Service. Service charges for nonresidential users not receiving metered water service shall be based on discharges of wastewater flow, BOD, and TSS as estimated by the District Engineer.

C. Flow Meters. Notwithstanding DSRSDC 5.30.020(B)(2), Nonresidential Dischargers/Users, or the preceding provisions of this section, where a flow meter has been installed and is maintained pursuant to DSRSDC 5.30.050(A), Flow Meter, or Other Monitoring Device(s) Required by District, the service charge shall be calculated based on the wastewater strength and flow, as measured by the flow meter and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the estimated strength (typically classified as low, medium, or high) of that type of use.

D. Deduct Meters. Notwithstanding DSRSDC 5.30.020(B)(2), Nonresidential Dischargers/Users, or the provisions of subsection (C) of this section, Flow Meters, where a deduct meter has been installed and is maintained pursuant to DSRSDC 5.30.050(B), Deduct Meter, or Other Measuring Device(s) Requested by Customer, the service charge shall be calculated based on the wastewater strength and flow, as measured through the flow water meter less the flow measured by the deduct meter and the estimated BOD and SS as established by the District Engineer, which estimate may be based on the classification of the estimated strength (typically classified as low, medium, or high) of that

~~type of use~~, to the extent pursuant to, and in accordance with the terms and conditions specified in, a written agreement between the District and the customer. [Ord. 341, 2017. Prior legislation: Ord. 327, 2010.]

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF DUBLIN SAN RAMON SERVICES DISTRICT AMENDING DISTRICT CODE SECTIONS 1.20.080, 2.60.030, AND 3.20.020 RELATING TO INFRASTRUCTURE RESPONSIBILITIES AND FUNDING; SECTIONS 3.70.040 AND 3.70.080 RELATING TO WASTEWATER CAPACITY RESERVE FEES; AND SECTIONS 5.30.010, 5.30.020, AND 5.30.080 RELATING TO WASTEWATER RATES AND CHARGES FOR NONRESIDENTIAL USERS

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WHEREAS, the Infrastructure Responsibilities and Funding policy defines responsibility for the planning, design, and construction of major and non-major infrastructure and establishes use of connection fees as the primary source of funding for major infrastructure; and

WHEREAS, Section 2.60.030, Area-wide facility agreements, of the District Code authorizes the District Engineer to determine what facilities comprise major infrastructure in accordance with the policy; and

WHEREAS, incorporating the Infrastructure Responsibilities and Funding policy into the District Code eliminates the need to reference and maintain two documents pertaining to infrastructure responsibilities and funding; and

WHEREAS, on May 6, 2024, the Board of Directors directed staff to amend Section 3.70.040 of the District Code to base the eligibility range on dwelling unit equivalents (DUEs) versus fixed dollar amounts, and Section 3.70.080 to allow deferral of payment of wastewater capacity reserve fees until issuance of a building occupancy permit for affordable housing projects; and

WHEREAS, on May 2, 2023, the Board of Directors adopted Resolution No. 14-23 establishing local and regional wastewater rates with a modified rate structure for more accurate allocation of actual treatment costs among nonresidential (commercial, institutional, and industrial) customers; and

WHEREAS, amendments to Sections 5.30.010, 5.30.020, and 5.30.080 of the District Code are required to reflect the current wastewater rate structure for nonresidential users adopted by Resolution No. 14-23; and

WHEREAS, non-substantive conforming revisions were also made to the Code sections referenced herein as shown in the attached exhibits.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of Dublin San Ramon Services District as follows:

1. Sections 1.20.080, 2.60.030, and 3.20.020 relating to infrastructure responsibilities and funding are hereby amended as shown in the attached Exhibit "1."

Ord. No. \_\_\_\_\_

2. Sections 3.70.040 and 3.70.080 relating to wastewater capacity reserve fees are hereby amended as shown in the attached Exhibit "2."

3. Sections 5.30.010, 5.30.020, and 5.30.080 relating to wastewater rates and charges for nonresidential users are hereby amended as shown in the attached Exhibit "3."

4. This Ordinance shall take effect thirty (30) days after its adoption.

5. For publication in the District Code, the General Manager, or designee, is authorized to make non-substantive administrative changes to the amended sections, as necessary and as approved by the District General Counsel, including revisions in formatting as may be suggested by the publisher, for consistency and ease of reference.

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 January, 2025, by the following vote:

AYES:

NOES:

ABSENT:

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Arun Goel, President

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

DATE OF ATTESTATION: \_\_\_\_\_

**Amendments to Sections 1.20.080, 2.60.030, and 3.20.020  
Relating to Infrastructure Responsibilities**

**1.20.080 Definitions.**

In the construction of this code and of all ordinances of the District, the following rules shall be observed, unless such construction would be inconsistent with the manifest intent of the Board of Directors or the context clearly requires otherwise.

**“Account”** means the arrangement under which the District furnishes District services to a customer and under which the customer pays for those services.

**“Applicant”** means a person (who may or may not be a property owner or an authorized agent thereof) who applies for annexation (under Chapter [2.20](#) DSRSDC, Annexation Buy-In Fee), or seeks a planning service agreement (under Chapter [2.30](#) DSRSDC, Planning Services Agreements), an area-wide facilities agreement (under Chapter [2.40](#) DSRSDC, Area-Wide Facilities Agreements), a reimbursement agreement (under Chapter [2.50](#) DSRSDC, Reimbursement Agreements), or a special agreement (under Chapter [2.60](#) DSRSDC, Authority of the District Engineer) with the District under DSRSDC Title [2](#), Planning Level Activities. “Applicant” also means a person who has filed a completed application for water and/or wastewater service under the terms of the appropriate regulations in DSRSDC Titles [3](#), Application for Services, [4](#), Water Service Delivery, and [5](#), Wastewater Service Delivery, respectively. The approved customer may be a different person than the applicant.

**“Board of Directors” or “Board”** means the Board of Directors of the Dublin San Ramon Services District, California, which is comprised of officials elected by the citizens of the District service area.

**“BOD (biochemical oxygen demand)”** means the quantity of dissolved oxygen utilized in the biochemical oxidation of organic matter measured using the standard laboratory method therefor, usually expressed in milligrams per liter (mg/L).

**Capacity Rights.**

1. With respect to a wastewater connection, “capacity rights” means the flow, BOD and suspended solids (SS) capacity purchased by a user upon obtaining a certificate of capacity rights, or, if such data is not available, the average month loadings of a user during some prior calendar year when it can be shown to the satisfaction of the District Engineer that such prior year’s average month loadings are more representative of a user’s use of the wastewater system.
2. With respect to a water connection, “capacity rights” means the flow of water that can pass through the meter purchased by a user upon obtaining a certificate of capacity rights, through which the water is, or is proposed to be, delivered.

**“Certificate of capacity rights”** (formerly known as “connection permit”) means a certificate granted by the District to an applicant reserving capacity sufficient to provide potable and/or recycled water service through a specified number of equivalent 5/8-inch water meters to be provided on the parcel which will be served by the District, or to provide the wastewater capacity

in terms of flow and strength allocated to the parcel to be served by the District, or both. A certificate of capacity rights will only be issued under DSRSDC Title [3](#), Application for Services, following compliance with all requirements of DSRSDC Titles [1](#), General Provisions, and [2](#), Planning Level Activities. A certificate of capacity rights is subject to the provisions of Chapter [3.60](#) DSRSDC, Service Capacity Allocation.

