



**DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors**

NOTICE OF REGULAR MEETING

TIME: 6:00 p.m.
PLACE: Regular Meeting Place
7051 Dublin Boulevard, Dublin, CA

DATE: Tuesday, November 18, 2014

AGENDA

(NEXT RESOLUTION NO. 72-14)

(NEXT ORDINANCE NO. 336)

Our mission is to provide reliable water and wastewater services to the communities we serve in a safe, efficient and environmentally responsible manner.

BUSINESS:

REFERENCE

Recommended Action **Anticipated Time**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL – Members: Benson, Duarte, Halket, Howard, Vonheeder-Leopold
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. Speakers’ cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment.

6. REPORTS
 - A. Reports by General Manager and Staff
 - Event Calendar
 - Correspondence to and from the Board
 - B. Agenda Management (consider order of items)
 - C. Committee Reports
 - Tri-Valley Water Agency Liaison
 - Personnel

November 17, 2014
November 18, 2014

7. APPROVAL OF MINUTES - Regular Meeting of
November 4, 2014

District Secretary Approve by Motion

BUSINESS:

REFERENCE

<u>Recommended Action</u>	<u>Anticipated Time</u>
----------------------------------	--------------------------------

8. **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 of Directors or the public prior to the time the Board votes on the Motion to adopt.

- | | | | | |
|----|---|---------------------------------|------------------------------|--|
| A. | Rejection of Claim - Ms. Christine Enderby | Organizational Services Manager | Reject by Motion | |
| B. | Approve Categorical Exemption for Component 1 of the Recycled Water Expansion Phase 1 - Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009) | Engineering Services Manager | Approve by Resolution | |
| C. | Rate Stabilization Fund Annual Reporting | Financial Services Manager | Approve by Motion | |
| D. | Adopt Revised Financial Reserves Policy to Conform to Recently Adopted "Guidelines for Conducting District Business" and Rescind Resolution No. 48-12 | Financial Services Manager | Approve Policy by Resolution | |
| E. | Approve Resolution Authorizing Self-Reporting under the Municipalities Continuing Disclosure Cooperation Initiative | Financial Services Manager | Approve by Resolution | |
| F. | Accept the Following Regular and Recurring Reports: October District Financial Statements and Unexpected Asset Replacement Request - Replacement Pump #2 for FSL Sludge | General Manager | Accept by Motion | |
| G. | Upcoming Board Calendar | General Manager | Accept by Motion | |

9. **BOARD BUSINESS**

- | | | | | |
|----|---|------------------------------|-----------------------|--------|
| A. | Discuss Drought Management Program | General Manager | Provide Direction | 5 min |
| B. | Award Construction Agreement to McGuire and Hester for Component 1 of the Recycled Water Expansion Phase 1 - Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009) | Engineering Services Manager | Approve by Resolution | 10 min |
| C. | Accept Financial Statements for Year Ended June 30, 2014 with Independent Auditors' Report | Financial Services Manager | Accept by Motion | 15 min |

BUSINESS:

REFERENCE

			<u>Recommended Action</u>	<u>Anticipated Time</u>
D.	Approve Master Agreement for Consulting Services with Brown and Caldwell and Authorize General Manager to Execute Task Order No. 1 for Design Services for the Secondary Clarifier No. 3 Rehabilitation (CIP 14-S013)	Engineering Services Manager	Approve by Resolution	5 min
10.	<u>BOARDMEMBER ITEMS</u>			
	• Submittal of Written Reports from Travel and Training Attended by Directors			
11.	<u>CLOSED SESSION</u>			
A.	Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: One case. Receipt of claim from Christine Enderby pursuant to the Government Claims Act (Government Code §§810-996.6) Agency Negotiators: Bert Michalczyk, General Manager Michelle Gallardo, Interim Organizational Services Manager Additional attendees: General Counsel Carl P. A. Nelson			5 min
12.	<u>REPORT FROM CLOSED SESSION</u>			
13.	<u>ADJOURNMENT</u>			

BOARD CALENDAR*

<u>Committee & Board Meetings</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
Regular Board Meeting	December 2, 2014	6:00 p.m.	District Office

*Note: Agendas for regular meetings of District Committees are posted not less than 72 hours prior to each Committee meeting at the District Administrative Offices, 7051 Dublin Boulevard, Dublin, California

All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection at the front desk of the District Office at 7051 Dublin Blvd., Dublin, during business hours, or 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**

November 4, 2014

A regular meeting of the Board of Directors was called to order at 6:00 p.m. by President Georgean M. Vonheeder-Leopold. Boardmembers present: President Georgean M. Vonheeder-Leopold, Vice President Edward R. Duarte, Director D.L. (Pat) Howard, and Director Dawn L. Benson. Director Richard M. Halket was absent. District staff present: Bert Michalczyk, General Manager; Rhodora Biagtan, Interim Engineering Services Manager; John Archer, Interim Financial Services Manager/Treasurer; Dan Gallagher, Operations Manager; Michelle Gallardo, Interim Organizational Services Manager; Carl P.A. Nelson, General Counsel; and Nancy Gamble Hatfield, District Secretary.

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Benson, Duarte, Halket, Howard, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

General Manager Michalczyk stated the election polls will close soon, and he wanted to be the first to congratulate President Vonheeder-Leopold and Director Benson on their unanimous and unopposed re-election to the Board.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:01 p.m.
6. REPORTS

A. Reports by General Manager and Staff

- Event Calendar – General Manager Michalczyk reported on the following:
 - o Engineering Services Manager Biagtan reported the District received confirmation late today that the District and EBMUD were granted \$4 million from the Department of Water Resources to share equally for their recycled water distribution project. Tonight, and in the next few Board meetings, there will be actions for the Board to take related to the project. Mr. Michalczyk thanked Ms. Biagtan for her hard work. He also expressed the District's appreciation to President Vonheeder-Leopold's for attending a critical hearing in Sacramento in pursuit of this funding. Ms. Biagtan also credited EBMUD employee Linda Hu for her great work to secure this grant funding.
 - o On November 17, 2014 at 5:00 p.m. the next meeting in a series of water policy discussions will be held at Zone 7. Among the cities and agencies participating are Dublin, San Ramon, Pleasanton, Livermore, DSRSD and Zone 7. The District's representatives are Directors Vonheeder-Leopold and Halket.

DRAFT

- o On November 18, 2014 District staff has been invited to attend the Dublin City Council meeting to report on the community’s response to the 2014 drought and to offer Mr. Michalczyk’s water outlook for 2015. A similar presentation will be given on November 25, 2014 to the San Ramon City Council. Directors are encouraged and welcome to attend these meetings.
 - o This holiday season Christmas and New Year’s Day fall on Thursdays. The District Office will be closed on the following Fridays, as foot traffic into the building is extremely limited; employees can make arrangements with their supervisors to either take a vacation day or work an uninterrupted day. This schedule also avoids challenging staff coverage issues during those days.
- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject
10/21/14	Email	Eric Johnson	DSRSD Board	AT&T Cell Tower
10/28/14	Letter	Kathy Lacey	President Vonheeder-Leopold	Thank you for presentation by S. Stephenson to St. Raymond Women’s Guild

B. Agenda Management (consider order of items) – No changes were made

C. Committee Reports
DERWA

October 27, 2014

No comments were made on the available meeting notes and/or minutes and no verbal reports were given about those meetings.

7. APPROVAL OF MINUTES – Regular Meeting of *October 21, 2014*

Director Benson MOVED for the approval of the October 21, 2014 minutes. V.P. Duarte SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Halket).

8. CONSENT CALENDAR

V.P. Duarte MOVED for approval of the items on the Consent Calendar. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Halket).

A. Upcoming Board Calendar – Approved

B. Report of Checks and Electronic Disbursements Made – Approved

Date Range	Amount
09/29/2014 – 10/26/14	\$4,237,976.52

9. BOARD BUSINESS

A. Discuss Drought Management Program

General Manager Michalczyk reported this is a standing item at every meeting since the Board declared the state of emergency on May 5, 2014. This item gives the Board and public an opportunity to talk about the drought and discuss what might be working well and what might need adjusting. This item also gives the Board a chance to give staff direction as needed. Mr. Michalczyk noted that in December the Board will need to consider extending the state of emergency that is set to expire December 31, 2014, to increase the drought budget, and to re-authorize the wise water credit for very low water users for 2015. He also noted that Central Contra Costa Sanitary District (CCCSD) has followed DSRSD's model and opened a recycled water fill station.

The Board did not direct staff to develop any changes to the program.

B. Accept Water Supply and Demand and Drought Response Action Plan Status Reports and Find that the Need for the Community Drought Emergency Still Exists

General Manager Michalczyk reported this item is related to the previous agenda item and provides the Board with detailed information about how the community is responding to the drought.

Mr. Michalczyk stated the community is responding extremely well to the drought and the District's drought management efforts are working well. Under the government code, the Board is required to revisit their declaration of the drought emergency regularly. Staff recommendation is to continue the emergency through December 31, 2014.

Directors asked different questions related to: notification to customers regarding their favorable efforts during the drought, fall/winter outdoor watering restrictions, revisiting the District drought ordinances, and Lake Oroville water levels and fixing of the Oroville valves that were frozen shut.

Director Howard MOVED to: (a) accept the Water Supply and Demand Report and the Drought Response Action Plan Status Report; and, (b) find that there still exists a need for continuing the Community Drought Emergency, which the Board declared on May 5, 2014. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Halket).

C. Recycled Water Expansion Phase 1 - Distribution to West Dublin (CIP 15-R009): Authorize Task Order No. 6 with HDR Engineering, Inc.

Engineering Services Manager Biagtan reported this agenda item is to award a task order to HDR Engineering, Inc., in the amount of \$385,544 specifically for the design work for the Recycled Water Expansion Phase 1 - Distribution to West

Dublin. This project will extend recycled water to western Dublin and include park and school sites. (Additional work for Alameda County facilities, including Santa Rita Jail, will come before the Board at future meetings along with a series of other actions.) This work is a part of the District's Drought Action Plan. Secured grant funds of \$2 million, through the California Department of Water Resources' Integrated Regional Water Management Drought Grants funded by Proposition 84, will assist with the cost of this project that is estimated at \$6 million—for western Dublin and Alameda County facilities. Ms. Biagtan described the selection process used to choose HDR. Nine firms received the request for proposal and three firms responded with comparable cost estimates for the work. The fact that HDR has a former Caltrans staff member at their firm will help the District expedite getting the pipe under the I-680 freeway overpass. Ms. Biagtan recommended the Board approve this task order.

Directors expressed their satisfaction with this project work.

V.P. Duarte MOVED to authorize the General Manager to execute Task Order No. 6 with HDR Engineering, Inc. (HDR), for Engineering Services to prepare design drawings for Recycled Water Expansion Phase 1 – Distribution to West Dublin (CIP 15-R009) in the amount of \$385,544. Director Howard SECONDED the MOTION, which CARRIED with FOUR AYES, ONE ABSENT (Halket).

10. BOARDMEMBER ITEMS

Director Howard congratulated President Vonheeder-Leopold and Director Benson on their overwhelming unopposed victory, as they will serve another four years on the Board!

Director Benson commented on how much she liked the Conan O'Brien and Andy Richter television ads, which the District funded in part with other ACWA agencies. She shared information on upcoming EBMUD Brown Bag lunch meetings scheduled for November 17 and 19, 2014. She suggested Directors consider attending and promised to follow-up with the details.

11. CLOSED SESSION

At 6:25 p.m. the Board went into Closed Session.

- A. Public Employee Performance Evaluation – Pursuant to Government Code Section 54957
Title: Treasurer
Title: District Secretary

12. REPORT FROM CLOSED SESSION

At 6:47 p.m. the Board came out of Closed Session. President Vonheeder-Leopold announced that there was no reportable action.

13. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 6:48 p.m.

Submitted by,

Nancy Gamble Hatfield
District Secretary



Reference Organizational Services Manager	Type of Action Reject Claim	Board Meeting of November 18, 2014
Subject Rejection of Claim - Ms. Christine Enderby		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation	<input type="checkbox"/> Ordinance
REPORT:	<input checked="" type="checkbox"/> Staff	<input type="checkbox"/> Informational
	M. Gallardo	<input type="checkbox"/> Other
		<input type="checkbox"/> Board Member

Recommendation:

The Organizational Services Manager recommends the Board of Directors reject, by Motion, the property damage claim filed October 24, 2014 against Dublin San Ramon Services District by Ms. Christine Enderby of Danville, California.

Summary:

On October 24, 2014, the Organizational Services Manager received a claim to recover costs in the amount of \$4,761.77 for damage to a personal vehicle owned and operated by Ms. Christine Enderby.

Ms. Enderby is requesting reimbursement for damages related to an incident that occurred on Friday, September 26, 2014 in the driveway of the Wendy’s parking lot located on Dublin Boulevard in Dublin. On the date of the incident, Ms. Enderby states that she was exiting the Wendy’s parking lot from the driveway located on Dublin Boulevard when the right side of her vehicle struck a bollard protecting a fire hydrant, causing damage to the passenger door of her vehicle. Ms. Enderby further states that she did not see the bollard prior to pulling onto Dublin Boulevard as it was positioned lower than her side mirror.

On advisement of the District’s insurance adjusters, Carl Warren and Company, staff recommends the Board reject the claim as the fire hydrant and bollard did not present a dangerous condition. The claimant struck a clearly visible fixed object while exiting a driveway that is marked as an entrance driveway with arrows and signage. Upon rejection, a denial notice will be forwarded to the claimant in compliance with the California Tort Claims Act.

The claimant has been notified that this matter will be considered by the Board at this regularly scheduled meeting.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR M. Gallardo	DEPARTMENT Organizational Services	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0.00	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. Claim filed by Christine Enderby 2. Letter - Invite to DSRSD Board Meeting (dated 11/4/14) 3. DSRSD Investigation Photos - Wendy's Parking Lot				



Dublin San Ramon Services District
 7051 Dublin Blvd
 Dublin, CA 94568

Attachment 1 to S&R

A. THE NAME AND POST OFFICE ADDRESS OF THE CLAIMANT:

B: THE POST OFFICE ADDRESS TO WHICH THE PERSON PRESENTING THE CLAIM DESIRES NOTICES TO BE SENT:

Christine Enderby
 123 Sierra Pl
 Danville, CA 94506
 DAYTIME TELEPHONE: 925 997 3119
 EVENING TELEPHONE: same

same

 TELEPHONE: 925 997 3119

C. THE DATE, PLACE, AND OTHER CIRCUMSTANCES OF THE OCCURRENCE OR TRANSACTION WHICH GAVE RISE TO THE CLAIM ASSERTED:

DATE OF OCCURRENCE: 9/26/14 TIME OF OCCURRENCE: 10pm

PLACE OF OCCURRENCE: Wendy's driveway, Dublin Blvd.

CIRCUMSTANCES:

The ballard is on driveway and my car struck this ballard. It is lower then my side mirror and could not see seen.

D. A GENERAL DESCRIPTION OF THE INDEBTEDNESS, OBLIGATION, INJURY, DAMAGE OR LOSS INCURRED SO FAR AS IT MAY BE KNOWN AT THE TIME OF PRESENTATION OF THE CLAIM:

My cars right passenger door was dented & scratched extensively.

E. THE NAME OR NAMES OF THE PUBLIC EMPLOYEE OR EMPLOYEES CAUSING THE INJURY, DAMAGE, OR LOSS, IF KNOWN.

F. AMOUNT OF CLAIM: (if less than \$10,000.00)

\$ 4761.77

JURISDICTION OF CLAIM:

MUNICIPAL COURT (CLAIMS TO \$25,000)
 SUPERIOR COURT (CLAIMS OVER \$25,000)

BASIS OF COMPUTATION:

my bill, see attached.

DECLARATION

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOLLOWING INFORMATION IS TRUE AND CORRECT

SIGNATURE OF CLAIMANT OR REPRESENTATIVE:

DATE:

10/29/14



B & S Hacienda Auto Body - Dublin

ALL BODY & PAINT WORK IS GUARANTEED FOR THE LIFE OF THE CUSTOMER'S OWNERSHIP.

Original repair order is required for any WARRANTY CLAIMS. The warranty is not transferable.

5787 Scarlett Court, Dublin, CA 94568
 Phone: (925) 829-9333
 FAX: (925) 829-9338

Workfile ID: b42bc5c9
 Federal ID: 94-2464067
 State ID: C08817046
 Resale Number: SRYCH19651646
 State EPA: CAL000289621
 License Number: 008530
 BAR: ARD00237785

Preliminary Supplement 2 with Summary

RO Number: 14041

Written By: Robert Alcala
 Adjuster: Allstate Insurance, (800) 755-0193 Business

Insured:	ENDERBY, CHRISTINE	Policy #:	000914125735	Claim #:	000342556420D01
Type of Loss:	Collision	Date of Loss:	9/26/2014 12:00:00 AM	Days to Repair:	5
Point of Impact:	03 Right T-Bone (Right Side)				

Owner:	Inspection Location:	Insurance Company:
ENDERBY, CHRISTINE	B & S Hacienda Auto Body - Dublin	ALLSTATE INDEMNITY COMPANY
123 SIENA PL	5787 Scarlett Court	
DANVILLE, CA 94506-4682	Dublin, CA 94568	
(925) 997-3119 Cell	Repair Facility	
	(925) 829-9333 Business	

VEHICLE

Year:	2014	Body Style:	4D UTV	VIN:	2T3WFREV4FW131910	Mileage In:	96
Make:	TOYO	Engine:	4-2.5L-FI	License:	DLR	Mileage Out:	
Model:	RAV4 4X2 XLE	Production Date:		State:	CA	Vehicle Out:	10/17/2014
Color:	SILVER Int:	Condition:		Job #:			

TRANSMISSION	Intermittent Wipers	CD Player	Electric Glass Sunroof
Automatic Transmission	Tilt Wheel	Auxiliary Audio Connection	SEATS
POWER	Cruise Control	Satellite Radio	Cloth Seats
Power Steering	Rear Defogger	SAFETY	WHEELS
Power Brakes	Keyless Entry	Drivers Side Air Bag	Aluminum/Alloy Wheels
Power Windows	Message Center	Passenger Air Bag	PAINT
Power Locks	Steering Wheel Touch Controls	Anti-Lock Brakes (4)	Clear Coat Paint
Power Mirrors	Rear Window Wiper	4 Wheel Disc Brakes	OTHER
Heated Mirrors	Telescopic Wheel	Traction Control	Fog Lamps
DECOR	Climate Control	Stability Control	Rear Spoiler
Dual Mirrors	Backup Camera w/Parking Sensors	Front Side Impact Air Bags	Signal Integrated Mirrors
Privacy Glass	RADIO	Head/Curtain Air Bags	TRUCK
Console/Storage	AM Radio	Hands Free Device	Power Trunk/Gate Release
Overhead Console	FM Radio	Positraction	

Preliminary Supplement 2 with Summary

RO Number: 14041

Vehicle: 2014 TOYO RAV4 4X2 XLE 4D UTV 4-2.5L-FI SILVER

CONVENIENCE

Air Conditioning

Stereo

Search/Seek

ROOF

Luggage/Roof Rack

Preliminary Supplement 2 with Summary

RO Number: 14041

Vehicle: 2014 TOYO RAV4 4X2 XLE 4D UTV 4-2.5L-FI SILVER

Line	Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
1	#	*veh is a 2015 model. not in database. 2014 model used.		1			
2		INFORMATION LABELS					
3	S02 Repl	RT Air bag label side air bag US built Note: ppi	7459602020	1	2.24	0.2	
4		FRONT BUMPER & GRILLE					
5	R&I	R&I bumper cover				1.2	
6		FRONT LAMPS					
7	R&I	RT Headlamp assy				0.2	
8		FENDER					
9	Blnd	RT Fender US built					0.9
10	R&I	RT Corner molding				0.1	
11	R&I	RT Wheel opng mldg				0.3	
12		PILLARS, ROCKER & FLOOR					
13	S01 R&I	RT Surround w'strip front door				0.4	
14	S01 R&I	RT Surround w'strip rear door				0.4	
15	S01 R&I	RT Cowl trim				0.1	
16	S01 R&I	RT Front sill plate				0.1	
17	S01 R&I	RT Rear sill plate US built				0.1	
18	S01 R&I	RT Lwr ctr plr trim US built				0.2	
19	S01 R&I	RT Weatherstrip				0.4	
20	* S01 Rpr	RT Ctr plr & rocker (HSS)			s	4.5	2.2
21	S01	Add for Clear Coat					0.4
22	* S01 Blnd	RT Hinge pillar (HSS)--lower			s		0.8
23		QUARTER PANEL					
24	S01 Repl	RT Wheel opng mldg	756050R030	1	104.18	0.4	
25	* S01 Blnd	RT Quarter panel--dog leg					0.4
26		REAR BUMPER					
27	* S01 R&I	R&I bumper cover				0.8	
28		FRONT DOOR					
29	* Repl	RT Door shell US built	670010R060	1	803.50	4.5	3.0
30		Add for Clear Coat					1.2
31	#	Add for mirror		1		0.4	
32	R&I	RT Belt molding				Incl.	
33	Repl	RT Lower molding	750730R011	1	199.34	0.3	
34	S02 Repl	RT Applique Note: double side tape	757550R010	1	32.50	Incl.	
35	R&I	RT Mirror assy w/o blind spot monitor silver				Incl.	
36	* Repl	RT Handle, outside w/o smart entry, US built silver	692110R020B0	1	50.51	Incl.	0.0
37	S01 R&I	RT R&I trim panel				Incl.	

Preliminary Supplement 2 with Summary

RO Number: 14041

Vehicle: 2014 TOYO RAV4 4X2 XLE 4D UTV 4-2.5L-FI SILVER

38		S01	R&I	RT Corner trim US built				0.1	
39	*	S01	R&I	RT Switch bezel				<u>Incl.</u>	
40		S01	R&I	RT Striker US built				0.2	
41		S01	Repl	RT Black out tape	759210R030	1	23.62	0.3	
42	*	S02	Repl	RT Cover US built silver	692170R060B0	1	21.26	Incl.	<u>0.0</u>
				Note: cracked					
43		S02	Repl	RT Handle base US built	692010R010	1	71.49	Incl.	
				Note: cracked					
44	#	S02	R&I	DOOR TRIM PANEL				0.5	
45	REAR DOOR								
46		S01	R&I	RT R&I door assy				0.9	
47	*	S01	Rpr	RT Outer panel				<u>1.5</u>	2.0
				Note: rolled					
48				Overlap Major Adj. Panel					-0.4
49				Add for Clear Coat					0.3
50	*	S01	R&I	RT Striker US built				<u>0.2</u>	
51			R&I	RT Lower molding				0.3	
52			R&I	RT Belt molding				0.2	
53		S01	R&I	RT Upper hinge US built				0.3	
54		S01	R&I	RT Lower hinge US built				0.3	
55			R&I	RT Handle, outside US built silver				0.3	
56			R&I	RT R&I trim panel				0.4	
57	#	S01		parts discount per ins estimate (REMOVE)		1			
58	#	S01	Subl	HAZARDOUS WASTE DISPOSAL		1	3.00 X		
59	#	S01	Repl	CAR COVER/ MASK FOR OVERSPRAY		1	5.00 T	0.2	
60	#	S01	Rpr	TINT COLOR				0.5	
61	#	S01	Repl	Corrosion protection		1			0.2
62	#	S01		mask jambs --rf/rr door openings		1	3.00	0.2	
63	#	S01		SET UP PULL		1		1.5	
64	#	S01		PULL RT B PILLAR		1		1.0	
65	#	S02		de nib and polish		1		1.5	
SUBTOTALS							1,319.64	25.0	11.0

NOTES

Prior Damage Notes:

light scratch rt qtr flare, water spots on all door mldgs and flares, light stain on driver door handle trim

Preliminary Supplement 2 with Summary

RO Number: 14041

Vehicle: 2014 TOYO RAV4 4X2 XLE 4D UTV 4-2.5L-FI SILVER

ESTIMATE TOTALS

Category	Basis	Rate	Cost \$
Parts			1,311.64
Body Labor	25.0 hrs @	\$ 80.00 /hr	2,000.00
Paint Labor	11.0 hrs @	\$ 80.00 /hr	880.00
Paint Supplies	11.0 hrs @	\$ 37.00 /hr	407.00
Miscellaneous			8.00
Subtotal			4,606.64
Sales Tax	\$ 1,723.64 @	9.0000 %	155.13
Grand Total			4,761.77
Deductible			0.00
CUSTOMER PAY			0.00
INSURANCE PAY			4,761.77

Preliminary Supplement 2 with Summary

RO Number: 14041

Vehicle: 2014 TOYO RAV4 4X2 XLE 4D UTV 4-2.5L-FI SILVER

SUPPLEMENT SUMMARY

Line	Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
Changed Items							
2	*	S01 Repl RT Air bag label side air bag US built	7459602020	1	-1.09	-0.2	
3		S02 Repl RT Air bag label side air bag US built NOTE: ppi	7459602020	1	2.24	0.2	
Deleted Items							
34	*	R&I RT Applique				Incl.	
Added Items							
34		S02 Repl RT Applique NOTE: double side tape	757550R010	1	32.50	Incl.	
42	*	S02 Repl RT Cover US built silver NOTE: cracked	692170R060B0	1	21.26	Incl.	0.0
43		S02 Repl RT Handle base US built NOTE: cracked	692010R010	1	71.49	Incl.	
44	#	S02 R&I DOOR TRIM PANEL				0.5	
65	#	S02 de nib and polish		1		1.5	
SUBTOTALS					126.40	2.0	0.0

TOTALS SUMMARY

Category	Basis	Rate	Cost \$
Parts			126.40
Body Labor	2.0 hrs @	\$ 80.00 /hr	160.00
Subtotal			286.40
Sales Tax	\$ 126.40 @	9.0000 %	11.38
Total Supplement Amount			297.78
NET COST OF SUPPLEMENT			297.78

Preliminary Supplement 2 with Summary

RO Number: 14041

Vehicle: 2014 TOYO RAV4 4X2 XLE 4D UTV 4-2.5L-FI SILVER

CUMULATIVE EFFECTS OF SUPPLEMENT(S)

Estimate	2,413.23	Robert Alcala
Supplement S01	2,050.76	Robert Alcala
Supplement S02	297.78	Robert Alcala
Job Total:	\$ 4,761.77	
INSURANCE PAY:	\$ 4,761.77	

1) All work is guaranteed for the life of your ownership. We warranty workmanship and paint. 2) Life time guarantee on our 2 & 3 Stage paint 3) All sublet repairs are warranted for 1 Year, Wheel Alignments have a 30 (thirty) Day warranty. 4) Damage due to improper care, rock chips, and acts of Nature will VOID guarantee. All warranty work has to be done by B&S Hacienda Auto Body. B&S Hacienda Auto Body will not be responsible for any payments to other facilities.

The Estimate of Repair includes parts, labor, diagnosis, and any applicable taxes. If, on further inspection, additional parts or repairs are needed, you will be contacted for authorization. We are not responsible for loss or damage to your vehicle from fire, theft, accidents or any cause beyond our control. I also understand that I am fully responsible for payment due to B & S Hacienda for repairs performed on my vehicle, upon delivery. This is to include the original estimate, supplemental repairs and the deductible. All payments are to be paid with Insurance checks, cash, credit card, money order or cashier check. No Personal Checks Will Be Accepted. All tests will be made by our employees at your risk. If vehicle is returned to customer before authorized repairs are performed; charges for diagnostic, handling, storage for days here, and reassembly will be made. I further understand that all credit card purchases \$1000.00, and over, will be charged a 2% service charge. Storage will be charged at our posted daily rate 48 hours after repairs are completed. Due to availability, quality of repairs, and hidden damages, we do not guarantee repair times. You will be given a "target" date, but this is only our best guess given ideal conditions. BAR# ARD00237785, EPA# CAL000289621

Deductible \$ _____

AUTHORIZED SIGNATURE: _____ DATE: _____

ADD'L REPAIR AUTHORIZATION AMOUNT: \$ _____ DATE: _____

PHONE NO.: _____ TIME: _____ PERSON CONSENTING: _____

\$50.00 Express detail requested _____

POWER OF ATTORNEY -

I do hereby appoint the aforementioned business as my attorney in fact to accept on my behalf any and all checks, drafts, or bills of exchange for deposit to the aforementioned business' account for credit on my account for repairs on my vehicle which has been released and accepted.

ACCEPTED BY: _____ DATE: _____

I have inspected my vehicle and have accepted the repairs done by B&S Hacienda Auto Body.

ACCEPTED BY: _____ DATE: _____

Preliminary Supplement 2 with Summary

RO Number: 14041

Vehicle: 2014 TOYO RAV4 4X2 XLE 4D UTV 4-2.5L-FI SILVER

Amount Received \$ _____ From _____ Date _____

Deductible Received \$ _____ Date _____ Form of Payment _____ Check# _____

QUALITY REPLACEMENT PARTS WARRANTY

OUR REPAIR ESTIMATE MAY SPECIFY THE USE OF QUALITY REPLACEMENT PARTS. QUALITY REPLACEMENT PARTS ARE PARTS NOT MANUFACTURED BY OR FOR THE ORIGINAL EQUIPMENT MANUFACTURER. WE WILL STAND BEHIND THE QUALITY REPLACEMENT PARTS THAT ARE SPECIFIED ON THIS ESTIMATE AND USED IN THE REPAIR OF YOUR VEHICLE, FOR AS LONG AS YOU OWN/LEASE THE VEHICLE. WE WARRANT THESE PARTS ARE OF LIKE KIND, QUALITY, SAFETY, FIT AND PERFORMANCE TO PARTS MANUFACTURED BY OR FOR THE ORIGINAL EQUIPMENT MANUFACTURER.

THIS WARRANTY EXCLUSIVELY COVERS LOSS OR DAMAGE THAT IS RELATED TO DEFECTS IN THE QUALITY REPLACEMENT PART. THIS WARRANTY DOES NOT COVER DAMAGE OR PART FAILURE DUE TO IMPROPER INSTALLATION, MISUSE, NEGLIGENCE, ABUSE, IMPROPER MAINTENANCE, ABNORMAL OPERATION, OR NORMAL WEAR & TEAR.

SHOULD A SUPPLIER OF A PART SPECIFIED IN OUR REPAIR ESTIMATE, OR THE REPAIR FACILITY THAT PERFORMS THE REPAIR ON YOUR VEHICLE, BE UNABLE TO RESOLVE A LEGITIMATE COMPLAINT ABOUT THE QUALITY REPLACEMENT PART USED IN THE REPAIR, WE WILL MAKE EVERY EFFORT TO SEE THAT THE PROBLEM IS CORRECTED.

THIS WARRANTY AND ANY REPRESENTATIONS MADE HEREIN ARE NON-TRANSFERABLE AND EXTEND ONLY TO THE PARTY OWNING/LEASING THE VEHICLE AT THE TIME OF THE REPAIR.

FOR ASSISTANCE, PLEASE CONTACT THE NEAREST REGIONAL CLAIM OFFICE.

DISCLAIMER:

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT INSURANCE CLAIM FOR THE PAYMENT OF A LOSS MAY BE GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN STATE PRISON.

