



Dublin San Ramon
Services District
Water, wastewater, recycled water

Proposed Operating Budget FY 2026 & FY 2027

Board of Directors Meeting
May 20, 2025

Ken Spray, Finance Director

Budget Considerations

- 2025 Strategic Plan
- 2024 Workforce Study
- Legal requirements
- Sound financial principals
 - Financial policies
 - Transparency and accountability

Strategic Plan | FY 2026 – FY 2030



Budget Challenges

- New and evolving regulatory requirements
- Rising personnel costs
- Energy resiliency
- Asset replacement needs
- Revenue grows at a lower pace than expenses



**Medical
Pension**

**Feb-Feb CPI
increase
2.69%**



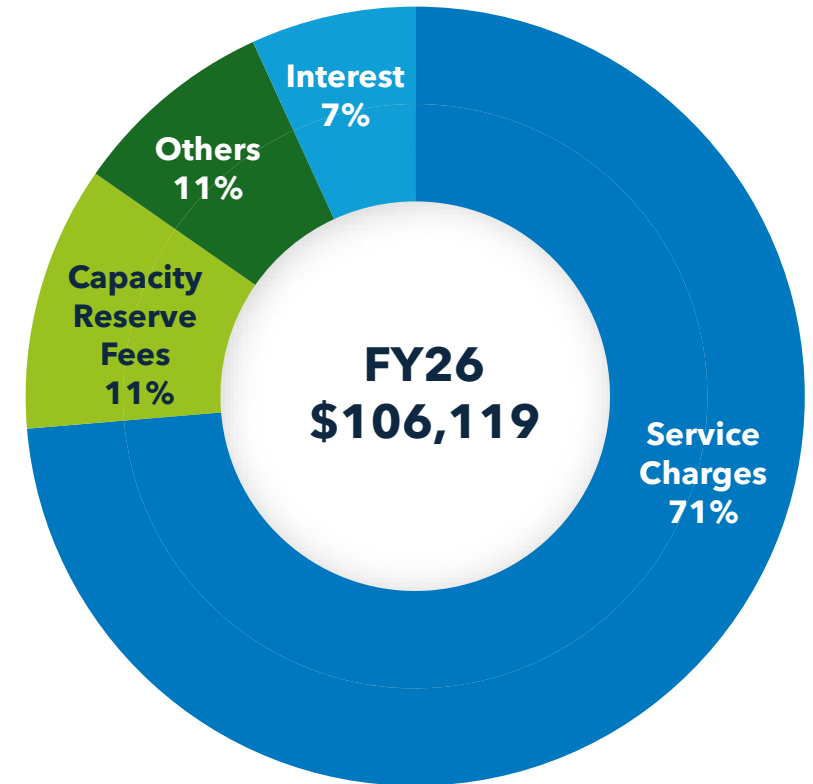
Staffing Strategy

	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Proposed	FY 2027 Proposed
District-Wide FTE Count	141	141	142	142

- Reallocation of vacant FTE, where feasible to meet 2024 Workforce study
- Request conversion of 1.0 limited-term FTE to regular FTE
- Request for new 1.0 FTE to support Regulatory Compliance

