



# AGENDA

## NOTICE OF REGULAR MEETING

**TIME:** 6 p.m.

**DATE:** Tuesday, February 18, 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 February 4, 2025  
**Recommended Action:** Approve by Motion
  - 7.B. Accept Regular and Recurring Reports: Quarterly Financial Report and Capital Projects Created from Programs  
**Recommended Action:** Accept by Motion
  - 7.C. Affirm No Changes to Emergency Response Plan (ERP) Policy  
**Recommended Action:** Approve by Motion

8. BOARD BUSINESS

8.A. Accept Fiscal Year 2024 Annual Report on Rate Stabilization Fund Reserves and Approve Transfer from the Water Rate Stabilization (Fund 605) to the Water Operations (Fund 600)

**Recommended Action:** Accept by Motion

8.B. Receive Update on Emergency Preparedness and Response Program

**Recommended Action:** Receive Presentation

9. REPORTS

9.A. Boardmember Items

9.A.1. Joint Powers Authority and Committee Reports

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

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

9.B. Staff Reports

10. CLOSED SESSION

10.A. Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Case

10.B. Conference with Legal Counsel – Consideration of Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4): 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**

**February 4, 2025**

**1. CALL TO ORDER**

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

**2. PLEDGE TO THE FLAG**

**3. ROLL CALL**

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

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. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None**

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

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

**7. CONSENT CALENDAR**

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

7.A. Approve Regular Meeting Minutes of January 21, 2025 – Approved

7.B. Accept Regular and Recurring Report: Treasurer's Report – Approved

7.C. Approve Revised Job Classification for Administrative Services Director – Approved – Resolution No. 6-24

**8. BOARD BUSINESS**

General Manager Lee prefaced the following item presentations by providing the Board with an overview of the District's focus on energy, including the Board's recent adoption of an Energy policy for long-term guidance and stability, the current energy usage and costs to operate DSRSD and its two joint powers authorities (JPAs), and the three energy-related efforts designed to support the goals of the Energy policy. Staff will incorporate the Board's direction into the proposed operating and capital budgets to be reviewed by the Board in May and considered for adoption in June.

8.A. Receive Presentation on Ava Community Energy Service Plans

Operations Director Gill reviewed the item for the Board and gave a presentation (handed out to the Board and posted to the website as supplemental materials).

The Board and staff discussed the background of current District and JPA energy services and reviewed the newly available plan options presented this evening. The Board directed staff to proceed with the staff recommendation to enroll the three remaining District-managed electric service accounts served by Pacific Gas and Electric (PG&E) in Ava Community Energy's Bright Choice service plan. Staff was also requested to provide to the Board, following this evening's discussion, advantages and disadvantages regarding potential utilization of the Renewable 100 plan in the future.

Director Vonheeder-Leopold MOVED to approve the staff recommendation. The motion did not proceed due to lack of a second as no formal Board action was required.

8.B. Receive Presentation on Implementation of the Energy Facilities Master Plan (CIP 22-P009)

Senior Engineer Jason Ching reviewed the item for the Board and gave a presentation (handed out to the Board and posted to the website as supplemental materials).

The Board and staff discussed the recommended portfolio of energy projects and the potential fiscal impacts for incorporating them into the upcoming Capital Improvement Program (CIP) budget in May. The Board directed staff to proceed with incorporating the energy projects into the proposed CIP budget with debt financing assumed for the Cogeneration Engine Replacement Project.

8.C. Receive Presentation on Proposed Solar Energy Projects (CIP 24-A045 and CIP 24-A046)

Engineering Services Director Delight reviewed the item for the Board and gave a presentation (handed out to the Board and posted to the website as supplemental materials).

The Board and staff discussed the proposed solar energy projects and strategies regarding the issuance of the request for proposals for a power purchase agreement (PPA) provider.

Speaker: Mr. Levi Fuller (Livermore-Amador Valley Water Management Agency [LAVWMA] General Manager) – Mr. Fuller thanked DSRSD for the presentation and stated that partnering with DSRSD on a solar effort at the LAVWMA site is worth exploring. LAVWMA staff will request further input from the LAVWMA Board at its upcoming Board meeting.

The Board directed staff to proceed with the proposed issuance of a request for proposals to PPA providers with the incorporation of the Board's feedback provided this evening, and to partner with LAVWMA on the proposed solar project at the LAVWMA site.

9. REPORTS

9.A. Boardmember Items

9.A.1. Joint Powers Authority and Committee Reports  
DERWA Board Meeting of February 3, 2025

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

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

Director Vonheeder-Leopold submitted written reports to Executive Services Supervisor/District Secretary Genzale. She reported that she attended the California Association of Sanitation Agencies (CASA) Winter Conference and Board of Directors meeting held January 29–31 in Palm Springs. She summarized the activities and discussions at the meetings.

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

9.B. Staff Reports

General Manager Lee reported on the following items:

- A LAVWMA Board meeting will be held on Wednesday, February 19, at 6 p.m.
- The CASA 2025 Washington DC Policy Forum will be held February 24–25.

10. ADJOURNMENT

President Goel adjourned the meeting at 7:24 p.m.

Submitted by,

Nicole Genzale, CMC  
Executive Services Supervisor/District Secretary



**TITLE:** Accept Regular and Recurring Reports: Quarterly Financial Report and Capital Projects Created from Programs

**RECOMMENDATION:**

Staff recommends the Board of Directors accept, by Motion, regular and recurring reports: Quarterly Financial Report, and Capital Projects Created from Programs for the second quarter of fiscal year 2025 covering July 1, 2024, through December 31, 2024.

**DISCUSSION:**

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

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

**Reference C – Quarterly Financial Report**

The Quarterly Financial Report presents an unaudited budget-to-actual financial report of the operating and capital funds for the District's three enterprises (Local Wastewater, Regional Wastewater, and Water), and the Administrative Cost Center, including revenues and expenses, transfers, beginning and ending working capital, and reserve levels for the period from July 1, 2024 through December 31, 2024.

The District's three enterprises have received 46 percent of budgeted operating revenues and expended 44 percent of budgeted operating expenses as of December 31, 2024. The working capital for the Local Wastewater and Regional Wastewater operating funds (Enterprise and Rate Stabilization) are above policy target levels. The working capital for the Water enterprise is below target reserve levels, but above the minimum reserve level.

Across the three enterprises, Replacement capital funds are at 28 percent of budgeted revenues and 11 percent of budgeted expenses, and Expansion capital funds are at 32 percent of budgeted revenues and 18 percent of budgeted expenses. Working capital for all capital funds are above policy target levels.

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

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

During this period (July 1, 2024 through December 31, 2024), the General Manager approved the creation of six projects from programs for a cumulative total of \$536,000. There were no budgetary impacts as program funding is included in the Two-Year Capital Improvement Budget.

Originating Department: Finance	Contact: K. Spray	Legal Review: Not Required
Financial Review: Yes	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Summary of Regular and Recurring Reports with: Reference C – Quarterly Financial Report Reference H – Capital Projects Created from Programs	6 of 33

## SUMMARY OF REGULAR AND RECURRING REPORTS

Ref	Description	Frequency	Authority	Last Acceptance	Acceptance at this Meeting?	Next Acceptance
A	Warrant List	Monthly	Board Direction	Posted monthly on website		Posted monthly on website
B	Treasurer's Report	Quarterly	CA Government Code 53646	2/4/2025		May 2025
C	Quarterly Financial Report	Quarterly	Budget Accountability Policy	11/19/2024	Yes	May 2025
D	Outstanding Receivables Report	Annually – Fiscal Year	District Code 1.50.050	8/6/2024		August 2025
E	Employee and Director Reimbursements greater than \$100 <sup>1</sup>	Annually – Fiscal Year	CA Government Code 53065.5	8/6/2024		August 2025
F	Utility Billing Leak Adjustments <sup>2</sup>	Annually – Fiscal Year	Utility Billing Leak Adjustments Policy	8/6/2024		August 2025
G	Annual Rate Stabilization Fund Report	Annually – After Audit	Financial Reserves Policy	5/6/2024	Yes	February 2026
H	Capital Projects Created from Programs	Quarterly	Budget Accountability Policy	11/19/2024	Yes	May 2025
I	Capital Budget Adjustments Approved by the General Manager			11/19/2024	None for FY 2025 Q2	