THE LABOR AND TAX RATES USED WERE DETERMINED BY THE VEHICLE INSPECTION LOCATION UNLESS THE REPAIR FACILITY WAS KNOWN AT THE TIME OF THE INSPECTION OR ANOTHER LOCATION WAS SPECIFIED BEFORE THE ESTIMATE WAS PREPARED

TO EXPEDITE THE HANDLING OF ANY SUPPLEMENTAL DAMAGES CLAIM, PLEASE HAVE THE APPROXIMATE AMOUNT OF ADDITIONAL DAMAGES AVAILABLE WHEN YOU CONTACT YOUR APPRAISER LISTED ON THE ESTIMATE. A REINSPECTION MAY NEED TO BE CONDUCTED. IF SO, IT WILL BE SCHEDULED WITHIN A REASONABLE TIME FRAME OF YOUR CONTACT. ALL SUPPLEMENTS MUST BE APPROVED BY A CLAIMS REPRESENTATIVE BEFORE REPAIRS ARE COMPLETED.

Preliminary Supplement 2 with Summary

RO Number: 14041

Vehicle: 2014 TOYO RAV4 4X2 XLE 4D UTV 4-2.5L-FI SILVER

FOR YOUR PROTECTION CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM: ANY PERSON WHO KNOWINGLY PRESENTS FALSE OR FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN STATE PRISON.

THE FOLLOWING IS A LIST OF ABBREVIATIONS OR SYMBOLS THAT MAY BE USED TO DESCRIBE WORK TO BE DONE OR PARTS TO BE REPAIRED OR REPLACED:

MOTOR ABBREVIATIONS/SYMBOLS: D=DISCONTINUED PART, A=APPROXIMATE PRICE. LABOR TYPES: B=BODY LABOR, D=DIAGNOSTIC, E=ELECTRICAL, F=FRAME, G=GLASS, M=MECHANICAL, P=PAINT LABOR, S=STRUCTURAL, T=TAXED MISCELLANEOUS, X=NON TAXED MISCELLANEOUS. PATHWAYS: ADJ=ADJACENT, ALGN=ALIGN, A/M=AFTERMARKET, BLND=BLEND, CAPA=CERTIFIED AUTOMOTIVE PARTS ASSOCIATION, D&R=DISCONNECT AND RECONNECT, EST=ESTIMATE, EXT. PRICE=UNIT PRICE MULTIPLIED BY THE QUANTITY, INCL=INCLUDED, MISC=MISCELLANEOUS, NAGS=NATIONAL AUTO GLASS SPECIFICATIONS, NON-ADJ=NON ADJACENT, O/H=OVERHAUL, OP=OPERATION, NO=LINE NUMBER, QTY=QUANTITY, RECOND=RECONDITION, REFN=REFINISH, REPL=REPLACE, R&I=REMOVE AND INSTALL, R&R=REMOVE AND REPLACE, RPR=REPAIR, RT=RIGHT, SECT=SECTION, SUBL=SUBLET, LT=LEFT, W/O=WITHOUT, W/_=WITH/_ SYMBOLS: #=MANUAL LINE ENTRY, *=OTHER [IE..MOTORS DATABASE INFORMATION WAS CHANGED], **=DATABASE LINE WITH AFTERMARKET, N=NOTES ATTACHED TO LINE. OPT OEM=ORIGINAL EQUIPMENT MANUFACTURER PARTS EITHER OPTIONALLY SOURCED OR OTHERWISE PROVIDED WITH SOME UNIQUE PRICING OR DISCOUNT.

Preliminary Supplement 2 with Summary

RO Number: 14041

Vehicle: 2014 TOYO RAV4 4X2 XLE 4D UTV 4-2.5L-FI SILVER

Estimate based on MOTOR CRASH ESTIMATING GUIDE. Unless otherwise noted all items are derived from the Guide ARM8451, CCC Data Date 10/17/2014, and the parts selected are OEM-parts manufactured by the vehicles Original Equipment Manufacturer. OEM parts are available at OE/Vehicle dealerships. OPT OEM (Optional OEM) or ALT OEM (Alternative OEM) parts are OEM parts that may be provided by or through alternate sources other than the OEM vehicle dealerships. OPT OEM or ALT OEM parts may reflect some specific, special, or unique pricing or discount. OPT OEM or ALT OEM parts may include "Blemished" parts provided by OEM's through OEM vehicle dealerships. Asterisk (*) or Double Asterisk (**) indicates that the parts and/or labor information provided by MOTOR may have been modified or may have come from an alternate data source. Tilde sign (~) items indicate MOTOR Not-Included Labor operations. The symbol (<>) indicates the refinish operation WILL NOT be performed as a separate procedure from the other panels in the estimate. Non-Original Equipment Manufacturer aftermarket parts are described as Non OEM or A/M. Used parts are described as LKQ, RCY, or USED. Reconditioned parts are described as Recond. Recored parts are described as Recore. NAGS Part Numbers and Benchmark Prices are provided by National Auto Glass Specifications. Labor operation times listed on the line with the NAGS information are MOTOR suggested labor operation times. NAGS labor operation times are not included. Pound sign (#) items indicate manual entries.

Some 2015 vehicles contain minor changes from the previous year. For those vehicles, prior to receiving updated data from the vehicle manufacturer, labor and parts data from the previous year may be used. The CCC ONE estimator has a complete list of applicable vehicles. Parts numbers and prices should be confirmed with the local dealership.

The following is a list of additional abbreviations or symbols that may be used to describe work to be done or parts to be repaired or replaced:

SYMBOLS FOLLOWING PART PRICE:

m=MOTOR Mechanical component. s=MOTOR Structural component. T=Miscellaneous Taxed charge category. X=Miscellaneous Non-Taxed charge category.

SYMBOLS FOLLOWING LABOR:

D=Diagnostic labor category. E=Electrical labor category. F=Frame labor category. G=Glass labor category. M=Mechanical labor category. S=Structural labor category. (numbers) 1 through 4=User Defined Labor Categories.

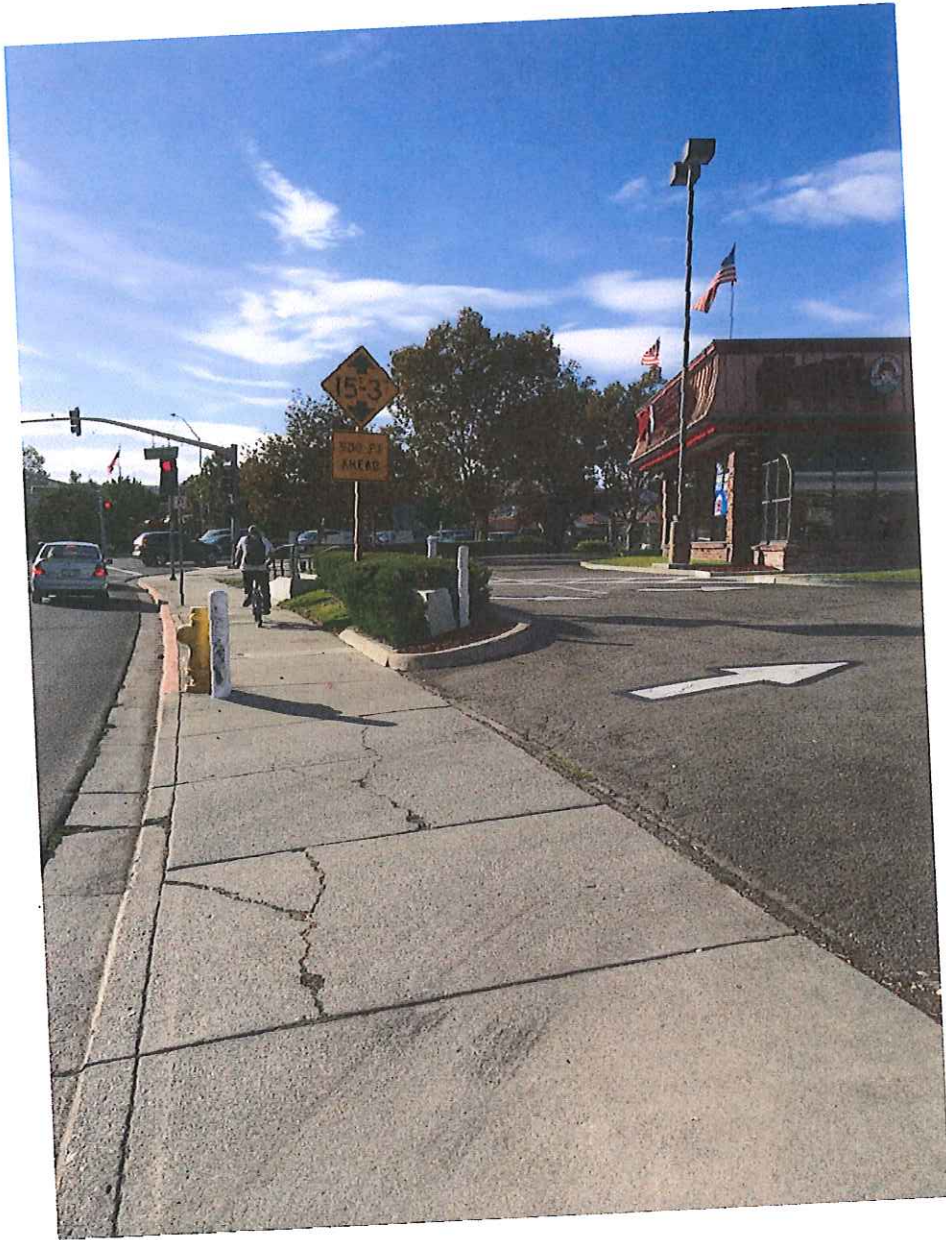
OTHER SYMBOLS AND ABBREVIATIONS:

Adj.=Adjacent. Algn.=Align. ALU=Aluminum. A/M=Aftermarket part. Blnd=Blend. BOR=Boron steel. CAPA=Certified Automotive Parts Association. D&R=Disconnect and Reconnect. HSS=High Strength Steel. HYD=Hydroformed Steel. Incl.=Included. LKQ=Like Kind and Quality. LT=Left. MAG=Magnesium. Non-Adj.=Non Adjacent. NSF=NSF International Certified Part. O/H=Overhaul. Qty=Quantity. Refn=Refinish. Repl=Replace. R&I=Remove and Install. R&R=Remove and Replace. Rpr=Repair. RT=Right. SAS=Sandwiched Steel. Sect=Section. Subl=Sublet. UHS=Ultra High Strength Steel. N=Note(s) associated with the estimate line.

CCC ONE Estimating - A product of CCC Information Services Inc.

The following is a list of abbreviations that may be used in CCC ONE Estimating that are not part of the MOTOR CRASH ESTIMATING GUIDE:

BAR=Bureau of Automotive Repair. EPA=Environmental Protection Agency. NHTSA= National Highway Transportation and Safety Administration. PDR=Paintless Dent Repair. VIN=Vehicle Identification Number.











* INITIALLY SUBMITTED CLAIM TO CITY OF DUBLIN



CLAIM AGAINST THE CITY OF DUBLIN

Please return to:
City of Dublin
100 Civic Plaza
Dublin, CA 94568

Office Use Only
Date Received

- 1. Name of Claimant: Christine Enderby
- 2. Address of Claimant: 123 Siena Pl
- 3. Telephone Number: 925-997-3119
- 4. Send Notices To: (Complete only if different than lines 1 & 2): _____

5. Date of Occurrence: 9/26/14 Time of Occurrence: 10pm

6. Place of Occurrence: (Provide detailed diagram describing the exact location, including physical landmarks or distinguishing land features, if appropriate.)
7143 Dublin Blvd, the Wendys driveway facing south/east

7. Circumstances of Occurrence: (If an accident, describe physical conditions surrounding occurrence such as weather, road, and traffic conditions, etc.)

There is a cement ballard within inches of the driveway. As I came around to make a right turn out of driveway, the ballard scratched and dented my car. It is lower then my side mirror so there was no way to see it as I checked both directions for traffic before pulling on to Dublin Blvd. It is in prefect line with the right turn, meaning it's not positioned far enough out of the driveway.

8. List names, address and phone numbers of any witnesses: _____

9. Provide a Description of Damage or Loss: I had \$4000+ dollars in body shop work. Please see body shop paperwork

10. Name(s) of Public Employee(s) and/or City Department causing the damages you are claiming (if known): _____

11. Briefly explain why you feel the City of Dublin is responsible: This ballard belongs to the city and or Fire Department.

It should not be placed so close in driveway, it is a hindrance and I feel the City should be responsible for the damages.

12. Total Amount Claimed: (Note: Pursuant to State law any claim for \$10,000 or less must be specified as described in Government Code Section 910(f). If a dollar amount is not shown, indicate whether the claim is a _____ limited civil case or _____ unlimited civil case. \$ _____

13. Breakdown of Amount Claimed: (Attach copies of bills/estimates, if applicable) See attached Copies

(Note: Any person who, with intent to defraud, presents any false or fraudulent claim, may be punished by imprisonment or fine or both.)

14. Dated: 10/20/14 Signed: [Signature]

NOTE: You must file a claim in compliance with Government Code Section 911.2.



7051 Dublin Boulevard
Dublin, CA 94568-3018

ph: (925) 828-0515
fax: (925) 829-1180
www.dsrdsd.com

November 4, 2014

Ms. Christine Enderby
123 Siena Place
Danville, CA 94506

SUBJECT: Claim for Costs Resulting from Property Damage As a Result of Dangerous
Conditions

Dear Ms. Enderby:

This correspondence is to advise you that your claim to recover costs will be included as an item on the next agenda of the regularly scheduled meeting of Dublin San Ramon Services District's Board of Directors on Tuesday, November 18, 2014 at 6:00 p.m. If you would like to address the Board on the matter of your claim, you may do so at that time.

Staff's recommendation is to deny your claim, as the fire hydrant and bollard did not present a dangerous condition.

A copy of the Board agenda will be available for viewing/downloading on the District's website www.dsrdsd.com after 5:00 p.m. on Friday, November 14, 2014.

Respectfully,



Michelle L. Gallardo
Interim Organizational Services Manager

CC:/ C. Enderby Claim File

DECLARATION OF SERVICE BY MAIL

STATE OF CALIFORNIA
COUNTY OF VENTURA

I am employed in the County of VENTURA, State of California. I am over the age of 18 and not a party to the within cause or claim; my business address is:

Carl Warren & Company
1000 S Hill Road, Suite 215
Ventura, CA 93006

I served the foregoing document described as:

INVITATION TO BOARD MEETING

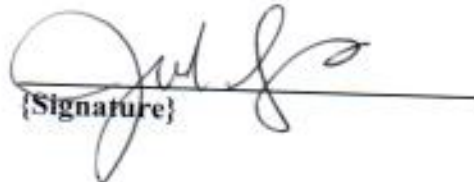
by depositing a true copy or original thereof in the United States mail in Ventura, California on October 8, 2014, enclosed in a sealed envelope, with first class postage thereon fully prepaid, addressed as follows:

Ms. Christine Enderby
123 Siena Place
Danville, CA 94506

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed this 4th of November 2014 at Ventura, California.

Julie Gonzales
{type of print name }


{Signature}

DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT





Reference Engineering Services Manager	Type of Action Approve Categorical Exemption	Board Meeting of November 18, 2014
Subject Approve Categorical Exemption for Component 1 of the Recycled Water Expansion Phase 1 - Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009)		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	R. Biagtan
		<input type="checkbox"/> Board Member

Recommendation:

The Engineering Services Manager recommends the Board of Directors approve, by Resolution, the Categorical Exemption for Component 1 of the Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009) and authorize the General Manager to file the Certificate of Determination of Exemption/Exclusion from Environmental Review with the County Clerk.

Summary:

Phase 1 of the Recycled Water Expansion Project, which includes construction of approximately five miles of pipeline to extend the District's existing recycled water distribution system to customers in western Dublin and to Alameda County facilities, including the Santa Rita Jail in central Dublin, is a specific action necessary to mitigate the Community Drought Emergency declared by the Board on May 5, 2014, pursuant to subdivision (b)(4) of Public Resources Code section 21080, permanently reducing potable water demand by approximately 350 acre-feet per year (AFY).

The project has been previously approved by the Board as a project in the CIP Budget in response to the 2014 Drought as part of the Drought Action Plan. The approval did include information pertaining to California Environmental Quality Act (CEQA) compliance. However, staff split the project into two components in order to expedite pipeline installation and it is being constructed as two or more separate construction contracts. Component 1 refers to the portion of the project to take recycled water to the Alameda County facilities and Component 2 refers to the Western Dublin portion. Each component will be covered under separate CEQA documentation, building on the analysis contained in the Program Environmental Impact Report (EIR) for the San Ramon Valley Recycled Water Program (SRVRWP) certified by the Board of Directors of the DSRSD-East Bay Municipal Utility District (EBMUD) Recycled Water Authority (DERWA) in December 1996. Component 1 of the Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities was among the facilities analyzed in the SRVRWP EIR, and neither the Project nor the environmental conditions under which the Project is being undertaken have changed substantially since that EIR was certified.

Component 1 is the portion of the project being considered that will extend recycled water lines to the Santa Rita Jail and other County facilities in the area. This portion of the project is a specific action necessary to mitigate the Community Drought Emergency declared by the Board on May 5, 2014, and as such is exempt pursuant to subdivision (b)(4) of Public Resources Code section 21080, and is categorically exempt per Section(s) 15269(c), 15301, 15303(e), and 15061(b)(3) of the CEQA Guidelines.

In conformance with CEQA, a Certificate of Determination of Exemption/Exclusion from Environmental Review has been prepared. Upon Board approval, it will be filed with the County Clerk's office.

Staff recommends that the Board independently consider the exemptions cited and make a determination regarding CEQA compliance.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR S. Delight	DEPARTMENT Engineering	REVIEWED BY RNB
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. 2. 3.			

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING CATEGORICAL EXEMPTION FOR COMPONENT 1 OF THE RECYCLED WATER EXPANSION PHASE 1 – DISTRIBUTION TO WESTERN DUBLIN AND ALAMEDA COUNTY FACILITIES PROJECT (CIP 15-R009), AUTHORIZING AND DIRECTING THE FILING OF A CERTIFICATE OF DETERMINATION OF EXEMPTION

WHEREAS, on February 18, 2014 the Board of Directors of the Dublin San Ramon Services District (District) declared a Community Drought Emergency due to extreme drought and uncertainty of the future water supply; and by reason of the fact that the ordinary demands and requirements of the water consumers in the District’s service area cannot be met and satisfied by the water supplies now available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection as a result of the extreme drought and resulting in reductions to and restrictions on the available water supply; and

WHEREAS, on April 16, 2014 the Zone 7 Water Agency directed the local water supply retailers and untreated water customers to assure a 25% total reduction for 2014, with 5% coming from inside curtailment and 50-60% from outside curtailment, and adopting mandatory conservation measures to achieve these reductions; and

WHEREAS, on May 5, 2014 the Board of Directors updated the Community Drought Emergency by reason of the fact that the ordinary demands and requirements of the water consumers in the District’s service area cannot be met and satisfied by the water supplies now available to the District without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and/or fire protection as a result of the extreme drought and resulting reductions to and restrictions on the available water supply, and approved the Drought Implementation and Response Plan; and

Res. No. _____

WHEREAS, on July 1, 2014 the Board of Directors approved a budget adjustment to the Two-Year CIP Budget for Fiscal Years Ending 2014 and 2015 to include Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009); and

WHEREAS, in conformance with the Policy No. P600-10-1 regarding Infrastructure Responsibilities and Funding (Resolution No. 4-10), the District is in the process of preparing plans and specifications for the portion of the project to install recycled water distribution lines to the Alameda County facilities, which is Component 1 of the Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009) (“Project”), to be located within the District’s service area in the City of Dublin, Alameda County, California, which Project is a specific action necessary to mitigate the emergency described above pursuant to subdivisions (b)(4) of Public Resources Code section 21080; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the “CEQA Guidelines” (Title 14, Division 6, Chapter 3 of the California Code of Regulations), the Board of Directors of the DSRSD-East Bay Municipal Utility District (EBMUD) Recycled Water Authority (DERWA) approved and certified a Program Environmental Impact Report (EIR) for the SRVRWP in December 1996 (SRVRWP Program EIR [DERWA 1996]), which analyzed the impacts of the Project as part of the larger SRVRWP; and

WHEREAS, neither the Project nor the environmental conditions under which the Project is being undertaken have changed substantially since the 1996 EIR was certified; and

WHEREAS, pursuant to CEQA, the CEQA Guidelines and District’s local CEQA guidelines, District has prepared a Certificate of Determination of Exemption/Exclusion from Environmental Review dated November 2014 for the Project, attached hereto as Exhibit A, to

Res. No. _____

which reference is hereby made for the full particulars thereof; and

WHEREAS, it has been determined that per Section(s) 15269(c), 15301, 15303(e), and 15061(b)(3) of CEQA Guidelines, the Project meets criteria for exemption.

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 as follows:

1. Pursuant to the California Environmental Quality Act (CEQA), the “CEQA Guidelines” (Title 14, Division 6, Chapter 3 of the California Code of Regulations), and District’s local CEQA guidelines, the Board hereby finds, determines and declares:

- a. Dublin San Ramon Services District, the principal offices of which are located at 7051 Dublin Boulevard, Dublin, California, is the Project proponent;
- b. The Project, which is proposed to be located in the City of Dublin in Alameda County, has not changed in any substantial way since the certification of the SRVRWP Program EIR, nor have the conditions under which the Project is being undertaken changed in any substantial way;
- c. Per Section(s) 15301, 15303(e), and 15061(b)(3) of the CEQA Guidelines, the Project meets the criteria for exemption;
- d. A Certificate of Determination of Exemption/Exclusion from Environmental Review dated November 2014 has been prepared and is hereby approved.

2. The General Manager is hereby authorized and directed to sign and file a Notice of Exemption with the County Clerk consistent with the foregoing findings and approvals pursuant to the CEQA Guidelines and the District’s local CEQA guidelines.

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 18th day of November 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgan M. Vonheeder-Leopold, President

ATTEST: _____
Nancy G. Hatfield, District Secretary

H:\Board\2014\11-18-14\15-R009 RW Exp Ph 1 - Approve Categorical Exemption\Resolution - 15-R009 Santa Rita Cat Ex_rv2.docx

**CERTIFICATE OF DETERMINATION
OF EXEMPTION/EXCLUSION FROM ENVIRONMENTAL REVIEW**

Project Title: Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities
 Project Location: 5325 Broder Blvd.
 Dublin, CA 94568
 Assessor's Parcel Numbers: 986-0005-036-01, 986-0005-036-02, 986-005-038-02,
 986-0023-002, 986-0023-001
 City and County: City of Dublin, Alameda County

Description of Nature and Purpose of Project:

The Dublin San Ramon Services District (District) is proposing to upgrade an existing Recycled Water Pipeline system to include the Santa Rita Jail, and other government facilities, located in, and owned by, Alameda County, California. The intent of the Proposed Project (herein referred to as the “project”) is to provide this government facility with recycled water to replace the existing use of potable water for irrigation needs.

The DSRSD-East Bay Municipal Utility District (EBMUD) Recycled Water Authority (DERWA) is a Joint Powers Authority formed in 1995 for the purpose of providing recycled water as a replacement for potable water. The San Ramon Valley Recycled Water Program (SRVRWP) supplies recycled water for landscape irrigation and other non-potable water uses to portions of the DSRSD and EBMUD service areas in the San Ramon and Dougherty valleys.

The DERWA Board of Directors approved and certified a Program Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA) for the SRVRWP in December 1996 (SRVRWP Program EIR [DERWA 1996]). The SRVRWP Program EIR included an analysis of the transmission and distribution systems currently in place. The EIR provided a thorough evaluation of project impacts, including air quality impacts, associated with installation of the existing and currently contemplated recycled water pipelines, and neither the project nor the environmental conditions under which the project is being undertaken have changed substantially since the 1996 EIR was certified.

The project consists of connecting the Santa Rita Jail, Alameda County Sheriff training area, Alameda County Corporation Yard, California Highway Patrol (CHP) office, and the East County Animal Shelter to an existing recycled water distribution system. Construction includes extending approximately 4,400 lineal feet of 4, 6, and 10 inch recycled water main along Madigan Road, Barnet Boulevard and Broder Boulevard. Installation of the water main would be completed using cut and cover techniques. Construction also includes conversion of existing potable irrigation services to recycled water irrigation services.

Approximately 2,700 lineal feet of the pipeline would be placed within the road shoulder area south of and adjacent to Broder Boulevard (Blvd). The alignment at this location is adjacent to the existing potable water line that serves each of the above facilities. The remaining 700 lineal feet of recycled water main would be installed within the paved footprint of Madigan Road and the shoulder of Barnet Blvd. Potential construction equipment may include an excavator, backhoe loader, bulldozer, dump truck, roller, track loader, vibratory compactor, concrete truck, street sweeper, and a dust control water hog/tank.

Distribution pipeline installation would occur at a rate of approximately 300-500 feet per day. Approximately 100 lineal feet would be disturbed at any given time. No more than 50 feet of that distance would be associated with an open trench; the remaining 50 feet would be associated with active pipe laying and paving activities. Trench width would be a maximum of 6 feet (average 4 feet) with an average depth of 4 to 6 feet below existing pavement, depending on the size of the pipe to be installed. DSRSD and their contractors would implement erosion control measures, such as fiber rolls, jute mats and mulch to reduce the risk of sedimentation resulting from project activities. The road shoulder along Broder Blvd. will be re-contoured and restored to pre-project conditions. Trenches will be backfilled immediately after placement of pipe. There would be no removal of trees or native vegetation during construction of the project. The work will take approximately 4-6 weeks from initial mobilization and is expected to occur in December 2014.

Name of Person, Board, Commission or Department Proposing to Carry Out Project:

Dublin San Ramon Services District

EXEMPT STATUS:

CEQA Categorical Exemption, California Public Resources Code § 15301

CEQA Categorical Exemption, Class 3 California Public Resources Code § 15303(e)

General Rule Exemption [CEQA State Guidelines, § 15061(b)(3)]

REMARKS: See next page.

Contact Person:

Telephone:

Date of Determination:

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

[Insert Agency Staff Member Authorized to Sign]

REMARKS:

As described below, the project meets the CEQA criteria for two Categorical Exemptions:

- Categorical Exemption §15301, Class 1, Operation, repair, maintenance, or minor alteration of existing structures or facilities; and
- Categorical Exemption §15303, Class 3, New construction, installation, or conversion of limited number of small structures, facilities or equipment.

Categorical Exemption §15301

This exemption applies to activities involving negligible or no expansion of previous use beyond that existing at the time of the lead agencies determination. In this case, the connection of existing irrigation systems to the existing recycled water pipeline would involve no expansion of existing water use, only a transfer of usage from potable water to recycled water for irrigation needs. This transfer of usage is intended to reduce overall use of potable water within the District.

Categorical Exemption §15303

This exemption applies to the installation or conversion of small facilities. In this case, upgrading the irrigation system to utilize existing recycled water would not change the amount of water being supplied to the jail and other County facilities. The new service would have no adverse effect on the District's ability to provide recycled water to other facilities, and is intended to reduce overall use of potable water within the District.

General Rule Exemption §15061

In addition, the project also meets criteria for exemption under the general rule Code of Regulations §15061(b)(3), whereby "*The activity is covered by the General Rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*"

Upgrading the existing recycled water system to include Santa Rita Jail, Alameda County Sheriff training area, Alameda County Corporation Yard, CHP office, and the East County Animal Shelter would have no significant impact the environment. No regulatory permits from California Department of Fish and Wildlife, the United States Army Corps of Engineers, or Regional Water Quality Control Board would be required for construction and operation of the recycled water pipeline and associated equipment. Construction and installation of recycled water system would have no impact on plants protected under the Native Plant Protection Act nor would the project trigger compliance with either the California State Endangered Species Act or the Federal Endangered Species Act. The project sites were surveyed by a qualified wildlife biologist from Vinnedge Environmental Consulting (see attached memo) on October 21, 2014, who determined that the project site does not contain sensitive or rare plant or animal species. Installation activities would occur during the non-nesting season for birds (prior to February 1) and would have no potential to impact nesting birds.

The project is consistent with City General Plan designation and policies. No changes in land use or zoning are required as existing recycled water pipelines are in place and currently used for County facilities. The only effects of the proposed project on air quality would be temporary, construction-related effects (i.e. operation of diesel machinery and equipment and minor dust generation during construction). The project would incorporate standard Bay Area Air Quality Management District dust-control measures.

There are no historic resources within the project sites and there are no known archaeological resources within the existing roadways or road shoulders (see attached memo from Tom Origer & Associates 2014). Construction of the project has low potential to result in any disturbance to, or significant impact on, historic architectural or archaeological resources.

CEQA State Guidelines Section 15300.2 (Exceptions) states that a categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. As described above, there are no unusual circumstances surrounding the proposed project that would suggest a reasonable possibility of a significant environmental effect.

For all the above reasons, the proposed project is appropriately exempt from environmental review.



Reference Financial Services Manager	Type of Action Receive Report	Board Meeting of November 18, 2014
Subject Rate Stabilization Fund Annual Reporting		
<input type="checkbox"/> Motion <input type="checkbox"/> Minute Order <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Informational <input type="checkbox"/> Other		
REPORT: <input type="checkbox"/> Verbal <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Staff J. Archer <input type="checkbox"/> Board Member		

Recommendation:

The Financial Services Manager recommends that the Board receive the attached report and, by Motion, direct staff to transfer \$274,517 from the Rate Stabilization Fund to the Water Replacement Fund.

Summary:

Staff has recently completed preparation of the annual financial statements and the auditors (Maze and Associates) have completed their review of the financial statements. The analysis of the fund balances below have utilized the audited fund balances as of June 30, 2014.

The policy states that if the combined total of the Enterprise Fund and the corresponding Rate Stabilization Fund (RSF) exceeds twelve months working capital, the General Manager will make a recommendation to the Board of Directors as to how the funds should be used. At the end of Fiscal Year 2014, the Water Enterprise Fund and corresponding RSF exceed the twelve month working capital amount by \$274,517. The Water Replacement Fund working capital balance at the end of Fiscal Year 2014 was \$8,334,642. The working capital target for Water Replacement Fund is \$10,053,186, so the Fund is \$1,703,304 below the target level. The Water Replacement Fund is primarily funded by rate revenue in Water Operations Fund. The General Manager, therefore, recommends that staff be directed to transfer \$274,517 from the RSF to the Water Replacement Fund.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Fin Serv	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution <input type="checkbox"/> Minute Order <input type="checkbox"/> Task Order <input checked="" type="checkbox"/> Staff Report <input type="checkbox"/> Ordinance						
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. 2. 3.			

Dublin San Ramon Services District Staff Report

Board Meeting – November 18, 2014

Subject

Rate Stabilization Funds (RSF) Annual Reporting

Discussion

The Financial Reserves policy previously adopted in 2012 and proposed for revision this evening, states that each Enterprise's Rate Stabilization reserves are to be assessed at the end of each fiscal year and presented to the Board of Directors.

Staff has recently completed preparation of the annual financial statements and the auditors (Maze and Associates) have completed their review of the financial statements. The analysis of the fund balances below have utilized the audited fund balances as of June 30, 2014.

In accordance with the Financial Reserves policy (P400-12-7), if the Enterprise Fund has exceeded its working capital target by an amount equal to an additional two months of working capital, the General Manager (GM) shall direct the Treasurer to transfer the excess working capital from the Enterprise Fund to the RSF for that Enterprise. The Rate Stabilization Fund Analysis below shows that all three Enterprise funds had working capital at the end of FYE 2014 in excess of target plus two additional months. In accordance with the policy, an administrative transfer will be completed to transfer the excess funds from the Enterprise funds to the RSF for that Enterprise. Each of the Enterprise funds will start FYE 2015 with six months of working capital.