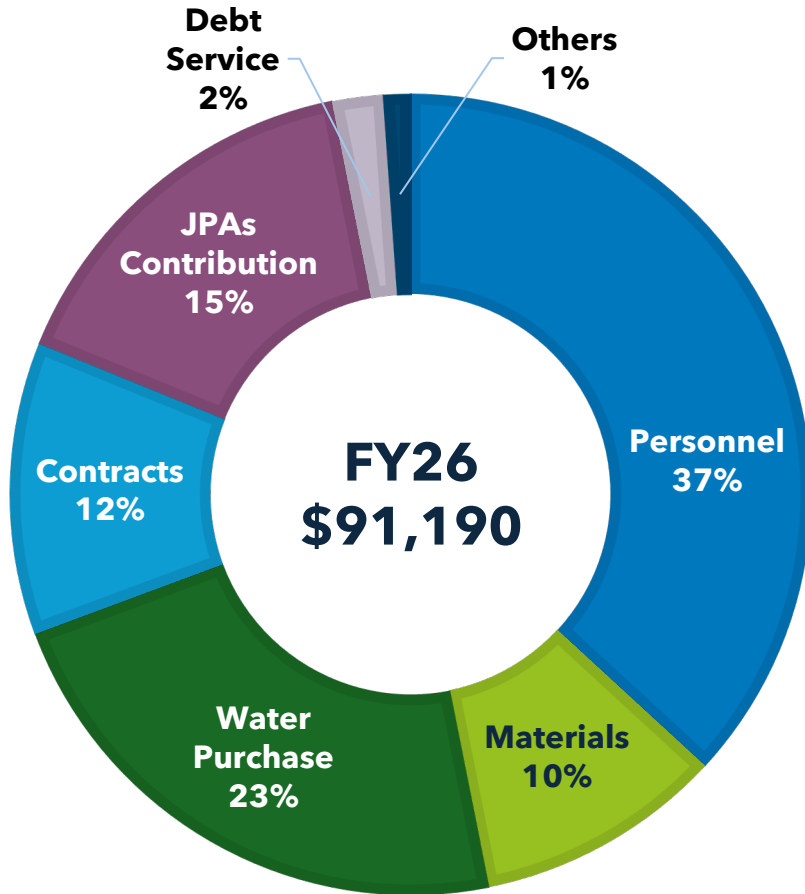
Revenues

Category	FY 2025 Budget	FY 2026 Budget	FY 2027 Budget
Service Charges	\$73,080	\$75,454	\$78,560
Others	11,666	11,750	11,980
Interest	4,475	7,253	7,848
Subtotal	89,221	94,457	98,388
% Change		5.9%	4.2%
Capacity Reserve Fees	20,477	11,662	14,058
% Change		-43.0%	20.5%
Total	\$109,698	\$106,119	\$112,446



All \$ amounts in thousands

Expenses by Category



All \$ amounts in thousands

Category	FY 2025 Budget	FY 2026 Budget	FY 2027 Budget
Personnel	\$33,819	\$36,847	\$38,609
CIP/JPA Labor Credits	(3,234)	(3,035)	(3,053)
Materials	9,185	9,167	9,362
Water Purchase	20,257	20,578	21,462
Contracts	10,508	10,828	11,040
Contributions to JPAs	13,204	13,946	14,108
Debt Service	1,877	1,875	2,306
Others	920	984	1,039
Total	\$86,537	\$91,190	\$94,873
% Change		5.4%	4.0%