**“Code”** means the Dublin San Ramon Services District Code (DSRSDC).

**“Connection,” or “service connection,” or “point of connection”** each means the point of connection of the customer’s piping with the pipe, meter or other facility owned by the District. **“New connection”** means any connection for which each construction permit required by this code has not been issued by the District for a service connection at the time that a provision of this code is to be applied.

**“Construction permit”** means a permit which allows the construction, installation, alteration or repair of potable and/or recycled water and/or wastewater facilities connecting to, or proposed to become, District-owned facilities. Construction permits are only issued under Chapter [3.50](#) DSRSDC, Construction Permit, following compliance with all requirements of DSRSDC Titles [1](#), General Provisions, and [2](#), Planning Level Activities. Two types of construction permits are issued by the District:

1. A **“District facilities construction permit”** allows the construction, installation, alteration or repair of any District facilities, subject to all of the requirements set forth in Chapter [3.50](#) DSRSDC, Construction Permit.
2. A **“limited construction permit”** allows the construction, installation, alteration or repair of any customer facilities proposed to be connected, or already connected, to District facilities, subject to all of the requirements set forth in Chapter [3.50](#) DSRSDC, Construction Permit, except for DSRSDC [3.50.020](#)(E) through (H), [3.50.030](#)(A), Faithful Performance and Payment Security, through (D), Indemnification, and DSRSDC [3.50.120](#), Acceptance of fee title or easement(s) and work.

**“County”** means either the county of Alameda or the county of Contra Costa in the state of California.

**“Cross-connection”** means any physical connection between any part of a water system used or intended to supply water for potable purposes and any source or system containing water or substance that is not or cannot be approved as safe, wholesome and potable for human consumption. This includes direct piping between the two systems, regardless of the presence of valves, backflow prevention devices, or other appurtenances.

**“Customer”** means any person, persons, or firm including any public utility, municipality or other public body or institution with an account with the District for service. The customer may be the owner, tenant, or property manager, as appropriate. The customer may be a different person than the applicant.

**“Customer facilities”** means facilities that solely serve the customer’s buildings and/or property. With respect to the facilities that provide water service (other than facilities dedicated to fire

suppression), customer facilities comprise all facilities located downstream of the District's water meter, typically including pipelines, backflow prevention device, pressure regulating device, and other appurtenances such as sprinklers, pumps, valves, and other fixtures. With respect to the facilities that provide wastewater service, "customer facilities" means the sampling manhole, flow meter, grease interceptor, sewer overflow prevention device, and other pretreatment facilities, if any, and the pipelines from the building structure up to, and including, the connection at the District sewer, whether the pipelines are located within private property or a public road right-of-way, and appurtenances such as pumps and other fixtures used to collect and transport wastewater to the District facilities; such customer facilities are sometimes called side sewers, which include sewer laterals and building sewers. Customer facilities are owned, operated, and required to be maintained by the customer in order to receive District services.

**"Customer records"** means the public records of the District relating to a particular customer of the District, including, without limitation, records of a customer's name, home and service address, and telephone number; the location, type and size of the customer's service connections, the quantities of water delivered to the customer, and other utility usage data; the charges to, and the payments by, and other credit history of the customer.

**"Day"** means the period of time between midnight and the midnight following.

**"Deduct meter"** means a device located downstream of a District water meter, owned and operated by the customer, that, by agreement between the District and the customer, is used for measuring the quantity of water that is delivered for irrigation (or another use that will prevent from being discharged by a customer into a side sewer) in order to calculate the flow being discharged by a customer into a side sewer.

**"Developer"** means the owner of property being developed, or their agent, acting as the developer, who applies for District services to a development which comprises more than a single premises.

**"Development"** means any construction, expansion, alteration, addition to, rehabilitation, or replacement of any building, structure, or other improvement to, changes in the grade or surface of, real property, or the installation of landscaping thereon. Development is usually, but not necessarily, for the purpose of changing the type, density, or intensity of use of land, which use(s) will require District services through one or more new connections. "New development" means any development for which each construction permit required by this code has not been issued by the District for a service connection at the time that a provision of this code is to be applied.

**"District"** means the Dublin San Ramon Services District. The words "in the District" mean and include all territory over which the District has or acquires jurisdiction for the exercise of its regulatory or proprietary powers.

**"District Engineer"** means the District Engineer of the Dublin San Ramon Services District, appointed by the General Manager, or his or her authorized representative acting within the scope of assigned duties. The District Engineer as so appointed shall be a professional engineer registered by the state of California. Notwithstanding the two preceding sentences, the General Manager, if so registered, may act directly as District Engineer.

**“District facilities”** means the facilities owned, operated, and maintained by the District to provide District services to the public in general. With respect to the facilities that provide water service (other than facilities dedicated to fire suppression), District facilities comprise the primary water meter and all facilities upstream thereof, including turnouts, pipelines, pumps and other appurtenances used to transport and distribute potable water and recycled water, water meters, and reservoirs and other storage and treatment facilities. With respect to the facilities that provide wastewater service, “District facilities” means the sewerage facilities, the pipelines, manholes, lift stations, pumps and other appurtenances (other than the side sewer or other customer facilities) used to collect and transport wastewater, and the treatment works, the facilities used for storage, treatment, and disposal thereof. Except in very rare situations, District facilities serve more than one customer.

**“District Secretary”** means the Secretary of the Dublin San Ramon Services District, as appointed by the Board of Directors, or his or her authorized representative acting within the scope of assigned duties.

**“District services”** means all or any portion of the activities required to provide treatment, storage, transmission, and distribution of potable or recycled water, or the collection, transportation, storage, treatment, and disposal of wastewater.

**“Facility”** means a facility used, or to be used, by the District to provide, or a customer to receive, a District service.

**“Flow”** means the rate at which a volume of fluid (water or wastewater) passes through a point of measure over a period of time (e.g., gallons per minute (gpm), million gallons per day (MGD), etc.). For water, flow is calculated by the District Engineer in units corresponding to the maximum continuous flow that can pass through a 5/8-inch water meter.

**Gender.** The masculine gender includes the feminine and neuter.

**“General Manager”** means the General Manager of the Dublin San Ramon Services District, appointed by the Board of Directors, or his or her authorized representative acting within the scope of assigned duties.

**“Government agency”** shall include, but not be limited to, any agency of the United States Government, the state of California, any political subdivision of the state of California, and any city, county, or special district (other than the District as defined herein).

**“Industrial, commercial or institutional structures”** refers to buildings and appurtenances including, but not limited to, shops, offices, warehouses, factories, theaters, churches, hospitals and schools.

**“Industrial user”** means a nonresidential user whose operations generate and/or produce discharges of industrial wastes derived from any production, manufacturing, processing, institutional, industrial, commercial, agricultural, or other activity or operation (whether or not the user also discharges sewage) and whose activity or operations are identified in the North American Industry Classification Manual, 2007, as said manual now exists or is hereafter amended or supplemented.