Rate Stabilization Fund Analysis

June 30, 2014

	Local Sewer	Regional Sewer	Water
Operating Expense Budget (FYE 2015)	\$ 2,236,537	\$ 16,595,241	\$ 19,877,050
Target (4 months)	745,512	5,531,747	6,625,683
Target + Two Months (six months)	1,118,269	8,297,621	9,938,525
From Audited Financials:			
Current Assets	\$ 1,411,838	\$ 12,004,624	\$ 17,080,401
Less: Current Liabilities	184,700	2,223,604	3,468,860
Working Capital	1,227,138	9,781,020	13,611,541
Months of Working Capital (if between 4-6, no action)	6.58	7.07	8.22
Surplus to Transfer (excess of target + two months)	\$ 108,869	\$ 1,483,399	\$ 3,673,016
Funding Needed (if working capital is below 4)	None	None	None
Current Balance in RSF	\$ 576,008	\$ 6,229,786	\$ 6,540,026
Amount to Add	108,869	1,483,399	3,673,016
Amount to Subtract	-	-	-
New Balance in RSF	\$ 684,877	\$ 7,713,185	\$ 10,213,042
Amount Over Six Months Working Capital	\$ -	-	274,517
Total Between Enterprise and RSF	9.67	11.58	12.17

Dublin San Ramon Services District Staff Report

Board Meeting – November 18, 2014

The Financial Reserves policy also states that if the combined total of the Enterprise Fund and the corresponding RSF exceeds twelve months working capital, the General Manager will make a recommendation to the Board of Directors as to how the funds should be used. At the end of fiscal year 2014, the Water Enterprise Fund and corresponding RSF exceed the twelve month working capital amount by \$274,517. The Water Replacement Fund working capital balance at the end of fiscal year 2014 was \$8,334,642. The working capital target for Water Replacement Fund is \$10,053,186, so the Fund is \$1,703,304 below the target level. The Water Replacement Fund is primarily funded by rate revenue in the Water Operations Fund. The General Manager, therefore, recommends that staff be directed to transfer the excess funds of \$274,517 to the Water Replacement Fund.



Reference Financial Services Manager	Type of Action Adopt Revised Policy	Board Meeting of November 18, 2014
Subject Adopt Revised Financial Reserves Policy to Conform to Recently Adopted "Guidelines for Conducting District Business" and Rescind Resolution No. 48-12		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

Recommendation:

The Financial Services Manager recommends that the Board, by Resolution, revise the Financial Reserves policy so as to conform this policy to the recently adopted "Guidelines for Conducting District Business" policy (Guidelines).

Summary:

The District's Strategic Work Plan (Tasks 5.1.1 and 5.1.10) calls for an ongoing effort to review each District policy no less frequently than every four years and specifically to update the Guidelines in FYE 2015. That latter effort was a multi-year task that concluded with Board adoption of the revised Guidelines on July 1, 2014. At that time, several significant changes were made to the Guidelines, including streamlining the Committee review process so that, with a few pre-defined exceptions, items will now first go directly to the Board for consideration. The Board is then to act on the matter before it or refer it to committee for further development. Resolution No. 38-14, which adopted the Guidelines, directed staff to review all existing District policies to conform those policies to the new process identified in the Guidelines.

The Financial Reserves policy was not included with the list of policies which were conformed to the new Guidelines for Conducting District Business policy on August 19, 2014.

Attachment 1 includes the "track changes" version of the proposed revised policy to enable a quick overview of exactly what change is proposed.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. "Track Changes" version of policy 2. 3.			

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE FINANCIAL RESERVES POLICY AND RESCINDING RESOLUTION NO. 48-12

WHEREAS, on July 1, 2014 the District Board of Directors adopted Resolution No. 38-14, thereby adopting revised Guidelines for Conducting District Business policy (“Guidelines”); and

WHEREAS, Resolution No. 38-14 authorized and directed the General Manager to propose formal revisions to those existing Board policies that are in conflict with the Guidelines; and

WHEREAS, the current Financial Reserves policy, last revised by Resolution No. 48-12, contains provisions that are in conflict with the newly revised Guidelines.

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

1. The revised “Financial Reserves” policy, attached hereto as Exhibit “A” be adopted, and
2. Resolution No. 48-12 is hereby rescinded and attached as Exhibit “B;” and
3. Authorizes the General Manager to make non-substantive editorial changes to the policy as that document is finalized for posting on the District’s website.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 18th day of November 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgean M. Vonheeder-Leopold, President

ATTEST: _____
Nancy G. Hatfield, District Secretary



POLICY

Dublin San Ramon Services District

Policy No.:		Type of Policy:	Finance
Policy Title:	Financial Reserves		
Policy Description:	Provides guidance for the prudent accumulation and management of designated reserves		
Approval Date:			
		Last Review Date:	2014
Approval Resolution No.:			
		Next Review Date:	2018
Rescinded Resolution Nos.:			
	48-12	Rescinded Resolution Date:	December 3, 2012

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

To designate financial reserves in order to protect the District's investment in its various assets, satisfy its commitments under its numerous financial, regulatory and contractual obligations and to stabilize long-term rates for its 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 the discretion of the District. The Board can change fund designations at any time. Designated reserves are different than restricted funds, which are used strictly to meet requirements established by creditors, grant agencies or law. Reserves held by a third-party as bond reserves or for pension obligations are examples of restricted reserves; the District has no discretion as to the use of these funds.

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 emergency purchasing policy.

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.
- 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 monthly 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.
- If the reserves in any Operating fund has decreased 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.

- If any Enterprise fund has exceeded its working capital target by an amount equal to an additional two months of working capital, the General Manager shall direct the Treasurer to transfer the excess working capital from the Enterprise fund to the Rate Stabilization fund for that Enterprise.
- 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: 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.

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 two 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: Replacement reserve targets shall consist of three components:

- 1) An emergency reserve of 1% of the replacement value of the fund's capital assets; and
- 2) An amount equal to two times the greater of the average six-year expense projections in the District's Replacement Planning Model or the District's 10-year Capital Improvement Plan; and
- 3) 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: A minimum reserve consists of the first and third of the above elements.

Maximum: Two times the target.

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 reserve for the debt service.

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.

RESOLUTION NO. 48-12

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ADOPTING THE REVISED FINANCIAL RESERVES POLICY AND RESCINDING RESOLUTION NO. 16-11

WHEREAS, the District has a Strategic Element, 1.0 "Financial Management" with an objective to manage public funds to provide financial stability, rate equity, long term rate management, and maintenance or improvement of the District's credit ratings so as to ensure timely and reasonable access to credit markets when needed; and

WHEREAS, the Board rescinded the Capital Replacement and Improvement Fund and the Rate Stabilization Fund policies adopted by Resolution Nos. 7-03 and 31-08 respectively; and

WHEREAS, an important provision of the Rate Stabilization Fund policy was inadvertently excluded from the Financial Reserves policy adopted by Resolution No. 16-11; and

WHEREAS, this action will restore the provision which provides an administrative mechanism for transferring operating funds in excess of six months of working capital to the Rate Stabilization fund.


NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the counties of Alameda and Contra Costa, California that the revised Financial Reserves policy is hereby adopted and attached as Exhibit "A" and Resolution No. 16-11 is hereby rescinded and attached as Exhibit "B."

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency located in the counties of Alameda and Contra Costa, California, at its special meeting held on the 3rd day of December 2012, and passed by the following vote.

AYES: 4 - Directors Georgan M. Vonheeder-Leopold, Dawn L. Benson, D.L. (Pat) Howard, Richard M. Halket

NOES: 0

ABSENT: 0


Richard M. Halket, President

Attest:


Nancy G. Hatfield, District Secretary



POLICY

Dublin San Ramon Services District

Policy No.:	P400-12-7	Type of Policy:	Finance
Policy Title:	Financial Reserves		
Policy Description:	Provides guidance for the prudent accumulation and management of designated reserves		
Approval Date:	December 3, 2012	Last Review Date:	2012
Approval Resolution No.:	48-12	Next Review Date:	2016
Rescinded Resolution Nos.:	16-1148-12	Rescinded Resolution Date:	April 19, 2014 <u>November 18, 2014</u>

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

To designate financial reserves in order to protect the District's investment in its various assets, satisfy its commitments under its numerous financial, regulatory and contractual obligations and to stabilize long-term rates for its 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 the discretion of the District. The Board can change fund designations at any time. Designated reserves are different than restricted funds, which are used strictly to meet requirements established by creditors, grant agencies or law. Reserves held by a third-party as bond reserves or for pension obligations are examples of restricted reserves; the District has no discretion as to the use of these funds.

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 emergency purchasing policy.

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.
- 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 monthly 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.
- If the reserves in any Operating fund has decreased 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.

- If any Enterprise fund has exceeded its working capital target by an amount equal to an additional two months of working capital, the General Manager shall direct the Treasurer to transfer the excess working capital from the Enterprise fund to the Rate Stabilization fund for that Enterprise.
- 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: 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~~ Finance Committee on the results of the assessment.

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 two 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: Replacement reserve targets shall consist of three components:

- 1) An emergency reserve of 1% of the replacement value of the fund's capital assets; and
- 2) An amount equal to two times the greater of the average six-year expense projections in the District's Replacement Planning Model or the District's 10-year Capital Improvement Plan; and
- 3) 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: A minimum reserve consists of the first and third of the above elements.

Maximum: Two times the target.

Reporting: The General Manager shall report annually to the Board of Directors Finance Committee 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 reserve for the debt service.

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 Finance Committee on the results of the assessment.



Reference Financial Services Manager	Type of Action Provide Direction	Board Meeting of November 18, 2014
Subject Resolution Authorizing Self-Reporting under the Municipalities Continuing Disclosure Cooperation Initiative		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	J. Archer
		<input type="checkbox"/> Board Member

Recommendation:

The Financial Services Manager recommends the Board adopt a resolution to direct staff to self-report under the terms of the Municipalities Continuing Disclosure Cooperation Initiative.

Summary:

In response to the stock market failures experienced in 2009, the SEC has reviewed its procedures for evaluating the continuing discloses related specifically to municipalities debt issuance. Attached is a copy of Jones Hall (Bond Counsel) background and recommendations related to the reporting required under the Municipalities Continuing Disclosure Cooperation Initiative (MCDC).

As a result of the independent investigation completed by Municipal Disclosure Advisors, there may have been issues of noncompliance for the five-year review period. Under the terms of the Initiative, District staff believes it is prudent to file a self-report form as provided by the SEC in connection with the initiative.

A full explanation, as well as the standardized settlement terms, is outlined in the attached staff report.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Fin Serv	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input checked="" type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. May 2014 Jones Hall MCDC Memo 2. MCDC Analysis-2011 Water Revenue Refunding Bonds 3. MCDC Analysis-2011 LAVWMA Sewer Revenue Refunding Bonds				
<small>H:\Board\2014\11-18-14\Self Reporting Municipalities Continuing Disclosure Cooperative Initiative\Summary and Rec Self Reporting MCDC.doc</small>						

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT AUTHORIZING SELF-REPORTING UNDER THE MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE

WHEREAS, on March 10, 2014, the Division of Enforcement of the Securities and Exchange Commission (the “SEC”) announced the “Municipalities Continuing Disclosure Cooperation Initiative” (the “Initiative”); and

WHEREAS, the Initiative provides predictable settlement terms for issuers and underwriters who self-report possible violations of Rule 15c2-12 (the “Rule”) involving materially inaccurate statements which may have been made in official statements provided to investors in connection with bonds or other types of public offerings relating to prior compliance with continuing disclosure undertakings under the Rule; and

WHEREAS, the deadline for issuers to self-report under the Initiative is December 1, 2014; and

WHEREAS, the Board of Directors (the “Board”) of Dublin San Ramon Services District (the “District”), with the assistance of its staff, and Municipal Disclosure Advisors, have reviewed statements made by the District in official statements in the preceding five years, and have determined that one or more of such statements may be interpreted as being materially misleading under the general antifraud provisions of federal securities law; and

WHEREAS, the Board has been informed of the standardized settlement terms for issuers who self-report under the Initiative, and

WHEREAS, in order to be prudent in the management of the District, the Board desires at this time to direct District staff to complete and file by December 1, 2014, the self-report form

Res. No. _____

provided by the SEC in connection with the Initiative.

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

1. Recitals. The foregoing recitals are true and correct.
2. Self-Report Under MCDC Initiative. The Board hereby directs the General Manager and the Financial Services Manager to complete and file with the SEC no later than the December 1, 2014 deadline, the self-report form provided for reporting under the Initiative. The General Manager and the Financial Services Manager are hereby authorized to complete and execute such form, on behalf of the District.
3. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 18th day of November 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgean M. Vonheeder-Leopold, President

ATTEST: _____
Nancy G. Hatfield, District Secretary

H:\Board\2014\11-18-14\Self Reporting Municipalities Continuing Disclosure Cooperative Initiative\Resolution - MCDC Self Reporting rev.doc

STAFF REPORT

Board of Directors
November 18, 2014



Self-reporting under the Municipalities Continuing Disclosure Cooperation Initiative

BACKGROUND

In response to the stock market failures experienced during 2009, the SEC has reviewed its procedures for evaluating the continuing disclosures related specifically to municipalities debt issuance. Attached is a copy of Jones Hall (Bond Counsel) background and recommendations related to the reporting required under the Municipalities Continuing Disclosure Cooperation Initiative (MCDC).

The District has two debt issues outstanding that are subject to review as part of the initiative; 2011 Water Bonds and the 2011 LAVWMA Bonds. The MCDC requires evaluation of the statements made in the 2011 debt offerings *"The District has not failed to comply in all material respects with an undertaking under the Rule in the previous five years."* The disclosures relate to bonds, which are now retired; which were outstanding at the time of the 2011 bond issuances. The District hired Mr. Chase Adams of Municipal Disclosure Advisors based on recommendation from Jones Hall to review and evaluate the disclosure filings of the District for the five-year period (2006-2010). Those filings are the subject of this evaluation.

DISCUSSION

A summary of Mr. Adam's report Continuing Disclosure Compliance Analysis for the 2011 Water Revenue Refunding Bonds (attached) is as follows:

1997 Revenue Refs:

- 2005 Audited Financial Statements missing.
- Top 10 customers not reported separately for water customers and did not indicate the percentage of total revenues.
- Certain rating changes related to debt insurer AMBAC was not disclosed.

In our review, the 2005 audited financial statements were uploaded to the disclosure website in use at that time but were filed under a different CUSIP number. Also, the audited financial statements were available on the District's website. Top ten customers were reported, but were not broken out between water and sewer customers.

Based on discussion with Bond Counsel, non-disclosure of the rating changes could be deemed a material omission and they recommend the District self-report this omission. Staff can prepare this self-reporting filing with the assistance of Jones Hall.

2001A LAVWMA Sewer Refs:

- Component data missing: Dwelling Unit Equivalents and Connections by user, Wastewater system revenues, Current User Charges and Current Connection Charges.
- Certain rating changes related to debt insurer AMBAC was not disclosed.

In our review of component data missing, most of the data was available in the CAFR or on the District's website.

Again, based on discussion with Bond Counsel, non-disclosure of the rating changes could be deemed a material omission and they recommend the District self-report this omission. Staff can prepare this self-reporting filing with the assistance of Jones Hall.

Under the Initiative, the Division (SEC Division of Enforcement) will recommend standardized settlement terms for issuers who self-report possible violations of the Rule by the December 1, 2014 filing deadline, and who comply with the other requirements of the Initiative. By filing, the District will agree to the following standardized settlement terms include the following:

- The issuer must consent to the institution of a cease-and-desist proceeding by the SEC, a legal proceeding carried out under federal securities law. The Division will recommend a settlement in which the issuer neither admits nor denies the findings of the SEC.
- The issuer must establish appropriate policies and procedures and implement training regarding continuing disclosure obligations within 180 days of the institution of the proceedings. Jones Hall is currently developing standard policies and procedures, which the firm recommends every issuer have in place as a matter of good practice. These policies and procedures can be revised as appropriate and adopted by issuers in order to ensure compliance with the Rule.
- The issuer must comply with its existing continuing disclosure undertakings, including updating past delinquent filings, within 180 days of the institution of the proceedings.
- The issuer must cooperate with any subsequent investigation by the Division regarding the violations disclosed in the self-report, including the roles of individuals or other parties involved.
- The issuer must disclose in a clear and conspicuous fashion its settlement terms in any final official statement for a bond offering by the issuer in the five years following the institution of the proceedings.
- The issuer must provide the SEC with a compliance certificate regarding the applicable undertakings by the issuer on the one-year anniversary of the date of institution of the proceedings.

Staff also received recommendations regarding disclosures for the current 2011 debt which is not subject to this initiative and those changes have been implemented.

RECOMMENDATION

Staff recommends the Board adopt the proposed resolution directing staff to work with Jones Hall to file the appropriate documentation with SEC by December 1, 2014.

Attachments



650 California Street
18th Floor
San Francisco, CA 94108
t. 415.391.5780
f. 415.391.5784

RECOMMENDATIONS FOR ISSUERS REGARDING THE SEC'S MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE

May 2014

On March 10, 2014, the U.S. Securities and Exchange Commission (the "SEC") Division of Enforcement (the "Division") announced the Municipalities Continuing Disclosure Cooperation Initiative (the "Initiative") with the intention of addressing violations of anti-fraud provisions of federal securities laws. The Initiative provides predictable settlement terms for issuers and underwriters who self-report possible violations of [Rule 15c2-12](#) (the "Rule") involving materially inaccurate statements relating to prior compliance with continuing disclosure undertakings under the Rule. These settlement terms only apply to issuers who file completed reports with the SEC no later than **September 9, 2014**.

BACKGROUND

The Rule, which was promulgated by the SEC under the Securities Exchange Act of 1934, requires that before a municipality can issue municipal bonds to investors in a public sale, the bond underwriters must reasonably determine that the issuer has undertaken to provide certain updated disclosure information to the Municipal Securities Rulemaking Board (the "MSRB") after the issuance of the bonds. This information includes annual financial and operating data, audits and notices of certain listed events.

In addition, under the Rule, final official statements must disclose any material failure to comply with a continuing disclosure undertaking during the previous five years.

The SEC has expressed concern that issuers of municipal securities may not be complying with their continuing disclosure undertakings, and additionally may not have been disclosing material non-compliance in their official statements. The Initiative applies to final official statements for an offering by the issuer in the five years preceding the date of a self-report under the Initiative. Because the Rule requires disclosure in an official statement of specific instances of non-compliance for the five years prior to the final official statement, the scope of review under the Initiative is effectively ten years preceding the date a self-report is filed under the Initiative.

The SEC has the ability to file enforcement actions under Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 against issuers who



inaccurately state in final official statements that they have complied with their continuing disclosure undertakings. In July 2013, the SEC brought an enforcement action against West Clark Community Schools, an Indiana school district and issuer of municipal bonds, for affirmatively stating in offering documents that it had not failed to comply with the Rule in the previous five years, and for certifying that its offering documents did not contain any untrue statements of material fact, when in fact it had failed to make any filings in connection with its continuing disclosure undertakings in the preceding five years. Without admitting or denying the SEC's findings, the school district and underwriter each consented to, among other things, a cease and desist order from committing or causing any violations of Section 10(b) of the Exchange Act and Rule 10b-5. The underwriter also agreed to pay almost \$600,000 in fines.

THE INITIATIVE

Under the Initiative, the Division will recommend standardized settlement terms for issuers who self-report possible violations of the Rule by the September 9, 2014 filing deadline, and who comply with the other requirements of the Initiative. These standardized settlement terms include the following:

- The issuer must consent to the institution of a cease-and-desist proceeding by the SEC, a legal proceeding carried out under federal securities law. The Division will recommend a settlement in which the issuer neither admits nor denies the findings of the SEC.
- The issuer must establish appropriate policies and procedures and implement training regarding continuing disclosure obligations within 180 days of the institution of the proceedings. Jones Hall is currently developing standard policies and procedures, which the firm recommends every issuer have in place as a matter of good practice. These policies and procedures can be revised as appropriate and adopted by issuers in order to ensure compliance with the Rule. Please contact a Jones Hall attorney if you could like a copy of the firm's standard form of policies and procedures.
- The issuer must comply with its existing continuing disclosure undertakings, including updating past delinquent filings, within 180 days of the institution of the proceedings.
- The issuer must cooperate with any subsequent investigation by the Division regarding the violations disclosed in the self-report, including the roles of individuals or other parties involved.
- The issuer must disclose in a clear and conspicuous fashion its settlement terms in any final official statement for a bond offering by the issuer in the five years following the institution of the proceedings.
- The issuer must provide the SEC with a compliance certificate regarding the applicable undertakings by the issuer on the one-year anniversary of the date of institution of the proceedings.

So long as the SEC accepts the settlement terms recommended by the Division, the SEC will not assess financial penalties against an issuer who complies with the Initiative.

Underwriters of municipal bonds must similarly self-report in order to be recommended by the Division for a settlement under the Initiative. However, for underwriters, the Division will



recommend that the SEC accept a settlement in which each such underwriter is also penalized \$20,000 per non-compliant offering of \$30 million or less and \$60,000 per non-compliant offering of more than \$30 million. However, no underwriter who self-reports under the Initiative will be required to pay more than \$500,000 for all instances of non-compliance, which incentivizes underwriters to thoroughly disclose all possible inaccurate statements in connection with any issuances they have underwritten in the five years preceding the date of a self-report under the Initiative.

ELIGIBLE ISSUERS

Any issuer that entered into a continuing disclosure undertaking and subsequently issued bonds involving a final official statement within the past five years is a candidate for the Initiative.

To be eligible for the Initiative, an issuer must self-report by submitting the [Municipalities Continuing Disclosure Cooperation Initiative Questionnaire for Self-Reporting Entities](#) by 12:00 a.m. EST on September 10, 2014 (midnight on **September 9, 2014**).

RECOMMENDATIONS FOR ELIGIBLE ISSUERS

Jones Hall recommends that issuers take the following steps to determine how best to respond to the SEC's Initiative under each issuer's individual circumstances.

Contact Bond Underwriters. Issuers should be aware that underwriters will likely attempt to report every possible lapse in compliance with the Rule in order to receive favorable settlement terms under the Initiative and pay a one-time fee that covers all possible lapses. Consequently, it would be wise for any eligible issuer to contact the underwriters of any of its municipal securities offered in the past five years as soon as possible in order to determine whether the underwriter believes there may be any possible lapses in compliance with continuing disclosure undertakings.

Confer with Counsel and Governing Body. Self-reporting under the Initiative is an important decision that carries significant legal consequences. However, the potential benefits to eligible issuers may, in many cases, outweigh the consequences. Issuers should confer with their general counsel, and obtain approval from their governing body (e.g., city council, board of directors, etc.) before deciding to self-report.

Continuing Disclosure Compliance Review. Issuers who are eligible for the Initiative should strongly consider reviewing all continuing disclosure undertakings they have made in the past ten years to determine whether there have been any lapses in the reporting required by their undertakings. If there have been any lapses, the issuer should then review all final official statements for securities offered in the past five years to confirm that such lapses were appropriately disclosed pursuant to the Rule.

Common lapses in compliance with the Rule include a failure to timely file audited financial statements and annual reports, the filing of incomplete annual reports, and the failure to file notices of bond rating changes caused by ratings downgrades of bond insurance companies, but there are other possibilities that issuers should consider. In 2010, amendments to the Rule provided for, among other things, an expanded list of



reportable events requiring notice to the MSRB and the reporting of certain events, regardless of materiality.

The SEC has stated that it will not provide guidance regarding which misstatements or omissions will be considered material for purposes of the Initiative, including specifically that it will not make any assurances that ratings changes are not material. In the event of uncertainty, an issuer may self-report and argue that the lapse was not material. In the event an issuer reports instances of non-compliance with the Rule that the SEC does not deem material, there will be no enforcement action taken.

Engage Consultants. Issuers may consider engaging an outside firm that specializes in investigating issuers' compliance with continuing disclosure reporting and disclosures about material non-compliance to assist them in determining their compliance status and options under the Initiative.

Adopt Policies and Procedures. Jones Hall strongly advises all issuers of municipal bonds to adopt policies and procedures, implement training regarding continuing disclosure obligations, and remedy any lapses in prior compliance, regardless of whether such lapses are reportable under the Initiative. SEC scrutiny of continuing disclosure obligations will continue to increase upon the expiration of the Initiative, and compliance with continuing disclosure undertakings will be increasingly important for issuers.

ENFORCEMENT ACTIONS OUTSIDE THE INITIATIVE

The Initiative does not provide any assurances to individuals associated with eligible issuers, such as elected officials and non-elected staff. The Division may recommend enforcement actions against any such individuals, and the SEC will decide whether to seek remedies against individuals on a case-by-case basis based on level of intent, culpability and other factors, such as cooperation by the individual.

Enforcement actions that occur outside of the Initiative could result in the Division seeking remedies beyond the standardized settlement terms, and the SEC has stated that the Division will likely recommend and seek financial sanctions against issuers who have materially violated their continuing disclosure undertakings and failed to disclose those violations, but do not self-report under the Initiative. The SEC has affirmed its commitment to locating instances of non-compliance with the Rule by, and bringing enforcement actions against, issuers who do not self-report under the Initiative.

CONCLUSION

Given the relatively short timeframe for self-reporting under the Initiative, Jones Hall recommends that issuers reach out to their underwriters and begin diligence on possible instances of failing to report material non-compliance under the Rule as soon as possible. Should you have any questions regarding the Initiative or continuing disclosure compliance obligations, please feel free to contact a Jones Hall attorney.

1245 La Canada Road
Hillsborough, California
94010
t. 650.619.1033

Continuing Disclosure Compliance Analysis
for the Dublin San Ramon Services District

2. MCDC Review Report and Official Statement Excerpt
2011 Water Revenue Refunding Bonds

Municipal Disclosure Advisors
October 2014

MDA Continuing Disclosure Compliance Report

Issuer: Dublin San Ramon Services District

Regarding Issue: 2011 Water Revenue Refunding Bonds

Date of Issuance: January 20, 2011

Period of Review: January 20, 2006 to January 20, 2011

I. Language of the Official Statement for Issue Listed Above Regarding Past Disclosure Compliance

"The District has not failed to comply in any material respect with any continuing disclosure undertakings in the preceding five years." OS, pg 23

II. Table of Transactions with Disclosure Undertakings at the Time of Issuance of Issue Captioned Above

3. 2001A LAVWMA Sewer Revs

4. 1997 Revenue Refs

III. Summary of Disclosure Noncompliance Discovered For Five-Year Period Before Issuance of Issue Captioned Above

A. Annual Reports

Missing §4a Audited Financial Statements

Issuance

4. 1997 Revenue Refs

Years Missing

2005 Audited Financial Statements

Missing §4b Financial and Operating Data

Issuance

3. 2001A LAVWMA Sewer Revs

Year and Component Missing

For 2005, 2006, 2007, 2008 & 2009, missing §4b(ii), (iii), (iv) & (v).
• §4b(ii)(*Dwelling Unit Equivalents and Connections by Classification of User*)
• §4b(iii)(*Member Wastewater System Revenues by Type of Fee and Class of User*)
• §4b(iv)(*Current User Charges*)
• §4b(v)(*Current Connection Charges*)

4. 1997 Revenue Refs

For 2006, 2007 & 2008, missing §4b(i)(*information showing the top ten (10) customers of the Enterprise for the most recent completed Fiscal Year in terms of revenues paid to the District, showing for each such customer the total amount paid for sewer service and water service, and the percent of the total revenues represented thereby*).
• NOTE: "Principal Customers" tables are included in the filed audits, but no distinctions are made for sewer and water and percent of total.

For 2005, all financial and operating data is missing.
• NOTE: all financial and operating data would be contained in the audit, except for §4b(i).

<i>Late Filing</i>	
Issuance	Year and Component Late
4. 1997 Revenue Refs	2006 Audit (due 2/1/07, filed 2/8/07)
B. Ratings Changes	
<i>Enhanced Ratings</i>	
Issuance	Missing Rating Change
3. 2001A LAVWMA Sewer Revs	Insurer: Ambac. S&P: notice needed of 6/24/2009 Downgrade from A to BBB, 7/28/2009 Downgrade from BBB to CC, 3/25/2010 Downgrade from CC to R, and 11/30/2010 Rating withdrawn.
4. 1997 Revenue Refs	Insurer: Ambac. S&P: notice needed of 6/24/2009 Downgrade from A to BBB, and 7/28/2009 Downgrade from BBB to CC.
<i>Underlying Ratings</i>	
Issuance	Missing Rating Change
(none)	(none)
<i>Late Filed Rating Notices</i>	
Issuance	Late Filed Rating Change
(none)	(none)
C. Other Concerns/Notes	
<i>Issuance</i>	<i>Concern / Note</i>
(none)	(none)

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

**\$35,620,000
DUBLIN SAN RAMON SERVICES DISTRICT
2011 WATER REVENUE REFUNDING BONDS**

Dated: Date of Delivery

Due: August 1, as shown on inside cover

The captioned bonds (the "Bonds") are being issued by the Dublin San Ramon Services District (the "District") under an Indenture of Trust dated as of January 1, 2011 (the "Indenture") between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Proceeds of the Bonds will be used to (i) refinance certain outstanding payment obligations of the District and (ii) pay the costs of issuing the Bonds.

The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of certificates representing their ownership interest in the Bonds. Interest on the Bonds is payable on August 1 and February 1 of each year, commencing August 1, 2011, by the Trustee to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds.

The Bonds are subject to redemption prior to maturity. See "THE BONDS –Redemption."

The Bonds are special obligations of the District and are payable exclusively from Net Revenues (as defined in this Official Statement) of the District's Water System (the "Water System") and from amounts on deposit in certain funds and accounts established under the Indenture. Under the Indenture, the District may issue additional bonds secured by Net Revenues on a parity with the Bonds, provided that the conditions set forth in the Indenture are met. See "RISK FACTORS" and "SECURITY FOR THE BONDS – Parity Debt. The District will not maintain a debt service reserve fund for the Bonds.

THE BONDS ARE NOT A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE DISTRICT, AND NEITHER THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS, OTHER THAN THE DISTRICT, IS LIABLE THEREFOR. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS ARE PAYABLE SOLELY FROM NET REVENUES PLEDGED BY THE DISTRICT FROM THE DISTRICT'S WATER SYSTEM AND AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. NEITHER THE DISTRICT NOR ANY PERSONS EXECUTING THE BONDS ARE LIABLE PERSONALLY ON THE BONDS BY REASON OF THEIR ISSUANCE.

This cover page contains certain information for quick reference only. It is not intended to be a summary of all factors relating to an investment in the Bonds. Investors should review the entire Official Statement before making any investment decision.

**MATURITY SCHEDULE
(See inside cover)**

The Bonds are offered when, as and if issued, and accepted by the Underwriter, subject to approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and subject to certain other conditions. Jones Hall is also acting as Disclosure Counsel to the District. It is anticipated that the Bonds will be available for delivery in book-entry form on or about January 20, 2011.