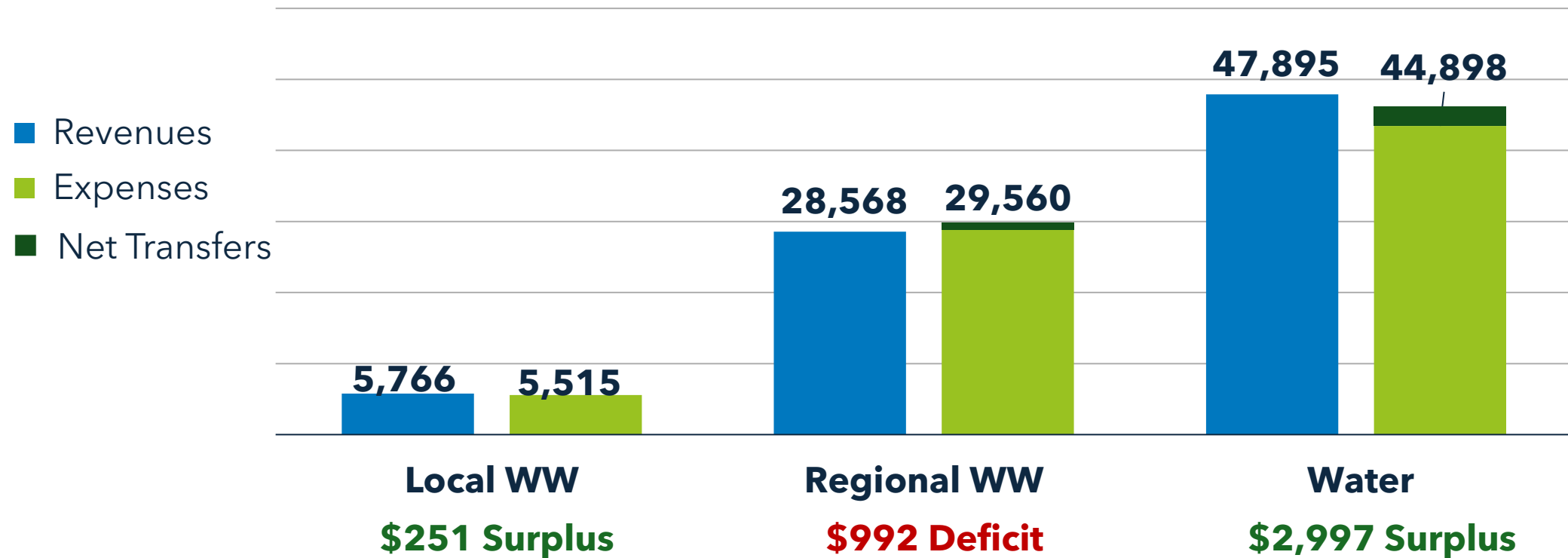
Transfers

Transfer In	FY 2024 Actual	FY 2025 Budget	FY 2026 Budget	FY 2027 Budget
Local WW Replacement	\$800	\$800	-	-
Local WW Replacement - <i>Additional</i>	2,059	-	-	-
Regional WW Replacement	2,400	2,700	-	1,000
Regional WW Replacement - <i>Additional</i>	3,378	-	-	-
Water Replacement	6,390	6,500	4,000	4,120
Total Replacement Transfers	\$15,028	\$10,000	\$4,000	\$5,120
Fifth Supplement Agreement	332	400	458	439
Water Enterprise	700	700	2,100	-