**“Industrial wastes”** means the wastes generated by or from industrial processes (including cooling) and/or any wastewater other than sewage generated by an industrial user. Generally, industrial wastes differ from sewage in quantity, strength, temperature, pH, or other chemical constituents, and have the potential, as determined by the District, to adversely impact the operation of the treatment works.

**“Local,”** with regard to rates, charges, and fees for wastewater services, refers to rates, charges, and fees imposed to pay for the capital costs, including debt service, and operation, maintenance, rehabilitation and replacement expenses of the sewerage facilities, for the collection and/or transportation of wastewater.

**“Main”** means a pipeline owned by the District and dedicated to public use in the District’s water distribution systems or in the District’s wastewater collection system. Except in rare circumstances, a main will generally serve or will serve more than one customer.

**“Major infrastructure”** means District facilities (whether or not such facilities are yet in existence) that are determined by the District Engineer to be necessary or useful to provide large areas with water or wastewater service. The District Engineer shall determine the size and location of all Major Infrastructure, and the portion or portions of the District’s service area benefited thereby. Responsibility for the planning, design, and construction of major infrastructure shall be directly through the District’s organization, unless otherwise approved by the Board pursuant to DSRSDC 2.6.030, Area-wide facility agreements. Major Infrastructure may include, but is not limited to, the following:

1. With respect to the potable water system, all turnouts, pump stations, reservoirs, chemical addition and other similar facilities, primary interconnecting pipeline loop between facilities, and all pipelines, regardless of size, determined by the District Engineer to be Major Infrastructure.
2. With respect to the wastewater system, or any portion of the District’s potable water service area served thereby, all wastewater pumping, treatment, storage and disposal facilities; sludge and other residuals processing and disposal facilities, and other similar facilities; all force mains; and all sewers in the collection system, regardless of size, determined by the District Engineer to be Major Infrastructure.
3. With respect to the recycled water system, or any portion of the District’s potable water service area served thereby, all treatment, pump stations, reservoirs or other forms of storage, and other similar facilities; primary interconnecting pipelines between facilities; and all pipelines, regardless of size, determined by the District Engineer to be Major Infrastructure.

**“MGD”** means million gallons per day.

**“Minor Infrastructure”** means all infrastructure, as determined by the District Engineer, to not be Major Infrastructure. The District Engineer shall determine the size and location of all Minor Infrastructure, and the portion or portions of the District’s service area benefited thereby.

**“Month”** means a calendar month.

**Number.** The single number includes the plural, and the plural number includes the singular.

**Or, And.** "Or" may be read "and," and "and" may be read "or" if the sense requires it.

**"Owner,"** applied to a building or land, includes any part owner, joint owner, tenant in common, tenant in partnership, joint tenant of or owner of an undivided interest or condominium interest in the whole or part of such building or land. "Owner" also means a developer, agent, or other person authorized in writing to act for the owner with respect to such building or land.

**"Permittee"** is a person to whom the District has issued any of its permits, including but not limited to construction permit, discharge permit, or use permit.

**"Person"** means an individual, partnership, association, corporation, limited liability company, association, trust or any other legal entity, public or private, and includes any natural person, firm, organization, company or political subdivision, city, county, the state and the United States of America or any department or agency thereof (excepting the District) unless the code expressly provides otherwise.

**"Personal property"** includes every kind of property except real property.

**"Personnel records"** means the personnel, medical and similar files relating to the officers and employees of the District, the disclosure of which would constitute an unwarranted invasion of personal privacy. Employment contracts are not personnel records.

**"Potable water"** means water of a quality suitable for human consumption as defined in the California Safe Drinking Water Act, Health and Safety Code Section [116275](#), Subdivision (e), as it may be amended from time to time.

**"Property"** includes real property and personal property.

**"Public records of the District"** means any writing, document, picture or recording relating to the conduct of the public's business that is prepared, owned, used or retained by the District regardless of physical form or characteristics and which is a public record authorized to be disclosed under the provisions of the California Public Records Act.

**"Real property"** includes lands and improvements thereon, as well as any possessory or remainder interests, together with associated mineral rights. "Real property" may include both improved or unimproved real property and real property located within and outside the District's boundaries. "Real property" may also be referred to as "property" or "owner's property" in a planning services agreement or other agreement concerning facilities planning.

**"Recycled water"** means water produced by further treatment of secondary effluent as defined in Title 22, California Code of Regulations, Division 4, Environmental Health, Chapter 3, Reclamation Criteria, as it may be amended from time to time.

**"Regional,"** with regard to rates, charges, and fees for wastewater services, refers to rates, charges, and fees imposed to pay for the capital costs, including debt service, and operation, maintenance, rehabilitation and replacement expenses of the treatment works, for the storage, treatment, and/or disposal of wastewater.

**“Rehabilitation”** means extraordinary expenditures for obtaining and installing equipment, accessories or appurtenances which extend the service life and/or improve the capacity or efficiency of the treatment works as originally designed. Rehabilitation costs are considered capital outlays.

**“Sanitary sewer”** means a sewer into which wastewater is discharged and to which storm, surface and ground waters are not intentionally admitted.

**“Service”** means the provision by the District of potable water and/or recycled water and/or wastewater service, as the case may be.

**“Service area”** means that certain area, either within or outside the boundaries of the District, designated as such by the applicable Local Agency Formation Commission under the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of [2000](#), California Government Code Section [56000](#) et seq., as may be amended from time to time, in which the District is authorized to provide one or more District services.

1. **“Water service area”** includes the portion of Contra Costa County, whether or not incorporated, by the Contra Costa County Local Agency Formation Commission designated to receive potable or recycled water service from the District, and also includes the portion of Alameda County, whether or not incorporated, by the Alameda County Local Agency Formation Commission designated to receive potable and/or recycled water service from the District.

2. **“Wastewater service area”** includes the portion of Contra Costa County, whether or not incorporated, by the Contra Costa County Local Agency Formation Commission designated to receive wastewater service from the District, and also includes the portion of Alameda County, whether or not incorporated, by the Alameda County Local Agency Formation Commission designated to receive wastewater service from the District.

**“Service assembly”** means the pipe and fittings between the District’s water mains and the water meter.

**“Sewage”** means water or other liquid carrying domestic wastes from sanitary conveniences located in residences, industrial, institutional or commercial structures, whether treated or not, together with such other waters as may be present, or any combination of such wastes and waters.

**“Sewer”** means a pipe or conduit for carrying sewage and other wastewater.

**“Sewer overflow protection device”** means a device, installed on a side sewer, owned, operated, and maintained by the owner of the property it serves, which prevents sewage overflow from entering a building by rerouting sewage overflow outside the building.

**“Sewerage facilities”** means the District facilities (other than treatment works) used to provide wastewater services. Sewerage facilities include pipelines, including manholes, lift stations, pumps and other appurtenances (other than the side sewer or other customer facilities) used to collect and transport wastewater.

**Shall, May.** “Shall” is mandatory and “may” is permissive.

**“Side sewer”** means the sewer lateral and the building sewer pipe, at the point of connection to the sewer main to the house or building piping. The side sewer is owned, operated, and maintained by the owner of the property it serves.