STONE & YOUNGBERG

Dated: January 6, 2011

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Underwriter and the beneficial owners of the Bonds to provide certain financial information and operating data relating to the District no later than seven months following the end of the District's fiscal year (presently June 30) (the "Annual Report"), commencing with the report for the Fiscal Year ending June 30, 2010, and to provide notices of the occurrence of certain enumerated events, if deemed by the District to be material under federal securities laws. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth below in "APPENDIX E — Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The District has not failed to comply in any material respect with any continuing disclosure undertakings in the preceding five years.

NO LITIGATION

In connection with issuance of the Bonds, the District will certify that, to the best of the District's knowledge, based on reasonable investigation, there is no litigation pending or threatened in any way to restrain or enjoin the issuance, execution or delivery of the Bonds, to contest the validity of the Bonds, the Indenture or any proceedings of the District with respect thereto.

Also in connection with issuance of the Bonds, the District will certify that, to the best of the District's knowledge, based on reasonable investigation, there are no lawsuits or claims pending against the District that will materially affect the District's finances so as to impair the ability to pay principal of and interest on the Bonds when due.

FINANCIAL STATEMENTS

Maze & Associates, Pleasant Hill, California (the "**Auditor**"), audited the financial Statements of the District for the Fiscal Year Ended June 30, 2010. The Auditor's examination was made in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. See "APPENDIX A – Audited Financial Statements of the District for Fiscal Year Ended June 30, 2010."

The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the District.

1245 La Canada Road
Hillsborough, California
94010
t. 650.619.1033

Continuing Disclosure Compliance Analysis
for the Dublin San Ramon Services District

3. MCDC Review Report and Official Statement Excerpt
2011 LAVWMA Sewer Revenue Refunding Bonds

Municipal Disclosure Advisors
October 2014

MDA Continuing Disclosure Compliance Report

Issuer: Livermore-Amador Valley Water Management Agency (Review for DSRSD as Member)

Regarding Issue: 2011 Sewer Revenue Refunding Bonds

Date of Issuance: September 28, 2011

Period of Review: September 28, 2006 to September 28, 2011

I. Language of the Official Statement for Issue Listed Above Regarding Past Disclosure Compliance

"DSRSD has not failed to comply in all material respects with an undertaking under the Rule in the previous five years." OS, pg 6

II. Table of Transactions with Disclosure Undertakings at the Time of Issuance of Issue Captioned Above

1. 2011 Water Rev Refs

3. 2001A LAVWMA Sewer Revs

4. 1997 Revenue Refs

III. Summary of Disclosure Noncompliance Discovered For Five-Year Period Before Issuance of Issue Captioned Above

A. Annual Reports

Missing §4a Audited Financial Statements

Issuance

(none)

Years Missing

(none)

Missing §4b Financial and Operating Data

Issuance

3. 2001A LAVWMA Sewer Revs

Year and Component Missing

For 2006, 2007, 2008, 2009 & 2010, missing §4b(ii), (iii), (iv) & (v).

- §4b(ii)(*Dwelling Unit Equivalents and Connections by Classification of User*)
- §4b(iii)(*Member Wastewater System Revenues by Type of Fee and Class of User*)
- §4b(iv)(*Current User Charges*)
- §4b(v)(*Current Connection Charges*)

4. 1997 Revenue Refs

For 2006, 2007 & 2008, missing §4b(i)(*information showing the top ten (10) customers of the Enterprise for the most recent completed Fiscal Year in terms of revenues paid to the District, showing for each such customer the total amount paid for sewer service and water service, and the percent of the total revenues represented thereby*).

Note: "Principal Customers" data is included in filed audits, but no distinction is made for sewer and water.

<i>Late Filing</i>	
Issuance	Year and Component Late
3. 2001A LAVWMA Sewer Revs	2010 Audit (due 1/26/11, filed 6/30/11).
4. 1997 Revenue Refs	2006 Audit (due 2/1/07, filed 2/8/07)
B. Ratings Changes	
<i>Enhanced Ratings</i>	
Issuance	Missing Rating Change
3. 2001A LAVWMA Sewer Revs	Insurer: Ambac. S&P: notice needed of 6/24/2009 Downgrade from A to BBB, 7/28/2009 Downgrade from BBB to CC, 3/25/2010 Downgrade from CC to R, and 11/30/2010 Rating withdrawn.
4. 1997 Revenue Refs	Insurer: Ambac. S&P: notice needed of 6/24/2009 Downgrade from A to BBB and 7/28/2009 Downgrade from BBB to CC.
<i>Underlying Ratings</i>	
Issuance	Missing Rating Change
(none)	(none)
<i>Late Filed Rating Notices</i>	
Issuance	Late Filed Rating Change
(none)	(none)
C. Other Concerns/Notes	
<i>Issuance</i>	<i>Concern / Note</i>
(none)	(none)

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described in this Official Statement, under existing law, the interest on the 2011 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$105,345,000
LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
2011 SEWER REVENUE REFUNDING BONDS

Date: Date of Delivery

Due: August 1, as shown below

The 2011 Bonds. The Livermore-Amador Valley Water Management Agency 2011 Sewer Revenue Refunding Bonds (the "2011 Bonds") are being issued by the Livermore-Amador Valley Water Management Agency ("LAVWMA") pursuant to an Indenture of Trust, dated as of October 1, 2011 (the "Indenture"), between LAVWMA and U.S. Bank National Association as trustee (the "Trustee"), for the purpose of providing funds to (i) refinance LAVWMA's outstanding \$142,385,000 initial principal amount (\$121,330,000 outstanding) Sewer Revenue Bonds, Series A (the "2001 Bonds"), which were issued to finance improvements to the LAVWMA wastewater disposal system (the "LAVWMA Enterprise") and (ii) pay costs of issuing the 2011 Bonds, as more fully described in this Official Statement. LAVWMA operates the LAVWMA Enterprise for the benefit of the following public agencies (collectively, the "Members"): Dublin San Ramon Services District ("DSRSD") and the Cities of Pleasanton ("Pleasanton") and Livermore ("Livermore").

Interest on the 2011 Bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2012. The 2011 Bonds are being issued in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2011 Bonds. Individual purchases will be made in book-entry form only in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial ownership interest in the 2011 Bonds purchased. See APPENDIX C - "BOOK-ENTRY SYSTEM."

Redemption Prior to Maturity. The 2011 Bonds are subject to optional redemption prior to maturity, as described in this Official Statement.

Security for the 2011 Bonds. The 2011 Bonds are payable solely from "LAVWMA Net Revenues," consisting principally of payments from DSRSD, on behalf of itself and Pleasanton, and Livermore under an Amended and Restated Sewer Service Contract, dated as of October 1, 2011 (the "Sewer Service Contract"), among LAVWMA and the Members, less "LAVWMA Maintenance and Operation Costs." Under the Sewer Service Contract, in consideration of LAVWMA providing "Sewer Service" capacity, the Members agree to make payments to LAVWMA (the "Payments"); the Payments have a fixed and a variable component and are intended to be sufficient to pay debt service on the 2011 Bonds and to pay the costs of operating and maintaining the LAVWMA Enterprise. **LAVWMA's obligation to pay debt service on the 2011 Bonds is limited to the extent it receives the Payments for that purpose from the Members.**

Security for the Obligation to Make the Payments. Pursuant to the Sewer Service Contract, the Members pledge and create, in favor of LAVWMA and the Trustee for the 2011 Bonds, a lien on the Net Revenues of their respective wastewater systems (the "Sewer Systems"), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2011 Bonds. There are three important limitations with respect to this pledge of Net Revenues. First, this lien is subordinate to the Members' existing obligations payable from their Net Revenues, as well as obligations payable from their Net Revenues to be issued in the future by the Members to finance or refinance improvements to their respective Sewer System. Second, for DSRSD and Pleasanton, "Net Revenues" are not defined in the Sewer Service Contract to include all of the fees, rates and charges collected by DSRSD and Pleasanton in connection with their Sewer System; DSRSD and Pleasanton have only pledged regional service charges as security for their obligation to make the Payments. Third, Pleasanton, in its capacity as the largest customer of DSRSD's Sewer System, is only obligated to levy regional charges and fees established by DSRSD and to transfer the amount collected to DSRSD. See "SECURITY FOR THE 2011 BONDS – Sewer Service Contract" for the definition of Net Revenues.

The obligation of the Members to pay the Payments is a several, but not joint obligation, and there is no cross-collateralization of the Payment obligation among the Members.

Rates and Charges Levied by Members. Pursuant to the Sewer Service Contract, the Members have covenanted to undertake certain actions with respect to rates and charges and their respective Sewer System. See "SECURITY FOR THE 2011 BONDS – Rate Covenants."

2011 Bonds are a Limited Obligation of LAVWMA. THE 2011 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF LAVWMA AND ARE PAYABLE SOLELY FROM LAVWMA NET REVENUES. THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2011 BONDS DOES NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF LAVWMA OR ANY MEMBER OF LAVWMA FOR WHICH ANY SUCH ENTITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH ANY SUCH ENTITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. LAVWMA HAS NO TAXING POWER.

Parity Bonds. LAVWMA may issue or incur additional Parity Bonds, subject to the terms and conditions of the Indenture, as more fully described in this Official Statement.

No Debt Service Reserve Fund. LAVWMA is not funding a debt service reserve fund for the 2011 Bonds.

MATURITY SCHEDULE – See Inside Front Cover

This cover page contains certain information for quick reference only and is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "RISK FACTORS" for a description of certain of the risks associated with an investment in the 2011 Bonds.

The 2011 Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and certain other conditions. Jones Hall is also acting as Disclosure Counsel to LAVWMA. Certain legal matters will be passed upon for LAVWMA by Burke, Williams & Sorensen LLP, Oakland, California, and for the Members by their respective counsel. Stone & Youngberg LLC, San Francisco, California, is serving as Financial Advisor to LAVWMA in connection with the issuance of the 2011 Bonds. It is expected that the 2011 Bonds in definitive form will be available for delivery to DTC in New York, New York on or about October 13, 2011.

Other Obligations of the Members

The Members have outstanding, and may incur in the future, Obligations which are payable from Member Net Revenues. The Sewer Service Contract and the Indenture do not limit the amount of such Obligations that the Members may incur. See the subsections entitled “- Outstanding Long-Term Obligations” in the sections entitled “DUBLIN SAN RAMON SERVICES DISTRICT,” “CITY OF PLEASANTON” and “CITY OF LIVERMORE.”

The Members’ covenants in the Sewer Service Contract (see “SECURITY FOR THE 2011 Bonds - Rate Covenants”) are intended to ensure that the Members will have sufficient Member Net Revenues to satisfy their obligations under the Sewer Service Contract as well as their other Obligations.

No Reserve Account

LAVWMA will not fund or maintain a debt service reserve account for the 2011 Bonds. See “RISK FACTORS – No Debt Service Reserve Fund.”

Rate Stabilization Fund

A Rate Stabilization Fund is maintained by DSRSD. As of the date of delivery of the 2011 Bonds, the amount on deposit in the Rate Stabilization Fund is expected to be approximately \$25,849,600. All Regional Capacity Reserve Fees, which are excluded from DSRSD and Pleasanton’s Member Net Revenues, are deposited into the Rate Stabilization Fund. Generally, in calculating annual debt service for purposes of the rate-related covenant for DSRSD/Pleasanton (see “SECURITY FOR THE 2011 BONDS – Rate Covenants”), a credit is given for transfers from the Rate Stabilization Fund to pay “Expansion Project Debt Service” (as defined in “SECURITY FOR THE 2011 BONDS – Rate Covenants”).

Although the amounts in the Rate Stabilization Fund, if any, may be used to pay debt service on the 2011 Bonds and the Treatment Plant Note (as defined in DUBLIN SAN RAMON SERVICES DISTRICT – Outstanding Long-Term Obligations”), the Rate Stabilization Fund is not pledged to the 2011 Bonds and moneys in the Rate Stabilization Fund can be used for other purposes. Moreover, in general, the Rate Stabilization Fund is only funded from Regional Capacity Reserve Fees. Accordingly, there can be no assurance as to the future balances of the Rate Stabilization Fund.

See “SECURITY FOR THE 2011 BONDS - Rate Stabilization Fund.”

Continuing Disclosure

LAVWMA and the Members have each covenanted for the benefit of the holders and beneficial owners of the 2011 Bonds to provide certain financial information and operating data by not later than 210 days following the end of LAVWMA’s fiscal year (presently June 30) (the “**Annual Reports**”), commencing with the report for fiscal year 2010-11, and to provide notices of the occurrence of certain enumerated events. The Annual Reports and notices of enumerated events will be filed with the Municipal Securities Rulemaking Board (the “**MSRB**”). The specific nature of the information to be contained in the Annual Reports and the notice of enumerated events is set forth in APPENDIX E - “PROPOSED FORMS OF CONTINUING DISCLOSURE CERTIFICATES.” These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

LAVWMA has not failed to comply in all material respects with an undertaking under the Rule in the previous five years.

DSRSD has not failed to comply in all material respects with an undertaking under the Rule in the previous five years.

Livermore has not failed to comply in all material respects with an undertaking under the Rule in the previous five years.

Pleasanton has not failed to comply in all material respects with an undertaking under the Rule in the previous five years.

Other Matters

The summaries of and references to all documents, statutes, reports and other instruments referred to in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each document, statute, report or instrument. The capitalization of any word not conventionally capitalized, or otherwise defined in this Official Statement, indicates that such word is defined in a particular agreement or other document and, as used in this Official Statement, has the meaning given it in such agreement or document. Reference is made to Appendix D for certain of the defined terms in the Sewer Service Contract and the Indenture.

Additional Information

Copies of the Regional Agreement, the EBDA Agreement (as defined in “THE LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY – EBDA Agreement”), the Sewer Service Contract and the Indenture will be available for inspection at the offices of LAVWMA, and will be available upon request and payment of duplication costs from the Trustee. Information regarding this Official Statement may be obtained by contacting the General Manager, Livermore-Amador Valley Water Management Agency, 7051 Dublin Boulevard, Dublin, California, 94568.



Reference General Manager	Type of Action Accept Report(s)	Board Meeting of November 18, 2014
Subject Accept the Following Regular and Recurring Reports: October District Financial Statements and Unexpected Asset Replacement Request - Replacement Pump #2 for FSL Sludge		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

Recommendation:

The General Manager recommends the Board, by Motion, accept the attached regular and recurring report(s).

Summary:

To maximize openness and transparency and to allow the Board to be informed about key aspects of District business and to provide direction when appropriate, the Board directed that various regular and recurring reports be presented for Board acceptance at regular intervals. This item is routinely presented to the Board at the second meeting of each calendar month.

Attachment 1 summarizes the current regular and recurring reports; the actual report(s) are themselves attachments to Attachment 1. Report(s) presented this month for acceptance are:

1. October District Financial Statements
2. Unexpected Asset Replacement Request - Replacement Pump #2 for FSL Sludge

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR B. Michalczyk	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. Summary of Regular and Recurring Reports 2. 3.				

SUMMARY OF REGULAR AND RECURRING REPORTS

Ref.	Description	Frequency	Authority	Last Acceptance	Acceptance at this Meeting?	Next Acceptance
A	Strategic Work Plan Accomplishments Report	Annually	Board Direction	Oct 2014		July 2015
B	Board Committee Goal Status Report			Oct 2014		Jan 2015
C	Employee Retention Statistics			Jan 2014		Jan 2015
D	Outstanding Receivables Report		District Code	Aug 2014		Aug 2015
E	Employee and Director Reimbursements greater than \$100 ¹		CA Government Code	Aug 2014		Aug 2015
F	Water Supply and Conservation Report ^{2 3}	Monthly	Board Direction	Nov 2014		Dec 2014
G	District Financial Statements ⁴			Oct 2014	YES	Dec 2014
H	"No Net Change" Operating Budget Adjustments	As they occur but not more frequently than monthly	Budget Accountability Policy (See Note A)	None in FYE 2015		As they occur
I	Capital Outlay Budget Adjustments			Oct 2014		As they occur
J	Capital Project Budget Adjustments			Oct 2014		As they occur
K	Unexpected Asset Replacements			Oct 2014	YES	As they occur

Note A: For the current fiscal year the totals for these reports are as follows:

Category	YTD	This Meeting	Total
"No Net Change" Operating Budget Adjustments	\$0	\$0	\$0
Capital Outlay Budget Adjustments	\$12,453	\$0	\$12,453
Capital Project Budget Adjustments	\$45,000	\$0	\$45,000
Unexpected Asset Replacements	\$11,651	\$13,600	\$25,251

¹ Reimbursements also reported every Board meeting in the Warrant List.

² Monthly during Community Drought Emergency; monthly during the winter season in non-drought years.

³ Separate agenda item presented to Board at first meeting of the month during Community Drought Emergency.

⁴ Except in July.



Monthly Financial Report

Report Name	Page
Revenue Summary	1
Working Capital Summary	2
Expense Summary by Fund	3
Expense Summary by Department	4
Expense Summary by Category	5
Capital Outlay by Division	6
Capital Project Expense Summary	7
Financing Agreement Calculations	8
D.U.E. Recap	9
Investment Report	10
Financial Statements	13
Legislative Division Expenses Report	17

Dublin San Ramon Services District

Revenue Summary

October 2014

Revenue Source	Budget	Budget to Date	YTD Actual	Amount Remaining	%f Budget Received	% Revenue Expected
Local Sewer Operations	\$ 2,138,511	\$ 560,931	\$ 583,010	\$ 1,555,501	27.26%	26.23%
Regional Sewer Operations	\$ 19,374,765	\$ 4,036,409	\$ 4,181,313	\$ 15,193,452	21.58%	20.83%
Service Charges - Sewer	\$ 21,513,276	\$ 4,597,341	\$ 4,764,323	\$ 16,748,954	22.15%	21.37%
Water Operations	\$ 24,001,250	\$ 5,000,260	\$ 6,391,332	\$ 17,609,918	26.63%	20.83%
Service Charges - Water	\$ 24,001,250	\$ 5,000,260	\$ 6,391,332	\$ 17,609,918	26.63%	20.83%
Local Sewer Replacement	\$ 523,747	\$ 174,582	\$ 226,700	\$ 297,047	43.28%	33.33%
Local Sewer Expansion	\$ 509,233	\$ 169,744	\$ 220,440	\$ 288,793	43.29%	33.33%
Regional Sewer Replacement	\$ 1,663,501	\$ 554,500	\$ 530,241	\$ 1,133,259	31.88%	33.33%
Regional Sewer Expansion	\$ 10,846,201	\$ 3,615,400	\$ 3,506,796	\$ 7,339,406	32.33%	33.33%
Capacity Reserve Fees - Sewer	\$ 13,542,682	\$ 4,514,227	\$ 4,484,178	\$ 9,058,504	33.11%	33.33%
Water Replacement	\$ 2,063,802	\$ 687,934	\$ 470,828	\$ 1,592,974	22.81%	33.33%
Water Expansion	\$ 5,656,349	\$ 1,885,450	\$ 1,319,393	\$ 4,336,956	23.33%	33.33%
Capacity Reserve Fees - Water	\$ 7,720,151	\$ 2,573,384	\$ 1,790,221	\$ 5,929,930	23.19%	33.33%
Fees & Permits	\$ 3,836,199	\$ 1,278,733	\$ 993,692	\$ 2,842,507	25.90%	33.33%
Interest	\$ 659,744	\$ 219,915	\$ 263,549	\$ 396,195	39.95%	33.33%
Other Income	\$ 3,796,215	\$ 1,265,405	\$ 1,409,651	\$ 2,386,564	37.13%	33.33%
	<u>\$ 75,069,518</u>	<u>\$ 19,449,265</u>	<u>\$ 20,096,945</u>	<u>\$ 54,972,573</u>	<u>26.77%</u>	<u>25.91%</u>

Note: Interfund transfers and Contributions of Property are excluded from this report.

Dublin San Ramon Services District
Working Capital Summary
October, 2014

Enterprise Funds					
Fund	Dollars (\$)		In Months		
	YTD Actual	Budget	Target (Months)	Last Month	Current Month
Local Enterprise	\$ 1,150,651	\$ 745,512	4	6.19	6.17
Regional Enterprise	\$ 8,614,051	\$ 5,531,747	4	6.14	6.23
Water Enterprise	\$ 13,622,612	\$ 6,625,683	4	7.28	8.22

Replacement Funds			
Fund	In Dollars (\$)		
	Actual	Target	Above (Below)
Local Replacement	\$ 9,950,215	\$ 3,764,249	\$ 6,185,966
Regional Replacement	\$ 13,235,824	\$ 7,950,853	\$ 5,284,971
Water Replacement	\$ 9,299,741	\$ 10,453,012	\$ (1,153,271)

Expansion Funds			
Fund	In Dollars (\$)		
	Actual	Target	Above (Below)
Local Expansion	\$ 5,629,532	\$ 141,000	\$ 5,488,532
Regional Expansion	\$ 38,738,763	\$ 15,075,272	\$ 23,663,491
Water Expansion	\$ 13,970,424	\$ 8,373,072	\$ 5,597,352

Temporary Infrastructure Charge Status			
Revenue Type	In Dollars (\$)		
	Amount Collected	Amount Repaid	Net
Temporary Infrastructure Charge Status	\$ 8,208,152	\$ (4,037,358)	\$ 4,170,795

NOTE: The Enterprise Funds working capital balances are subject to final adjustment to the Rate Stabilization Funds for fiscal year ending 2014 once audit is final.

Dublin San Ramon Services District

Expense Summary by Fund

October 2014

% of Year Completed= 33%

Expense Summary by Fund	Budget	Budget to Date	Year To Date Actual	Dollars Remaining	Percent Used
200 - Local Sewer Operations	\$ 1,683,340	\$ 561,113	\$ 434,395	\$ 1,248,945	25.81 %
210 - Local Sewer Replacement	\$ 848,900	\$ 282,967	\$ 754	\$ 848,146	0.09 %
220 - Local Sewer Expansion	\$ 265,347	\$ 88,449	\$ 116,513	\$ 148,834	43.91 %
300 - Regional Sewer Operations	\$ 13,613,842	\$ 4,537,947	\$ 4,738,007	\$ 8,875,834	34.80 %
310 - Regional Sewer Replacement	\$ 160,509	\$ 53,503	\$ 21,668	\$ 138,841	13.50 %
320 - Regional Sewer Expansion	\$ 7,070,891	\$ 2,356,964	\$ 2,217,971	\$ 4,852,920	31.37 %
600 - Water Operations	\$ 17,925,177	\$ 5,975,059	\$ 5,048,904	\$ 12,876,273	28.17 %
605 - Water Rate Stabilization Fund	\$ 50,000	\$ 16,667	\$ 2,840	\$ 47,160	5.68 %
610 - Water Replacement	\$ 389,588	\$ 129,863	\$ 103,658	\$ 285,930	26.61 %
620 - Water Expansion	\$ 3,860,821	\$ 1,286,940	\$ 1,314,990	\$ 2,545,831	34.06 %
900 - Administrative Overhead	\$ 7,002,215	\$ 2,334,072	\$ 1,862,367	\$ 5,139,848	26.60 %
965 - Other Post Employment Benefits	\$ 764,050	\$ 254,683	\$ 253,234	\$ 510,816	33.14 %
995 - DV Standby Assessment	\$ 1,429,211	\$ 476,404	\$ 218	\$ 1,428,994	0.02 %
	<u>\$ 55,063,890</u>	<u>\$ 18,354,630</u>	<u>\$ 16,115,517</u>	<u>\$ 38,948,373</u>	<u>29.27 %</u>

Note: This report shows operating expenses prior to the Administrative Overhead fund's expenses being allocated to the other funds.

**Dublin San Ramon Services District
Expense Summary By Department
October 2014**

% of Year Completed= 33%

Expense Summary by Department	Budget	Budget To Date	Year To Date Actual	Dollars Remaining	Percentage Used
Executive	\$ 1,532,148	\$ 510,716	\$ 420,642	\$ 1,111,506	27.45%
Organizational Services	\$ 2,442,217	\$ 814,072	\$ 653,666	\$ 1,788,551	26.77%
Financial Services	\$ 3,981,849	\$ 1,327,283	\$ 1,101,440	\$ 2,880,409	27.66%
Engineering	\$ 4,160,502	\$ 1,386,834	\$ 1,171,396	\$ 2,989,106	28.16%
Operations	\$ 13,603,249	\$ 4,534,416	\$ 4,335,752	\$ 9,267,497	31.87%
Non-Departmental	\$ 29,343,926	\$ 9,781,309	\$ 8,432,622	\$ 20,911,304	28.74%
	<u>\$ 55,063,890</u>	<u>\$ 18,354,630</u>	<u>\$ 16,115,517</u>	<u>\$ 38,948,373</u>	<u>29.27%</u>

Dublin San Ramon Services District

Expense Summary by Category

October 2014

% of Year Completed= 33%

Expense Summary by Category	Budget	Budget to Date	Year to Date Actual	Budget Remaining	Percentage Used
Personnel	\$ 20,548,611	\$ 6,849,537	\$ 6,094,973	\$ 14,453,638	29.66%
Materials and Supplies	\$ 12,874,914	\$ 4,291,638	\$ 3,404,625	\$ 9,470,289	26.44%
Contract Services	\$ 4,698,436	\$ 1,566,145	\$ 1,113,640	\$ 3,584,797	23.70%
Other Expenses	\$ 15,746,270	\$ 5,248,757	\$ 5,458,047	\$ 10,288,223	34.66%
Capital Outlay	\$ 1,195,659	\$ 398,553	\$ 44,234	\$ 1,151,425	3.70%
	<u>\$ 55,063,890</u>	<u>\$ 18,354,630</u>	<u>\$ 16,115,517</u>	<u>\$ 38,948,373</u>	<u>29.27%</u>

Dublin San Ramon Services District

**Capital Outlay by Division
October, 2014**

<u>Capital Outlay - Identified</u>	<u>Budget</u>	<u>Year To Date Actual</u>	<u>Dollars Remaining</u>	<u>Percent Used</u>
License wireless point-to-point radio	\$ 40,000	\$ -	\$ 40,000	0.00%
Information Systems	\$ 40,000	\$ -	\$ 40,000	0.00%
Backflow Program Software	(1) \$ 25,000	\$ 26,045	\$ (1,045)	104.18%
Planning & Permitting	\$ 25,000	\$ 26,045	\$ (1,045)	104.18%
GeoKNXMobile for Lucity Software	\$ 26,500	\$ -	\$ 26,500	0.00%
* F-350 truck w/utility bed and accessories	59,000		59,000	0.00%
* New CCTV camera w/ inclinometer & lift	43,000		43,000	0.00%
* F-450 truck with utility bed, crane, compressor	59,000		59,000	0.00%
* Vac Con Jetter / Combo Truck (with vacuum)	350,000		350,000	0.00%
* Combination Vacuum/Jetter truck	400,000		400,000	0.00%
Field Operations	\$ 937,500	\$ -	\$ 937,500	0.00%
Truck for LAVWMA operations	\$ 23,000	\$ -	\$ 23,000	0.00%
Plant Operations	\$ 23,000	\$ -	\$ 23,000	0.00%
WWTP Primary Sludge End Collectors	\$ 60,000	\$ -	\$ 60,000	0.00%
Fleet pool vehicle	20,000		20,000	0.00%
FLS Mixer (2)	13,000		13,000	0.00%
Used Bucket Truck	35,000		35,000	0.00%
Mechanical Maintenance	\$ 128,000	\$ -	\$ 128,000	0.00%
Truck for Operations Control Sys Specialist	\$ 25,000	\$ -	\$ 25,000	0.00%
WWTP Aeration Blowers	17,159	17,159	-	100.00%
Electrical Maintenance	\$ 42,159	\$ 17,159	\$ 25,000	40.70%
Total Capital Outlay - Identified	\$ 1,195,659	\$ 43,204	\$ 1,152,455	3.61%
Unexpected Capital Outlay				
Cogen#1 Intercooler heat exchanger	\$ 11,651	\$ 1,030	\$ 10,621	
Total Unexpected Capital Outlay	\$ 11,651	\$ 1,030	\$ 10,621	
Total All Capital Outlay	\$ 1,207,310	\$ 44,234	\$ 1,163,076	

(1) Cost for software support needs to be moved to Div 42 operating budget

Capital Project Expense Summary Report

Dublin San Ramon Services District

October, 2014

<u>Fund #</u>		<u>Budget</u>	<u>Year-to-date Expenditures</u>	<u>Balance</u>	<u>Prct Used</u>
210	Local Sewer Replacement	786,000.00	100,102.66	685,897.34	12.74%
220	Local Sewer Expansion	101,000.00	7,409.98	93,590.02	7.34%
310	Regional Sewer Replacement	3,666,000.00	316,359.55	3,349,640.45	8.63%
320	Regional Sewer Expansion	865,000.00	25,983.89	839,016.11	3.00%
610	Water Replacement	4,062,500.00	287,905.37	3,774,594.63	7.09%
620	Water Expansion	3,003,500.00	127,075.26	2,876,424.74	4.23%
	Grand Total	<u>12,484,000.00</u>	<u>864,836.71</u>	<u>11,619,163.29</u>	<u>6.93%</u>

Financing Administration Agreement Calculations
October, 2014

Bond Target Level Calculation

	Max Annual Debt	
LAVWMA 2011 Refunding Bonds (Expansion Portion) highest fiscal year debt service (2024)	\$ 4,332,552	
DSRSD Expansion Amount Outstanding	\$48,866,096	
<u>Bank of America Refunding Bond</u>	\$ 2,300,289	
Expansion Amount Outstanding	\$10,229,315	
BOND TARGET LEVEL (7c) or 2X		\$ 13,265,682
ADMINISTRATIVE TARGET LEVEL (7d) or 5XMADS		\$ 33,164,204
Working Capital in Rate Stabilization/Regional Sewer Expansion Fund		\$ 38,738,763
Number of Years of Maximum Debt Service on Hand (Working Capital/Max Annual Debt)	\$ 6,632,841	5.84
Capacity Fee Revenue this Fiscal Year		\$ 3,506,796
Debt Service for FY 14/15		\$ 6,613,538
Capacity fees in excess (deficiency) of this amount		\$ (3,106,742)
Amount in Rate Stabilization Fund in Excess of (below) 5XMADS		\$ 5,574,559

Dublin San Ramon Services District
D.U.E. Recap
October, 2014

Comparison of Actual DUE's to Budget

	Budget	Actual	Above (Below)
Sewer			
<i>DSRSD</i>	682	256	(426)
<i>Pleasanton</i>	250	17	(233)
Water	631	145	(486)

Dublin San Ramon Services District
Treasurer's Report - Portfolio Management Summary
As of : October 31, 2014

Description	Face Amount	Market Value	Book Value	% of Portfolio	Permitted by Policy	In Compliance	YTM @ Cost
CAMP	5,818.11	5,818.11	5,818.11	0.01%	100%	Yes	0.050%
Certificate of Deposit	4,250,000.00	4,241,933.25	4,250,000.00	4.00%	30%	Yes	0.724%
Corporate Bonds	17,500,000.00	17,917,132.50	17,838,899.58	16.48%	30%	Yes	1.503%
Federal Agency Callables	52,880,000.00	52,727,270.42	52,885,818.80	49.80%	100%	Yes	1.044%
LAIF - Operating	31,541,171.78	31,521,965.13	31,521,965.13	29.71%	\$50 million	Yes	0.240%
Total Investments	\$ 106,176,989.89	\$ 106,414,119.41	\$ 106,502,501.62	100.00%			0.868%
Bank of America	16,724,423.01	16,724,423.01	16,724,423.01				
Total Cash & Investments	\$ 122,901,412.90	\$ 123,138,542.42	\$ 123,226,924.63				0.868%

I certify that this report reflects all Government Agency pooled investments and is in conformity with the Investment Policy of Dublin San Ramon Services District.