All \$ amounts in thousands

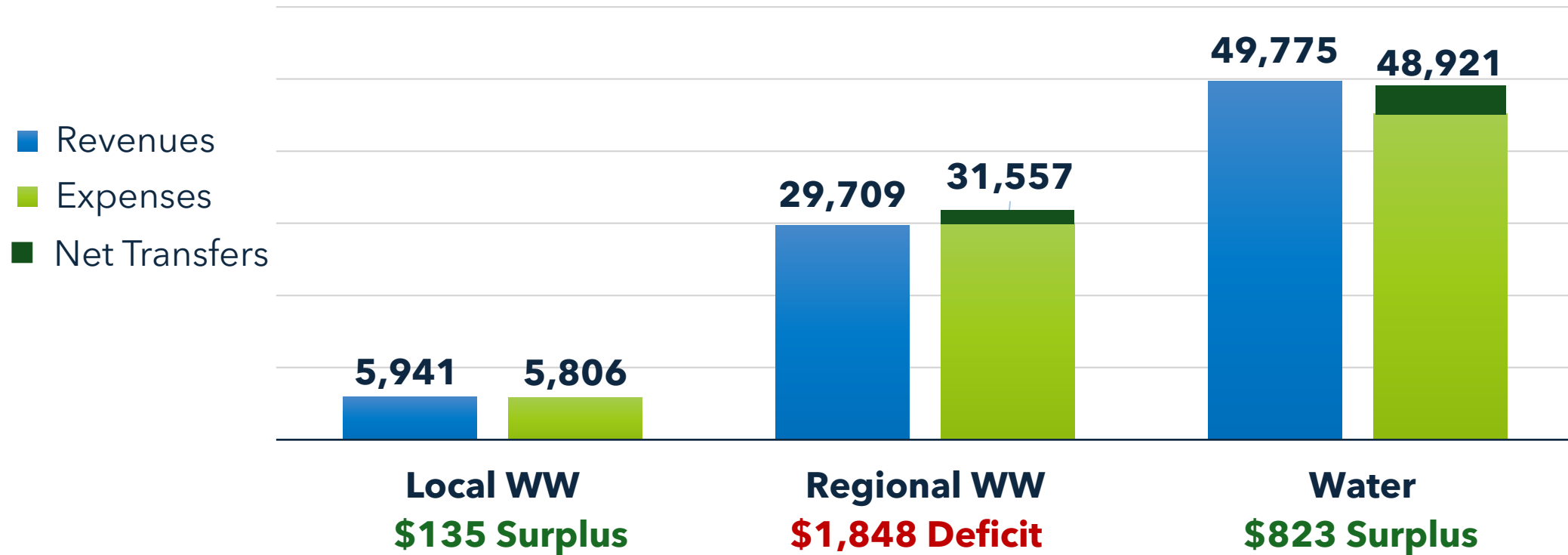
FY 2026 Operating Budget with Transfers

All \$ amounts in thousands



FY 2027 Operating Budget with Transfers

All \$ amounts in thousands

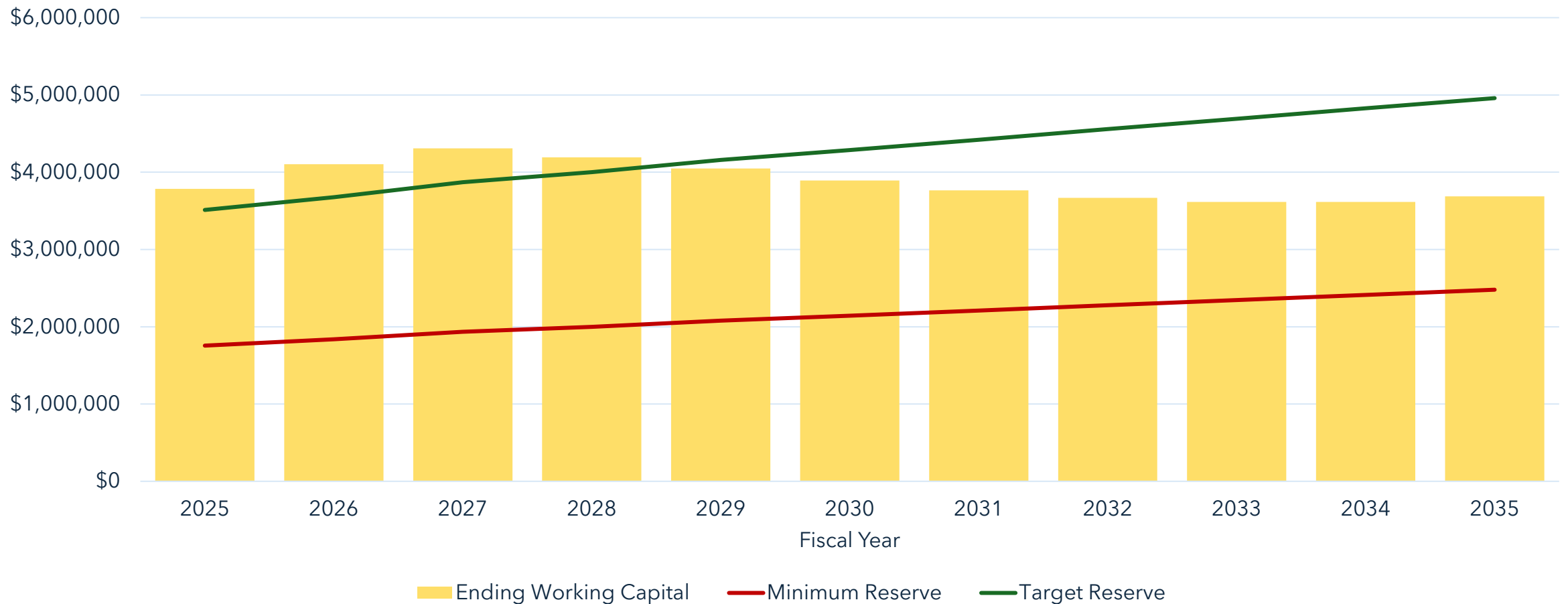


10-Year Financial Outlook Assumptions

- FY26 and FY27 as baseline
- General inflation 3% per year
- Energy 8% per year from FY28-FY30, then 5%
- Rates adjustment in line with general inflation
- Growth 1% in Dublin and 0.25% growth in Pleasanton
- Vacancy 2% of total personnel cost
- Pension contribution per CalPERS's schedule
- \$500K OPEB ADC contribution