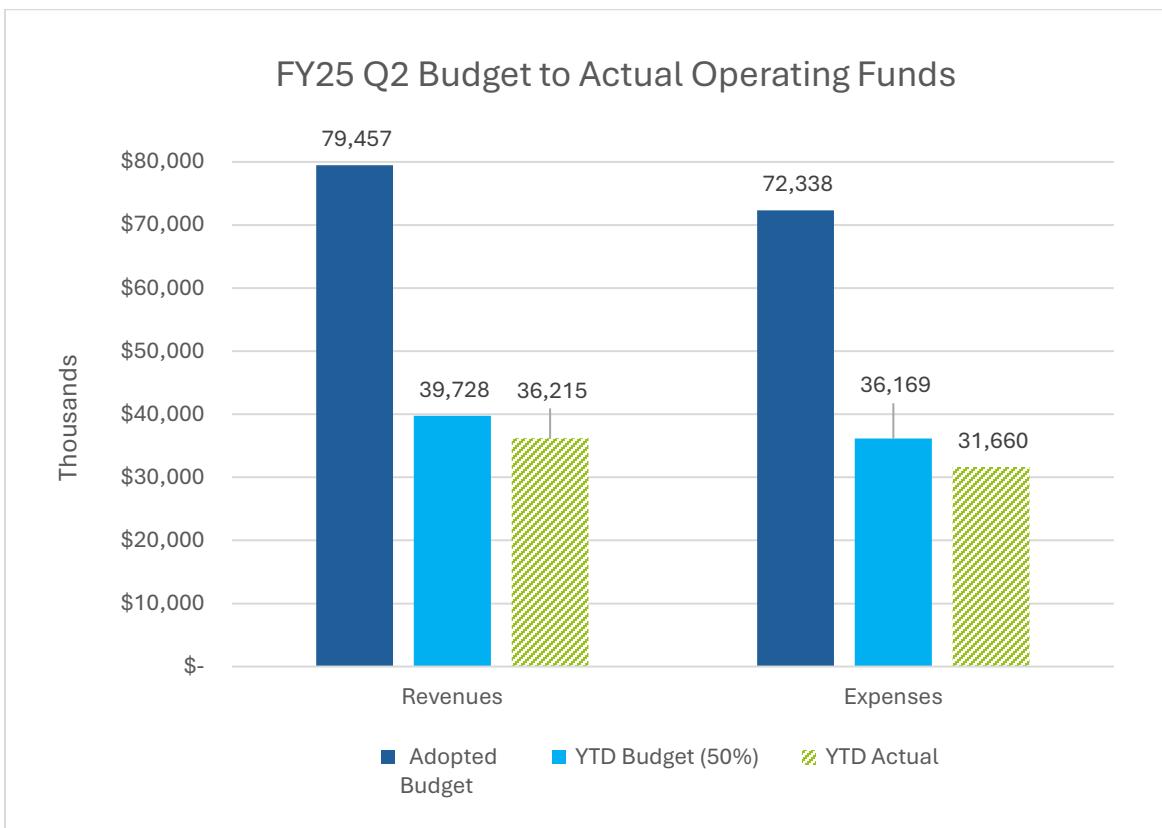
<sup>1</sup> Reimbursements also reported monthly in the Warrant List (Ref A).<sup>2</sup> Per Utility Billing Leak Adjustments policy, a report will be presented to the Board if total credits in any fiscal year exceed \$25,000.

**Dublin San Ramon Services District****Unaudited Quarterly Financial Report – Second quarter of Fiscal Year 2025****Period: 7/1/2024 to 12/31/2024 (50% Year Complete)**

This Quarterly Financial Report presents an unaudited budget-to-actual financial report of the operating and capital funds for the District's three enterprises (Local Wastewater, Regional Wastewater, and Water), and the Administrative Cost Center, including revenues and expenses, transfers, beginning and ending working capital, and reserve levels for the period from July 1, 2024, through December 31, 2024 (50% year complete).

**OPERATING FUNDS:**

The District maintains two operating funds (Enterprise or Operations and Rate Stabilization) for each of its three enterprises (Local Wastewater, Regional Wastewater, and Water). For the unaudited second quarter financial report for fiscal year ending (FY) 2025, the District's three enterprises have received 46% of budgeted operating revenues and expended 44% of budgeted operating expenses as of December 31, 2024.



Operating expenses for all three enterprises, Local Wastewater, Regional Wastewater and Water, are on track or below budget for second quarter. The Water enterprise's operating expenses are below budget due to lower than budgeted water purchases, materials and supplies, and contract services.

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

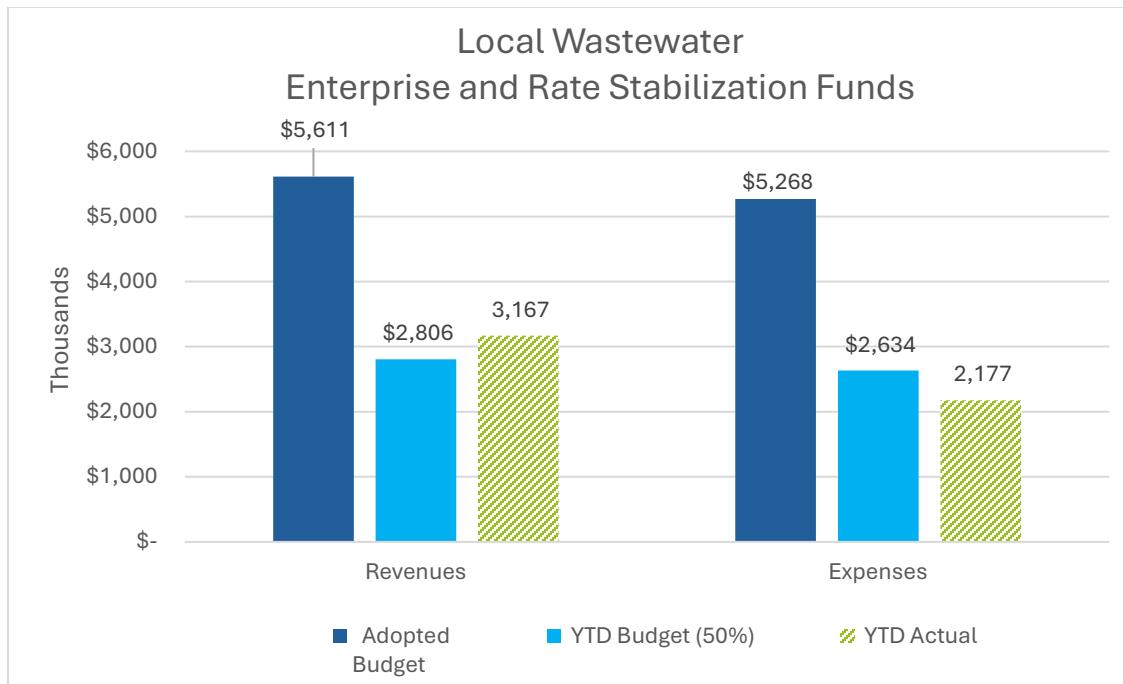
A breakdown of revenue, expenses, and working capital by enterprise is provided in the following sections.

**Local Wastewater Funds 200 and 205:**

The Local Wastewater enterprise provides sewer collection services in Dublin and southern San Ramon. The collection system consists of the sewer pipes that convey wastewater from residences and businesses to the Regional Wastewater Treatment Plant. For the unaudited second quarter financial report for FY 2025, the District's Local Wastewater enterprise is at 56% of budgeted operating revenues and 41% of budgeted operating expenses as of December 31, 2024.

Highlights Include:

- *Revenues* – Dublin and San Ramon residential wastewater charges are collected via the property tax roll and remitted to DSRSD twice a year in December and April. Local Wastewater service charges for Dublin and San Ramon shown in the second quarter financial report are as expected. Inspections and Plan Check Fees are up due to higher than anticipated development activities. Other Revenues, which include fees for services provided to developers, show a high percentage increase, but are a low dollar amount.
- *Expenses* – Salary and Benefits for Local Wastewater are on track at 43% for the second quarter. All other operating expenses are on track or below budget for the second quarter.
- *Transfers* – Transfers include quarterly transfers to Replacement Fund as scheduled.
- *Working Capital* – The estimated ending working capital exceeds the 8-month working capital target.



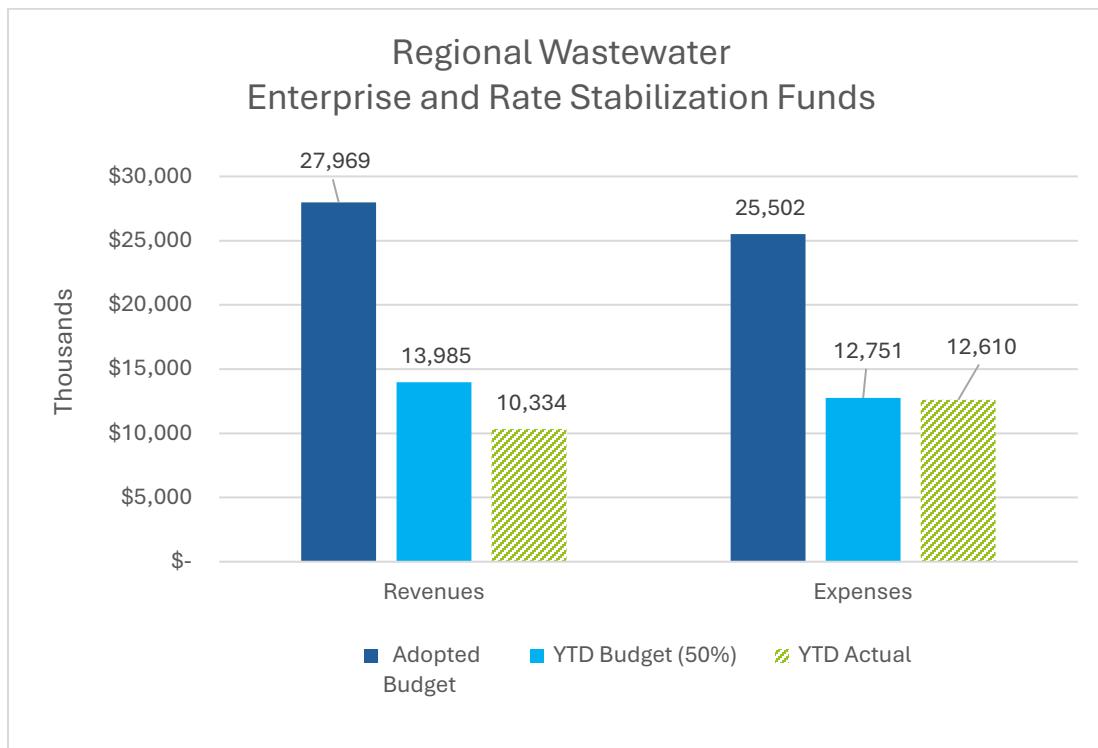
**Local Wastewater Funds****Enterprise (Fund 200) and Rate Stabilization (Fund 205)**