1. **“Sewer lateral”** means the sewer pipe in a public street or easement connecting a house or building sewer to the District’s sewer main. The sewer lateral is owned, operated, and maintained by the owner of the property which it serves.
2. **“Building sewer”** means the sewer pipe on private property connecting a house or a building with the sewer lateral on public property at the property line. The building sewer is owned, operated, and maintained by the owner of the property which it serves.

**“SS (suspended solids)”** means solids, as measured using the standard laboratory method therefor, that are in suspension in wastewater and which are largely removable by laboratory filtration procedures.

**“State”** means the state of California.

**“Storm sewers”** are sewers which carry storm waters, but exclude sewage and industrial wastes. Storm sewers are sometimes also called storm drains.

**“Storm water”** means liquid flowing in sewers during or following a period of natural precipitation (including rainfall and snowmelt) and resulting therefrom.

**“Subscribing agency”** means a public agency which contributes wastewater from its wastewater collection system to a wastewater system operated by the District.

**“Tenant” or “occupant,”** applied to a building or land, includes any person holding a written or an oral lease of, or who occupies, the whole or a part of such building or land, either alone or with others.

**“Treasurer”** means the Treasurer (formerly the District Finance Officer) of the Dublin San Ramon Services District, appointed by the Board of Directors, or his or her authorized representative acting within the scope of assigned duties.

**“Treatment works”** means devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or industrial wastes containing liquids and/or solids to implement Section 201 of the Clean Water Act, or necessary to recycle or reuse water at the most economical cost over the useful life of the works. “Treatment works” includes pumping, power and other equipment and their appurtenances; extensions, improvements, remodeling, additions and alterations thereof; elements essential to provide a reliable recycled water supply, such as standby treatment units and clear well facilities; and any works, including acquisition of the land that will be an integral part of the treatment process or is used for ultimate disposal of residues resulting from such treatment; or any other method or system for preventing, abating, reducing, storing, treating, separating or disposing of municipal waste, including storm water runoff, or industrial waste, including waste in combined storm water and sanitary sewer systems. “Treatment works” includes, without limitation, the definition of “publicly owned treatment works” or “POTW,” as defined by

Section 212 of the Clean Water Act ([33](#) USC Section [1292](#)) owned by the District (as defined by Section 502(4) of the Act ([33](#) USC Section [1362](#))).

**“TSS (total suspended solids)”** means solid matter, as measured using the standard laboratory method therefor, that is suspended in water, wastewater, or other liquids.

**“User”** means a recipient of potable water, recycled water, and/or wastewater services, including an applicant for a permit authorized or required under this code and a permittee of such permit. A user may or may not be a customer.

**“Volume”** means the volumetric amount of water or wastewater discharged over a specified period of time.

**“Wastewater”** means water or other liquid carrying domestic, sanitary, industrial, institutional, and/or commercial wastes from residences, industrial, institutional, or commercial structures, whether treated or not, together with such other waters as may be present, or any combination of such wastes and waters. Sewage and industrial wastes are the principal types of wastewater.

**“Wastewater flow meter”** means a device used for measuring the flow being discharged by a customer.

**“Wastewater services”** means the collection, transportation, storage, treatment, and/or disposal of wastewater.

**“Water meter”** or **“primary water meter”** means a device owned, operated and maintained by the District, used for measuring the quantity of water delivered to a customer.

**“Water services”** means the transportation, pumping, storage, treatment, and/or distribution of potable water or recycled water.

**“Water”** means all potable and recycled water intended for delivery to a customer by the District. “Water” includes water that is taken by a user without authorization of the District, and includes water lost during transit through whatever means.

**“Week”** means seven consecutive days.

**“Year”** means a calendar year except where otherwise provided.

**“Zone 7 Water Agency (Zone 7)”** means the Alameda County Flood Control and Water Conservation District, Zone 7 Water Agency, which provides wholesale, treated potable water to the District. [Ord. 69, 1969; Ord. 90, 1971; Ord. 118, 1975; Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 185, 1983; Ord. 192, 1984; Ord. 216, 1988; Ord. 224, 1989; Ord. 227, 1989; Ord. 229, 1989; Ord. 232, 1990; Ord. 254, 1993; Ord. 255, 1994; Ord. 273, 1997; Ord. 327, 2010.]

## **2.60.030 Area-wide facility agreements.**

The District Engineer, subject to Board approval of an area-wide facility agreement, is authorized to determine what facilities comprise Major Infrastructure in accordance with DSRSDC 1.20.080, Definitions, and DSRSDC 3.20.020, Requirements of adequate infrastructure and payment of fees. All planning, design,

construction, property matters, and other requirements, of Major and/or Minor Infrastructure, shall be as proscribed pursuant to this Code, District Standard Procedures, Specifications and Drawings, and standard District practices, unless otherwise approved by the Board. [Ord. 327, 2010.]

**3.20.020 Requirement of adequate infrastructure and payment of fees.**

A. Adequate Infrastructure. This section governs all Major Infrastructure and all Minor Infrastructure, as specified in DSRSDC 1.20.080, Definitions, regardless of its location. The District Engineer shall maintain the authority to determine the proper design and installation of all such infrastructure. The applicant is responsible for installing its connection to District facilities at the location selected by the District and at the elevation selected by the District. Service will be granted only where all necessary infrastructure has been accepted as substantially complete by District staff. Infrastructure will be accepted as substantially complete by the District only after it has been properly designed, installed, tested, and fully made operational. Infrastructure shall be conveyed to the District at no cost to the District. Infrastructure will not be formally accepted by the District for operation and maintenance until, in the determination of the District in its sole discretion, the infrastructure is adequately protected against the risk of damage, all applicable fees and charges are fully paid, all real property interests have been dedicated to the District, and special conditions outlined in the construction permit have been satisfied.

1. The District shall retain the responsibility for the planning, design and construction of all Major Infrastructure. The planning, design and construction of all Minor Infrastructure is the responsibility of the applicant and shall be done at the applicant's sole expense. For Minor Infrastructure installed to provide service to the applicant's project, the design and construction responsibilities may be revised, at the sole discretion of the District Engineer. The terms of such revision shall be made in writing by the District Engineer. All of such planning, design and construction requirements shall, at a minimum, be in accordance with the requirements of the Dublin San Ramon Services District Code, District master plans, the District's Standard Procedures, Specifications and Drawings, Recycled Water Use Guidelines, and such other pertinent requirements specified by the District.
2. The applicant shall dedicate sufficient and necessary real property interests to the District for all infrastructure, as determined by the District in its sole discretion. For all items of infrastructure, excluding pipeline infrastructure, such real property interest shall be fee title except as the General Manager may otherwise expressly and specifically determine. For pipeline infrastructure, such real property interests may be in the form of an easement conveying to the District the perpetual right to operate, maintain, repair, rehabilitate and replace the pipeline infrastructure and which prohibits or limits the construction of any other improvements over the easement. Notwithstanding anything to the contrary in this paragraph, the District may accept or agree to accept a public utility easement within a roadway depicted in a subdivision or parcel map, or to use its statutory franchise within an existing public right-of-way, or to accept an alternative property right determined in the sole discretion of the District to be sufficient for its purposes.