The investment program herein shown provides sufficient cash flow liquidity to meet the next six month's expenses.

Market values for Certificates of Deposit and Federal Agency Callables were provided by Wells Fargo Institutional Securities, LLC.

 John Archer, Interim Financial Services Manager

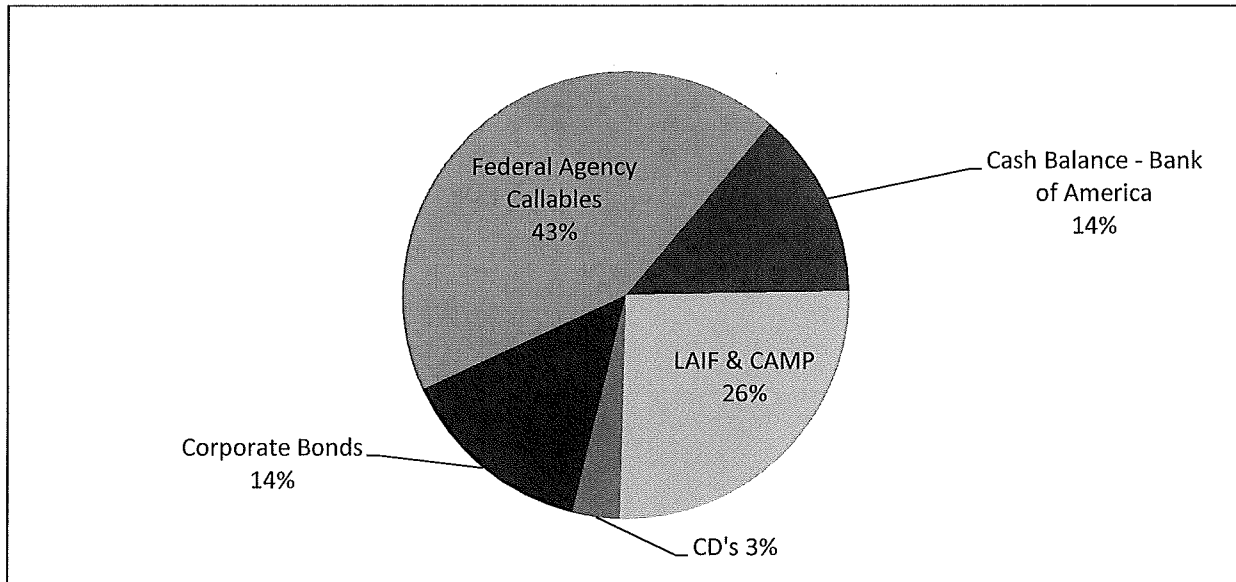
 Date

For comparison - prior month summary as of: **9/30/2014**

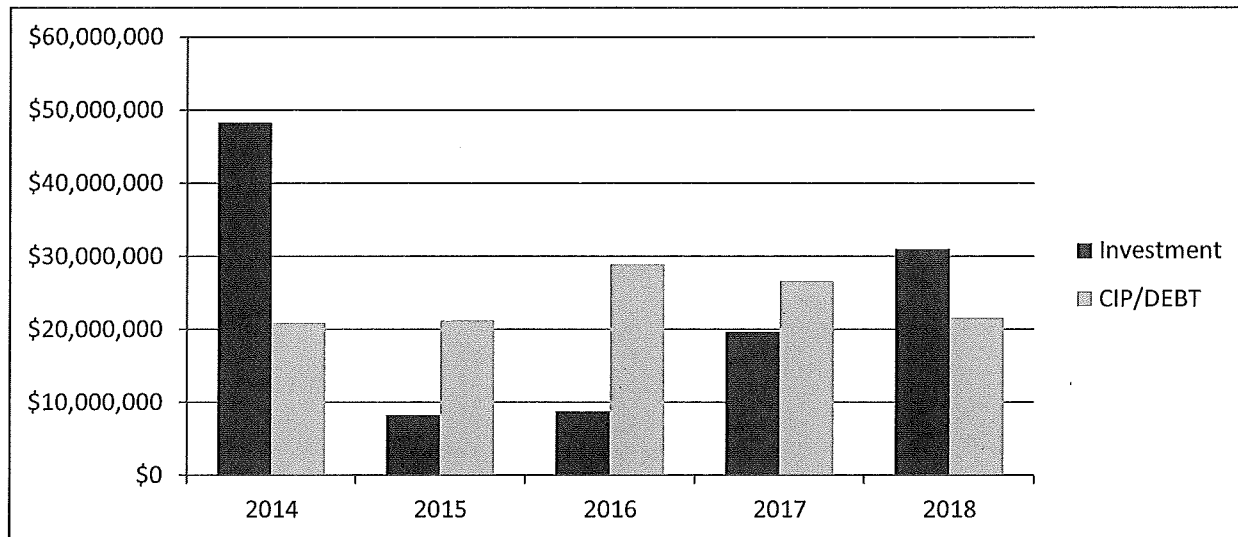
Description	Face Amount	Market Value	Book Value	% of Portfolio	Permitted by Policy	In Compliance	YTM @ Cost
CAMP	5,818.11	5,818.11	5,818.11	0.01%	100%	Yes	0.050%
Certificate of Deposit	4,250,000.00	4,239,294.50	4,250,000.00	4.00%	30%	Yes	0.724%
Corporate Bonds	17,500,000.00	17,915,648.50	17,845,374.93	16.48%	30%	Yes	1.503%
Federal Agency Callables	52,880,000.00	52,516,792.30	52,886,027.10	49.80%	100%	Yes	1.044%
LAIF - Operating	31,521,965.13	31,521,965.13	31,521,965.13	29.69%	\$50 million	Yes	0.260%
Total Investments	\$ 106,157,783.24	\$ 106,199,518.54	\$ 106,509,185.27	99.98%			0.874%
Bank of America	12,861,978.48	12,861,978.48	12,861,978.48				
Total Cash & Investments	\$ 119,019,761.72	\$ 119,061,497.02	\$ 119,371,163.75				0.874%

Investment Review for : October 31, 2014
Summary of Current Investments

	Face Amount	% of Portfolio	Avg Maturity (in Years)	Avg Yield
Cash Balance - Bank of America	\$ 16,724,423.01	14%		
LAIF & CAMP	31,546,989.89	26%		0.240%
Certificates of Deposit	4,250,000.00	3%	1.7	0.724%
Corporate Bonds	17,500,000.00	14%	2.0	1.503%
Federal Agency Callables	52,880,000.00	43%	3.5	1.044%
	<u>\$ 122,901,412.90</u>			



Investment / Cash needs next 5 years



FYE	Investment	CIP/DEBT
2014	\$ 48,271,412.90	\$ 20,878,585.29
2015	8,250,000.00	\$ 21,175,684.29
2016	8,750,000.00	\$ 28,908,068.29
2017	19,630,000.00	\$ 26,589,591.29
2018	31,000,000.00	\$ 21,567,191.29
	<u>\$ 115,901,412.90</u>	<u>\$ 119,119,120.45</u>
Long Term Maturity	<u>7,000,000.00</u>	
	<u>\$ 122,901,412.90</u>	

Dublin San Ramon Services District
Treasurer's Report - Portfolio Management Detail

As of 10/31/14

Description	CUSIP/Ticker	Settlement Date	Face Amount	Market Value	Book Value	Coupon Rate	YTM @ Cost	Next Call Date	DTC/M	DTM	Maturity Date	Accrued Interest
CAMP												
CAMP LGIP	LGIP6300	6/30/2011	5,818.11	5,818.11	5,818.11	0.050%	0.050%	N/A	1	1	N/A	N/A
Sub Total / Average			\$ 5,818.11	\$ 5,818.11	\$ 5,818.11	0.050%	0.050%		1	1		-
Certificate of Deposit												
Ally Bank 0.9 3/2/2015	02005QZE6	3/1/2012	250,000.00	250,689.00	250,000.00	0.900%	0.900%		122	122	3/2/2015	369.86
GE Cap Retail Bk 0.8 9/28/2015	36157PRM3	9/27/2013	250,000.00	250,407.50	250,000.00	0.800%	0.800%		332	332	9/28/2015	186.30
SAFRA NB 0.5 9/30/2015	78658QFS7	9/30/2014	250,000.00	249,732.75	250,000.00	0.500%	0.500%		334	334	9/30/2015	106.16
SYNOVUS Bank 0.5 9/30/2015	87164DFR6	9/30/2014	250,000.00	249,732.75	250,000.00	0.500%	0.500%		334	334	9/30/2015	106.16
Sterling Svgs Bank 0.5 3/22/2016	8595316H3	3/22/2013	250,000.00	250,355.00	250,000.00	0.500%	0.500%		508	508	3/22/2016	133.56
Comenity Capital 0.7 3/29/2016	20033AGY6	9/29/2014	250,000.00	249,395.25	250,000.00	0.700%	0.700%		515	515	3/29/2016	9.59
Flushing Bank 0.7 3/29/2016	34387AAQ2	9/30/2014	250,000.00	249,430.00	250,000.00	0.700%	0.700%		515	515	3/29/2016	76.71
BMW Bk 0.5 5/16/2016	05580AAB0	5/16/2014	250,000.00	249,063.75	250,000.00	0.500%	0.500%		563	563	5/16/2016	575.34
Customers Bk 0.5 5/31/2016	23204HBF4	5/28/2014	250,000.00	249,013.75	250,000.00	0.500%	0.500%		578	578	5/31/2016	534.25
Oriental Bank 0.5 5/31/2016-14	686184UH3	5/29/2014	250,000.00	249,012.25	250,000.00	0.500%	0.500%	11/29/2014	29	578	5/31/2016	6.85
First Fed S&L 0.5 5/31/2016	32023HAC2	5/30/2014	250,000.00	248,975.25	250,000.00	0.500%	0.500%		578	578	5/31/2016	3.42
Compass Bnk 0.5 5/31/2016	20451PJX5	5/28/2014	250,000.00	248,975.00	250,000.00	0.500%	0.500%		578	578	5/31/2016	534.25
American Exp Centr 1.15 9/26/2016	02587DTW8	9/26/2013	250,000.00	250,828.25	250,000.00	1.150%	1.150%		696	696	9/26/2016	275.68
Everbank 0.95 11/30/2016	29976DPX2	11/30/2012	250,000.00	249,361.75	250,000.00	0.950%	0.950%		761	761	11/30/2016	1,002.05
Washington Fed Seattle 0.75 5/30/2017-13	938828AB6	5/30/2013	250,000.00	249,901.50	250,000.00	0.750%	0.750%	11/30/2014	30	942	5/30/2017	15.41
Discover Bank 1.2 3/13/2018	254671LE8	3/13/2013	250,000.00	248,807.75	250,000.00	1.200%	1.200%		1229	1229	3/13/2018	394.52
State Bk of India 1.15 5/14/2018	856283UK0	5/14/2013	250,000.00	248,251.75	250,000.00	1.150%	1.150%		1291	1291	5/14/2018	1,339.04
Sub Total / Average			\$ 4,250,000.00	\$ 4,241,933.25	\$ 4,250,000.00	0.724%	0.724%		529	615		5,669.15
Corporate Bonds												
Toyota Mtr Credit 1 2/17/2015	89233P5Z5	6/4/2012	3,000,000.00	3,006,237.00	3,001,782.27	1.000%	0.880%		109	109	2/17/2015	6,166.67
Commonwealth Bk 1.95 3/16/2015-12	20271RAA8	6/11/2012	2,000,000.00	2,011,842.00	2,001,924.92	1.950%	1.750%		136	136	3/16/2015	4,875.00
Wal-Mart 1.5 10/25/2015	931142CX9	5/21/2012	2,000,000.00	2,022,982.00	2,014,634.98	1.500%	0.757%		359	359	10/25/2015	500.00
GE Capital Var. Corp 2/8/2016	36962GST7	2/8/2012	2,000,000.00	2,015,062.00	2,000,000.00	1.039%	1.034%		465	465	2/8/2016	4,767.89
GE Capital Corp 2.3 4/27/2017	36962GSW0	5/21/2012	3,000,000.00	3,080,439.00	2,995,698.46	2.300%	2.361%		909	909	4/27/2017	766.67
Barclays Bank PLC Var. Corp 5/11/2017	06738K4G3	5/11/2012	3,000,000.00	2,998,383.00	3,000,000.00	2.000%	2.000%		923	923	5/11/2017	13,333.33
Gen Elec Co 5.25 12/6/2017	369604BC6	12/17/2012	2,500,000.00	2,782,187.50	2,824,858.95	5.250%	1.396%		1132	1132	12/6/2017	52,864.58
Sub Total / Average			\$ 17,500,000.00	\$ 17,917,132.50	\$ 17,838,899.58	2.171%	1.503%		604	604		83,274.14
Federal Agency Callables												
FHLB 0.55 6/5/2015	313379P78	6/5/2012	3,000,000.00	3,006,357.00	3,000,000.00	0.550%	0.550%		217	217	6/5/2015	6,691.67
FHLMC 0.5 6/27/2016-14	3134G4PX0	12/27/2013	2,000,000.00	1,996,502.00	2,000,000.00	0.500%	0.500%	12/27/2014	57	605	6/27/2016	3,444.44
FHLMC 0.625 9/26/2016-14	3134G4YA0	3/26/2014	2,500,000.00	2,501,920.00	2,500,000.00	0.625%	0.625%		696	696	9/26/2016	1,519.10
FHLMC 0.75 12/27/2016-14	3134G4NQ7	12/27/2013	2,500,000.00	2,500,505.00	2,500,000.00	0.750%	0.750%	12/27/2014	57	788	12/27/2016	6,458.33
FHLB 0.875 3/10/2017	3133782N0	8/22/2014	4,000,000.00	4,009,656.00	4,004,180.15	0.875%	0.830%		861	861	3/10/2017	4,958.33
FFCB 0.65 3/28/2017	3133ECKC7	5/8/2013	1,380,000.00	1,377,355.92	1,381,638.65	0.650%	0.600%		879	879	3/28/2017	822.25
FHLMC 1 6/27/2017-14	3134G4PB8	12/27/2013	2,500,000.00	2,500,242.50	2,500,000.00	1.000%	1.000%	12/27/2014	57	970	6/27/2017	8,611.11
FNMA Step 9/27/2017-13	3134G0C74	9/27/2012	3,000,000.00	3,009,723.00	3,000,000.00	1.000%	1.119%	9/27/2015	331	1062	9/27/2017	2,833.33
FNMA Step 12/19/2017-13	3136G14A4	12/19/2012	5,000,000.00	5,003,040.00	5,000,000.00	0.625%	1.043%	12/19/2014	49	1145	12/19/2017	11,458.33
FNMA Step 1/30/2018-13	3136G1BD0	1/30/2013	5,000,000.00	4,985,385.00	5,000,000.00	0.750%	1.045%	1/30/2015	91	1187	1/30/2018	9,375.00
FFCB 1.08 2/26/2018-14	3133ECGC2	2/26/2013	5,000,000.00	4,983,350.00	5,000,000.00	1.080%	1.080%		1214	1214	2/26/2018	9,750.00
FHLMC 1.2 6/12/2018-13	3134G46D5	6/12/2013	5,000,000.00	4,980,320.00	5,000,000.00	1.200%	1.200%	12/12/2014	42	1320	6/12/2018	23,166.67
FHLB 1 6/28/2018-13	313381HD0	12/28/2012	5,000,000.00	4,929,095.00	5,000,000.00	1.000%	1.000%		1336	1336	6/28/2018	17,083.33
FNMA 1.875 4/30/2019-14	3136G1ZY8	4/30/2014	2,000,000.00	2,006,204.00	2,000,000.00	1.875%	1.875%	1/30/2015	91	1642	4/30/2019	-
FHLMC 1.5 4/30/2020-15	3134G42U1	5/1/2013	2,500,000.00	2,436,447.50	2,500,000.00	1.500%	1.500%	4/30/2015	181	2008	4/30/2020	-
FHLB Step 5/22/2020-13	313382YF4	5/22/2013	2,500,000.00	2,501,167.50	2,500,000.00	0.700%	1.910%	11/22/2014	22	2030	5/22/2020	4,791.67
Sub Total / Average			\$ 52,880,000.00	\$ 52,727,270.42	\$ 52,885,818.80	0.932%	1.044%		431	1139		110,963.56
LAIF - Operating												
LAIF LGIP	LGIP1001	6/30/2011	31,541,171.78	31,541,171.78	31,541,171.78	0.228%	0.228%	N/A	1	1	N/A	N/A
Sub Total / Average			\$ 31,541,171.78	\$ 31,541,171.78	\$ 31,541,171.78	0.228%	0.228%		1	1		-
Total / Average			\$ 106,176,989.89	\$ 106,433,326.06	\$ 106,521,708.27	0.923%	0.873%		336	692		199,906.65

	200 Local Sewer Operations	205 Local Rate Stabilization (RSF)	210 Local Sewer Replacement	220 Local Sewer Expansion	Total
BALANCE SHEETS					
CASH & INVESTMENTS	785,636	576,544	9,944,282	5,625,701	16,932,162
RECEIVABLES	439,109	703	11,848	6,546	458,205
OTHER	0	0	0	5,307	5,307
CURRENT ASSETS	1,224,744	577,247	9,956,129	5,637,554	17,395,674
FIXED ASSETS	31,688,253	0	398,230	12,928	32,099,411
LONG-TERM ASSETS	0	0	0	8,294	8,294
TOTAL ASSETS	32,912,997	577,247	10,354,359	5,658,776	49,503,379
ACCOUNTS PAYABLE	4,415	0	483	0	4,898
DEPOSITS	8,360	0	4,331	0	12,691
OTHER CURRENT LIABILITIES	61,318	0	1,100	8,022	70,440
CURRENT LIABILITIES	74,093	0	5,914	8,022	88,029
DEFERRED REVENUE	0	0	0	405,794	405,794
LONG-TERM LIABILITIES	0	0	0	405,794	405,794
RETAINED EARNINGS	32,838,904	577,247	10,348,445	5,244,960	49,009,556
TOTAL LIABILITIES & RETAINED EARNINGS	32,912,997	577,247	10,354,359	5,658,776	49,503,379

INCOME STATEMENT

OPERATING REVENUE					
SERVICE CHARGES	583,010	0	0	0	583,010
OTHER OPERATING REVENUE	1,778	0	0	179,105	180,883
TOTAL OPERATING REVENUE	584,788	0	0	179,105	763,893
NON-OPERATING REVENUE					
CONNECTION FEES	0	0	226,700	220,440	447,140
INTEREST	1,828	1,239	21,300	11,955	36,321
OTHER NON-OPERATING REVENUE	589,380	0	0	0	589,380
TOTAL NON-OPERATING REVENUE	591,208	1,239	248,000	232,395	1,072,842
TRANSFERS IN	0	0	95,667	0	95,667
TOTAL RECEIPTS	1,175,996	1,239	343,667	411,500	1,932,402
DISBURSEMENTS					
OPERATING EXPENSES	567,437	0	754	141,747	709,938
CAPITAL PROJECTS	0	0	100,103	7,410	107,513
TRANSFER OUT	95,667	0	0	0	95,667
TOTAL DISBURSEMENTS	663,103	0	100,857	149,157	913,117
NET INCOME (LOSS)	512,893	1,239	242,810	262,343	1,019,284

EXPENSE BUDGET FOR FY 2015	2,236,537				
WORKING CAPITAL TARGET FOR FY 2015	745,512				
WORKING CAPITAL TARGET (in months)	4.00				
WORKING CAPITAL	1,150,651	577,247	9,950,215	5,629,532	17,307,645
WORKING CAPITAL ON HAND (in months) WC / (ExpBudget / 12)	6.17				
CURRENT EXCESS (DEFICIENCY) <i>Working Capital - Working Capital Target</i>	405,139				

	300 Regional Sewer Operations	305 Regional Rate Stabilization (RSF)	310 Regional Sewer Replacement	320 Regional Sewer Expansion	Total
BALANCE SHEETS					
CASH & INVESTMENTS	6,808,656	6,235,585	13,224,305	35,344,232	61,612,778
RECEIVABLES	2,056,941	7,599	19,641	388,365	2,472,545
OTHER	1,155,998	0	0	3,516,105	4,672,103
CURRENT ASSETS	10,021,595	6,243,184	13,243,946	39,248,702	68,757,426
FIXED ASSETS	98,169,692	0	10,698,290	32,397,174	141,265,156
LONG-TERM ASSETS	0	0	34,634	807,148	841,782
TOTAL ASSETS	108,191,287	6,243,184	23,976,870	72,453,023	210,864,363
ACCOUNTS PAYABLE	272,236	0	2,295	0	274,531
DEPOSITS	55,363	0	0	1,830	57,193
OTHER CURRENT LIABILITIES	1,079,945	0	5,827	508,109	1,593,881
CURRENT LIABILITIES	1,407,543	0	8,122	509,938	1,925,604
BONDS PAYABLE	7,443,894	0	0	43,290,098	50,733,993
ACCRUED EXPENSES/OTHER	690,000	0	0	0	690,000
DEFERRED REVENUE	0	0	34,634	676,716	711,350
LONG-TERM LIABILITIES	8,133,894	0	34,634	43,966,815	52,135,343
RETAINED EARNINGS	98,649,849	6,243,184	23,934,114	27,976,270	156,803,416
TOTAL LIABILITIES & RETAINED EARNINGS	108,191,287	6,243,184	23,976,870	72,453,023	210,864,363
INCOME STATEMENT					
OPERATING REVENUE					
SERVICE CHARGES	4,181,313	0	0	0	4,181,313
OTHER OPERATING REVENUE	215,203	0	0	14,354	229,558
TOTAL OPERATING REVENUE	4,396,516	0	0	14,354	4,410,870
NON-OPERATING REVENUE					
CONNECTION FEES	0	0	530,241	3,506,796	4,037,037
INTEREST	14,031	13,398	27,795	75,999	131,224
OTHER NON-OPERATING REVENUE	0	0	0	0	0
TOTAL NON-OPERATING REVENUE	14,031	13,398	558,037	3,582,795	4,168,261
TRANSFERS IN	0	0	858,152	0	858,152
TOTAL RECEIPTS	4,410,547	13,398	1,416,189	3,597,149	9,437,283
DISBURSEMENTS					
OPERATING EXPENSES	5,455,229	0	21,668	2,225,401	7,702,297
CAPITAL PROJECTS	0	0	316,360	25,984	342,343
TRANSFER OUT	858,152	0	0	0	858,152
TOTAL DISBURSEMENTS	6,313,381	0	338,027	2,251,385	8,902,793
NET INCOME (LOSS)	(1,902,834)	13,398	1,078,162	1,345,765	534,490
EXPENSE BUDGET FOR FY 2015	16,595,241				
WORKING CAPITAL TARGET FOR FY 2015	5,531,747				
WORKING CAPITAL TARGET (in months)	4.00				
WORKING CAPITAL	8,614,051	6,243,184	13,235,824	38,738,763	66,831,822
WORKING CAPITAL ON HAND (in months) WC / (ExpBudget / 12)	6.23				
CURRENT EXCESS (DEFICIENCY)	3,082,304				
<i>Working Capital - Working Capital Target</i>					

	600 Water Operations	605 Water Rate Stabilization (RSF)	610 Water Replacement	620 Water Expansion	Total
BALANCE SHEETS					
CASH & INVESTMENTS	14,528,708	6,568,996	9,321,947	14,946,025	45,365,676
RECEIVABLES	995,418	140,398	10,120	21,012	1,166,949
OTHER	0	0	0	0	0
CURRENT ASSETS	15,524,126	6,709,394	9,332,068	14,967,037	46,532,625
FIXED ASSETS	120,628,795	0	2,740,399	23,074,651	146,443,846
LONG-TERM ASSETS	0	0	0	2	2
TOTAL ASSETS	136,152,922	6,709,394	12,072,467	38,041,691	192,976,473
ACCOUNTS PAYABLE	49,746	0	32,147	0	81,893
DEPOSITS	441,985	0	0	0	441,985
OTHER CURRENT LIABILITIES	1,409,784	0	180	996,613	2,406,577
CURRENT LIABILITIES	1,901,514	0	32,327	996,613	2,930,454
BONDS PAYABLE	0	0	0	35,138,544	35,138,544
ACCRUED EXPENSES/OTHER	0	0	0	264,138	264,138
DEFERRED REVENUE	0	0	0	6,178,283	6,178,283
LONG-TERM LIABILITIES	0	0	0	41,580,965	41,580,965
RETAINED EARNINGS	134,251,408	6,709,394	12,040,140	(4,535,888)	148,465,054
TOTAL LIABILITIES & RETAINED EARNINGS	136,152,922	6,709,394	12,072,467	38,041,691	192,976,473
INCOME STATEMENT					
OPERATING REVENUE					
SERVICE CHARGES	6,391,332	0	0	0	6,391,332
OTHER OPERATING REVENUE	168,334	25,429	1,292	696,054	891,109
TOTAL OPERATING REVENUE	6,559,666	25,429	1,292	696,054	7,282,442
NON-OPERATING REVENUE					
CONNECTION FEES	0	0	470,828	1,319,393	1,790,221
INTEREST	29,180	13,445	19,267	31,756	93,648
OTHER NON-OPERATING REVENUE	454,100	133,333	31,607	0	619,040
TOTAL NON-OPERATING REVENUE	483,280	146,779	521,702	1,351,148	2,502,909
TRANSFERS IN	0	0	833,668	225,000	1,058,668
TOTAL RECEIPTS	7,042,946	172,208	1,356,662	2,272,203	10,844,019
DISBURSEMENTS					
OPERATING EXPENSES	5,519,108	2,840	103,658	1,363,777	6,989,382
CAPITAL PROJECTS	0	0	287,905	127,075	414,981
TRANSFER OUT	1,058,668	0	0	0	1,058,668
TOTAL DISBURSEMENTS	6,577,776	2,840	391,563	1,490,852	8,463,031
NET INCOME (LOSS)	465,171	169,368	965,099	781,350	2,380,988
EXPENSE BUDGET FOR FY 2015	19,877,050				
WORKING CAPITAL TARGET FOR FY 2015	6,625,683				
WORKING CAPITAL TARGET (in months)	4.00				
WORKING CAPITAL	13,622,612	6,709,394	9,299,741	13,970,424	43,602,171
WORKING CAPITAL ON HAND (in months) WC / (ExpBudget / 12)	8.22				
CURRENT EXCESS (DEFICIENCY) <i>Working Capital - Working Capital Target</i>	6,996,929				

	900 Administrative Overhead	965 OPEB	995 DV Standby Assessment	Total	
BALANCE SHEETS					
CASH & INVESTMENTS	(1,165,409)	250,544	894,160	0	(20,705)
RECEIVABLES	221,887	223	477,353	0	699,462
OTHER	1,277,343	0	0	0	1,277,343
CURRENT ASSETS	333,820	250,767	1,371,513	0	1,956,100
LONG-TERM ASSETS	125,413	12,134,452	0	0	12,259,864
TOTAL ASSETS	459,233	12,385,218	1,371,513	0	14,215,964
ACCOUNTS PAYABLE	32,384	48,489	0	0	80,873
OTHER CURRENT LIABILITIES	426,849	237,547	0	0	664,396
CURRENT LIABILITIES	459,233	286,037	0	0	745,270
RETAINED EARNINGS	0	12,099,181	1,371,513	0	13,470,694
TOTAL LIABILITIES & RETAINED EARNINGS	459,233	12,385,218	1,371,513	0	14,215,964
INCOME STATEMENT					
OPERATING REVENUE					
OTHER OPERATING REVENUE	460,448	0	476,404	0	936,852
TOTAL OPERATING REVENUE	460,448	0	476,404	0	936,852
NON-OPERATING REVENUE					
INTEREST	0	528	1,921	0	2,449
OTHER NON-OPERATING REVENUE	0	0	0	0	0
TOTAL NON-OPERATING REVENUE	0	528	1,921	0	2,449
TRANSFERS IN	0	0	0	0	0
TOTAL RECEIPTS	460,448	528	478,325	0	939,301
DISBURSEMENTS					
OPERATING EXPENSES	460,448	253,234	218	0	713,900
CAPITAL PROJECTS	0	0	0	0	0
TRANSFER OUT	0	0	0	0	0
TOTAL DISBURSEMENTS	460,448	253,234	218	0	713,900
NET INCOME (LOSS)	0	(252,706)	478,108	0	225,401

EXPENSE BUDGET FOR FY 2015	0				
WORKING CAPITAL TARGET FOR FY 2015	0				
WORKING CAPITAL TARGET (in months)	0.00				
WORKING CAPITAL	(125,413)	(35,270)	1,371,513	0	1,210,830
WORKING CAPITAL ON HAND (in months) WC / (ExpBudget / 12)	0.00				
CURRENT EXCESS (DEFICIENCY) <i>Working Capital - Working Capital Target</i>	(125,413)				

October Budget Variance Report

Categories are flagged if Actual Expense % > Target Expense %
 (Target Expense % = (Period/12)*100 + Tolerance %)

Expected Expense: 33.33%
 Tolerance Level: 4.00%

Target Expense: 37.33%

Accounting Period: 4
 Accounting Year: 2015

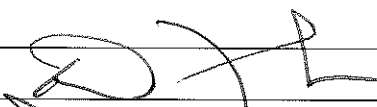

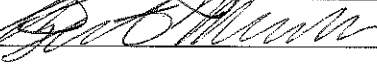
Division: 10. Legislative

	<u>2015</u> <u>Adjusted Budget</u>	<u>YTD</u> <u>Expenditure</u>	<u>MTD</u> <u>Expenditure</u>	<u>% of YTD</u> <u>to Budget</u>	<u>Flag</u>
Employee Memberships & Certifications	0.00	0.00	0.00	-	
Medical	36,647.28	6,096.00	1,524.00	16.63%	
Other Benefits	9,817.99	2,668.82	667.13	27.18%	
Retirement	4,126.92	589.83	164.21	14.29%	
Salaries	56,160.00	7,884.00	2,190.00	14.04%	
Salary / Benefit Credit	0.00	0.00	0.00	-	
Training Costs	20,000.00	2,430.35	1,113.27	12.15%	
1. Personnel	126,752.19	19,669.00	5,658.61	15.52%	
Office Supplies	4,800.00	656.95	243.76	13.69%	
2. Materials and Supplies	4,800.00	656.95	243.76	13.69%	
Advertising	0.00	0.00	0.00	-	
Other Services	101,500.00	2,706.57	1,386.57	2.67%	
Professional Services	33,000.00	14,319.00	14,319.00	43.39%	FLAG
Telephone Service	0.00	0.00	0.00	-	
3. Contract Services	134,500.00	17,025.57	15,705.57	12.66%	
Meetings	700.00	358.81	0.00	51.26%	FLAG
Permits, Licenses & District Mbrshps	0.00	0.00	0.00	-	
Subscriptions & Publications	0.00	0.00	0.00	-	
4. Other	700.00	358.81	0.00	51.26%	FLAG
10. Legislative Total	266,752.19	37,710.33	21,607.94	14.14%	

UNEXPECTED ASSET REPLACEMENT REQUEST

Unexpected Asset Replacement: The budget contains funding for capital outlay items that are expected to be replaced due to age or obsolescence. Occasionally, items in the replacement program fail unexpectedly and need to be replaced. If this happens during a budget cycle, replacement funds may be used for the replacement of the item if the General Manager determines that it is advantageous to the District to replace rather than repair said item, and if the Finance Officer determines that the replacement program has sufficient funds for the item.