Local Wastewater 200/205

10-Year Financial Outlook



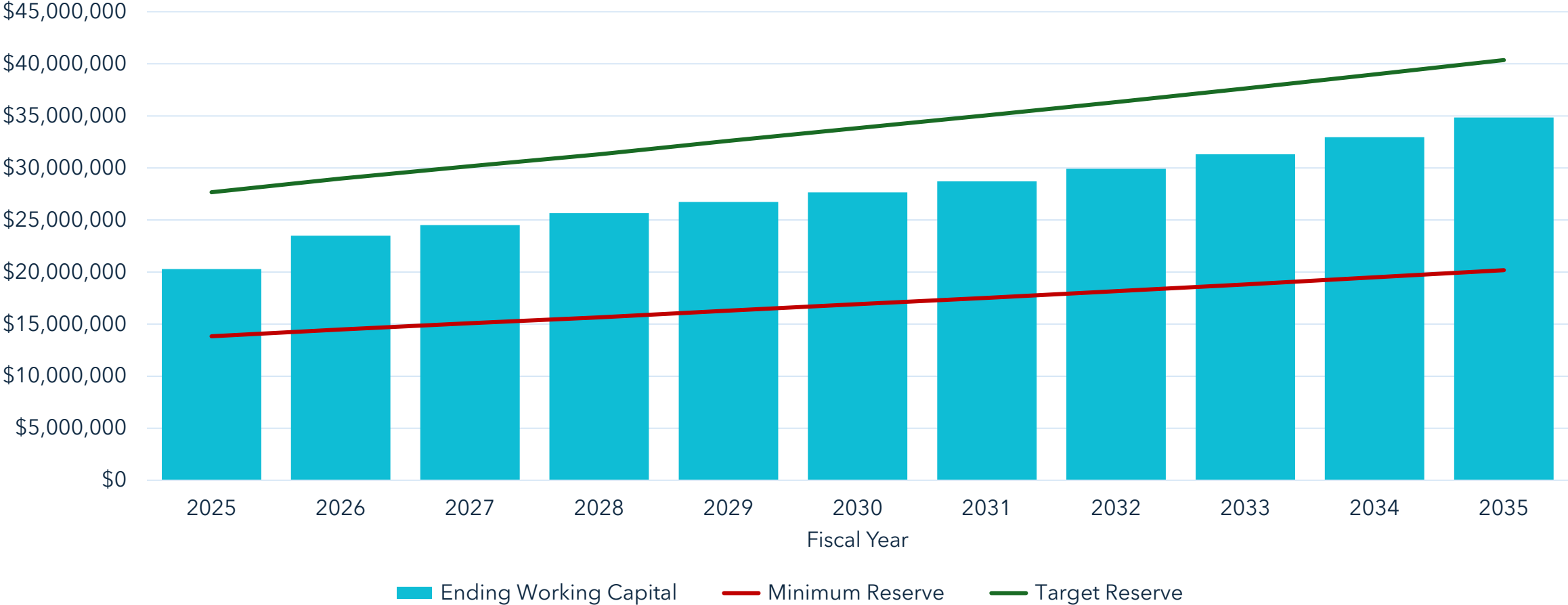
Regional Wastewater 300/305

10-Year Financial Outlook



Water Fund 600/605

10-Year Financial Outlook

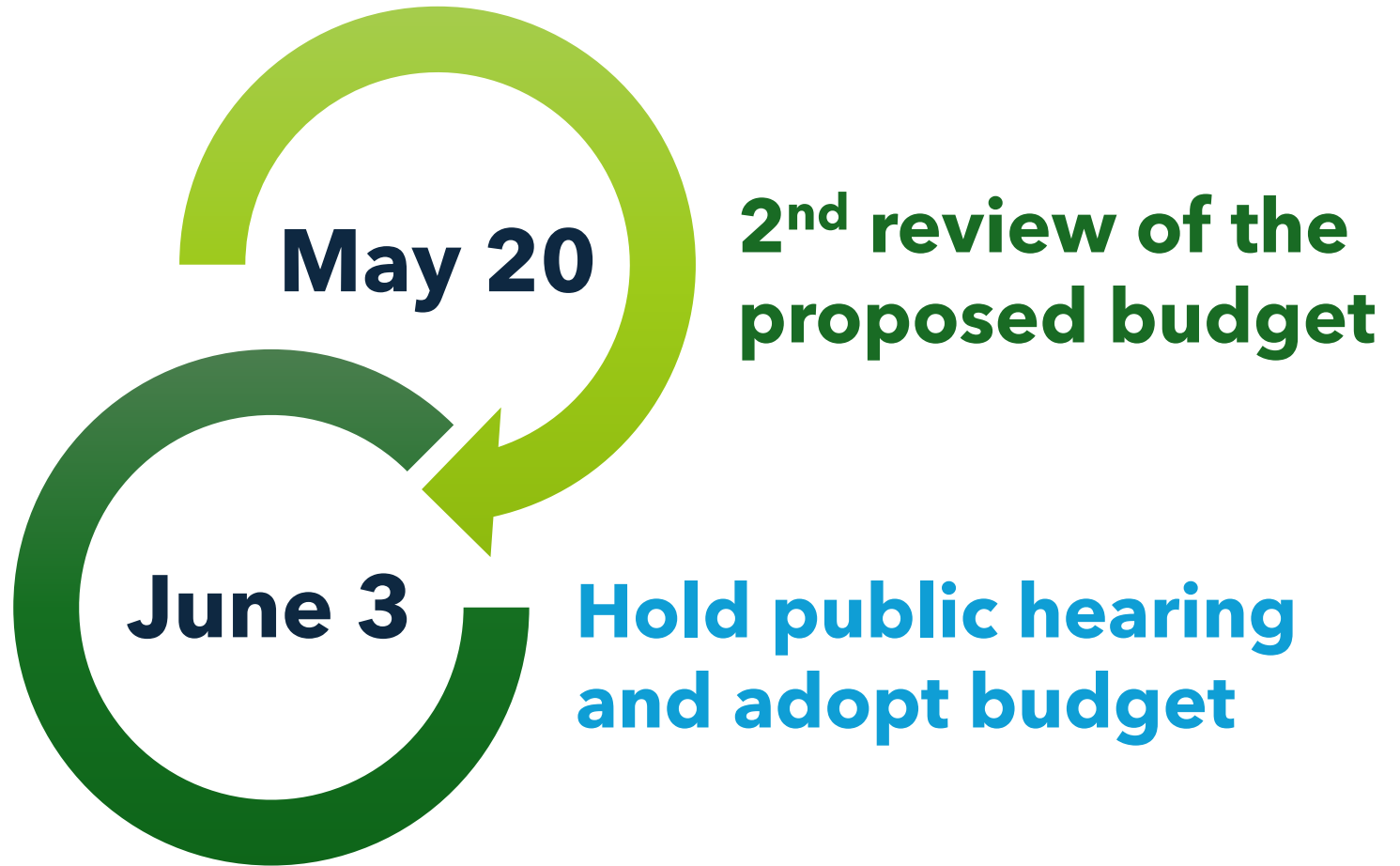


Recommended Future Actions

1. Explore pension trust
2. Update the 2023 Local and Regional Wastewater Rate Study in FY 2026
3. Refine and optimize asset management models to determine asset management funding needs
4. Develop integrated operating and capital long-term Financial Planning Models



Next Steps





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An aerial photograph of a large, white, cylindrical water storage tank situated on a grassy hillside. In the background, a residential neighborhood with several houses is visible, along with rolling hills under a clear sky. The word "Questions?" is overlaid in large white text across the center of the image.

Questions?

Ken Spray, Finance Director

Key Assumptions

1. Convert 1.0 limited-term FTE position to regular in Finance
2. Add 1.0 FTE to address regulatory compliance needs
3. Not recommend the 15% additional discretionary payment to UAL
4. Contribute \$500,000 per year to OPEB ADC
5. Return to OPEB CERBT investment Strategy 1
6. Fund replacement transfers at a reduced level
7. Reinstate credit card passthrough for customer payments
8. Assume FCI Dublin remains closed