3. The applicant shall obtain a construction permit pursuant to DSRSDC [3.40.030](#), Application for service – Construction permit required, from the District prior to construction of any and all infrastructure to be connected to District facilities and dedicated to the District for operation and maintenance. Unpermitted construction, in whole or in part, of any potable water, recycled water, and/or wastewater infrastructure and any appurtenances thereto is a violation of this code.
4. Facilities installed as provided herein shall be operated and maintained by the applicant until the facilities have been accepted by the District, except as specified in the following sentence. In circumstances where a developer requests the District to commence water or wastewater service to one or more parcels within a development before all of the facilities contemplated to be dedicated to the District for the development are complete and ready for acceptance by the District, the District may, at the sole discretion of the District Engineer, commence service through the facilities then completed, on condition that the developer bear all risk of damage to the as-yet-unaccepted facilities, reimburse the District for costs of repair to the District facilities and other damages resulting from the as-yet-unaccepted facilities as specified in DSRSDC [4.10.080](#) and [5.10.090](#), both entitled Damage to District facilities or property, and pay all costs described in the following sentence. Cost of operation and maintenance of the as-yet-unaccepted facilities by the District prior to acceptance by the District shall be borne by applicant.

B. Fees and Charges Paid.

1. Major Infrastructure. The planning, design, construction, renewal, rehabilitation, and replacement costs of Major Infrastructure shall be fully funded by connection fees, development agreements, or other special financing arrangements paid by those within the District's service area, or the portion thereof, that receive the benefit of the Major Infrastructure. Such infrastructure costs that only benefit a defined portion of the District's service area shall be fully funded from connection fees, development agreements, or other special financing arrangements paid by those developments within the benefited portion of the service area. To accommodate future growth within the District, the District shall design and maintain Major Infrastructure that is sized to meet future demands by building excess capacity into this infrastructure. The District shall incorporate a renewal and replacement component into all connection fees, development agreements, or other special financing arrangements related to the portion of the capacity of the Major Infrastructure that is reserved for future growth within all or a portion of the District's service area.
2. Minor Infrastructure. Service to a customer and/or to property will be granted only if the fees, bills and penalties due at the time of connection and charged to or against the property by the District are paid, and all costs of planning, design and construction of all infrastructure that is not Major Infrastructure have been paid in full by the applicant. Except to the extent the law otherwise requires, an owner, tenant or other user of the property are each jointly and severally liable for payment of the foregoing costs and all fees, bills and penalties. [Ord. 69, 1969; Ord. 90, 1971; Ord. 118, 1975; Ord. 147, 1979; Ord. 212, 1987; Ord. 273, 1997; Ord. 327, 2010.]

**Amendments to Sections 3.70.040 and 3.70.080  
Relating to Wastewater Capacity Reserve Fees**

**3.70.040 Installment payment of regional wastewater capacity reserve fees.**

Payment of the eligible portion of the regional wastewater capacity reserve fee in monthly installments is an option available, in the manner described in this section, to: (A) nonresidential applicants, including school applicants; (B) the affordable units within any residential development in the city of San Ramon that meet or exceed the adopted “Citywide Below Market Rate” requirement, as described in the San Ramon general plan; (C) the affordable units within any residential development in the city of Dublin that meet or exceed the implemented “affordability requirement,” as described in the city of Dublin zoning ordinance; and (D) the affordable units within any residential development in the city of Pleasanton that meet or exceed the required percentage of “inclusionary units” for a development as defined in the inclusionary zoning ordinance of the city of Pleasanton. To the extent allowed by the preceding sentence, the District may allow a qualified applicant to defer payment of the specified portion of the regional wastewater capacity reserve fee. Applicants participating in the option offered herein shall enter into an agreement with the District and pay an initial setup fee and a monthly charge associated with the administration of this option.

- A. Minimum and Maximum Regional Wastewater Capacity Reserve Fee. Where the regional wastewater capacity reserve fee otherwise eligible for deferral pursuant to this section is calculated at between the fee amount then applicable to two dwelling unit equivalents and ten dwelling unit equivalents, payment of the eligible portion thereof plus five percent per annum interest may be made in monthly installments over a period up to 10 years, if, following execution by the user of an agreement for installment payments of regional wastewater capacity reserve fees in a form approved by the Board, the agreement is executed by the General Manager on behalf of the District.
- B. Agreement Conditions. Without limitation upon such other terms and conditions as the Board may require, such agreement shall at a minimum provide: (1) that an individual water meter shall be installed for the measurement of all potable water used on the property or that portion of the property for which wastewater service has been requested; and (2) that the user shall pay in full, upon entering into the agreement, all of the potable water capacity reserve fee, all of the recycled water capacity reserve fee, all of the local wastewater capacity reserve fee, all of the regional wastewater capacity reserve fee not eligible for deferral, and 20 percent of the regional wastewater capacity reserve fee eligible for deferral, and the user shall thereafter, in monthly installments, pay the balance of the regional wastewater capacity reserve fee eligible for deferral. Each installment payable under the agreement shall be paid within 30 days of billing.
  1. Administrative Charges. As a condition of approval of an agreement for installment payments of regional wastewater capacity reserve fees, the applicant shall also pay an installment payment initial setup fee and a monthly administration charge pursuant to DSRSDC 3.70.070(B)(14), Inspection and project review fees – Miscellaneous fees, to compensate for the District’s cost of administering the agreement.

For all agreements for installment payments of regional wastewater capacity reserve fees executed on or after October 16, 2003, the balance of the regional wastewater capacity reserve fee eligible for deferral shall be deemed to include an installment payment initial setup fee, in an amount established by separate ordinance or resolution of the Board to compensate for the District's cost of administering the agreement.

For all agreements for installment payments of regional wastewater capacity reserve fees executed before October 16, 2003, each monthly installment shall include a monthly administration charge in an amount determined by the District from time to time to compensate for the District's cost of administering the agreement.

2. Additional Charges for Late Payment. Upon late payment or nonpayment of any installment when due, the entire remaining balance shall immediately become due and payable. A late charge may also be assessed in accordance with Chapter [1.50](#) DSRSDC, Nonpayment of Fees and Charges. The District, at its discretion, may charge an additional fee for collection of overdue fees and charges. Remedies for collection and enforcement shall be in accordance with Chapter [1.50](#) DSRSDC, Nonpayment of Fees and Charges.
3. Reduction in Capacity. Upon failure to pay the entire remaining balance (as described in subsection (B)(2) of this section, Additional Charges for Late Payment) within 60 days of notice of delinquency, service to the property shall be discontinued by means of disconnecting or plugging the wastewater service lateral in its entirety, or, as an alternative, the District may install a device in the wastewater service lateral (or in the water service lateral) to reduce the allowable flow therein in proportion to the amount paid towards the entire regional wastewater capacity reserve fee for the applicant's property. In making this calculation, the District may treat revenues received from the local wastewater capacity charge as if they had been paid against the regional wastewater capacity charge in order to arrive at a single amount of capacity in both the local and the regional wastewater systems, measured in dwelling unit equivalents.
4. Assignment to Property. Agreements entered pursuant hereto shall include a description of the property affected thereby, shall provide that they shall not be assignable without the express written consent of the General Manager, and each such agreement shall be submitted by the District to the county recorder's office for the county in which the property is located, for recordation in the official records thereof.