Instructions: This form must be completed PRIOR to the purchase of the item. Contact the Accountant to assist you with completing sections two through five. After completing sections one through eight, obtain your Department Manager's signature, then route to the Accountant. Once the Finance Officer and General Manager's approvals are obtained, the Accountant will forward you a copy of the approved form. You may then purchase your replacement item following the normal purchasing guidelines. If this is an URGENT or mission critical replacement, please note that on the form so we can expedite your request.

1. Item Description	Replacement pump #2 for FSL sludge
2. Asset Number	P5041
3. Original Cost	
4. Depreciation (funding) to date	
5. Funding Source	310.70.53.050.5.556
6. Estimated Cost of New Item	\$13,600 (estimated, including tax and freight complete)
7. Requestor's Name / Date	Dan Lopez 10/8/2014
8. Reason for Replacement	Digested sludge Pump#2 failed recently, limiting the amount sludge that can be pumped to the FSL's. Pump #2 was replaced with an available spare, leaving the plant without a spare for both FSL sludge and Primary sludge. Due to the long lead time on this type of pump and criticality of being able to pump sludge this spare is being requested now.
Department Manager Approval / Date	 10/15/2014
Finance Officer Approval / Date	 10/17/14
General Manager Approval / Date	 10/21/14

For Accounting Use:

Date routed to Finance Officer	
Date information put in Finance Committee Board box	



ALLIED PACKING & SUPPLY, INC.

Quote

5303 ADELIN STREET
 OAKLAND CA 94608
 US
 Office: (510) 654 - 3274
 Fax: (510) 654 - 8190

Date 9/26/2014
 Estimate # QTE1578
 Expires 10/26/2014
 Exp. Close 9/26/2014
 Project
 Subsidiary ALLIED PACKING & S...
 APS DATA ENTRY Steve Woodbury
 Shipping Method Bestway
 CUSTOMER PHONE (925) 570-8228

Bill To
 DUBLIN / SAN RAMON SERVICES
 WASTEWATER TREATMENT PLA...
 7051 DUBLIN BLVD
 DUBLIN CA 94568

Ship To
 DUBLIN / SAN RAMON SERVICES
 WASTEWATER TREATMENT PLA...
 7399 JOHNSON DR.
 PLEASANTON CA 94588

Special Instructions

ATTN: LOY RIDDLE

Part	Quantity	Units	Description	Options	Rate	Tax	Amount
NOTE	1	EA	2G065G1L CDQ AAA PUMP: MATERIALS OF CONSTRUCTION: CAST IRON CASINGS TOOL STEEL/CHROME PLATED ROTOR BUNA ELASTOMER STATOR PACKING SEAL		11,974.00	Yes	11,974.00
OF NOTE	1	EA	DROP SHIP		491.00		491.00
NOTE	1	EA	DELIVERY: 7 DAYS AFTER RECEIPT OF ORDER OR SOONER - EXCLUDING THE DAY THE ORDER IS PLACED		0.00	Yes	0.00

Subtotal 12,465.00
 Shipping Cost (Bestway) 0.00
 Tax Total (CA_ALAMEDA CO_AGAQ_EDNA_EEUR 9.0%) 1,077.66
Total \$13,542.66



QTE1578



PUMP REPAIR SERVICE CO.

September 23, 2014

Dublin San Ramon Services District
7399 Johnson Drive
Pleasanton, Ca

Attn: Loy Riddle

SUBJECT: Tarby Pump and parts Budgetary Estimate

I-206T065LDQ, PC Pump	\$12,409.00
I-206T050CDQ, PC Pump	\$11,175.00
I-700-2146BABA, Rotor	\$4,391.00
I-400-19 BDBA, Stator	\$2,952.00
I-951-213 BAAK,U joint kit	\$1,069.00
I-700-2145BABA, Rotor	\$4,049.00
I-400-2145BDBA, Stator	\$2,309.00
I-205T008CDQ, PC Pump	\$6,722.00

If you have any questions concerning the above quote, please do not hesitate to call me. Thank you for this opportunity to provide you with a quote.

Sincerely,

Keith Britto

Reviewed and Accepted by:

Name: _____ Title: _____

Date: _____

P.O. #: _____ Contract #: _____

ESTABLISHED 1941

PO BOX 34327 SAN FRANCISCO, CA 94134-0327 415.467.2150 FAX 415.467.7442
www.pumprepairservice.com



QUOTATION

PLEASANTON

6600 Koll Center Parkway, Ste. 220
Pleasanton, CA 94566
Phone (925) 485-9720
Fax (925) 485-6085

STOCKTON

119 Val Dervin Parkway #2
Stockton, CA 95206
Phone (209) 234-5909
Fax (209) 234-5913

TO: Dublin San Ramon SD

BID DATE: 03-11-2013

QUOTE #: 092936

JOB: Netzsch Pump

LOCATION: Pleasanton

ATTN: Doug Frederick

PHONE:

Fax:

WE ARE PLEASED TO QUOTE ON THE FOLLOWING EQUIPMENT
SUBJECT TO CONDITIONS PRINTED ON THE BACK HEREOF,
THESE CONDITIONS MAY BE CHANGED ONLY BY A WRITTEN
STATEMENT SIGNED BY AN OFFICER OF SHAPE, INCORPORATED.

[X] F.O.B. FACTORY

[X] F.F.A. TO FIRST DESTINATION

Table with 3 columns: QTY, ITEM, PRICE. Row 1: 1, Replacement For NM090SY2966 #15514, Job 0301-7012/00 Bare Shaft NM090SY02S08B, Cast Iron, Buna-N Stator, Chrome Plated Rotor, Pin Joints, Packing With Split Gland. Delivery 10 - 12 Weeks., \$13,365.00

NOTES:

- 1. Price includes freight: FOB Factory
2. Price does not include taxes
3. Price does not include: installation, equipment unloading, guide bars, pipe, valves, conduit, basin, anchor bolts, or any other items not listed.
4. Extra power cable: available
5. ESTIMATED delivery of equipment A) PUMP 8 weeks B) Cover 4 weeks C) PANEL 6 WEEKS D) ACCESSORIES 4 weeks.
6. See 2nd page for Shape, Inc. terms and conditions of sale.

SHAPE INC.

Richard Horst

Richard Horst

QUOTATION DOES NOT INCLUDE ANY SALES OR USE TAX PAYABLE UNDER ANY STATE OR FEDERAL STATURE. THIS QUOTATION PRICE IS FOR MATERIAL LISTED ABOVE. ANY ADDITIONS OR MODIFICATIONS THAT BECOME NECESSARY FOR APPROVED SUBMITTALS, UPON AWARDDING OF THIS CONTRACT, MAY RESULT IN NECESSARY PRICE CHANGES.

NOTE: ITEMS NOT SPECIFIED ON THIS QUOTATION ARE NOT INCLUDED IN OUR PRICE AND ARE TO BE SUPPLIED BY OTHERS. PRICES ARE FOR IMMEDIATE ACCEPTANCE AND SUBJECT TO CHANGE WITHOUT NOTICE. SALE SUBJECT TO MANUFACTURERS STANDARD TERMS AND CONDITIONS.

Rev. 01/98

See attached page for Shape, Inc. terms and conditions



Reference General Manager	Type of Action Accept Report	Board Meeting of November 18, 2014
Subject Upcoming Board Calendar		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT: <input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation	<input checked="" type="checkbox"/> Staff
B. Michalczyk		<input type="checkbox"/> Board Member

Recommendation:

The General Manager recommends that the Board of Directors accept, by Motion, the attached upcoming Board calendar.

Summary:

The attached Board calendar presents items anticipated by staff to be presented to the Board at the next two Board meetings. This report represents the most current information available to staff as of the preparation of this agenda. Items that are listed may be deferred or eliminated for various reasons including but not limited to staff work not being fully complete, the need for further management, Committee and/or legal review, needed material or information not being received by the District in a timely fashion, etc. Furthermore, matters not listed may be placed on the Board agenda.

This report should be used only as a general guide of what business the District Board will be considering in the near future. The District Secretary should be contacted to confirm the contents of specific agendas. Agendas will be finalized in accordance with the requirements of the Brown Act (generally 72 hours for regular meetings and 24 hours for special meetings).

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR BLM	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. Upcoming Board Calendar 2. 3.				

TENTATIVE BOARD ITEMS

11/13/2014 11:45:13 AM

Board Mtg	Agenda Item	Water	WWC	Finance	Personnel	Ext. Aff.
12/2/2014	9X (last) Annual Board Reorganization (Pres/VP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9D Extend Wise Water User Credit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9F Approve Budget Amendment Related to the Drought	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Public Employee Performance Evaluation Pursuant to Government Code Section 54957 Title: General Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9C Extend Drought Emergency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9B Accept Water Supply and Demand and Drought Response Action Plan Status Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Resolution to Reallocate City of Dublin Excess Sewer Capacity Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9H if needed-Consider Appeal by {name} of Staff Denial of a Waiver of Enforcement Action Related to Violation of Water Use Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9G if needed - Consider Appeal by {name} of Staff Denial of an Exemption to Water Use Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9E Endorse Updated Drought Action Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9A Drought Related Customer Issues and Concerns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12/16/2014	Approval of Director Reimbursements for Certain Meetings for 2015	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Notification of Ethics Training Requirement for Directors and Senior Staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Regular and Recurring Reports: November District Financial Statements, (list)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Approval of Director Attendance at 2015 Meetings and Conferences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Adopt CEQA Addendum to EIR for the Recycled Water Expansion Phase 1 Distribution to Western Dublin (CIP 15-R009)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Board Mtg	Agenda Item	Water	WWC	Finance	Personnel	Ext. Aff.
12/16/2014	9C if needed-Consider Appeal by {name} of Staff Denial of an Exemption to Water Use Limitations					
	9X (last) Standing Committees of the Board - Calendar Year 2015					
	Presentation on Desalination by Lawrence Livermore Lab					
	9B if needed-Consider Appeal by {name} of Staff Denial of a Waiver of Enforcement Action Related to Violation of Water Use Limitations					
	Approve Reimbursement Agreement with City of Dublin for the Dougherty Road Widening Project					
	9A Drought Related Customer Issues and Concerns					



Reference General Manager	Type of Action Provide Direction	Board Meeting of November 18, 2014
Subject Discuss Drought Management Program		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input checked="" type="checkbox"/> Other
REPORT:	<input checked="" type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

Recommendation:

The General Manager recommends the Board of Directors receive comments from the public related to the District’s Drought Management Program, discuss those as appropriate and, by Consensus, provide appropriate direction to staff and/or Board Committees for follow-up.

Summary:

On May 5, 2014 the Board took various actions (collectively the “Drought Management Program”) in response to the drought including the following:

- Declared a Community Drought Emergency (which expires December 31, 2014 and which should be extended on December 2, 2014 since the drought has not yet abated);
- Established Water Use Curtailment Goals;
- Adopted Water Use Limitations;
- Adopted Penalties and Enforcement Provisions (subsequently amended on August 5, 2014);
- Adopted Water Shortage Rate Stage 3;
- Approved a Wise Water User Credit;
- Approved an Enhanced Rebate Program;
- Endorsed a Drought Response Action Plan; and
- Approved a Budget Amendment related to Drought Management Activities.

The various aspects of the Drought Management Program affect all customers of the District in various ways. To be as open and transparent as possible, the Board wishes to allow the public an opportunity to address the Board on the various aspects of the Drought Management Program in a manner that can lead to a productive outcome. The public may always address the Board under the “Public Comment” portion of the Board agenda. However, for public comment made at that time, the Board is precluded from having substantive discussions in response to the public comment received. This agenda item allows the Board to engage in a substantive discussion of issues that may be raised by the public and also to provide staff or a Board Committee with appropriate direction related to the Drought Management Program in a timely fashion. This item will be a standing item on the Board agenda throughout the duration of the Community Drought Emergency which is currently scheduled to expire on December 31, 2014.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR BLM	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <input checked="" type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. 2. 3.				



Reference Engineering Services Manager	Type of Action Award Agreement	Board Meeting of November 18, 2014
Subject Award Construction Agreement to McGuire and Hester for Component 1 of the Recycled Water Expansion Phase 1 - Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009)		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	R. Biagtan
		<input type="checkbox"/> Board Member

Recommendation:

The Engineering Services Manager recommends the Board of Directors award, by Resolution, the construction agreement for Component 1 of the Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009) to McGuire and Hester, in the amount of \$1,106,103.

Summary:

On February 18, 2014 the Board declared a Community Drought Emergency due to extreme drought and uncertainty of future water supply. On May 5, 2014 the Board declared an updated Community Drought Emergency. Concurrently, the Board also adopted the drought implementation and response plan which included certain measures to permanently remove potable irrigation uses from the water system by converting irrigation services to recycled water.

On July 1, 2014 the Board approved a budget adjustment to include Recycled Water Expansion Phase 1 - Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009) in order to extend recycled water pipelines to west Dublin and the Alameda County facilities near the Santa Rita Jail. Staff split the project into two components in order to expedite pipeline installation. Component 1 refers to the portion of the project to take recycled water to the Alameda County facilities and Component 2 refers to the Western Dublin portion. Design drawings have been prepared for the Alameda County facilities. The design package includes the installation of approximately 5100 linear feet of recycled water pipeline in Madigan Road and Broader Blvd. and replacing approximately 800 linear feet of potable water main in Madigan Road. The potable water main in Madigan Road is vintage Army pipeline, has leaked four times in the last four years and needs relocation to maintain clearances with the new recycled water line.

California Public Contract Code Section 22050(a) allows the public agency to “repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.” This section of the Public Contract Code and the District’s Purchasing policy (Policy No. P500-14-1, Section 2) allows the Board to award a contract to a contractor outside of the standard purchasing procedures. Operating under the emergency drought ordinance, staff negotiated directly with McGuire and Hester, one of the District’s on call contractors, for a price to install the pipeline and convert the on-site irrigation facilities. The negotiated cost for the work is \$1,106,103, which is \$197 per foot of pipe installed. Comparably, the central Dublin recycled water project completed in April 2013, also by McGuire and Hester, cost \$202 per foot of pipe installed. McGuire and Hester can begin construction in mid-December and the project is expected to be complete by spring of 2015.

Staff had also been actively pursuing Proposition 84 grant money as a part of ABAG in order to obtain funding for recycled water projects throughout the Bay Area. At this time, announcements have been made for grant awards and the District’s overall project is eligible for \$2,000,000, which will apply towards this project and the remaining piping to be installed in west Dublin. Staff recommends that the Board award the construction contract.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR S. Delight	DEPARTMENT Engineering	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$1,106,103 plus change order contingency	<input type="checkbox"/> Funding Source A. 35% Water Replacement (610) B. 65% Water Expansion (620)	Attachments to S&R 1. Project Site Map 2. 3.				

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF TECHNICAL SERVICES AGREEMENT TO MCGUIRE AND HESTER FOR CONSTRUCTION OF COMPONENT 1 OF THE RECYCLED WATER EXPANSION PHASE I – DISTRIBUTION TO WESTERN DUBLIN AND ALAMEDA COUNTY FACILITIES (CIP 15-R009)

WHEREAS, on February 18, 2014 the Board of Directors declared a Community Drought Emergency due to extreme drought and uncertainty of the future water supply; and

WHEREAS, on May 5, 2014 the Board of Directors updated the Community Drought Emergency and approved the Drought Implementation and Response Plan; and

WHEREAS, the Drought Implementation and Response Plan included increased efforts to convert potable irrigation customers to recycled water; and

WHEREAS, on July 1, 2014 the Board of Directors approved a budget adjustment to the Two-Year CIP Budget for Fiscal Years Ending 2014 and 2015 to include Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009); and

WHEREAS, a design package has been completed for the portion of the project to install recycled water distribution lines to the Alameda County facilities (Component 1), as specific actions necessary to mitigate the emergency described above pursuant to subdivisions (b) (4) of Public Resources Code Section 21080; and

WHEREAS, California Public Contract Code Section 22050(a)(1) allows the public agency to “repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, supplies for those purposes without giving notice for bids to let contract;” and

WHEREAS, the District Purchasing policy (Policy No. P500-14-1) allows the District to

Res. No. _____

purchase services and supplies during an emergency in accordance with the guidelines in the California Public Contract Code; and

WHEREAS, staff negotiated directly with McGuire and Hester, the District on-call construction contractor selected by competitive bidding, for the installation of pipeline and appurtenances for the Alameda County facilities, and arrived at a contract price that compares favorably with past recycled water pipeline projects; and

WHEREAS, the California Environmental Quality Act (CEQA) requirements for the Recycled Water Expansion Phase I – Distribution to the Alameda County facilities (Component 1) were satisfied through a Categorical Exemption that was adopted by the Board on November 18, 2014.

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

1. The CEQA requirements for this project were satisfied through a Categorical Exemption adopted by the Board November 18, 2014.
2. A Community Drought Emergency has been declared by the Board of Directors on February 18, 2014 and updated on May 5, 2014.
3. In accordance with Public Contract Code Section 22050(a), the Board of Directors hereby finds, based on substantial evidence, that the Community Drought Emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the Community Drought Emergency.

Res. No. _____

4. The total contract price of McGuire and Hester, in the amount of \$1,106,103 based on a submitted schedule of values, is hereby accepted.
5. That certain agreement titled “Technical Services Agreement for the Construction of Component 1 of the Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009)” (Exhibit A), by and between Dublin San Ramon Services District, a California public agency, and McGuire and Hester, a California Corporation, a copy of which agreement is on file in the Office of the General Manager, to which copy reference is hereby made for the full particulars thereof, is hereby approved, and the General Manager and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said agreement for and on behalf of Dublin San Ramon Services District.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 18th day of November 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgean M. Vonheeder-Leopold, President

ATTEST: _____
Nancy G. Hatfield, District Secretary

DUBLIN SAN RAMON SERVICES DISTRICT
Technical Services Agreement

**FOR THE CONSTRUCTION OF COMPONENT 1 OF THE
 RECYCLED WATER EXPANSION PHASE 1 – DISTRIBUTION TO
 WESTERN DUBLIN AND ALAMEDA COUNTY FACILITIES PROJECT
 (CIP 15-R009)**

THIS AGREEMENT for technical services is between **Dublin San Ramon Services District** ("District") and McGuire and Hester, Inc. ("Contractor"). Contractor's address is 9009 Railroad Avenue, Oakland, CA 94603, telephone (510) 632-7676, and fax number (510) 562-5209. Contractor is a [X] corporation, [] partnership, [] individual, having taxpayer's identification or Social Security number 94-1074934, and professional license class and number Class A and C27 License No. 95879.

Section 1: The Agreement. District and Contractor agree that Contractor shall perform technical services for District on the terms and conditions herein set forth in connection with District's project "Recycled Water Expansion Phase 1 – Distribution to Western Dublin and Alameda County Facilities (CIP 15-R009)." The following documents are attached hereto and are a part of this Agreement (not in the order of precedence):

- Attachment A – General Agreement Provisions
- Attachment B – Proposal Schedule of Values
- Attachment C – District Standard Procedures, Specifications and Drawings (available online)
- Attachment D – Drawings for Gleason Drive Recycled Water Main Extension dated Sept 2014
- The Forms described in paragraph 26 of the General Agreement Provisions, duly executed as specified

This Agreement, including said attachments, constitutes the entire agreement between the parties and supersedes any prior proposals, representations, or understandings. This Agreement may be modified only by a written amendment signed by each party.

Section 2: Term and Time of Performance. The term of the contract will be from the date of its execution through the warranty period.

Contractor is authorized to commence performance of this Agreement upon its execution by the District and receipt of a Notice to Proceed from the District. Contractor shall complete all services covered by this Agreement no later than March 31, 2015 unless this date is extended by District in writing. If Contractor fails to complete the services by said date, Contractor shall pay District as liquidated damages \$300.00 per day of default.

Section 3: Payment. Payment to the Contractor shall be based upon any lump sum items plus the unit prices stated in the Proposal Schedule of Values times the actual quantities or units of work and materials performed or furnished, plus direct cost and mark-up cost for materials and supplies. Payments shall be made based on monthly payment requests submitted to the District for approval, and shall be made within 35 days after receipt of an approved payment request, less any retention withheld as required by law, and any withholds permitted by the General Agreement Provisions. The total amount payable by District for Contractor's services pursuant to the Agreement shall not exceed \$1,106,103.00 without the prior written approval of the District.

Pursuant to Public Contract Code Section 7100, the acceptance by the Contractor of an undisputed payment made under the terms of the Contract shall operate as, and shall be, a release to the District, and their duly authorized agents, from all claim of and/or liability to the Contractor arising by virtue of the contract related to those amounts. Disputed contract claims in stated amounts may be specifically excluded by the Contractor from the operation of the release. The Contractor shall provide, prior to final payment, an affidavit that all bills for labor and material incorporated into the work have been paid, and shall submit a certificate relinquishing any and all claims, or stop payment notices, related to the work hereunder.

Section 4: Termination. District may terminate this Agreement as specified in Section 8 of Attachment A – General Agreement Provisions. Upon termination, District shall pay Contractor for all amounts due for service rendered up to the date of termination.

Dated _____

DUBLIN SAN RAMON SERVICES DISTRICT

CONTRACTOR

By: _____

By: _____

Title: General Manager

Title: _____

Attest: _____
Nancy Gamble Hatfield, District Secretary

GENERAL AGREEMENT PROVISIONS

1. Bonds

Unless excused by the District, the Contractor shall furnish, on forms provided by the District, a Payment Bond and a Faithful Performance Bond, each of which shall be in an amount equal to one hundred percent (100%) of the total amount specified in Section 3 (“Payment”) of the Agreement. The Faithful Performance Bond is to secure the faithful performance of the Contract, and the Payment Bond is to secure the payment of those to whom the Contractor may become legally indebted for labor, materials, tools, equipment, or services of any kind used or employed by the Contractor in performing the work, pursuant to Title 3 (commencing with Section 9000) of Part 6 of Division 4, and more specifically described in Section 9554, of the Civil Code of the State of California. Said bonds shall be secured from a surety company satisfactory to District or shall comply with the minimum requirements specified in sections 995.610 through 995.660 of the California Code of Civil Procedure. .

2. Insurance

Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

Minimum Scope and Limit of Insurance:

- a. Commercial General Liability (CGL): Insurance Services Office Form CG0001 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- b. Automotive Liability: ISO Form Number CA0001 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
- c. Workers’ Compensation: as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.

If the Contractor maintains higher limits than the minimums shown above, the District requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

The insurance policies are to contain, or to be endorsed to contain, the following provisions:

- a. Additional Insured Status: The District, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor’s insurance (at least as broad as ISO Form CG20101185 or if not available, through the addition of both CG2010 and CG2037 if a later edition is used).

- b. **Primary Coverage:** For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- c. **Notice of Cancellation:** Each insurance policy required above shall provide that coverage shall not be canceled, except with thirty (3) day notice to the District.
- d. **Waiver of Subrogation:** Contractor hereby grants to District a waiver of any right to subrogation which any insurer of said Contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.
- e. **Deductibles and Self-Insured Retentions:** Any deductibles or self-insured retentions must be declared to and approved by the District. The District may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
- f. **Acceptability of Insurers:** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District.
- g. **Verification of Coverage:** Contractor shall furnish the District with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- h. **Special Risks or Circumstances:** The District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

3. Hold Harmless and Indemnification

To the extent permitted by law, the Contractor shall hold harmless the District, its officers, agents and employees from, and indemnify and defend them against any liability, claim or loss for damage to any property or injury to or death of any person or persons in any case arising from or connected with the performance of the Agreement.

4. Laws and Regulations

The Contractor shall observe and comply with all Federal, State, and local laws, ordinances, codes, orders and regulations which in any manner affect those engaged or employed on the work, materials used in the work, or the conduct of the work. If any discrepancy or inconsistency should be discovered in this Agreement in relation to any such law, ordinance, code, order, or regulation, the Contractor shall report the same in writing to the District's Contract Administrator. The Contractor shall indemnify, hold harmless and defend the District, its officers, agents and employees, against all claims or liability arising from violation of any such law, ordinance, code, order, or regulation, whether by the Contractor, the Contractor's employees, or its subcontractors. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Pursuant to Section 4552 of the Government Code and Section 7103.5 of the Public Contract Code, the Contractor or subcontractor offers and agrees to assign to the District all rights, title and interest in, and all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2) commencing with Section 16700 (of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the Agreement. This assignment shall be made and become effective at the time the District tenders final payment to the Contractor, without further acknowledgment by the parties.

5. Permits and Licenses

Unless otherwise provided, the Contractor shall obtain at his own expense all permits and licenses or property used in connection with the work, including all safety permits for excavations, tunneling, trenches, construction (building structure, scaffolding, or falsework) and demolition required by CAL/OSHA including but not limited to, the permits required by Labor Code Section 6500, and shall pay all taxes properly assessed against his/her equipment or property used in connection with the work. The Contractor shall possess a current and valid State of California Contractor's License/endorsement, and shall not employ any subcontractors that are not properly licensed and registered in accordance with State law, or change any subcontractors listed in the Agreement without the consent of the District using the procedures set forth in Public Contract Code 4100 et. seq.

6. Sales and Use Taxes

The Contractor shall pay all sales and use taxes assessed by Federal, State, or local authorities on parts and materials furnished by the Contractor in the performance of the work.

7. Patents and Copyrights

The Contractor shall defend, indemnify, and save harmless the District, its officers, agents and employees against all claims or liability arising from the use of any patented or copyrighted design, device, material, or process used by Contractor or any subcontractors in the performance of the work.

8. Termination

If any or all services to be performed under the Agreement are abandoned by the Contractor, or if the District determines that the schedule of service is not being maintained, or that the Contractor is violating any of the conditions or provisions of the Agreement or failing to provide a consistently high level of service; and if the Contractor fails to remedy such default within three (3) days after receipt of written notice of such default, or, within three (3) days after receipt of District's written consent to such longer period to remedy such default, fails to provide satisfactory evidence that such default will be promptly corrected, the District may, at its sole election, choose to terminate any or all portions of the Agreement, or withhold any amounts otherwise due under the Agreement. Thereupon, the District will have the right to complete such service by whatever method the District deems expedient. Any additional expense for completing such service shall be chargeable to the Contractor.

Additionally, the District may, at its option, terminate the Agreement in whole or in part, at any time, by written fifteen (15) day notice thereof to the Contractor, whether or not the Contractor is in default. Upon such termination, the Contractor shall waive any claims for damages, including loss of anticipated profits on account thereof.

9. Waste Disposal

The Contractor shall properly transport and dispose of all waste, including hazardous wastes, generated by these activities. Copies of proper disposal documentation must be maintained by the Contractor and submitted to District on demand.

10. Additions, Deletions and Changes

The District reserves the right to add, delete, or change the scope of work under this Agreement and may do so upon giving written notice to the Contractor. To the extent possible, payment will be made at the unit price set forth in Attachment C. If other changes cause an increase or a reduction in the costs of this agreement, the parties shall attempt to negotiate an equitable adjustment based upon an acceptable lump sum proposal from the Contractor. Any agreed upon adjustment to the prices shall be incorporated in a written Change Order issued by the District, which shall be written so as to indicate an acceptance on the part of the Contractor as evidenced by its signature. By signature of the Change Order, the Contractor acknowledges that the adjustments to cost and time contained in the Change Order are in full satisfaction and accord, payment in full, and so waives any right to claim any further cost and time impacts at any time during and after completion of the Contract for the changes encompassed by the Change Order.

If the parties cannot agree on a lump sum adjustment, the Contractor shall proceed to do the additional work on a "force account" or time and expense basis, that is, on an accounting of the Contractor's forces, materials, equipment, and other items of cost as required and used to do the work. For the work performed, payment will be made for the documented actual cost of the following:

- (a) Direct labor cost for workers, who are directly assigned to the force account work, including wages, fringe benefits, if any (as established by negotiated labor agreements or State prevailing wages), and a labor surcharge of thirty percent (30%) for all other fixed labor burdens such as workers' compensation and labor insurance, and labor taxes.
- (b) Material delivered and used on the designated work, including sales tax, if paid for by the Contractor or its subcontractor.
- (c) Equipment rental, for those days or hours during which the equipment is in actual use based on actual rental and transportation invoices.

A fixed fee not to exceed ten percent (10%) of the costs of Items (a), (b), and (c) above covering the cost of general supervision, overhead, profit, bond, insurance, and any other general expenses.

11. Equal Opportunity Employer

The District is committed to equal employment opportunities. The District encourages the consideration and utilization of minority and women-owned businesses.

12. Successors and Assigns

Contractor shall not assign, sell, sublet, or subcontract all or any portion of this Agreement or any personal interest herein or any property, real or personal, used hereunder, without the prior written consent of the District. No assignments by Contractor shall be effective until the assignee shall, in writing, agree to assume and fully perform all of the terms and provisions of the Agreement.

13. Subcontractors

Nothing contained in the Agreement shall create any contractual relation between any subcontractor and the District. The persons engaged in the work, including employees of subcontractors and suppliers, will be considered employees of the Contractor. The Contractor will be responsible for their work and their work shall be subject to the provisions of the Agreement. The Contractor is fully responsible to the

District for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by them, just as the Contractor is fully responsible for the acts and omissions of persons directly employed by the Contractor. Pursuant to Labor Code section 1775, the contract executed between the contractor and each subcontractor for the performance of work shall include a copy of the provisions of Labor Code Sections 1771, 1775, 1776, 1777.5, 1813, and 1815.

14. Responsibility for the Work

Until completion and acceptance of the work, the Contractor shall have the charge and care of the work and of the materials to be used therein and shall bear the risk of injury, loss, or damage, to any part thereof from any other cause, whether or not arising from the non-execution of the work. The Contractor shall rebuild, repair, restore, and make good all injuries, losses, or damages to any portion of the work or the materials occasioned by any cause before its acceptance and shall bear the expense thereof, except for such injuries, losses, or damages as are directly and approximately caused by acts of the District.

15. Inconsistencies and Omissions

Where the Agreement describes portions of the work in general terms but not in complete detail, it is understood that only the best general practice is to prevail and that only materials and workmanship of the first quality are to be used. Unless otherwise specified, the Contractor shall furnish tools, equipment, and incidentals, and do all the work necessary to complete the work in a satisfactory and workmanlike manner.

Unless specifically noted otherwise, the Agreement and all Attachments are intended to be complementary and applicable to each other.

In resolving inconsistencies among two or more portions of the Agreement and/or the Attachments, the most stringent requirements shall apply.

16. Inspection of Site(s)

The information provided by the District is not intended to be a substitute for, or a supplement to, the independent verification by the Contractor to the extent such independent investigation of site conditions is deemed necessary or desirable by the Contractor. The Contractor is required to satisfy itself, by personal examination of the site(s) of the work or by such other means as they may prefer, of the location and of the actual conditions at the site(s) of work. If, during the course of its examination, the Contractor finds facts or conditions which appear to be in conflict with the letter or spirit of the Agreement, bidding/proposal documents, the Contractor shall report the conflict in writing, to the District's Contract Administrator, within a reasonable time before submitting its bid/proposal.

The submission of a bid/proposal shall constitute conclusive evidence that, if awarded the Agreement, the Contractor is relying on its own examination of the site(s) of the work, including existing facilities and conditions to be encountered on and in the vicinity of the site(s).