	(a) Adopted Budget	(b) Actual YTD	Over/ Under Budget	Percentage Collect/Use
<b>Operating Revenues:</b>				
Service Charges - Dublin	\$4,208,644	\$1,912,118	\$2,296,526	45.4%
Service Charges - San Ramon	936,386	485,989	450,397	51.9%
Inspections & Plan Check Fees	385,500	695,056	(309,556)	180.3%
Other Revenues	500	7,639	(7,139)	1527.9%
Investment Income	80,000	66,618	13,382	83.3%
<b>Total Revenues</b>	<b>\$5,611,030</b>	<b>\$3,167,420</b>	<b>\$2,443,610</b>	<b>56.4%</b>
<b>Operating Expenses:</b>				
Salaries & Benefits	\$3,521,846	\$1,528,495	\$1,993,351	43.4%
Staff Time Charged to CIP & JPAs	(168,235)	(35,442)	(132,793)	21.1%
Materials & Supplies	125,955	39,354	86,601	31.2%
Gas & Electric	20,878	4,409	16,469	21.1%
Contract Services	672,071	167,133	504,938	24.9%
Allocated Costs	1,071,298	463,731	607,567	43.3%
Other Expenses	23,740	9,091	14,649	38.3%
<b>Total Expenses</b>	<b>\$5,267,553</b>	<b>\$2,176,771</b>	<b>\$3,090,782</b>	<b>41.3%</b>
Transfers Out to Replacement and OPEB	(\$905,803)	(\$400,000)	(\$505,803)	44.2%
<b>Net Increase/(Decrease)</b>	<b>(\$562,326)</b>	<b>\$590,648</b>		
<b>Beginning Working Capital</b>	4,346,644	4,346,644		
<b>Ending Working Capital</b>	<b>\$3,784,318</b>	<b>\$4,937,292</b>		
Working Capital Minimum (4 mos)	\$1,755,851	\$1,755,851		
Working Capital Target (8 mos)	\$3,511,702	\$3,511,702		

**Regional Wastewater Funds 300 and 305:**

The Regional Wastewater enterprise provides wastewater treatment and disposal services in Dublin and southern San Ramon, and the City of Pleasanton (by contract). For the unaudited second quarter financial report for FY 2025, the District's Regional Wastewater enterprise received 37% of budgeted operating revenues and expended 49% of budgeted operating expenses. Highlights include:

- **Revenues** – Dublin and San Ramon residential wastewater charges are collected via the property tax roll and remitted to DSRSD twice a year in December and April. Regional Wastewater charges for Dublin and San Ramon are on track for the second quarter. Pleasanton wastewater charges are significantly lower than budgeted due to the timing of billing and collections. Pleasanton collects DSRSD wastewater treatment charges on their combined bimonthly water/sewer bill and remits payments to DSRSD. Therefore, there is a delay in the timing between when services are billed by Pleasanton and when payments are remitted to DSRSD. The second quarter report only reflects Pleasanton wastewater charges received through October 2024.
- **Expenses** – Operating expenses for Regional Wastewater are on track for second quarter. The higher-than-expected LAVWMA JPA contribution and Gas & Electric charges are offset by the lower-than-expected materials, supplies and contractual services usage. The District pays LAVWMA twice per year, with the first payment in July covering 60% of the total payment for the fiscal year.
- **Transfers** – Transfers include quarterly transfers to Replacement Fund as scheduled.
- **Ending Working Capital** – The estimated ending working capital is slightly above the 8-month working capital target.



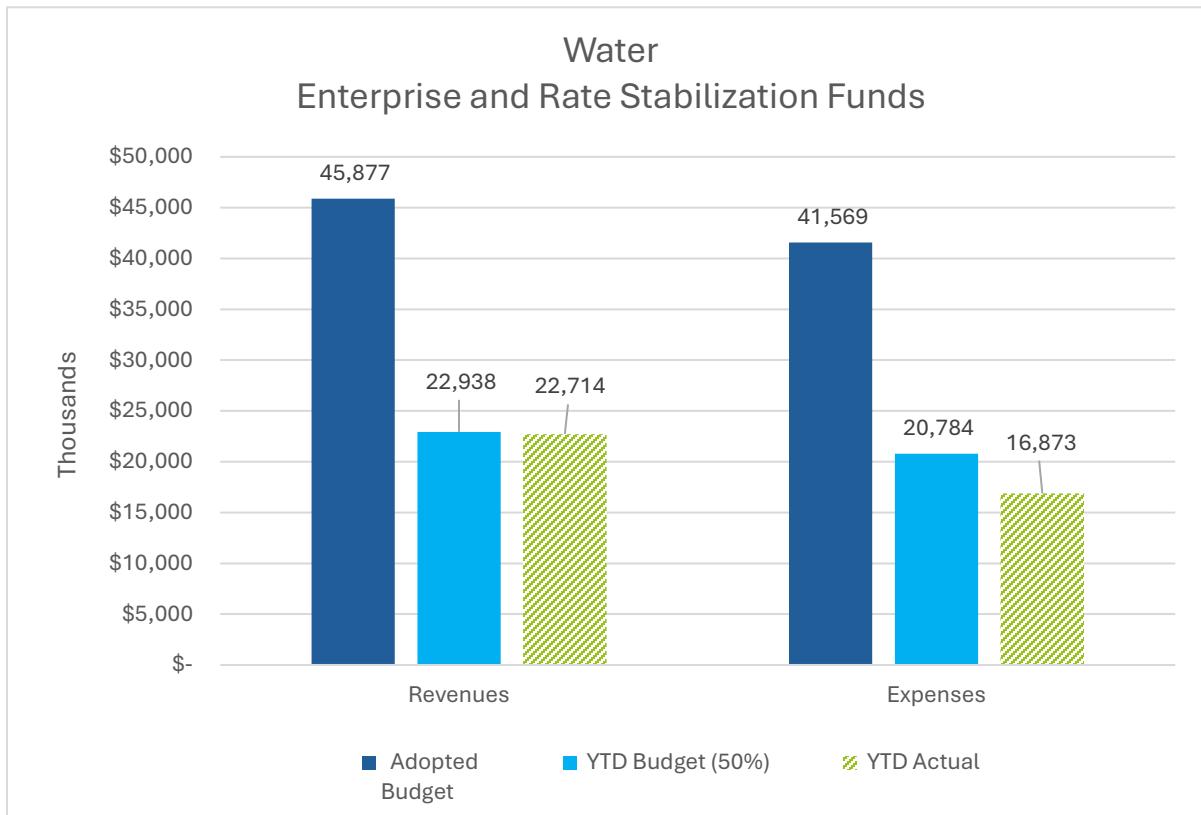
**Regional Wastewater Funds****Enterprise (Fund 300) and Rate Stabilization (Fund 305)**

	(a) Adopted Budget	(b) Actual YTD	(a)-(b) Over/ Under Budget	Percentage Collect/Use
<b>Operating Revenues</b>				
Wastewater Charges-Dublin	\$10,090,480	\$5,112,514	\$4,977,966	50.7%
Wastewater Charges-Pleasanton	12,345,294	1,928,023	10,417,271	15.6%
Wastewater Charges-San Ramon	2,349,549	1,210,922	1,138,627	51.5%
Industrial Waste-Dublin	80,000	41,947	38,053	52.4%
Industrial Waste-Pleasanton	85,000	16,031	68,969	18.9%
DERWA charges	2,620,000	1,697,387	922,613	64.8%
Other Revenues	50,000	60,571	(10,571)	121.1%
Investment Income	349,000	266,478	82,522	76.4%
<b>Total Revenues</b>	<b>\$27,969,323</b>	<b>\$10,333,872</b>	<b>\$17,635,451</b>	<b>36.9%</b>
<b>Operating Expenses</b>				
Salaries & Benefits	\$12,277,317	\$6,230,169	\$6,047,148	50.7%
Staff Time Charged to CIP & JPAs	(1,817,905)	(802,089)	(1,015,816)	44.1%
Materials & Supplies	3,109,485	1,355,152	1,754,333	43.6%
Gas & Electric	2,176,025	1,174,903	1,001,122	54.0%
Contractual Services	1,897,737	453,042	1,444,695	23.9%
Allocated costs	3,225,882	1,396,382	1,829,500	43.3%
LAVWMA JPA Contribution	4,602,583	2,786,812	1,815,771	60.5%
Other Expenses	31,120	15,958	15,162	51.3%
<b>Total Expenses</b>	<b>\$25,502,244</b>	<b>\$12,610,330</b>	<b>\$12,891,914</b>	<b>49.4%</b>
Transfer Out to Replacement	(\$3,068,843)	(\$1,350,000)	(\$1,718,843)	44.0%
Transfer Out to Water for 5th Supplement Agreement	(400,000)	-	(400,000)	0.0%
<b>Net Increase/(Decrease)</b>	<b>(\$1,001,764)</b>	<b>(\$3,626,457)</b>		
<b>Beginning Working Capital</b>	21,170,575	21,170,575		
<b>Ending Working Capital</b>	<b>\$20,168,811</b>	<b>\$17,544,118</b>		
Working Capital Minimum (4 mos)	\$8,500,748	\$8,500,748		
Working Capital Target (8 mos)	\$17,001,496	\$17,001,496		

**Water Funds 600 and 605:**

The Water enterprise provides potable and recycled water to Dublin and the Dougherty Valley area of San Ramon. For the unaudited second quarter financial report for FY 2025, the District's Water enterprise is at 50% of budgeted operating revenues and 41% of budgeted operating expenses as of December 31, 2024.