C. Nonpayment Remedies. Remedies of the District for nonpayment or any other failure to comply with the terms and conditions of any agreement entered pursuant to the provisions of this section shall be deemed cumulative and in addition to any and all other remedies which may accrue to the District by such reason. [Ord. 273, 1997; Ord. 274, 1997; Ord. 303, 2004; Ord. 318, 2006; Ord. 321, 2008; Ord. 324, 2009; Ord. 327, 2010.]

### **3.70.080 Time of payment.**

Construction permits shall not be issued until all District fees have been paid, except for capacity reserve fees pursuant to DSRSDC [3.70.010](#) through [3.70.030](#), to be paid later in accordance with this

section. Certificates of capacity rights shall not be issued until all District fees associated therewith have been paid in full except for payment of the portion of the regional wastewater capacity reserve fee eligible for installment payments pursuant to an agreement duly executed by the applicant and the District as provided in DSRSDC [3.70.040](#), Installment payment of regional wastewater capacity reserve fees. Zone 7 wholesale fees shall be collected at the time the water meter is installed pursuant to the agreement between Zone 7 and the District. Prepayment of capacity reserve fees is not permitted.

- A. Capacity Reserve Fee. No connection to the facilities of the District shall be made, certificate of capacity rights issued, nor water meter installed until the capacity reserve fees are paid except as otherwise provided in DSRSDC [3.70.040](#), Installment payment of regional wastewater capacity reserve fees.
  1. Water capacity reserve fees shall be paid within 30 calendar days prior to installation of a new or larger water meter.
  2. Wastewater capacity reserve fees shall be paid as follows:
    - a. For connections within the District's wastewater service area, wastewater capacity reserve fees shall be paid within 30 calendar days prior to installation of a new or larger water meter.
    - b. If installation of a new or larger water meter is not required but a building permit is required by the city or county of jurisdiction, wastewater capacity reserve fees shall be paid within 30 calendar days prior to issuance of the building permit. No building permit may be issued until capacity reserve fees are paid.
    - c. If neither a building permit nor a new or larger water meter is required, wastewater capacity reserve fees shall be paid within 30 calendar days prior to an application for wastewater service submitted pursuant to DSRSDC [3.40.030](#).
    - d. If the initiation of service is not subject to the provisions of DSRSDC [3.40.030](#), and neither a building permit nor a new or larger water meter is required, wastewater capacity reserve fees shall be paid within 30 calendar days prior to the first use of the additional capacity required as a result of the expansion of any building or structure, or of the intensification of use, or of the initiating of service to a new building or structure subject to the provisions of DSRSDC [3.40.040](#).
    - e. Notwithstanding any provision to the contrary in DSRSDC 3.70.010, 3.70.040, or 3.70.080, the General Manager may provide by written agreement, which shall be approved by the Board, for the deferral of payment of wastewater capacity reserve fees until issuance of a building occupancy permit for affordable housing projects within Dublin, San Ramon, and Pleasanton as these projects are defined in DSRSDC 3.70.040. Any agreement proposed pursuant to this subsection 3.70.080 (A)(2)(e) may include both regional and local wastewater capacity fees and shall, to the extent applicable, contain substantially the same terms as provided for installment payment agreements as provided in DSRSDC 3.70.040(B) and 3.70.040(C).

- B. Project Planning and Review Fees. Project planning and review fees pursuant to DSRSDC [3.70.070](#), Inspection and project review fees – Miscellaneous fees, shall be due and payable upon the initial submittal of plans for review. Project planning and review fees assume review of two iterations of improvement plans for which the fees are charged; review of additional iterations is beyond typical services and will require additional payments. Payment for additional plan review services shall be made prior to approval of plans if no construction permit is required, and prior to issuance of a construction permit if a construction permit is required.
- C. Inspection Fees. Inspection fees pursuant to DSRSDC [3.70.070](#), Inspection and project review fees – Miscellaneous fees, shall be due and payable prior to issuance of a construction permit. In the event that the construction permit expires per DSRSDC [3.50.040](#), Expiration of construction permit, and an extension is not granted per DSRSDC [3.50.050](#), Extension of construction permit, inspection fees paid in advance under this subsection 3.70.080 (C) may be refunded, pro rata, based upon services rendered by the District.
- D. Miscellaneous Fees and Charges. Other fees and charges established by the Board from time to time shall be due and payable as specified in the ordinance or resolution establishing such fees or charges.
- E. Failure to Timely Pay Fees and Charges. Failure to pay for fees or charges incurred during construction and prior to project acceptance may result in halt in construction inspection, or provision of services that the District provides, until such fees or charges are paid in full. [Ord. 339, 2016. Prior legislation: Ord. 69, 1969; Ord. 107, 1974; Ord. 118, 1975; Ord. 133, 1978; Ord. 142, 1978; Ord. 146, 1979; Ord. 170, 1981; Ord. 190, 1984; Ord. 216, 1988; Ord. 247, 1992; Ord. 249, 1992; Ord. 270, 1996; Ord. 273, 1997; Ord. 327, 2010; Ord. 331, 2013.]

**Amendments to Sections 5.30.010, 5.30.020, and 5.30.080  
Relating to Wastewater Rates and Charges**

**5.30.010 User classification.**

Users of the treatment works shall be categorized as follows for billing purposes:

- A. Residential Users. **“Residential user”** means a resident of a single- or multiple-family dwelling receiving District services at his or her place of residence. The classes of residences are generally defined in subsections (A)(1) through (4) of this section, and the District Engineer shall have discretion to determine which class is applicable to a particular residential user where that user shares some characteristics of more than one class. In the absence of a determination to the contrary, each residential user shall be deemed to be residing in a single-family dwelling unit (or residence).
  1. **“Multifamily residence”** (or **“multiple-family residence”**) means a residential unit (other than an accessory dwelling unit) attached to one or more other residential units, with one or more adjacent common areas irrigated through a separate irrigation water meter. This includes apartments, condominiums, and townhomes as further described in subsections (A)(1)(a) through (c) of this section. Neither a single-family dwelling nor an accessory dwelling unit is a multifamily residence.
    - a. **“Apartment”** means a multifamily residence that is owned in common with one or more other apartments, and with the underlying land and one or more adjacent common areas. Apartments are intended to be rented to a tenant or other occupant.
    - b. **“Condominium”** means a multifamily residence that is individually owned, where the underlying land and one or more adjacent common areas are under common ownership.
    - c. **“Townhome”** means a multifamily residence that is individually owned along with the underlying land, but adjacent to common areas under separate or common ownership.
  2. **“Accessory dwelling unit”** means a residential unit, no larger than the maximum size authorized for use as a second dwelling unit, or as an accessory dwelling unit, by the local agency with land use authority, with a separate kitchen, sleeping, and bathroom facilities, which receives water service through the same water meter as, and which is located on the same individual parcel of land with the same numerical street address as, the single-family dwelling unit, but which is smaller than (or otherwise subservient to) the single-family dwelling unit that serves as the principal residence on the parcel of land.
  3. **“Single-family dwelling unit”** (or **“residence”**) means a residential unit located on its own individual parcel of land (with or without an accessory dwelling unit) and designed to house one family and which is not attached to another dwelling (other than an accessory dwelling unit).