17. Examination of Agreement

The Contractor shall thoroughly examine and be familiar with the Agreement before submitting its proposal. Any inconsistencies or omissions found in the Agreement and/or Attachments shall be reported to the District's Contract Administrator, who will clarify discrepancies or omissions, in writing, within a reasonable time.

The submission of a bid/proposal shall constitute an acknowledgment, upon which the District may rely, that the Contractor has thoroughly examined and is familiar with the Agreement, with the character, quality and scope of the work to be constructed under the Agreement, including the quality and quantity

of the materials and services to be furnished, and all other requirements of the Agreement. The Contractor's failure or neglect to examine and become familiar with the Agreement, shall in no way relieve it from any obligation with respect to its proposal or to the Agreement, and no claim for additional compensation will be allowed which is based upon a lack of knowledge or misinterpretation of any portion of the Agreement.

18. Waiver or Acquiescence

No action or failure to act by the District's Contract Administrator or anyone else acting for the District shall constitute a waiver of any right or duty afforded under the Agreement nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

19. Liquidated Damages

It is agreed by the parties to the Agreement that time is of the essence in the completion of this work, and that in case all the work called for under the Agreement, or such portion thereof as may be designated by the District's Contract Administrator, is not completed before the date specified in Section 2 ("Time of Performance") of the Agreement or such earlier date as may be specified by the District's Contract Administrator, or each District facility affected by the work is not restored to full service within the period specified by the District's Contract Administrator for that facility, damage will be sustained by the District. As it is impracticable to determine the actual delay damage; it is, therefore, agreed that the Contractor shall pay liquidated damages to the District in the amount set forth in Section 2 of the Agreement. Contractor further agrees that if such liquidated damages are not promptly paid, the District may deduct the amount thereof from any moneys due, or that may become due, the Contractor under the Agreement.

20. Prevailing Wages

If any personnel of Contractor or any subcontractor of any tier performs work under the Agreement for which prevailing wages are required to be paid as determined by the Director of the Department of Industrial Relations, Consultant or such subcontractor shall pay the prevailing wage for such work and shall comply with all applicable provisions of the California Labor Code Section relating to public works (Section 1720 and following).

Contractor shall:

1. Employ the appropriate number of apprentices on the job site as set forth in California Labor Code 1777.5;
2. Provide Workers Compensation coverage, as set forth in California Labor Code Sections 1860 and 1861;
3. Comply with all applicable provisions of Section 1810 to 1815, inclusive, of the California Labor Code relating to working hours;
4. Keep and maintain the records of work performed on the public works project, as set forth in California Labor Code Section 1812;
5. Keep and maintain the records required under California Labor Code Section 1776 which shall be subject to inspection pursuant to California Labor Code Section 1776 and California Code of Regulations, Division 1, Chapter 8, Subchapter 3, Article 6, Section 16400 (e); and
6. Be subject to other requirements imposed by law.

CALIFORNIA WAGE RATE REQUIREMENTS: In accordance with the provisions of the California Labor Code Sections 1770, 1773, 1773.1, 1773.6 and 1773.7 as amended, the Director of the Department of Industrial Relations has determined the general prevailing rate of per diem wages in accordance with the standards set forth in Section 1773 for the locality in which the Work is to be

performed. A copy of said wage rates is available online http://www.dir.ca.gov/dlsr/statistics_research.html#PWD. It shall be mandatory upon the Contractor to whom the work is awarded and upon any subcontractor to pay not less than said specified rates to all workers employed by them in the execution of the work. Said prevailing rate of per diem wages will be made available to any interested party upon request, and a copy thereof shall be posted at the job site by the Contractor. Unless a greater amount is specified within this Agreement, in accordance with Labor Code section 1775, the Contractor shall forfeit as penalty to the District not more than two-hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing rates for any work done under this Agreement by the Contractor or by any subcontractor under the Contractor, in violation of the provisions of the Labor Code and, in particular, Section 1770 to Section 1871 thereof, inclusive.

In accordance with the provisions of Section 1727 of the California Labor Code, the District, before making payment to the Contractor of money due under a contract for public works, shall withhold and retain therefrom all wages and penalties which have been forfeited pursuant to any stipulation in the Contract, and the terms of Chapter 1, Part 7, Division 2 of the California Labor Code (commencing with Section 1720). But no sum shall be withheld, retained or forfeited, except from the final payment, without a full investigation by either the Division of Labor Standards Enforcement or by the District.

The District will not recognize any claim for additional compensation because of the payment by the Contractor of any wage rate in excess of the prevailing wage rates on file as aforesaid. The possibility of a wage increase is one of the elements to be considered by the contractor in determining his/her or its bid and will not, under any circumstances, be considered as the basis of a claim against the District on the contract.

20.1 Labor Compliance Program. The District operates a Labor Compliance Program pursuant to Labor Code sections 1771.5 and 1771.7. All Contractors and Subcontractors shall be required to comply with the Labor Compliance Program (LCP). The complete LCP is available upon request. It shall be the Contractor's responsibility to evaluate the cost of complying with the District's LCP and include those costs in the bid. Attention is directed to the provisions of Sections 1776, 1777.5 and 1777.6 of the California Labor Code concerning employment of apprentices by the contractor or a subcontractor. The Contractor and its subcontractors shall promptly provide such assistance to the consultant implementing the LCP as may reasonably be requested.

The District or District Representative will conduct a labor compliance pre-job conference with all contractors and subcontractors to discuss federal and state labor law requirements applicable to the project. The labor compliance pre-job conferences are in addition to the pre-construction conference and will be scheduled independently, either face-to-face, or by tele/web conference. Project contractors and subcontractors shall be required to maintain and furnish to the District, at designated times, a certified copy of each weekly payroll containing a statement of compliance signed under penalty of perjury. The District or District Representative shall review and audit payroll records to verify compliance with applicable law. The District shall withhold contract payments when payroll records are delinquent or inadequate. The District shall withhold contract payments equal to the amount of the underpayment, with penalties, when, after investigation, it has been established that underpayment has occurred.

20.2 Davis Bacon Act. Bidders are hereby notified that [if] the Contract will be entered into or financed by or with the assistance of agencies of the United States, the [Contractor must comply with Federal prevailing wage requirements. The] Contractor and all Subcontractors shall comply with the Davis Bacon Act as part of the funding requirements of the project. The Contractor and Subcontractors must fully comply with the provisions set forth in Appendix 1 – Davis Bacon Contract and Subcontract Provisions, regarding wage rates, payroll records, withholding, etc.

20.3 Department of Industrial Relations Registration. The Contractor and any Subcontractors shall

be registered with the Department of Industrial Relations in accordance with SB 854 in order to perform work on this project.

20.4 Worker's Compensation. In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with Section 1860), and Chapter 4, Part 1, Division 4 (commencing with Section 3700) of the California Labor Code, the Contractor is required to secure the payment of compensation to its employees and for that purpose obtain and keep in effect adequate Workers' Compensation Insurance. If the Contractor, in the sole discretion of the District satisfies the District of the responsibility and capacity under the applicable Workers' Compensation Laws, if any, to act as self-insurer, the Contractor may so act, and in such case, the insurance required by this paragraph need not be provided.

The Contractor is advised of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code and shall comply with such provisions and have Employer's Liability Limits of \$1,000,000 per accident before commencing the performance of the Work of this Contract.

The Notice to Proceed with the Work under this Contract will not be issued, and the Contractor shall not commence work, until the Contractor submits written evidence that it has obtained full Workers' Compensation Insurance coverage for all persons whom it employs or may employ in carrying out the Work under this Contract. This insurance shall be in accordance with the requirements of the most current and applicable state Workers' Compensation Insurance Laws. In accordance with the provisions of Section 1861 of the California Labor Code, the Contractor in signing this Agreement certifies to the District as true the following statement: "I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

A subcontractor is not allowed to commence work on the project until verification of Workers' Compensation Insurance coverage has been obtained and verified by the Contractor and submitted to the Construction Manager for the District's review and records.

21. Safety

To protect the public's safety as well as the safety of their employees, the District's employees, and all persons at or on the site(s) of work, the Contractor and its subcontractors shall take all measures required to comply with all applicable Federal, State, County, and local laws, ordinances, codes, and regulations, including but not limited to, providing protection barriers and barricades, and signs. The Contractor shall be solely and completely responsible for conditions of the jobsite and for performing all work under this Agreement so as to protect the safety of all persons and property at or near any site(s) of the work. Safety provisions shall conform to U.S. Department of Labor (OSHA), the California Occupational Safety and Health Act (CalOSHA), and all other applicable Federal, State, County, and local laws, ordinances, codes; In the event of conflicting requirements, the most stringent requirement as it pertains to the Contractor's safety responsibility shall be followed by the Contractor.

The Contractor shall continually and diligently inspect all work, materials and equipment to discover, and shall be solely responsible for discovery and correction of, such conditions which might cause bodily harm to persons or damage to property. These requirements shall apply twenty-four (24) hours per day continuously during the term of this Agreement and shall not be limited to normal working hours. The District shall not be responsible in any way for the methods selected by the Contractor in discharging its exclusive responsibility for safety of its work hereunder.

The Contractor shall perform all work in a fire-safe manner. He shall supply and maintain on the site adequate fire-fighting equipment capable of extinguishing incipient fires. The Contractor shall comply with applicable Federal, local, and State fire-prevention regulations, or, if these regulations do not apply, applicable parts of the National Fire Prevention Standards for Safeguarding Building Construction Operations (NFPA No. 241).

In the event of any spill or other release to the environment of any regulated chemical in any physical form that occurs on or immediately adjacent to the site(s) and arises from work under this contract, the Contractor shall immediately notify the District. The Contractor shall be responsible for all costs that result from any chemical spill or other release caused by the Contractor including, but not limited to containment, control, and disposal, and any fines or other damages lawfully assessed against the Contractor or the District.

The Contractor shall cooperate fully with District personnel while working within the scope of this contract. No provision of the Agreement shall act to make the District, or any other party than the Contractor responsible for safety. The Contractor agrees that for purposes of California Labor Code Section 6400 and related provisions of law the Contractor, the Contractor's privities and any other entities acting pursuant to this contract will be "employers" responsible for furnishing employment and a place of employment that is safe and healthful for the employees, if any, of such entities acting pursuant to this contract and that neither the District nor the Cities of Dublin, San Ramon and Pleasanton, or their respective officers, officials, partners, employees, agents or volunteers or other authorized representatives will be responsible for having hazards corrected and /or removed at the location(s) where the work is to be performed. The Contractor agrees that neither the District nor, the Cities of Dublin, San Ramon and Pleasanton, or their respective officers, officials, partners, employees, agents or volunteers or other authorized representatives will be responsible for taking steps to protect the Contractor's employees from such hazards, or for instructing the Contractor's employees to recognize such hazards or to avoid the associated dangers.

The Contractor shall support a drug-and-alcohol free workplace. The unlawful use, possession, or distribution of a controlled substance within the site(s) of any work will not be tolerated. Employees of Contractor and subcontractors are prohibited from being under the influence of alcohol within the site(s) of any work. The Contractor shall be responsible for initiating, maintaining, and supervising safety and anti-substance abuse programs in connection with the work.

If the work to be performed under this contract involves confined space work, the Contractor shall prepare confined space operating and rescue procedures fully complying with the applicable provisions of Section 5158, Title 8, California Code of Regulations and shall submit the procedures to the District. The Contractor shall be fully responsible for the adequacy of the procedures. The District shall neither review nor accept the procedures, and the sole purpose of submitting the procedures is to advise the District that such procedures have been prepared.

To the extent required by Labor Code Section 6401.7, Contractor shall establish, implement, and maintain a written injury prevention program, and shall take all actions necessary to comply with all provisions thereof before proceeding with any work under the Agreement, including but not limited to furnishing and maintaining all safety equipment, test equipment, and safety apparel applicable to the work, enforcing the use of such equipment by its employees and the employees of any of its subcontractors, and furnishing all items necessary for giving first aid and other medical treatment to anyone injured at any site(s) of work, and shall provide for the immediate removal of such person to a hospital or a doctor's care.

If death or serious injuries or illness, or serious damages are caused, the accident or illness shall be reported immediately by telephone or messenger to the District. In addition, the Contractor must promptly report in writing to the District, all accidents whatsoever arising out of, or in connection with, the performance of the work whether on, or adjacent to, the site(s), giving full details and statements of

witnesses. The Contractor shall make all reports as are, or may be, required by any authority having jurisdiction, and permit all safety inspections of the work being performed under this Agreement. If a claim is made by anyone against the Contractor or any subcontractor on account of any accident, the Contractor shall promptly report the facts in writing to the District, giving full details of the claim.

Pursuant to the provisions of California Labor Code Section 6707, each bid submitted in response to this Notice Inviting Bids shall contain, as a bid item, adequate sheeting, shoring, and bracing, or equivalent method, for the protection of life and limb in trenches and open excavation, which shall conform to applicable safety orders. By listing this sum, the bidder warrants that its action does not convey tort liability to the Owner, the Design Consultant, the Construction Manager, and their employees, agents, and subconsultants.

In accordance with the provisions of Section 6705 of the Labor Code, the Contractor shall submit, in advance of excavation of any trench or trenches five feet or more in depth, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plans vary from the shoring system standards set forth in the Construction Safety Orders of the Division of Industrial Safety in Title 8, Subchapter 4, Article 6, California Code of Regulations, the plans shall be prepared and signed by a registered civil or structural engineer employed by the Contractor, and all costs therefor shall be included in the price named in the Contract for completion of the work as set forth in the Contract Documents.

Nothing in this section shall be deemed to allow the use of a shoring, bracing, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this section shall be construed to impose a tort liability on the District, the Cities of Dublin, San Ramon and Pleasanton, nor any of their officers, officials, partners, employees, agents, consultants or volunteers. The District's review of the Contractor's excavation plan is only for general conformance to the Construction Safety Orders.

Prior to commencing any excavation, the Contractor shall designate in writing to the District the "competent person(s)" with the authority and responsibilities designated in the Construction Safety Orders.

The Contractor shall conduct his work so as to ensure the least possible obstruction to traffic and inconvenience to the general public and the residents in the vicinity of the Work and to ensure the protection of persons and property. No road or street shall be closed to the public except with the permission of the District and the proper governmental authority. Fire hydrants on or adjacent to the Work shall be accessible to fire fighting equipment. Temporary provisions shall be made by the Contractor to ensure the use of sidewalks, private and public driveways and proper functioning of gutters, sewer inlets, drainage ditches and culverts, irrigation ditches and natural water courses. To the maximum extent permitted by law, Contractor shall indemnify, hold harmless and defend District from any and all liability, including attorneys' fees and costs of litigation, arising from any failure to comply with this section by Contractor or its privities.

22. Differing Site Conditions

Pursuant to Public Contract Code Section 7104, the Contractor shall promptly, and before such conditions are disturbed, notify the District, in writing, of any:

- a. Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- b. Subsurface or latent physical conditions at the site differing from those indicated.

- c. Unknown physical conditions at the site of any unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Agreement.

In addition to giving written notice as described above upon encountering material that the Contractor believes may be "hazardous waste" as defined above, Contractor also shall immediately stop all work to any area affected by said material, if continuing work may present a substantial danger to persons or property exposed to the materials in connection with any work at the site. These obligations pertaining to "hazardous waste" shall apply only to such "hazardous waste" not shown or indicated in the Agreement documents to be within the scope of work.

The District, or the Contractor, if the District so directs in its sole discretion, shall promptly investigate the conditions, determine the necessity to retain a qualified expert to evaluate such hazardous condition, and/or to take corrective action, if necessary, and if the District finds that the conditions do materially differ, or do involve hazardous waste, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the work, the District shall cause to be issued a change order.

Contractor shall not be required to resume work in connection with such hazardous condition identified in the Agreement documents, or in any such affected area until after District has obtained any required permits related thereto and delivered to Contractor special written notice: (i) specifying that such condition and any affected area is or has been rendered safe for the resumption of work, or (ii) specifying any special conditions under which such work may be resumed safely.

In the event that a dispute arises between the District and the Contractor whether the conditions materially differ, or involve hazardous waste (other than that shown or indicated in the Agreement documents), or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by the Agreement, but shall proceed with all work to be performed under the Agreement provided that, if after receipt of the special written notice described above in this paragraph 22, Contractor does not agree to resume such work based upon a reasonable belief that it is unsafe to do so, or does not agree to resume such work under the special conditions specified in said special written notice, the District may at its sole election order the portion of the work affected by said hazardous waste to be deleted from the work, and the District may thereupon have the portion of the work so deleted performed by District's own forces or by separate Agreement(s). The Contractor shall retain any and all rights provided either by Agreement or by law which pertain to the resolution of disputes and protests between the contracting parties.

No claim of the Contractor under this clause (or otherwise under this Agreement) shall be allowed unless the Contractor has given written notice of its intention to make claim (which shall be labeled "Notice of Potential Claim") before beginning any work that it contends is not required under the Agreement, or in within five (5) days of receipt of a decision of the District rejecting the Contractor's request for additional compensation or a time extension. Such Notice of Potential Claim shall state the circumstances and the reasons for the claim, but need not state the amount.

It is agreed that unless such notice is properly given, the Contractor shall not recover costs incurred by it as a result of the alleged extra work, changed work, or other situation which, had proper notice been given, would have given rise to a right for additional compensation. The Contractor should understand that timely notice of potential claim is of great importance to the District, and is not merely a formality. Such notice allows the District to consider preventative action, to monitor the Contractor's increased costs resulting from the situation, to marshal facts, and to plan its affairs.

In addition, the Contractor shall keep accurate records of its costs, and shall submit to the District on a weekly basis, a daily summary of the hours and classification of equipment and labor utilized on the

disputed work, as well as a summary of any materials or any specialized services which are used and for which compensation is being sought. Within thirty (30) days after incurring the last cost for work for which the Contractor contends it is due additional compensation, the Contractor shall submit to the District, as best it is able, its costs itemized in detail incurred for the claimed matter.

Should either party to this Agreement bring legal action against the other, the case shall be handled in the California county where the work is being performed.

The Contractor shall cooperate with forces engaged in sampling, investigation, and clean-up work pertaining to hazardous waste (whether or not said hazardous waste is shown or indicated in the Agreement documents) and shall conduct its operations in such a manner as to avoid any unnecessary delay or hindrance to the work being performed by such forces.

The District shall not be responsible for any such materials brought to the site by the Contractor, subcontractors, suppliers, or anyone else for whom the Contractor is responsible.

23. Retention

As specified in Public Contract Code Section 9203, District will deduct and retain five percent (5%) from each progress payment, if any, and will retain such amounts in accordance therewith as part security for the satisfactory and timely completion of the work until release thereof is required under Public Contract Code Section 7109.

In addition to the amount which the District may otherwise retain under the Agreement, the District may withhold a sufficient amount or amounts of any payment or payments otherwise due the Contractor, as in its judgment may be necessary to cover just claims against the Contractor or any subcontractor for labor or materials furnished for the performance of this Agreement, damage to the District or a third party, and any costs or penalties imposed because of the failure of the Contractor or any subcontractor to comply with environmental, labor, employee safety, or any other regulatory requirements. When the above reasons for withholding are resolved, payment may be made to the Contractor for amounts withheld less any District incurred expenses.

- a. Pursuant to Public Contract Code Section 22300, for moneys earned by the Contractor and withheld by the District to ensure the performance of the Agreement or otherwise as provided above, the Contractor may, at their option, choose to substitute securities, meeting the requirements of said Section 22300. In the event the Contractor wishes to choose this option, the Contractor shall enter into an escrow agreement with the District and the escrow agent, a qualified bank to be acceptable to the District, in the form of the agreement included in the project specifications. The costs of such escrow shall be paid by the Contractor. The securities to be deposited in said escrow account shall be equivalent, in fair market value, to the amount to be withheld as performance retention. The securities shall be held in accordance with the provisions of Public Contract Code Section 22300, and the implementing agreement.
- b. Contractor shall have the obligation of ensuring that such securities deposited are sufficient so as to maintain, in total fair market value, an amount equal to the cash amount of the sums to be withheld under the Agreement. If, upon written notice from the District, or from the appropriate escrow agent, indicating that the fair market value of the securities has dropped below the dollar amount of moneys to be withheld by the District to ensure performance, Contractor shall, within five (5) days of the date of such notice, post additional securities as necessary to ensure that the total fair market value of all such securities held by the District, or in escrow, is equivalent to the amount of money to be withheld by the District under the Agreement.

- c. If Contractor wishes to exercise this option, it shall, at the request of any subcontractor performing more than five percent (5%) of the Contractor's total bid/proposal price, make this same option available to the subcontractor regarding any moneys withheld in retention by the Contractor, and if the Contractor elects to receive interest on any moneys withheld in retention by the District, then the subcontractor shall receive the identical rate of interest on any retention moneys withheld from the subcontractor by the Contractor. In addition, if Contractor wishes to exercise its option to substitute securities, it shall give notice in writing to District, and shall thereafter execute an escrow agreement in the form entitled **SECURITY DEPOSITS IN LIEU OF RETENTION**.

24. Dispute Resolution

Under Public Contract Code Section 20104, where claims cannot be resolved between the parties, claims for Three Hundred Seventy Five Thousand Dollars (\$375,000) or less shall be resolved pursuant to the provisions of that code section.

Unless this Agreement provides otherwise, all claims, counterclaims, disputes, and other matters in question between the District and the Contractor that are not resolved between the District and the Contractor, and are not governed by Public Contract Code 20104, shall be decided by a court of competent jurisdiction unless arbitration is mutually agreeable to both parties. Should either party to this Agreement bring legal action against the other, the case shall be handled in the California county where the work is being performed.

25. Underground Work

The following provisions will govern any underground work under this Agreement.

- a. For each excavation five (5) feet or more in depth, Contractor shall provide shoring, bracing, sloping, or make other provisions in accordance with Labor Code Section 6705, to protect workers from hazard of caving ground during such excavation. In addition, the Contractor shall submit, sufficiently in advance of excavation to permit review by the District, detailed plans showing the design of the provisions to be made for worker protection from hazard of caving ground during such excavation. If such plans vary from the shoring system standards set forth in the Construction Safety Orders in Title 8, California Code of Regulations, the plans shall be prepared and signed by a registered civil or structural engineer. Shoring, bracing, sloping, or other protective system shall not be less effective than required by the California Construction Safety Orders, and shall be accepted by the District before excavation may begin. The Contractor shall designate in writing to the District's Construction Administrator the "competent person" with the authority and responsibilities designed in the Construction Safety Orders. By submitting its plan, the Contractor warrants that its actions pursuant thereto shall not impose tort liability on the District, its consultants, and their respective employees, agents.
- b. As required under Government Code Sections 4216 to 4216.9, the Contractor shall notify the appropriate regional notification center of all excavations. The Contractor shall contact Underground Service Alert at 1-800-642-2444 for the location of underground facilities. At least two (2) days before performing any excavation work, the Contractor shall request the owners of underground facilities to mark or otherwise indicate the location thereof. Contractor shall furnish to the Construction Administrator written documentation of its contact(s) with Underground Service Alert and of its contact(s) with such owners requesting them to mark or otherwise indicate the location of their respective facilities.
- c. It shall be the Contractor's responsibility to determine the exact location and depth of all underground facilities, including service connections, which have been marked by the respective owners, and which Contractor believes may affect or be affected by Contractor's operations. The

Contractor assumes responsibility for the removal, relocation, or protection of existing underground facilities wherein said facilities are correctly marked and/or delineated with reasonable accuracy on District's plans, and other underground facilities apparent from visual inspection of the site or which can be inferred from the presence of other visible facilities such as buildings, meters, junction boxes, etc., on or adjacent to the construction site. The Contractor shall coordinate with the owner of underground facilities for the rearrangement thereof. Full compensation for such work shall be considered as included in the price specified in Section 3 ("Payment") of the Agreement. Temporary or permanent relocation or alteration of underground facilities desired by the Contractor for its own convenience shall be the Contractor's responsibility and it shall make arrangements and bear all costs.

- d. The Contractor shall immediately notify the District and the owner of any underground facility that it has damaged. The Contractor shall be responsible for the cost of repairing and/or relocating damaged utility mains and other underground facilities correctly marked and/or delineated with reasonable accuracy on District's plans, and other facilities apparent from visual inspection of the site or which can be inferred from the presence of other visible facilities. In the event that underground facilities are found that are not shown in the District's plans or are found to exist in a substantially different location than shown in the District's plans, the Contractor shall immediately: (1) notify the District in writing of the existence of said facilities; and (2) take steps to ascertain the exact location thereof prior to doing any further work that may damage such facilities. The Contractor shall be entitled to compensation for the costs of locating, repairing damage not due to the failure of the Contractor to exercise reasonable care, and removing or relocating facilities other than those for which the Contractor is the responsible party under the preceding paragraph.
- e. The right is reserved to the District and the owners of underground facilities or their authorized agents to enter upon the work area for the purpose of making such changes as are necessary for the rearrangement of their facilities or for making necessary connections or repairs thereto. The Contractor shall cooperate with such forces so as to allow the respective owners sufficient time to relocate their underground facilities. Except where the owner of a damaged underground facility or installation has advised that it intends to repair the damage through its own forces or forces that it will retain or has retained, Contractor shall, within twenty four (24) hours of receipt from the District of notice to commence correction of damage, notify the District, in writing, if Contractor intends to repair the damage. The Contractor's failure to provide timely written notification that it intends to repair the damage shall be deemed its agreement that the District may repair the damage at Contractor's expense without further notice and without prejudice to any other remedy available to District.

26. Forms Included as Part of the Agreement

- a. Proposed Subcontractor's Form
- b. Non-Collusion Declaration
- c. Faithful Performance Bond
- d. Payment Bond
- e. Workers' Compensation Insurance Certificate
- f. Security Deposits in Lieu of Retention
- g. Warranty Form
- h. Certification of Drug-Free Workplace Requirements

The Proposed Subcontractor's Form, Non-Collusion Affidavit and Certification of Drug-Free Workplace Requirements shall be completed and submitted with the Agreement. The Contractor will be required to complete and submit the Faithful Performance Bond, Payment Bond, and Workers' Compensation Insurance Certificate within ten (10) days of award of the Agreement, and before any work starts under the terms of the Agreement.

27. Warranty and Scheduled Maintenance

The Contractor hereby agrees to make, at its own expense, all repairs or replacements necessitated by defects in materials or workmanship, in those components provided, installed, replaced and/or modified by the Contractor, and pay for any damage to other works resulting from such defects, which becomes evident within one (1) year after the date of acceptance of installation work, or within such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Agreement. This warranty shall include all parts and labor and the performance of all manufacturers' recommended maintenance. This in no way shall limit, amend or reduce any manufacturer's warranty. The Contractor further assumes responsibility for a similar guarantee for all work and materials provided by subcontractors. This warranty shall not apply to existing equipment that was not modified or significantly adjusted so as to change its operation. The Contractor also agrees to indemnify, defend and hold the District harmless from liability of any kind arising from damage due to covered defects.

Prior to the final acceptance of installation work, the Contractor shall provide phone numbers for around-the-clock notification of the need for emergency service repairs, a schedule showing specific dates for routine maintenance service calls, and shall execute and submit a completed Warranty Form in the format approved by the District.

The Contractor shall respond within two (2) hours of District's emergency service call and shall provide on-site troubleshooting services within forty eight (48) hours after receipt of notice from the District, and promptly make all repairs arising out of defective materials, workmanship, or equipment. In the event that a service response does not occur within two (2) hours, or troubleshooting services are not on-site within seventy two (72) hours, or diligent efforts are not made to effect repairs, the District will notify the Contractor (by fax or voice mail if no representative is available) of its intent to secure another service provider. Thereafter, the District is authorized to make such repairs, and the Contractor and his Surety shall be liable for the cost thereof. In case of emergency, where, in the opinion of the District, delay could cause serious loss or damage, repairs may be made without notice being sent to the Contractor, and the expense in connection therewith shall be charged to the Contractor, and his Surety shall be liable for the cost thereof.

The Contractor shall direct all of its equipment suppliers and/or manufacturers to promptly provide to it and to the District any and all information concerning product defects or other problems and shall promptly forward to the District any such information received, whether before, during, or after the warranty period.

Prior to the expiration of the warranty period, the District reserves the right to hold a meeting and require the attendance of the Contractor. The purpose of the meeting is to review warranties, bonds, and maintenance requirements, and determine required repair or replacement of defective items.

*** END OF ATTACHMENT A ***

PROPOSED SUBCONTRACTORS

Pursuant to California Public Contracting Code, Section 4100 et. seq., the following list gives the name, business address, and portion of work (description of work to be done) for each subcontractor that will be used in the work if awarded the Agreement. The Contractor shall list only one subcontractor for each portion of the work (as defined by the Contractor for the purpose of listing subcontractors). (Additional supporting data may be attached to this page. Each page shall be sequentially numbered, and headed "Proposed Subcontractors" and shall be signed.)

Name	Business Address	Description of Work	% of Work	Status*
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Name of Proposer

* Status M = Minority-Owned Business Enterprise
 W = Women-Owned Business Enterprise

NON-COLLUSION DECLARATION

The undersigned declares:

I am the _____ of _____, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____ [date], at _____ [city], ____ [state].

Signature

Public Contract Code Section 7106

FAITHFUL PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS, THAT, WHEREAS, Dublin San Ramon Services District, hereinafter designated the "District," has, on _____, 20____, awarded to McGuire and Hester, Inc. hereinafter designated as the "Contractor," an Agreement for Recycled Water Expansion Phase 1 – Distribution To Western Dublin And Alameda County Facilities (CIP 15-R009), and

WHEREAS, said Contractor is required under the terms of said Agreement to furnish a bond for the faithful performance of said Agreement.

NOW, THEREFORE, WE, the Principal, and _____, as Surety, are held and firmly bound unto the District the penal sum of _____ Dollars (\$ _____) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, it or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and faithfully perform the covenants, conditions, and agreements in the said Agreement and any alterations made as therein provided, on it or their part to be kept and performed, at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless, the District, its officers and agents as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

It is acknowledged that this Agreement provides for a one-year warranty period, during which time this bond remains in full force and effect.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Agreement or to the Work to be performed thereunder or the specifications accompanying the same shall, in any way, affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Agreement or to the Work or to the specifications. Said Surety hereby waives the provisions of Sections 2819 and 2845 of the Civil Code of the State of California.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument under their seals this _____ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

PRINCIPAL:

Name

Title

(Seal)

Signature

SURETY:

Name

Title

(Seal)

Signature

PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS, THAT, WHEREAS, Dublin San Ramon Services District, hereinafter designated as the "District," has, on _____, 20____, awarded to McGuire and Hester, Inc., hereinafter designated as the "Principal," an Agreement for Recycled Water Expansion Phase 1 – Distribution To Western Dublin And Alameda County Facilities (CIP 15-R009), and

WHEREAS, under the terms of said agreement, Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the District, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4, and more specifically described in Section 9554, of the Civil Code of the State of California.

NOW, THEREFORE, said Principal and the undersigned, duly authorized to transact business under the laws of the State of California, as corporate surety, are held firmly bound unto District, and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid and referred to in the aforesaid Civil Code of the State of California, in the sum of _____ Dollars (\$_____), as specified in Section 9554 of the Civil Code, to pay a person authorized under Section 9100 to assert a claim against a payment bond (whether for materials furnished or labor thereon of any kind), or to pay amounts due under the Unemployment Insurance Act with respect to such work or labor performed pursuant to the above agreement, or to pay amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and subcontractors under Section 13020 of the Unemployment Insurance Code with respect to the work and labor, that said surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney’s fees, incurred by the District in successfully enforcing such obligation, to be awarded and fixed by the Court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Section 9100 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

THE SURETY hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said agreement or the specifications accompanying the same and stipulates and agrees that no such change, extension of time or alteration or addition shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and surety above named, on _____, 20____.