- **Revenues** – Potable Water charges are below budget for second quarter due to lower than budgeted water demands. However, potable water consumption for the first two quarters in FY 2025 increased relative to the same period last year. Recycled water and power charges are trending upward. Inspections and Plan Check Fees are up due to higher than anticipated development activities. Other revenues and Investment income exceeded budget.
- **Expenses** – Salary and Benefits are on track for second quarter. Materials, Supplies and Contract expenses are below budget. DERWA JPA Contribution expenses are lower than budgeted due to a delay in DERWA billings. Other expenses include the write-off of \$112,000 for 135 delinquent customer accounts, that occurred during the first quarter.
- **Transfers** – Transfers include a quarterly transfer to Replacement Fund as scheduled.
- **Ending Working Capital** – The estimated ending working capital is below the target reserve level of 8 months, but above the minimum reserve level (4 months of combined working capital).



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

	(a) Adopted Budget	(b) Actual YTD	(a) - (b) Over/ Under Budget	Percentage Collect/Use
<b>Operating Revenues</b>				
Potable Water Charges	\$36,015,000	\$16,319,841	\$19,695,159	45.3%
Recycled Water	5,880,000	3,997,567	1,882,433	68.0%
Power Charge	1,090,000	677,471	412,529	62.2%
Inspections & Plan Check Fees	1,071,500	669,541	401,959	62.5%
Other Revenues	1,210,000	666,484	543,516	55.1%
Investment Income	610,000	382,597	227,403	62.7%
<b>Total Revenues</b>	<b>\$45,876,500</b>	<b>\$22,713,501</b>	<b>\$23,162,999</b>	<b>49.5%</b>
<b>Operating Expenses</b>				
Salaries & Benefits	\$9,843,654	\$4,704,687	\$5,138,967	47.8%
Staff Time Charged to CIP & JPAs	(1,022,838)	(348,427)	(674,411)	34.1%
Water Purchases	20,257,000	8,542,792	11,714,208	42.2%
Gas & Electric	1,786,200	807,736	978,464	45.2%
Materials & Supplies	1,552,550	473,367	1,079,183	30.5%
Contract Services	2,512,863	702,023	1,810,840	27.9%
Allocated Costs	2,755,470	1,192,756	1,562,714	43.3%
DERWA JPA Contribution	3,653,100	602,830	3,050,270	16.5%
Other Expenses	230,690	195,292	35,398	84.7%
<b>Total Expenses</b>	<b>\$41,568,689</b>	<b>\$16,873,055</b>	<b>\$24,695,634</b>	<b>40.6%</b>
Transfer In from F300 for Recycled Water 5th Supplement	\$400,000	-	\$400,000	0.0%
Transfers Out to Replacement and OPEB	(6,772,130)	(\$3,250,000)	(3,522,130)	48.0%
<b>Net Increase/(Decrease)</b>	<b>(\$2,064,319)</b>	<b>\$2,590,446</b>		
<b>Beginning Working Capital</b>	22,360,758	22,360,758		
<b>Ending Working Capital</b>	<b>\$20,296,439</b>	<b>\$24,951,204</b>		
Working Capital Minimum (4 mos)	\$13,856,230	\$13,856,230		
Working Capital Target (8 mos)	\$27,712,459	\$27,712,459		

**Administrative Cost Center Fund 900:**

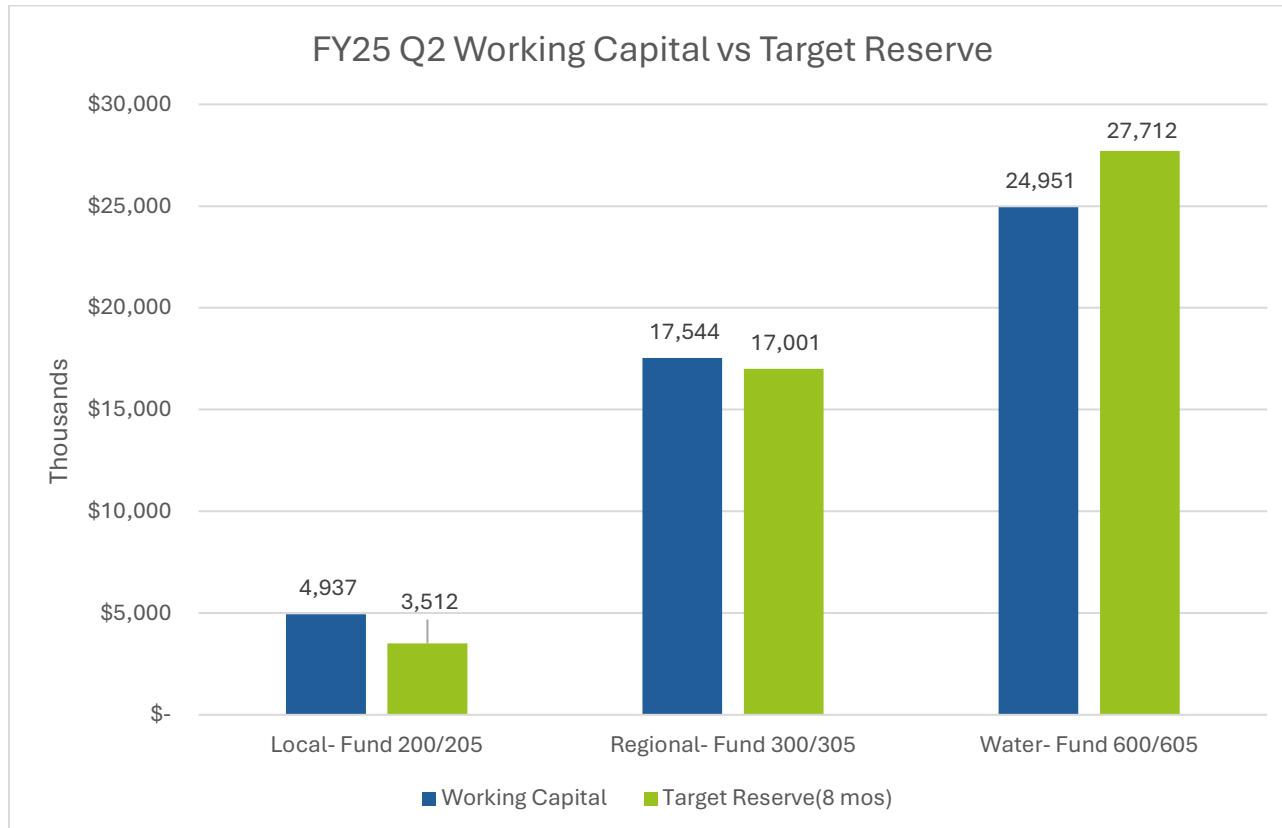
The Administrative Cost Center captures costs not specifically identifiable to any one of the District's operational activities. A majority of the cost for the Administrative Services Department, Finance except for Utility Billing and Customer Services, and the Board of Directors/Office of the General Manager Department is included in this fund. Revenue is generated for general administrative services provided to the two joint powers authorities (DERWA and LAVWMA), the general overhead for capital project management, and miscellaneous services to customers and other local agencies. The Administrative Cost Center is at 42% of budgeted operating revenues and 39% of budgeted operating expenses as of December 31, 2024. All costs of the Administrative Cost Center have been allocated to the other funds as applicable. The Administrative Cost Center does not compute a working capital position.