- a. **“Single-family dwelling unit”** (or **“residence”**) includes each mobile home located on its own individual parcel of land and not in a mobile home park.
- b. **“Single-family dwelling unit”** (or **“residence”**) also includes each residential dwelling unit attached to one or more other residential units where each unit is located on its own individual parcel of land, but without an adjacent common area irrigated through a separate irrigation water meter.

4. Notwithstanding the foregoing, each mobile home located in a mobile home park is also defined as a multifamily residence, subject to the District Engineer’s discretion to determine that another class is more appropriate.

B. Nonresidential Users. Nonresidential users are characterized based on the wastewater strength that the user supplies to the District’s wastewater treatment facility and may be commercial, institutional, and industrial customer types. Wastewater strength is an average of the BOD and TSS, per mg/L. Nonresidential users are designated as follows:

1. Less than or equal to 300 mg/L
2. Between 300 and 450 mg/L
3. Between 450 and 600 mg/L
4. Between 600 and 750 mg/L
5. Between 750 and 900 mg/L
6. Between 900 and 1,050 mg/L
7. Greater than 1,050 mg/L.

C. Significant Industrial User. As defined in the definition for “Significant industrial user” in DSRSDC [5.20.030](#), Definitions.

D. Subscribing Agency. A public agency that contributes wastewater from its wastewater collection system to a wastewater system operated by the District. [Ord. 341, 2017; Ord. 342, 2017. Prior legislation: Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 273, 1997; Ord. 327, 2010.]

#### **5.30.020 Establishment of service and calculation of service charges.**

A. Establishment. Periodic service charges, including a local service charge and a regional service charge, are established for all users connected to the wastewater system according to the schedule set forth by separate ordinance or resolution duly adopted from time to time by the Board. As is set forth in DSRSDC [5.10.050\(E\)](#), Liability of Owner and Tenant, owners, their tenants, and other users of the property shall be jointly and severally liable for payment of charges, including the service, demand, and loading charges described in this section.

B. Calculation. Service charges shall be calculated by user class in the following manner:

1. Residential Users. Service charges for residential users shall be based on discharges of wastewater flow based on water deliveries, and the BOD and TSS as estimated by the District Engineer. The service charge will apply to each residential dwelling unit, as such units are described in DSRSDC [5.30.010\(A\)](#), Residential Users. The Board may adopt a flat rate for all residential customers residing in a certain residence class or dwelling unit type.
2. Nonresidential Users. Except as specified in DSRSDC [5.30.080](#), Shared potable meter or nonmetered service, or in subsection (B)(3) of this section, Significant Industrial Users, service charges for commercial, institutional, and industrial users shall be based on flow as measured by deliveries of potable water through the potable water meter serving that user, and the volume and wastewater strength that the user supplies to the District's wastewater treatment facility. The District Engineer has the discretion to recommend that a flat rate or a minimal charge be developed for and levied upon all commercial, institutional, and industrial users of a common type or classification.
3. Significant Industrial Users. Service charges for significant industrial users shall be based on the measured volume and wastewater strength that the user supplies into the District's sewer system. The measurements shall be obtained from monitoring facilities installed on public property at the points of discharge to the sewer system, unless another location is approved by the District Engineer. Both installation and operating costs of the monitoring facilities shall be at the sole expense of the user. Frequency of monitoring shall be determined by the District Engineer.

Service charges for significant industrial users shall be comprised of demand charges and loading charges. Demand charges shall be based on capacity rights for each peak month billable parameter and shall be collected in periodic installments. Upon determining that an unusually high measurement is not representative of a significant industrial user's long-term use of the wastewater system and/or can be explained by a onetime event, the District Engineer shall have discretion to decline to use such measurement as the peak month billable parameter for the calculation of demand charges. Daily use shall be based on the number of normal working days in the peak month. Normal working days shall be defined as the normal five-day work week of Monday through Friday, less holidays. For a user's normal work days to exceed five days a week, the flow from the sixth and/or seventh day must approximate the average daily flow of the five-day work week.

The District Engineer has the discretion to use a significant industrial user's peak month use for each billable parameter to calculate demand charges, if: (a) each billable parameter used is greater than the capacity rights; (b) the significant industrial user does not want to purchase more capacity rights; and (c) it appears that the significant industrial user will eventually lower use to within the significant industrial user's capacity rights.

When a significant industrial user discharges less than the peak month use figures used to calculate the demand charge, regardless of whether they are based on capacity rights or actual wastewater discharges, the significant industrial user shall be billed for the full amount for which capacity was reserved. Should the peak month use figures be exceeded, the significant industrial user shall be billed the demand unit costs multiplied by the new peak

month discharge. This amount shall be assessed retroactively to the beginning of the fiscal year and for each month through the remainder of the fiscal year. The new peak month discharge shall also be used to calculate demand charges for the following four years or until either a higher peak month discharge occurs or the significant industrial user maintains discharges within the significant industrial user's capacity rights for a period of one year.

Loading charges shall be computed and derived according to the recorded discharge for the billing period.

If the significant industrial user's wastewater flow and strengths are relatively constant, the District Engineer may establish a unit rate per hundred cubic feet (ccf) of metered water use or wastewater discharged until the time that it has been determined that there has been a significant change, as determined at the discretion of the District Engineer, in the significant industrial user's operation which would materially affect sewage flows and strengths.

4. Subscribing Agencies. Service charges to subscribing agencies shall be based on measured discharges of wastewater flow, BOD and TSS and shall be established by contract, or, if the contract so provides, as determined by the District Engineer from time to time. [Ord. 341, 2017. Prior legislation: Ord. 142, 1978; Ord. 146, 1979; Ord. 165, 1981; Ord. 185, 1983; Ord. 187, 1984; Ord. 192, 1984; Ord. 197, 1985; Ord. 199, 1985; Ord. 214, 1987; Ord. 221, 1988; Ord. 228, 1989; Ord. 231, 1990; Ord. 237, 1991; Ord. 245, 1991; Ord. 253, 1993; Ord. 257, 1994; Ord. 262, 1995; Ord. 267, 1995; Ord. 270, 1996; Ord. 273, 1997; Ord. 319, 2007; Ord. 327, 2010.]

#### **5.30.080 Shared potable meter or nonmetered service.**

- A. Shared Potable Meter. The service charges for multiple nonresidential users who receive water service through a single water meter shall be calculated using the estimated BOD and TSS for the classification (selected from the classifications applicable to the use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer.

If the customer properly installs and maintains an approved submeter in full compliance with DSRSDC [5.30.050\(C\)](#), Submetering Requested by Customer, and with the agreement between the customer and the District pursuant thereto:

1. The estimated BOD and TSS for the classification (selected from the classifications applicable to the use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer, shall be applied to the full quantity of water delivered through the submeter.
2. The estimated BOD and TSS for the classification (selected from the classifications applicable to the remaining use(s) of water served through the shared meter) that will result in the greatest burden on the District's wastewater system, as determined by the District Engineer, shall be applied to the remainder of the quantity of water delivered through the shared meter.