	(a) Adopted Budget	(b) Actual YTD	(a) - (b) Over/ Under Budget	Percentage Collect/Use
<b>Operating Revenues</b>				
Customer Service Late Fees	\$200,000	\$9,299	\$190,701	4.6%
Administrative Fees	200,000	39,244	160,756	19.6%
LAVWMA	973,000	487,661	485,339	50.1%
DERWA	1,461,000	728,424	732,576	49.9%
CIP	862,000	276,280	585,720	32.1%
Misc Revenues	-	23,346	(23,346)	100.0%
<b>Total Revenues</b>	<b>\$3,696,000</b>	<b>\$1,564,255</b>	<b>\$2,131,745</b>	<b>42.3%</b>
<b>Operating Expenses</b>				
Salaries & Benefits	\$8,015,982	\$4,191,759	\$3,824,223	52.3%
Staff Time Charged to CIP & JPAs	(225,326)	(31,782)	(193,544)	14.1%
Materials & Supplies	414,090	149,069	265,021	36.0%
Contract Services	2,789,864	1,119,987	1,669,877	40.1%
Allocated Costs	(7,052,650)	(3,870,043)	(3,182,608)	54.9%
Miscellaneous	48,040	5,821	42,219	12.1%
<b>Total Expenses</b>	<b>\$3,990,000</b>	<b>\$1,564,813</b>	<b>\$2,425,188</b>	<b>39.2%</b>

**Operating Reserves:**

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

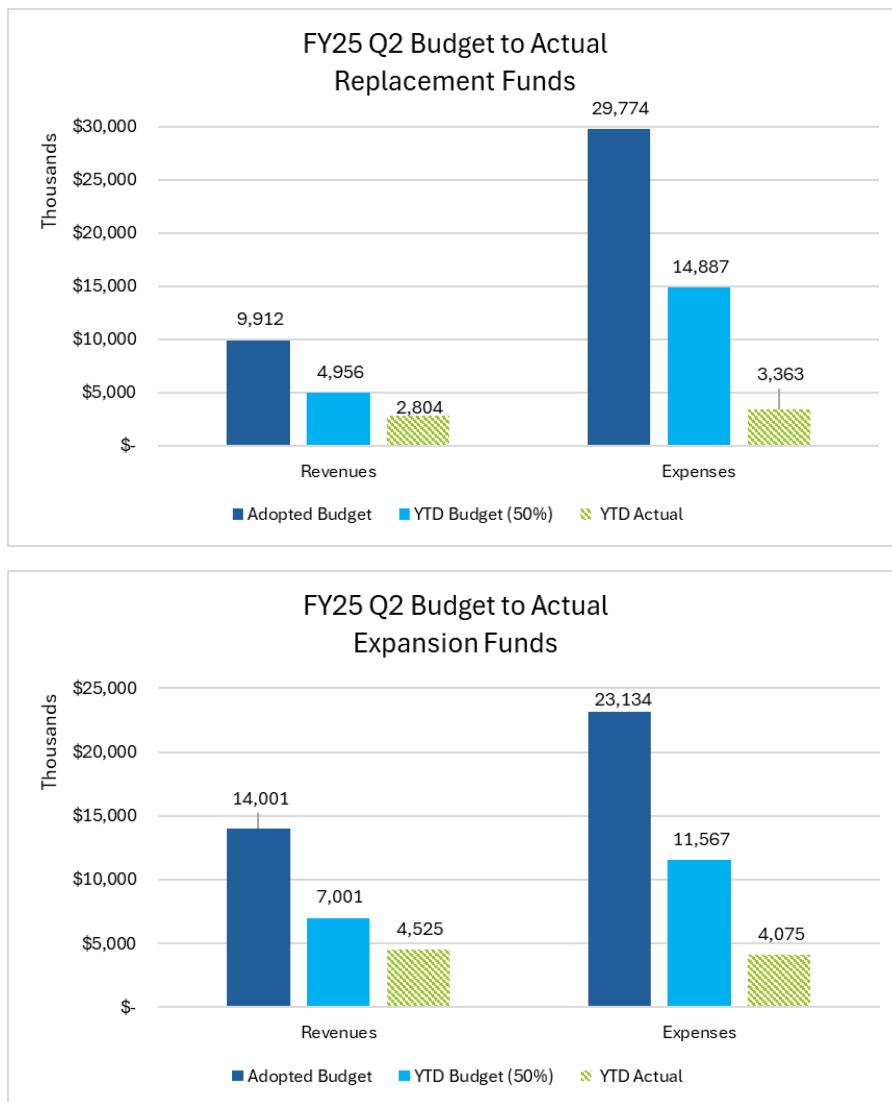
As shown in the following figure, working capital for the Local Wastewater operating funds (Enterprise and Rate Stabilization) are above policy target level through the second quarter of FY 2025. The working capital for Regional Wastewater is slightly above target. The working capital for the Water enterprise is below target but above the minimum reserve level. The District’s recently adopted [Water Cost of Service Study \(HDR, 2024\)](#) and the rate adjustments through calendar year 2028 are projected to bring operating reserves back up to target levels by 2028.



## CAPITAL FUNDS:

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

For the unaudited second quarter financial report for FY 2025, Replacement funds are at 28% of budgeted revenues and 11% of budgeted expenses, while Expansion funds received 32% of budgeted revenues and 18% of budgeted expenses.



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

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

	(a) Adopted Budget	(b) Actual YTD	(a) - (b) Over/ Under Budget	Percentage Collect/Use
<b>Local Wastewater Replacement (Fund 210)</b>				
Revenues				
WW Capacity Fee-Dublin	\$1,237,398	\$209,763	\$1,027,635	17.0%
Investment Income	82,000	171,166	(89,166)	208.7%
<b>Total Revenues</b>	<b>\$1,319,398</b>	<b>\$380,929</b>	<b>\$938,469</b>	<b>28.9%</b>
Expenses				
CIP - Projects	\$2,129,350	\$435,822	\$1,693,528	20.5%
<b>Total Expenses</b>	<b>\$2,129,350</b>	<b>\$435,822</b>	<b>\$1,693,528</b>	<b>20.5%</b>
Transfer In - Annual contribution	\$800,000	\$400,000	400,000	50.0%
<b>Net Increase/(Decrease)</b>	<b>(\$9,952)</b>	<b>\$345,107</b>		
Beginning Working Capital	9,643,116	9,643,116		
<b>Ending Working Capital</b>	<b>\$9,633,164</b>	<b>\$9,988,223</b>		
Working Capital Minimum	\$1,234,000	\$1,234,000		
Working Capital Target	\$2,468,000	\$2,468,000		

	(a) Adopted Budget	(b) Actual YTD	(a) - (b) Over/ Under Budget	Percentage Collect/Use
<b>Local Wastewater Expansion (Fund 220)</b>				
Revenues				
WW Capacity Fee-Dublin	\$38,007	\$6,398	\$31,609	16.8%
Investment Income	164,000	168,540	(4,540)	102.8%
<b>Total Revenues</b>	<b>\$202,007</b>	<b>\$174,938</b>	<b>\$27,069</b>	<b>86.6%</b>
Expenses				
CIP - Projects	\$171,250	\$17,124	\$154,126	10.0%
<b>Total Expenses</b>	<b>\$171,250</b>	<b>\$17,124</b>	<b>\$154,126</b>	<b>10.0%</b>
<b>Net Increase/(Decrease)</b>	<b>\$30,757</b>	<b>\$157,814</b>		
Beginning Working Capital	9,745,931	9,745,931		
<b>Ending Working Capital</b>	<b>\$9,776,688</b>	<b>\$9,903,745</b>		
Working Capital Minimum	\$978,000	\$978,000		
Working Capital Target	\$978,000	\$978,000		

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

Regional Wastewater Replacement (Fund 310)	Adopted Budget	Actual YTD	Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
WW Capacity Fee-Dublin	\$2,071,570	\$333,332	\$1,738,238	16.1%
WW Capacity Fee-Pleasanton	456,293	94,531	361,762	20.7%
WW Capacity Fee-Defer	3,618	640	2,978	17.7%
Investment Income	720,000	700,837	19,163	97.3%
<b>Total Revenues</b>	<b>\$3,251,481</b>	<b>\$1,129,340</b>	<b>\$2,122,141</b>	<b>34.7%</b>
<b>Expenses</b>				
LAVWMA JPA	\$279,600	\$139,800	\$139,800	50.0%
CIP - Projects	15,298,190	1,454,080	13,844,110	9.5%
<b>Total Expenses</b>	<b>\$15,577,790</b>	<b>\$1,593,880</b>	<b>\$13,983,910</b>	<b>10.2%</b>
Transfer In - Annual contribution	2,700,000	1,350,000	1,350,000	50.0%
<b>Net Increase/(Decrease)</b>	<b>(\$9,626,309)</b>	<b>\$885,460</b>		
<b>Beginning Working Capital</b>	40,370,196	40,370,196		
<b>Ending Working Capital</b>	<b>\$30,743,887</b>	<b>\$41,255,656</b>		
<b>Working Capital Minimum</b>	\$8,922,000	\$8,922,000		
<b>Working Capital Target</b>	\$17,845,000	\$17,845,000		

Regional Wastewater Expansion (Fund 320)	Adopted Budget	Actual YTD	Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
WW Capacity Fee-Dublin	\$5,599,335	\$899,862	\$4,699,473	16.1%
WW Capacity Fee-Pleasanton	497,880	238,120	259,760	47.8%
WW Capacity Fee-Defer	10,156	1,596	8,560	15.7%
Investment Income	890,000	798,058	91,942	89.7%
<b>Total Revenues</b>	<b>\$6,997,371</b>	<b>\$1,937,635</b>	<b>\$5,059,736</b>	<b>27.7%</b>
<b>Expenses</b>				
LAVWMA JPA	\$3,581,322	\$3,143,982	\$437,340	87.8%
CIP - Projects	1,342,710	76,823	1,265,887	5.7%
<b>Total Expenses</b>	<b>\$4,924,032</b>	<b>\$3,220,805</b>	<b>\$1,703,227</b>	<b>65.4%</b>
<b>Net Increase/(Decrease)</b>	<b>\$2,073,339</b>	<b>(\$1,283,170)</b>		
<b>Beginning Working Capital</b>	47,381,677	47,381,677		
<b>Ending Working Capital</b>	<b>\$49,455,016</b>	<b>46,098,507</b>		
<b>Working Capital Minimum</b>	\$7,742,000	\$7,742,000		
<b>Working Capital Target</b>	\$14,904,000	\$14,904,000		

**Water Capital Funds 610 and 620:**

Water Replacement (Fund 610)	(a) Adopted Budget	(b) Actual YTD	(a) - (b) Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
Water Capacity Fee	\$4,760,700	\$671,132	\$4,089,568	14.1%
Investment Income	580,000	622,792	(42,792)	107.4%
Other Revenues	-	-	-	-
<b>Total Revenues</b>	<b>\$5,340,700</b>	<b>\$1,293,925</b>	<b>\$4,046,775</b>	<b>24.23%</b>
<b>Expenses</b>				
DERWA JPA	\$242,000	11,160.80	\$230,839	4.6%
Capital Outlay	250	-	250	0.0%
CIP - Projects	11,825,000	\$1,322,242	10,502,758	11.2%
<b>Total Expenses</b>	<b>\$12,067,250</b>	<b>\$1,333,403</b>	<b>\$10,733,847</b>	<b>11.0%</b>
Transfer In - Annual contribution	6,500,000	3,250,000	3,250,000	50.0%
<b>Net Increase/(Decrease)</b>	<b>(\$226,550)</b>	<b>\$3,210,522</b>		
<b>Beginning Working Capital</b>	35,754,707	35,754,707		
<b>Ending Working Capital</b>	<b>\$35,528,157</b>	<b>38,965,229</b>		
Working Capital Minimum	\$12,319,000	\$12,319,000		
Working Capital Target	\$24,638,000	\$24,638,000		

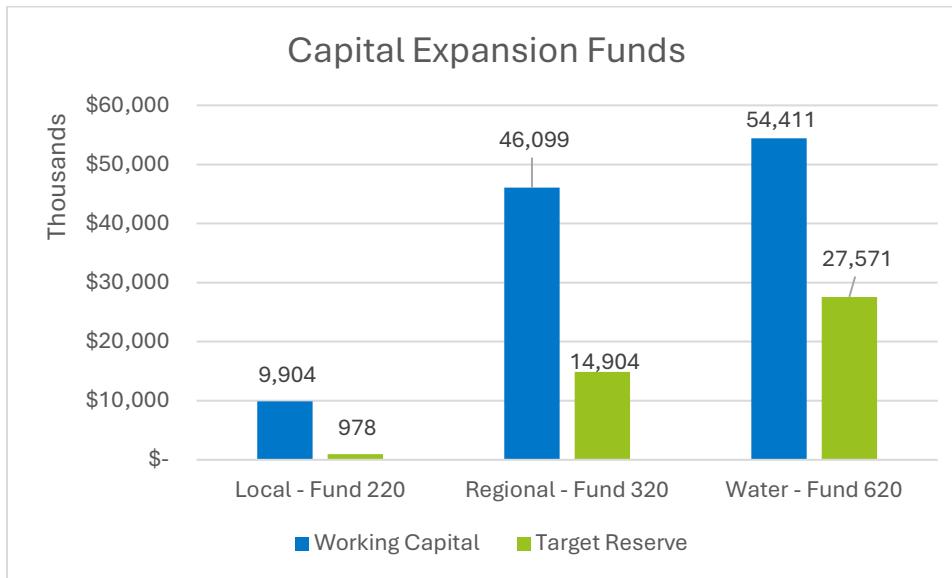
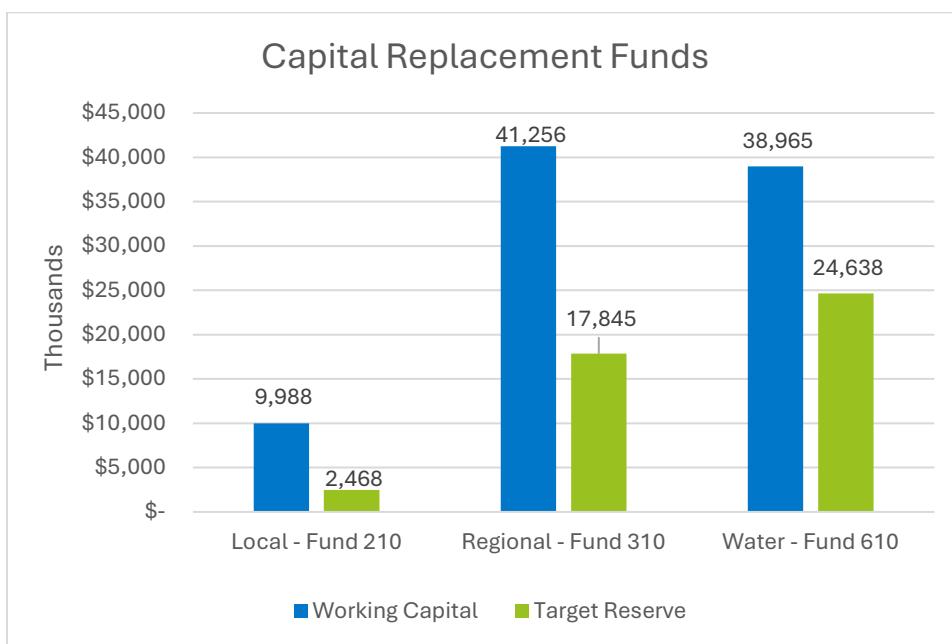
Water Expansion (Fund 620)	Adopted Budget	Actual YTD	Over/ Under Budget	Percentage Collect/Use
<b>Revenues</b>				
Water Capacity Fee	\$5,802,035	\$1,495,908	\$4,306,127	25.8%
Investment Income	1,000,000	916,029	83,971	91.6%
Other Revenues	-	-	-	-
<b>Total Revenues</b>	<b>\$6,802,035</b>	<b>\$2,411,936</b>	<b>\$4,390,099</b>	<b>35.5%</b>
<b>Expenses</b>				
DERWA JPA	\$845,794	-	\$845,794	0.0%
CIP - Projects	15,315,256	\$282,817	15,032,439	1.8%
Debt Services	1,877,188	682,656	1,194,532	36.4%
<b>Total Expenses</b>	<b>\$18,038,238</b>	<b>\$965,474</b>	<b>\$17,072,764</b>	<b>5.4%</b>
<b>Net Increase/(Decrease)</b>	<b>(\$11,236,203)</b>	<b>\$1,446,463</b>		
<b>Beginning Working Capital</b>	52,836,462	52,836,462		
<b>Ending Working Capital</b>	<b>\$41,600,259</b>	<b>54,282,925</b>		
Working Capital Minimum	\$23,390,000	\$23,390,000		
Working Capital Target	\$27,571,000	\$27,571,000		

**Capital Funds Reserves:**

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

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

As shown in the following figures, working capital for all Replacement and Expansion funds are above policy target levels through the second quarter of FY 2025.



Dublin San Ramon Services District  
 Capital Projects Created from Programs  
 7/1/2024- 12/31/2024

Reference H

Line	Date	Project No.	Project Name	Program Name	Fund 210 Local WW Replacement	Fund 310 Regional WW Replacement	Fund 610 Water Replacement	Total Project Budget
1	8/16/2024	25-A002	FY25 FLEET 1 - Ford F-150 (Field Operations Division)	Fleet Asset Program 00-A004	\$19,800	-	\$40,200	\$60,000
2	10/15/2024	25-A007	FY25 FLEET 2 - Ford F-250 (Mech Maint Div)	Fleet Asset Program 00-A004	-	56,700	24,300	81,000
3	10/16/2024	25-A003	MH and Valve Adj City of Dublin FY25	Street Overlay Program 00-A003	24,300	-	65,700	90,000
4	10/16/2024	25-A004	MH and Valve Adj City of San Ramon FY25	Street Overlay Program 00-A003	68,000	-	17,000	85,000
5	12/4/2024	25-P008	Aeraetion Blower Motors #1 and #3 Replement	WWTP Repl and Rehab Program 00-P026	-	120,000	-	120,000
6	12/5/2024	25-W010	Residential Meter Replacement	Water System Repl and Rehab Program 00-W011	-	-	100,000	100,000
<b>Total</b>					<b>\$112,100</b>	<b>\$176,700</b>	<b>\$247,200</b>	<b>\$536,000</b>

Per the Budget Accountability Policy P400-24-2, the General Manager, or designee, is authorized to create a project from a CIP Program up to maximum \$175,000



**TITLE:** Affirm No Changes to Emergency Response Plan (ERP) Policy

**RECOMMENDATION:**

Staff recommends the Board of Directors approve, by Motion, affirmation of no changes to the Emergency Response Plan (ERP) policy.

**DISCUSSION:**

District policies are generally reviewed on a rotating four-year cycle to ensure that they remain current. The Emergency Response Plan (ERP) policy was established in June 1995 to designate the District Emergency Manager and to give authorization to manage emergency operations. The policy was last revised and reviewed in 2021. Staff recently reviewed the ERP policy and recommend no changes. The current policy with updated review history is attached. If affirmed, the policy will be scheduled for subsequent review in 2029.