- B. Nonresidential Users Not Receiving Metered Water Service. Service charges for nonresidential users not receiving metered water service shall be based on discharges of wastewater flow, BOD, and TSS as estimated by the District Engineer.
- C. Flow Meters. Notwithstanding DSRSDC [5.30.020](#)(B)(2), Nonresidential Users, or the preceding provisions of this section, where a flow meter has been installed and is maintained pursuant to DSRSDC [5.30.050](#)(A), Flow Meter, or Other Monitoring Device(s) Required by District, the service charge shall be calculated based on the wastewater strength and flow, as measured by the flow meter.
- D. Deduct Meters. Notwithstanding DSRSDC [5.30.020](#)(B)(2), Nonresidential Users, or the provisions of subsection (C) of this section, Flow Meters, where a deduct meter has been installed and is maintained pursuant to DSRSDC [5.30.050](#)(B), Deduct Meter, or Other Measuring Device(s) Requested by Customer, the service charge shall be calculated based on the wastewater strength and flow, as measured through the flow meter less the flow measured by the deduct meter, to the extent pursuant to, and in accordance with the terms and conditions specified in, a written agreement between the District and the customer. [Ord. 341, 2017. Prior legislation: Ord. 327, 2010.]



**TITLE:** Authorize Execution of Agreement for Investment Management Services with Chandler Asset Management, Inc.

**RECOMMENDATION:**

Staff recommends the Board of Directors authorize, by Motion, the General Manager to execute an agreement for investment management services with Chandler Asset Management, Inc. in an amount not to exceed \$420,000.

**SUMMARY:**

The District's investment portfolio has historically been managed in-house and meets all the requirements of the California Government Code (CGC) for credit worthiness, concentrations of investments, and maturity dates. District staff has evaluated the potential for a third party to manage the District's investment portfolio and is recommending outsourcing management to a registered investment advisor to more actively manage and increase the portfolio's performance. Through a request for proposals process, Chandler Asset Management, Inc. (Chandler) was determined to be the best qualified firm to provide investment management and advisory services for the District. Staff recommends the Board authorize the General Manager to execute an agreement with Chandler for investment management services for up to a three-year period in an amount not to exceed \$420,000. The proposed action supports the District's Strategic Plan goal to *"Maintain our financial stability and sustainability."*

**BACKGROUND:**

The District invests public funds not required for immediate use in fixed income investments purchased in open markets in accordance with requirements of CGC Section 53600 et seq and the District's [Investment policy](#). These investments are to be managed in a manner that provides maximum security for safety, maintains liquidity for daily cash flow needs, and obtains the highest investment return (yield) while conforming to all the requirements of the CGC. The District also has a duty to invest funds using the Prudent Investor Standard which states, in essence, *"when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that includes but is not limited to, general economic conditions and anticipated needs of the District that a prudent person in a like capacity and familiarity with those matters would use in the conduct of funds of like character and like aims to safeguard principal and maintain liquidity needs of the District."*

The District's investment portfolio has a fair value of \$244,032,839 based on the Quarterly Treasurer's Report ended September 30, 2024. The portfolio has significant holdings in Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP), totaling approximately \$70 million, which are short-term, highly liquid pools with maturities at 270 days and 90 days, respectively. The District's investment portfolio overall is performing reasonably well at approximately 3%, largely due to LAIF and CAMP strong current returns at approximately 4.5%.

The District has historically managed its investment portfolio using in-house Finance staff following the rules for credit worthiness, maximum maturities, diversification, and liquidity that meet the requirements of the CGC. In 2022, District staff identified the need for more active management of the investment portfolio and included a specific goal in the Fiscal Years Ending 2024 and 2025 Operating Budget to *"Investigate contracting out the District's investment portfolio to a third-party administrator."* Many of our peer agencies utilize the services of a third-party investment manager.

Based on review of the District's investment portfolio and investment strategy, staff have determined that outsourcing the management of the District's investment portfolio to a professional investment management firm would likely increase the performance of the investment portfolio. A more active manager can identify and react to significant changes in the market due to changing economic conditions. As an example, the District's historical practice has been to

Originating Department: Finance	Contact: K. Spray	Legal Review: Yes
Financial Review: Yes	Cost and Funding Source: \$420,000 from Administrative Cost Center (Fund 900), \$60,000 estimated for FYE 2025	
Attachments: <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)		

buy and hold treasuries to maturity. This has generally served the District well in periods of low interest. However, in 2020 and 2021, the District purchased treasuries with five-year maturities and very low coupon rates. Low coupon rates were prevalent at the time, but inflationary rates and interest rates began to rise soon after. The low yielding investments could have been sold and replaced with higher-yielding investments but were not. As a result, the District is continuing to carry the low-yielding investments, which are affecting the overall performance of the District's portfolio.

## **DISCUSSION:**

In November 2024, staff sent out a request for proposals for professional investment management and advisory services. Staff received proposals from two investment advisory service firms: PFM Asset Management and Chandler. Both firms met the District's qualifications and had similar fee structures for their services. Based on an evaluation of proposals, interviews, and references, staff selected Chandler to assist the District with its investment portfolio management needs.

Chandler is well qualified to provide investment management and advisory services. Chandler has helped governmental entities and other institutional investors manage their fixed income portfolios for over 35 years. Chandler manages \$24.3 billion in client assets and works with over 150 public agencies in California. Chandler's clients include the City of Dublin, Alameda County Water District, and Sacramento Area Sewer District. Chandler is headquartered in San Diego and the primary staff assigned to manage the District's portfolio currently work out of the Novato and Oakland offices.

Chandler's scope of services includes the following:

- Reviewing the District's Investment policy and performing cash flow analyses.
- Actively managing the portfolio and efficiently executing purchases and sales with approved brokers or deals in accordance with the District's Investment policy and governing laws.
- Rebalancing the investment portfolio by selling and replacing the low yielding investments with higher yielding investments currently available for a longer duration portfolio.
- Performing credit analysis of investment instruments in portfolio and monitoring creditworthiness of all investments.
- Exploring reinvesting other classifications of current investments for a stronger more marketable portfolio in the event of the need to sell investments for cash flow.
- Providing comprehensive reporting and ongoing review of strategy and benchmarks.

Staff recommends the Board authorize the General Manager to execute an agreement with Chandler for investment management services for a maximum three-year period. The term of the agreement is structured as a one-year term that can be extended by the General Manager for up to two additional one-year periods based on satisfactory performance.

The annual fee for investment management services is based on the value of managed assets and is currently estimated at approximately \$120,000 for \$200 million in managed assets. Assuming modest growth in the investment portfolio, the total fees over the three-year period are estimated at \$420,000. Over time, staff anticipate that the annual cost will be offset by investment revenue growth.

The budget required for investment management services for the remainder of Fiscal Year 2025 is estimated at \$60,000 funded out of the Administrative Cost Center (Fund 900). This expense is not included in the adopted Fiscal Year 2025 budget. However, the adopted Fund 900 budget is sufficient to cover the unanticipated expense in Fiscal Year 2025 and future funding for investment management services will be included in subsequent fiscal year budgets. As such, no supplemental budget adjustment is required.

**NEXT STEPS:**

If the Board authorizes the agreement with Chandler, staff will begin working with Chandler to transition the management of the portfolio. As part of this process, District staff plan to enter into an agreement with US Bank for banking and custodial services of the District's investment holdings. The District's current custody services account only allows trades with the bank's own broker and does not allow trades with other brokers. Staff will also review investment strategies with Chandler, and the Board will receive a briefing from the Chandler team on the District's investment portfolio and investment strategies in spring 2025.