Originating Department: Administrative Services	Contact: M. Gallardo	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Marked-up Emergency Response Plan (ERP) policy	



<b>Policy No.:</b> <u>P300-20-3</u>	<b>Type of Policy:</b> Operations
<b>Policy Title:</b> Emergency Response Plan (ERP)	
<b>Policy Description:</b> Designation of District Emergency Manager and authorization to manage emergency operations	
<b>Approval Date:</b> 9/15/2020	<b>Last Review Date:</b> <u>20202025</u>
<b>Approval Resolution No.:</b> 54-20	<b>Next Review Date:</b> <u>20242029</u>
<b>Rescinded Resolution No.:</b> 14-12	<b>Rescinded Resolution Date:</b> 5/1/2012

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

1. The General Manager or successor is designated as the District's Emergency Manager who will direct District emergency response activities after natural or malevolent emergency events.
2. Under emergency conditions in which immediate action must be taken to protect lives and property, respond to emergencies, and to restore essential services for public health and safety, the Emergency Manager may proclaim a District State of Emergency and activate the Dublin San Ramon Services District Emergency Response Plan.
3. Upon activation of the District Emergency Response Plan, the Emergency Manager will direct and manage all emergency operations and make decisions to allocate resources and expend funds as necessary to meet the needs of the emergency.
4. During any state of emergency, the District's priorities will be to: (1) protect human life and health, (2) protect property, and, (3) protect the environment while at all times protecting the safety of our work force. After the state of emergency has been stabilized, DSRSD will take action to ensure its customers will have confidence in the water supply and in DSRSD.
5. The Board of Directors shall at the next regular meeting after the Declaration of Emergency to proclaim by official Board resolution the Declaration of the District State of Emergency and to authorize continued emergency operations and recovery operations.
6. The Declaration of the District State of Emergency shall be renewed by the Board of Directors at every regular meeting unless terminated by the Emergency Manager and the Board of Directors.
7. The General Manager shall have the ongoing responsibility to ensure District compliance with evolving emergency response and preparedness legislation and regulation.

**Policy No.:****Policy Title:** Emergency Response Plan (ERP)

Policy is current and no changes need to be adopted  
by the Board of Directors.

Status Quo Chronology:

Date Adopted:

9/15/2020

Reviewed by  
Committee or Board:

Date:

Board

2/18/2025



**TITLE:** Accept Fiscal Year 2024 Annual Report on Rate Stabilization Fund Reserves and Approve Transfer from the Water Rate Stabilization (Fund 605) to the Water Operations (Fund 600)

**RECOMMENDATION:**

Staff recommends the Board of Directors accept, by Motion, the annual report on Rate Stabilization Fund reserves for Fiscal Year (FY) 2024 and approve a transfer of \$4,050,098 from the Water Rate Stabilization (Fund 605) to the Water Operations (Fund 600).

**SUMMARY:**

Each year, at the completion of the audit of the District's financial statements, the Board receives a report on the Rate Stabilization Funds (RSF) and any proposed transfers to comply with the thresholds set forth in the Financial Reserves policy. The FY 2024 ending working capital for the Local Wastewater Collection and Regional Wastewater Treatment Operations (Funds 200 and 300) are between target and maximum reserve levels, and the combined working capital of the Operations Fund and RSF for these enterprises are below the maximum reserve level. Therefore, no transfers are recommended for the Local Wastewater Collection and Regional Wastewater Treatment enterprises. The FY 2024 ending working capital for the Water Operations (Fund 600) of \$6,160,368 is below the policy target reserve level of four months. In accordance with the Financial Reserves policy, staff recommends a transfer of \$4,050,098, which is one-quarter of the RSF balance, from the Water RSF (Fund 605) to the Water Operations (Fund 600).

**BACKGROUND:**

The District maintains four funds (Operations, Rate Stabilization, Replacement, and Expansion) for each of its three enterprises (Local Wastewater Collection, Regional Wastewater Treatment, and Water). The Board adopted Financial Reserves policy provides fund reserve guidance for all enterprises. This policy (Attachment 1) was last reviewed by the Board in 2024.

The Financial Reserves policy and annual RSF analysis outlines the calculation used to determine when funds should be transferred between the Operations Fund and the RSF for each of the District's enterprises. If the combined working capital of the Operations and RSF is greater than the policy maximum, the General Manager will make a recommendation, in accordance with the Financial Reserves policy, to the Board as to how the funds should be used.

The purpose of Operations Fund reserves is to ensure adequate cash is available when needed to pay the District's normal and recurring operating costs. For each Operations Fund, a "minimum reserve," a "target reserve," and a "maximum reserve" are established. The various reserve amounts are calculated based on the adopted operating expense budget for each respective Operations Fund. The reserve levels are determined as follows:

- Minimum Operations Fund reserve: Working capital is equal to two months of budgeted operating expenses
- Target Operations Fund reserve: Working capital is equal to four months of budgeted operating expenses
- Maximum Operations Fund reserve: Working capital is equal to six months of budgeted operating expenses

The purpose of the RSF reserves is to manage public funds to assure financial stability, including stability of revenues and the rates and charges related to each enterprise. For each RSF, a "minimum reserve," a "target reserve," and a "maximum reserve" are established. The various reserve amounts are calculated based on the adopted operating expense budget for each respective Operations Fund. The reserve levels are determined as follows:

Originating Department: Finance	Contact: C. Chen/K. Spray	Legal Review: Not Required
Financial Review: Yes	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Financial Reserves policy	26 of 33

- Minimum RSF reserve: Working capital is equal to two months of budgeted operating expenses
- Target RSF reserve: Working capital is equal to four months of budgeted operating expenses
- Maximum RSF reserve: The combined working capital for the Operations Fund and the RSF is equal to twelve months of budgeted operating expenses

**DISCUSSION:**

On December 17, 2024, the Board accepted the District's Annual Comprehensive Financial Report (ACFR) audited by the District's independent auditor, Maze and Associates. The RSF reserves report is developed based on the ending working capital from the financial statements for FY 2024. As discussed with the Board on December 17, 2024, the FY 2024 ACFR reflects prior period adjustments (PPA) of \$3,911,343 for FY 2023 related to the accounting of capital assets and accruals that were not reversed at year-end due to the Tyler Munis conversion. The recorded PPA resulted in a decrease in the District's reported net position, which was allocated across the three enterprises.

Based on the RSF analysis:

- The FY 2024 ending working capital for the Local Wastewater Collection Operations (Fund 200) is at 5.74 months, which is between target and maximum reserve levels. The combined working capital of the Local Wastewater Collections Operations(Fund 200) and Local Wastewater Collections RSF (Fund 205) is at 9.90 months, which is below the combined maximum reserve level of 12 months. Therefore, no transfers are recommended for the Local Wastewater Collection enterprise.
- The FY 2024 ending working capital for the Regional Wastewater Treatment Operations (Fund 300) is at 4.79 months, which is between target and maximum reserve levels. The combined working capital of the Regional Wastewater Treatment Operations (Fund 300) and Regional Wastewater Treatment RSF (Fund 305) is at 9.96 months, which is below the combined maximum reserve level of 12 months. Therefore, no transfers are recommended for the Regional Wastewater Treatment enterprise.
- The FY 2024 ending working capital of \$6,160,368 for the Water Operations (Fund 600) is below the policy target of four months. Therefore, in accordance with the Financial Reserves policy, staff recommends the transfer of \$4,050,098, which is one-quarter of the RSF balance, from the Water RSF (Fund 605) to the Water Operations (Fund 600). This transfer will bring the working capital for the Water Operations (Fund 600) above the minimum policy reserve level of two months. The combined working capital of the Water Operations (Fund 600) and Water RSF (Fund 605) is at 6.47 months, which is between the minimum and target reserve levels.

The adopted 2024 Water Cost of Service Study (HDR, 2024) estimated that in the first two years of the study approximately \$7 million in RSF funds, in addition to adopted rate adjustments through calendar year 2028, would be needed to bring the combined Operations and RSF reserves for the Water enterprise back up to target level in 2028. Staff will continue to closely monitor the financial health of the Water enterprise and recommend further adjustments, if needed.

## Rate Stabilization Fund Analysis

June 30, 2024

	Fund 200	Fund 300	Fund 600
	Local Wastewater	Regional Wastewater	Water
<b>Operations Funds</b>			
Operating Expense Budget (FY 2024-25)	\$ 5,267,553	\$ 25,502,244	\$ 41,498,689
One Month Working Capital	438,963	2,125,187	3,458,224
Target (four months)	1,755,851	8,500,748	13,832,896
Minimum (two months)	877,926	4,250,374	6,916,448
Maximum (six months)	2,633,777	12,751,122	20,749,345
<hr/>			
<b>From Audited Financials (with PPA):</b>			
Current Assets	\$ 2,695,594	\$ 14,096,858	\$ 14,670,091
Less: Current Liabilities	177,171	3,910,600	8,509,723
Working Capital	2,518,423	10,186,258	6,160,368
<b>Months of Working Capital (if between 4-6, no action)</b>	<b>5.74</b>	<b>4.79</b>	<b>1.78</b>
<hr/>			
Surplus to Transfer (excess of target + two months)	\$ -	\$ -	\$ -
Funding Needed (if working capital is below 4)	None	None	7,672,528

	Fund 200	Fund 300	Fund 600
	Local Wastewater	Regional Wastewater	Water
<b>Operations Funds</b>			
Working Capital (pre- transfer)	\$ 2,518,423	\$ 10,186,258	\$ 6,160,368
RSF Transfer	-	-	4,050,098
Working Capital (after transfer)	\$ 2,518,423	\$ 10,186,258	\$ 10,210,466
<b>Months of Working Capital in Operations Fund</b>	<b>5.74</b>	<b>4.79</b>	<b>2.95</b>

	Fund 205	Fund 305	Fund 605
	Local Wastewater	Regional Wastewater	Water
<b>Rate Stabilization Funds</b>			
Current Balance in RSF (FY2024)	\$ 1,828,221	\$ 10,984,317	\$ 16,200,390
Amount to Add	-	-	-
Amount Transfer to Operations	-	-	(4,050,098)
New Balance in RSF (after transfer)	1,828,221	10,984,317	12,150,293
<b>Months of Working Capital in RSF</b>	<b>4.16</b>	<b>5.17</b>	<b>3.51</b>
<b>Total Between Operations and RSF (after transfer)</b>	<b>\$ 4,346,644</b>	<b>\$ 21,170,575</b>	<b>\$ 22,360,758</b>
<b>Total Months of Working Capital</b>	<b>9.90</b>	<b>9.96</b>	<b>6.47</b>



<b>Policy No.:</b>	P400-24-6	<b>Type of Policy:</b>	Finance
<b>Policy Title:</b>	Financial Reserves		
<b>Policy Description:</b>	Provides guidance for the prudent accumulation and management of designated reserves.		
<b>Approval Date:</b>	11/19/2024	<b>Last Review Date:</b>	2024
<b>Approval Resolution No.:</b>	49-24	<b>Next Review Date:</b>	2028
<b>Rescinded Resolution No.:</b>	40-15	<b>Rescinded Resolution Date:</b>	6/2/2015

The purpose of this policy of the Board of Directors of Dublin San Ramon Services District is to designate financial reserves to protect investment in District assets, satisfy commitments under numerous financial, regulatory and contractual obligations, and to stabilize long-term rates for customers.

Designated reserves are earmarked by the Board of Directors for purposes such as funding new capital facilities, construction, repair, replacement or refurbishment of existing facilities, rate stabilization, emergency and operating reserves. These funds can be utilized at District discretion with certain restrictions where they apply. The Board can change designated reserve levels at any time. Designated reserves are different than restricted funds which are restricted as to use by creditors, grant agencies or law. Reserves held by a third-party in an irrevocable trust used to pay employee benefits are examples of restricted reserves that may not be used for any purpose other than the purpose of the trust.

If the District is contractually obligated to hold additional reserves, the more stringent requirement takes precedence. In addition, if there is a declared emergency, the General Manager may utilize any unrestricted funds in accordance with the District Code.

To accomplish these objectives, the District shall adhere to the following:

## Operating Reserves

**Purpose:** The purpose of Operating reserves (referred to as working capital) is to ensure adequate cash is available when needed to pay the District's normal and recurring operating costs.

**Use of Funds:** Funds are utilized throughout the year in order to meet the District's operating obligations.

**Policy No.:** P400-24-6**Policy Title:** Financial Reserves

**Target:** Working capital equal to four months of budgeted operating expenses in each Operating Fund.

**Minimum:** Two months of budgeted operating expenses in each operating Fund. If reserves fall below this level, the District's Rate Policies and Guidelines outline additional steps that shall be followed.

**Maximum:** Six months of budgeted operating expenses in each Operating Fund. If reserves are above this level at fiscal year end, the excess funds shall be moved into the Enterprise's Rate Stabilization Fund.

**Reporting:** Working capital for each of the Enterprise's Operating Funds shall be reported in the District's quarterly financial reports.

## **Rate Stabilization Fund Reserves**

**Purpose:** The purpose of Rate Stabilization Fund (RSF) Reserves is to support the Board's strategic goal to manage public funds to assure financial stability, including stability of revenues and the rates and charges related to each Enterprise.

Over the course of time, the District will have years where there is a financial surplus above the working capital target for one or more of the District's Enterprises, and years when unexpected events may cause reserves to decrease below the target. The Rate Stabilization Fund allows the District to manage these different sets of circumstances.

**Use of Funds:** Each Enterprise's Rate Stabilization Reserves are assessed at fiscal year-end.

### **Maintain Operating Fund Reserves at Target Level**

If the Reserves in any Operating Fund at fiscal-year end are below the working capital target, a transfer from the Rate Stabilization Fund to the corresponding Operating Fund of no more than one-quarter of the Rate Stabilization Fund's balance shall be made in an effort to bring the Operating Fund back to its working capital target.

### **Maintain CalPERS Pension Funded Ratio Between 80% and 90%**

If the CalPERS Pension funded ratio is below 80%, prioritize surplus Rate Stabilization Fund reserves to make additional discretionary Unfunded Accrued Liability (UAL) payments in an effort to bring the ratio above 80%.

**Policy No.:** P400-24-6**Policy Title:** Financial Reserves**Allocate Surplus Reserves to Capital Replacement Funds**

If the Reserves in any Rate Stabilization Fund at fiscal-year end are above the maximum reserve level, a transfer from the Rate Stabilization Fund to the corresponding Replacement Fund may be made.

The Board may also budget use of these funds for other purposes.

**Target:** Four months of the related Enterprise Fund's budgeted operating expenses.

**Minimum:** Two months of the related Enterprise Fund's budgeted operating expenses.

**Maximum:** Six months of the related Enterprise Fund's budgeted operating expenditures. If the combined total of the Operating and the corresponding RSF exceeds 12 months working capital, the General Manager will make a recommendation to the Board of Directors as to how the funds should be used.

**Reporting:** The General Manager shall report annually to the Board of Directors on the results of the assessment and make recommendations on the use of funds.

**Capital Asset Replacement & Improvement Reserves**

**Purpose:** The purpose of Capital Asset Replacement & Improvement Reserves is to ensure that adequate funds are available to purchase new capital assets that benefit current ratepayers, to fund replacements, improvements and major refurbishments to existing capital assets and to provide a minimum of one year's debt service for debt which the Board has allocated to this fund.

**Use of Funds:** Funds are utilized in accordance with the budget adopted by the Board of Directors.

**Target:** The target replacement reserve shall consist of the sum of the following components:

- 1) An amount based on the District's Asset Replacement Planning Model and which is equal to two times the 15-year average annual expense in the Capital Improvement Plan; and
- 2) A debt reserve of two year's average debt service (or for any debt that has less than two years remaining, the entire remaining amount).

**Minimum:** The minimum replacement reserve shall consist of the sum of the following components:

- 1) An amount based on the District's Asset Replacement Planning Model and which is equal to the 15-year average annual expense in the Capital Improvement Plan; and
- 2) A debt reserve of one year's average debt service (or for any debt that has less than one year remaining, the entire remaining amount).

Policy No.: P400-24-6

Policy Title: Financial Reserves

**Maximum:** There is no maximum reserve in this fund; Reserves may be accumulated and used for their intended purpose.

**Revisions:** It is the intent of the Board that asset-management driven changes be made to the Capital Asset and Replacement & Improvement Reserves section of this policy based on the Asset Replacement Planning Model, the condition assessment of District assets and strategies for managing those assets.

**Reporting:** The General Manager shall report annually to the Board of Directors on the results of the assessment.

## Capital Expansion Reserves

**Purpose:** The purpose of Capital Expansion Reserves is to minimize the need for ratepayers to pay for expansion debt by having sufficient reserves on hand to pay annual debt service on District bonds or loans for a two-year period.

**Use of Funds:** Funds are utilized in accordance with the budget adopted by the Board of Directors and applicable laws related to use of Capacity Reserve Fees.

**Target:** Two years of average debt service (or for any debt that has less than two years remaining, the entire remaining amount) charged to the Expansion Fund, plus two years of expansion project spending as projected in the District's most current two-year Capital Improvement budget.

**Minimum:** A minimum reserve consists of the greater of the reserve for debt service or the next two years of planned expansion projects.

**Maximum:** There is no maximum reserve in this fund; Capacity Reserve Fees may be accumulated and used for their intended purpose with no maximum reserve limitation.

**Reporting:** The General Manager shall report annually to the Board of Directors on the results of the assessment.



**TITLE:** Receive Update on Emergency Preparedness and Response Program

**RECOMMENDATION:**

Staff recommends the Board of Directors receive an update on the District's Emergency Preparedness and Response Program.

**DISCUSSION:**

In accordance with the District's Fiscal Year Ending (FYE) 2024–2028 Strategic Plan goal to *"Enhance our ability to respond to emergencies and maintain business continuity,"* the District's emergency preparedness and response planning efforts are ongoing and continuous in all areas of the organization, and support the District's ability to serve the community during an emergency.

On February 18, 2025, staff will provide an informational update to the Board on the District's Emergency Preparedness and Response Program. The presentation will include:

- Overview of emergency action response levels
- Priorities, plans, and mutual aid agreements
- Emergency supply inventory and contracts
- Communications and inter-agency coordination
- Staff training and exercises
- Wildfire preparedness and response
- Upcoming activities and efforts

Originating Department: Office of the GM	Contact: M. Gallardo/ J. Lee	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: N/A	
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)		