PRINCIPAL:

Name and Title

(Seal)

Signature

SURETY:

Name and Title

(Seal)

Signature

WORKERS' COMPENSATION INSURANCE CERTIFICATE

In accordance with California Labor Code Section 1861, prior to commencement of work on the Agreement, the Contractor shall sign and file with the District the following certification:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

Signature

Name of Contractor

Title

Date

SECURITY DEPOSITS IN LIEU OF RETENTION

This Escrow Agreement is made and entered into by and between:

Dublin San Ramon Services District

whose address is 7051 Dublin Blvd., Dublin, California, 94568-3018, hereinafter called "District," and
_____ whose address is _____

_____ hereinafter called "Contractor," and _____
whose address is _____

_____ hereinafter called "Escrow Agent."

For the consideration hereinafter set forth, the District, Contractor, and Escrow Agent agree as follows:

1. Pursuant to Section 22300 of the Public Contract Code of the State of California, Contractor has the option to deposit securities which meet the requirements set forth in said Section 22300, with Escrow Agent, as a substitute for retention earnings required to be withheld by District pursuant to the Construction Contract entered into between District and Contractor for _____
_____ in the amount of _____ dated _____ (hereinafter referred to as the "Contract"). Alternatively, on written request of the Contractor, the District shall make payments of the retention earnings directly to the Escrow Agent. When Contractor deposits the securities as a substitute for Contract earnings, the Escrow Agent shall notify the District within ten (10) days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the Contract between the District and Contractor. Securities shall be held in the name of District, and shall designate the Contractor as the beneficial owner.
2. District shall make progress payments to Contractor for such funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent holds securities in the form and amount specified above.
3. When the District makes payment of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until such time as the escrow created under this Contract is terminated. The Contractor may direct the investment of the payments into securities. All terms and conditions of this agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the District pays the Escrow Agent directly.
4. Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the Escrow Account, and all expenses of the District. These expenses and payment terms shall be determined by the District, Contractor and Escrow Agent.
5. The interest earned on the securities or the money market accounts held in escrow and all interest earned on that interest shall be for the sole account of Contractor and shall be subject to withdrawal by Contractor, at any time and from time to time, without notice to the District.
6. Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written authorization from District to the Escrow Agent that District consents to the withdrawal of the amount sought to be withdrawn by Contractor.
7. The District shall have a right to draw upon the securities in the event of default by the Contractor. Upon seven (7) days' written notice to the Escrow Agent from the District of the default, the Escrow Agent shall immediately convert the securities to cash and shall distribute the cash as instructed by the District.

8. Upon receipt of written notification from the District certifying that the Contract is final and complete, and that the Contractor has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to Contractor all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all moneys and securities on deposit and payments of fees and charges.
9. Escrow Agent shall rely on the written notifications from the District and the Contractor pursuant to Sections (5) to (8), inclusive, of this Agreement, and District and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest as set forth above.
10. The names of the persons who are authorized to give written notice or to receive written notice on behalf of the District and on behalf of Contractor in connection with the foregoing, and exemplars of their respective signatures are as follows:

ON BEHALF OF DISTRICT:

 Title

 Name

 Signature

 Address

ON BEHALF OF CONTRACTOR:

 Title

 Address

 Signature

 Address

ON BEHALF OF ESCROW AGENT:

 Title

 Name

 Signature

 Address

At the time the Escrow Account is opened, District and Contractor shall deliver to the Escrow Agent a fully executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date first set forth above.

DISTRICT:

 Title

 Name

 Signature

 Address

CONTRACTOR:

 Title

 Address

 Signature

 Address

WARRANTY FORM

Warranty For

(Project/Component)

(Location)

We hereby guarantee the _____ (Project/Component) that we have constructed for a period of (__) year(s) from _____ (Date) the date of final acceptance by the Dublin San Ramon Services District of the installation work.

The following are excluded from the provisions of this warranty:

We agree that if any of the equipment should fail due to any reason other than improper maintenance or improper operation, or should any portion of the work fail to fulfill any of the requirements of the Agreement, including without limitation the Scope of Work, we will, within five (5) days after receipt of written notice of such defects, provide on-site troubleshooting services, and within ten (10) days after receipt of written notice, commence to repair or replace the same together with any other work which may be damaged or displaced in so doing.

In the event of our failure to comply with the above mentioned conditions or should the exigencies of the case require repairs or replacements to be made before we can be notified or respond to notification, we do hereby authorize the Dublin San Ramon Services District to proceed to have the defect repaired and made good at our expense, and we will pay the cost therefor upon demand.

The warranty provided herein shall not be in lieu of, but shall be in addition to any warranties or other obligations otherwise imposed by the Agreement and by law.

Contractor: _____

Signed: _____

Title: _____

Date: _____

CERTIFICATION OF DRUG-FREE WORKPLACE REQUIREMENTS

DRUG-FREE WORKPLACE CERTIFICATION

CONTRACTOR/APPLICANT:

The contractor or applicant named above hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The above named contractor or applicant will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees about all of the following:
 - (a) The dangers of drug abuse in the workplace,
 - (b) The person's or organization's policy of maintaining a drug-free workplace,
 - (c) Any available counseling, rehabilitation and employee assistance programs, and
 - (d) Penalties that may be imposed upon employees for drug abuse violations.
3. Provide as required by Government Code Section 8355(c), that every employee who works on the proposed contract or loan:
 - (a) Will receive a copy of the company's drug-free policy statement, and
 - (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or loan.

CERTIFICATION

I, the official named below, hereby swear that I am duly authorized legally to bind the contractor or loan recipient to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

OFFICIAL'S NAME: _____

DATE EXECUTED: _____ EXECUTED IN COUNTY OF: _____

CONTRACTOR/APPLICANT SIGNATURE: _____

TITLE: _____

October 22, 2014

Sent Via Email @delight@dsrsd.com

Attention: Steven Delight
Senior Engineer
Dublin San Ramon Services District

Reference: Gleason Drive Recycled Water Main Extension Project Rev 1
Madigan Waterline Replacement Rev 1

See Attached Proposal Schedule of Values

Exclusions:

1. Cathodic protection design and installation.
2. Water Meters supplied by DSRSD.
3. Relocation, protection and removal of existing utilities, sub-surface obstructions or debris. It is assumed that all proposed improvements are free of conflicts.
4. Handling, removal or disposal of hazardous or contaminated substances.
5. Subgrade or trench stabilization by means of ripping, sub-excavation, fabric, chemical treatment, etc.
6. Tree trimming, root pruning, protection or arborist services.
7. Overtime, shift premiums or liquidated damages.
8. Traffic plans and fees.
9. Survey and construction staking.
10. Testing and inspection.
11. Permits and fees.

Clarifications:

1. Price based on the award of the complete scope of work included herein.
2. All other work not specifically included shall be considered excluded from this proposal.
3. The inclusions, exclusions, and clarifications noted in this proposal shall be made a part of the contract and shall supersede any conflicting provisions.
4. This proposal is valid for (30) days from the date of this proposal.
5. Project schedule to be mutually agreeable and will allow M&H to perform its work in an efficient sequence and manner. M&H to receive a copy of the baseline and subsequent schedule updates.
6. Proposal includes 1 ea move-in(s). Costs of additional move-ins may include additional equipment mobilizations and losses in production charges due to interruptions in operations.
7. Proposal based on unobstructed access to all areas of work.
8. Final price is subject to review of the final plans and permit requirements.
9. This proposal is based on using recycled Class 2 aggregate base.
10. On-site construction water to be provided by client. Hydrant meter and imported water costs by others.
11. All soil or soil rock mixtures to be exported from the site shall be free of deleterious materials and are assumed to not contain detectable concentrations of organic chemical contaminants or concentrations of



inorganic chemical contaminants in excess of background levels typical for native soil in the area. In addition, the soil material is assumed to be suitable for unrestricted re-use on residential or commercial sites. Owner to provide all necessary soil sampling and analysis requested by soil re-use site.

12. Native excavated material is assumed to be acceptable, without treatment, for trench zone backfill.
13. Proposal based on a contract agreement that is mutually agreeable.

Thank you for the opportunity to provide our proposal. If you have any questions, please feel free to call.

Sincerely,

McGuire & Hester

A handwritten signature in black ink, appearing to read "Bruce W. Daseking". The signature is fluid and cursive, with a large loop at the end.

Bruce W. Daseking
Chief Estimator

Encl.

Estimate No.: 140365

10/22/2014

13:38

140365

DSRSD - GLEASON DR RW EXT

*** Bruce Daseking

BID TOTALS

<u>Biditem</u>	<u>Description</u>	<u>Quantity</u>	<u>Units</u>	<u>Unit Price</u>	<u>Bid Total</u>
	**** GLEASON RW EXT ****	0.000			
1		1.000	LS	40,000.00	40,000.00
10	MOB AND DE MOB	25.000	EA	850.00	21,250.00
11	POTHOLE EX UTILITY	1.000	LS	2,000.00	2,000.00
20	SHORING AND BRACING	3,597.000	LF	107.00	384,879.00
30	10" RW PVC	242.000	LF	224.00	54,208.00
40	6" RW PVC	570.000	LF	170.00	96,900.00
50	4" RW PVC	1.000	LS	10,000.00	10,000.00
60	6" METER 1 EA 6"GV	1.000	EA	6,500.00	6,500.00
65	4" METER 1 EA 4" GV (STA 42+00+/-)	2.000	EA	17,900.00	35,800.00
70	2" SERVICE AND METER	1.000	LS	40,000.00	40,000.00
80	1 1/2" BARNET SERVICE AND METER	5.000	EA	5,500.00	27,500.00
90	1" SERVICE AND METER	1.000	EA	9,500.00	9,500.00
100	BLOW OFF STD DETAIL W-12	1.000	EA	17,000.00	17,000.00
110	FIRE HYD STD DETAIL W-32	3.000	EA	3,600.00	10,800.00
120	10" GATE VALVE	1.000	EA	2,000.00	2,000.00
130	6" GATE VALVE	1.000	EA	1,700.00	1,700.00
140	4" GATE VALVE	2.000	EA	3,000.00	6,000.00
150	AIR VALVE STD DETAIL W-15B	1.000	LS	17,000.00	17,000.00
160	CONNECT TO EX 20" RW WITH TAPPING VALV				

---- SUB TOTAL GLEASON RW ----

\$783,037.00

199	**** MADIGAN DW REPLACEMENT ****	0.000			
210	MOB AND DEMOB	1.000	LS	11,000.00	11,000.00
220	SHORING AND BRACING	1.000	LS	500.00	500.00
221	POTHOLE EX UTILITY	15.000	EA	850.00	12,750.00
230	8" DW PVC	737.000	LF	218.00	160,666.00
240	8" DW GATE VALVE	2.000	EA	2,500.00	5,000.00
250	AIR VALVE STD DETAIL W-15B	1.000	EA	3,000.00	3,000.00
255	CONNECT TO EX 12" @ GLEASON	1.000	EA	12,000.00	12,000.00
260	ABANDON EX 8" DW (PLUG ENDS)	1.000	LS	750.00	750.00
265	EXTEND FH TO NEW MAIN	1.000	EA	7,200.00	7,200.00
270	EXTEND 4" SERVICE TO NEW MAIN	1.000	EA	4,800.00	4,800.00
275	RECONNECT EX 4" SERVICE TO NEW MAIN	2.000	EA	4,500.00	9,000.00
280	RECONNECT 1" SERVICE TO NEW MAIN	2.000	EA	1,400.00	2,800.00

---- SUB TOTAL MADIGAN DW ----

\$229,466.00

299	***** ALLOWANCES *****	0.000			
310	SLURRY SEAL FOR CITY OF DUBLIN	1.000	LS	10,000.00	10,000.00
320	DIRECT DRILL JAIL RW SERVICE & CONNECT	1.000	LS	53,600.00	53,600.00
330	F&I RW TAGS (2 EA/BOX)	300.000	EA	100.00	30,000.00

---- SUB TOTAL ALLOWANCES ----

\$93,600.00

10/22/2014
140365
*** Bruce Daseking

13:38
DSRSD - GLEASON DR RW EXT

BID TOTALS

<u>Biditem</u>	<u>Description</u>	<u>Quantity</u>	<u>Units</u>	<u>Unit Price</u>	<u>Bid Total</u>
		Bid Total	=====>		\$1,106,103.00

**Notes:
Items in italics are Non-Additive.

DISTRICT STANDARD PROCEDURES, SPECIFICATIONS AND DRAWINGS

Available online:

<http://www.drsd.com/do-business-with-us/planning-and-permitting/standard-procedures-specifications-and-drawings>



Dublin San Ramon Services District

Gleason Drive Recycled Water Main Extension Project

Dublin, California
September 2014

100% DESIGN SUBMITTAL

SYMBOLS & LEGEND

	EXST	NEW
VALVE	⊗	⊗
FIRE HYDRANT	⊕	⊕
CATCH BASIN	⊙	⊙
STORM DRAIN MANHOLE	⊗	⊗
SANITARY SEWER MANHOLE	⊙	⊙
WATER LINE	— W —	— W —
RECYCLED WATER	— RW —	— RW —
STORM DRAIN	— SD —	— SD —
SANITARY SEWER	— SS —	— SS —

ABBREVIATIONS

AC ASPHALTIC CONCRETE	FB FIRE BRICK	SL STREETLIGHT
APRX APPROXIMATE	FO FIBER OPTIC	SS SANITARY SEWER
BTM BOTTOM	GR GRADE	STA STATION
CB CATCH BASIN	IE INVERT ELEVATION	STD STANDARD
C CENTERLINE	LF LINEAL FEET	S/W SIDEWALK
CLR CLEAR	MATL MATERIAL	TEL TELEPHONE
CONN CONNECT	MH MANHOLE	TV TELEVISION
CPLG COUPLING	MIN MINIMUM	TYP TYPICAL
DIA DIAMETER	N NORTH	VCP VITRIFIED CLAY PIPE
DI DUCTILE IRON	PVC POLYVINYL CHLORIDE	W WEST, WATER
E EAST	PWR POWER	W/ WITH
ECC ECCENTRIC	R&R REMOVE AND REPLACE	WTR WATER
ELEV ELEVATION	S SOUTH, SLOPE	
EXST EXISTING	SD STORM DRAIN	

GENERAL NOTES

- ALL RECYCLED WATER LINE CONSTRUCTION SHALL CONFORM TO THE DUBLIN SAN RAMON SERVICES DISTRICT STANDARD PROCEDURES, SPECIFICATIONS AND DRAWINGS AND CITY OF DUBLIN ENCROACHMENT PERMIT REQUIREMENTS. TRENCH BACKFILL AND RESURFACING WITHIN CITY OF DUBLIN PUBLIC ROAD (GLEASON DR) SHALL CONFORM TO THE CITY OF DUBLIN STANDARD DETAIL CD-801. TRENCH BACKFILL AND RESURFACING WITHIN COUNTY PUBLIC ROAD (MADIGAN ROAD AND BRODER BLVD) SHALL CONFORM TO THE DSRSD MADIGAN WATERLINE REPLACEMENT PROJECT PLANS SHEET C2. TRENCH BACKFILL OUTSIDE PAVEMENT SHALL CONFORM TO STANDARD DETAIL G-1. CLASS B AND CLASS 2 AB SHALL BE USED FOR PIPE EMBEDMENT.
- EXISTING UTILITIES AND STRUCTURES (UNDERGROUND, SURFACE, OR OVERHEAD) ARE INDICATED ONLY TO THE EXTENT THAT SUCH INFORMATION WAS KNOWN, OR MADE AVAILABLE TO, OR DISCOVERED BY THE ENGINEER IN PREPARING THE DRAWINGS. THE LOCATIONS, CONFIGURATIONS, AND ELEVATIONS OF SUBSURFACE FACILITIES AND UTILITIES ARE APPROXIMATE, AND NOT ALL UTILITIES (INCLUDING SERVICE CONNECTIONS) AND FACILITIES MAY BE INDICATED. THE ENGINEER INVESTIGATIONS, LOCATION, AND DESIGNATION OF SUBSURFACE UTILITIES INDICATED IN THESE CONTRACT DOCUMENTS HAS BEEN PERFORMED TO QUALITY LEVEL "D" IN ACCORDANCE WITH GENERALLY ACCEPTED ENGINEERING PRINCIPLES AND PRACTICES AS OUTLINED IN ASCE STANDARD AND GUIDELINE BULLETIN C/ASCE 38-02 UNLESS OTHERWISE DESIGNATED. WHERE SUCH ACTIVITIES HAVE BEEN TO A HIGHER LEVEL OF QUALITY, THE HIGHER QUALITY LEVEL FOR THE AFFECTED AREAS IS INDICATED IN THE CONTRACT DOCUMENTS.
- CONTRACTOR SHALL BE FULLY RESPONSIBLE FOR LOCATING UNDERGROUND UTILITIES. ENGINEER ACCEPTS NO RESPONSIBILITY FOR THE COMPLETE ACCURACY OF UTILITIES SHOWN ON THE PLANS. CONTRACTOR SHALL NOTIFY UNDERGROUND SERVICE ALERT (U.S.A.) BY CALLING 811 PRIOR TO CONSTRUCTION.
- CALL PG&E 48 HOURS IN ADVANCE TO REQUEST "STANDBY" WHEN WORKING NEAR (WITHIN 5 FEET) OR CROSSING GAS LINES.
- THE RIGHT OF WAY LINES, PROPERTY LINES AND EASEMENT LINES SHOWN ON THE PLANS ARE APPROXIMATE AND FOR ILLUSTRATION PURPOSES ONLY. THEY SHALL NOT BE USED FOR THE PURPOSE OF DETERMINING THE ACCURATE BOUNDARIES IN THE FIELD. DISTRICT HAS A 30' WIDE EASEMENT ALONG SOUTH SIDE OF BRODER BLVD. DISTRICT WILL STAKE THE EASEMENT IN THE FIELD PRIOR TO CONSTRUCTION.
- CONTRACTOR SHALL MAINTAIN PROPERTY OWNERS' ACCESS TO THEIR PROPERTIES AT ALL TIMES. CONTRACTOR SHALL MAINTAIN EMERGENCY VEHICLE ACCESS AT ALL TIMES.
- CONTRACTOR SHALL MINIMIZE THE DAMAGE TO THE EXISTING PAVEMENT, SIDEWALK, CURB AND GUTTERS CAUSED BY CONSTRUCTION VEHICLE OPERATION. CONTRACTOR SHALL REPAIR DAMAGE CAUSED BY SUCH OPERATIONS TO PRE-CONSTRUCTION CONDITIONS AT NO ADDITIONAL COST TO THE OWNER.
- NEW PIPE MATERIAL SHALL BE C-900 DR 14 PVC CONFORMING TO STANDARD SPECIFICATION SECTIONS IV-B1-1 AND II-B1-1.01. DI TO BE USED WHERE INDICATED ON DRAWINGS. VALVE AND METER BOXES SHALL CONFORM TO STANDARD SPECIFICATION SECTION IV-B1-2.04. IDENTIFICATION TAGS SHALL CONFORM TO STANDARD SPECIFICATION SECTION IV-B1-2.07. TRACER WIRE SHALL CONFORM TO STANDARD SPECIFICATION SECTION IV-B1-2.09. THRUST BLOCKS SHALL CONFORM TO STANDARD SPECIFICATION SECTION IV-B1-2.10. VALVES SHALL CONFORM TO STANDARD SPECIFICATION SECTION II-B1-2.01. ALL BOLTS AND NUTS SHALL BE 304 STAINLESS STEEL. ALL METERS WILL BE SUPPLIED BY DSRSD.
- INSTALLATION SHALL BE PER STANDARD SPECIFICATION SECTION IV-B2. INSPECTION AND TESTING SHALL BE PER STANDARD SPECIFICATION SECTION IV-B3.
- CONNECTION TO THE EXISTING 20" RW LINE AT GLEASON DRIVE SHALL CONFORM TO STANDARD SPECIFICATION IV-B4.
- CONTRACTOR SHALL USE TRENCH SHORING AS REQUIRED BY CAL-OSHA AND STANDARD SPECIFICATION SECTION I-D4-7. IN ALL AREAS, EXCAVATION SUPPORT SYSTEMS SHALL BE DESIGNED BY THE CONTRACTOR TO SUPPORT EARTH PRESSURE, UNRELIEVED HYDROSTATIC PRESSURES, BOTTOM HEAVE, UTILITY LOADS, EQUIPMENT LOADS, APPLICABLE TRAFFIC LOADS, AND OTHER SURCHARGE LOADS IN SUCH MANNER AS WILL ALLOW SAFE CONSTRUCTION AND WILL PREVENT DAMAGE TO ADJACENT STRUCTURES (INCLUDING EXISTING PIPELINES AND UTILITIES) AND INJURY TO WORKERS AND THE PUBLIC. IN ADDITION, THE INSTALLATION OF EXCAVATION SUPPORT SYSTEMS SHALL NOT CAUSE A DISRUPTION TO PUBLIC CONVENIENCE OR ACCESS. ALL SHORING SHALL BE POSITIVE TYPE, MEANING THE SHORING MEMBERS SHALL APPLY POSITIVE PRESSURE AGAINST THE TRENCH WALL TO PREVENT TRENCH WALL LATERAL MOVEMENT. PASSIVE SHORING THAT DOES NOT APPLY PRESSURE AGAINST TRENCH WALL, SUCH AS TRENCH SHIELD, SHALL NOT BE ALLOWED. THE SHORING SHALL BE DESIGNED BY A PROFESSIONAL CIVIL OR STRUCTURAL ENGINEER LICENSED IN THE STATE OF CALIFORNIA WHO SHALL SIGN AND STAMP THE SHORING PLAN. EXCAVATION SUPPORT SYSTEMS SHALL BE DESIGNED TO RESIST THE FORCES CALCULATED FOR THE FULL DEPTH OF THE TRENCH, INCLUDING ANY OVER-EXCAVATION. SHORING DESIGN SHALL BE SUBMITTED TO THE ENGINEER FOR RECORD. ALL COSTS TO REPAIR AND/OR REPLACE DAMAGED FACILITIES (I.E. STREET PAVEMENT OR STRUCTURES) CAUSED BY DEFORMATION SHALL BE BORNE SOLELY BY THE CONTRACTOR.
- CONTRACTOR SHALL MAINTAIN RECORD DRAWING MARKUPS CURRENT DURING THE CONSTRUCTION AND SUBMIT RECORD DRAWING MARKUPS UPON COMPLETION OF THE PROJECT. THE RECORD DRAWING MARKUPS SHALL BE ACCEPTED BY THE ENGINEER PRIOR TO THE FINAL PAYMENT.

LOCATION MAP



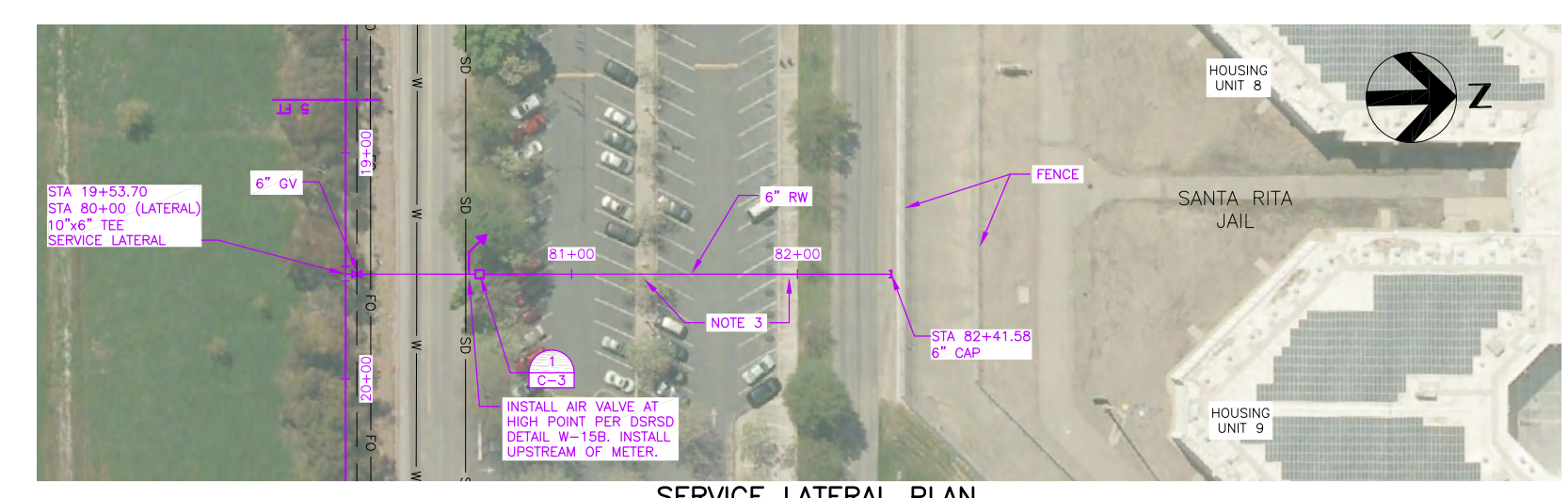
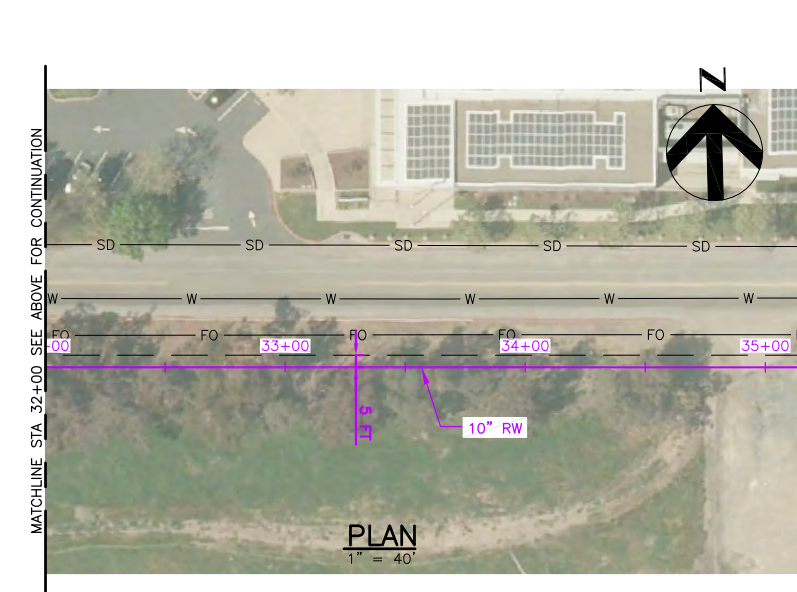
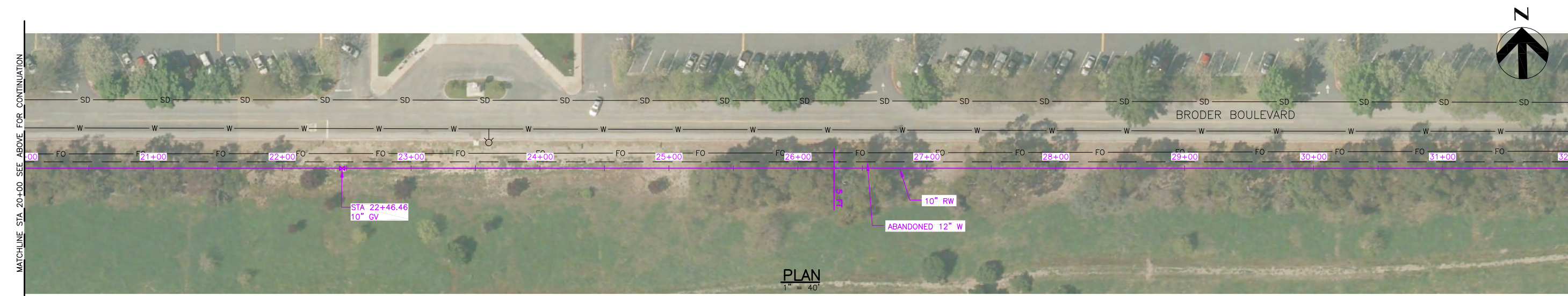
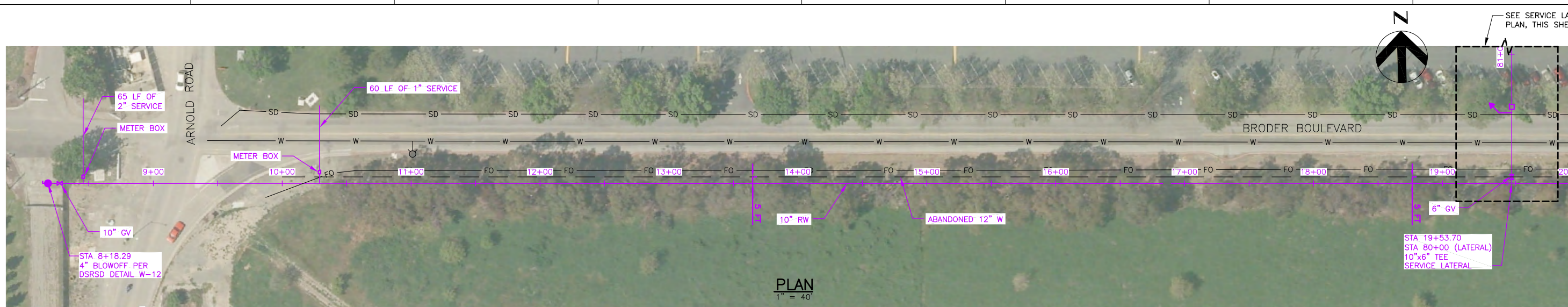
INDEX

G-1	LOCATION MAP, INDEX, GENERAL NOTES ABBREVIATIONS, SYMBOLS & LEGEND
C-1	BRODER BOULEVARD RECYCLED WATER MAIN PLAN
C-2	MADIGAN ROAD RECYCLED WATER MAIN PLAN AND BARNET BLVD SERVICE
C-3	DETAILS

APPROVAL SIGNATURES

DISTRICT ENGINEER APPROVAL	DATE
CITY OF DUBLIN ENCROACHMENT APPROVAL	DATE





- NOTES**
1. NEW RW MAIN IS TO BE ALIGNED APPROXIMATELY 5 FT SOUTH OF ABANDONED W MAIN.
 2. WHERE NEW RW MAIN CONFLICTS WITH ABANDONED W MAIN, THE RW MAIN ALIGNMENT MAY BE ADJUSTED TO THE SOUTH, BUT SHALL BE WITHIN THE STAKED EASEMENT.
 3. REMOVE AND REPLACE CURB, GUTTER AND SIDEWALK TO NEAREST CONSTRUCTION JOINT.



ISSUE	DATE	DESCRIPTION
0	9/19/14	100% SUBMITTAL

PROJECT MANAGER	XIANGQUAN LI
DESIGNED BY	XIANGQUAN LI
DESIGNED BY	
DRAWN BY	RICARDO SALCEDO
DRAWN BY	
CHECKED BY	KENT VONASPERN
CHECKED BY	
DATE	SEPTEMBER 2014
PROJECT NUMBER	235523



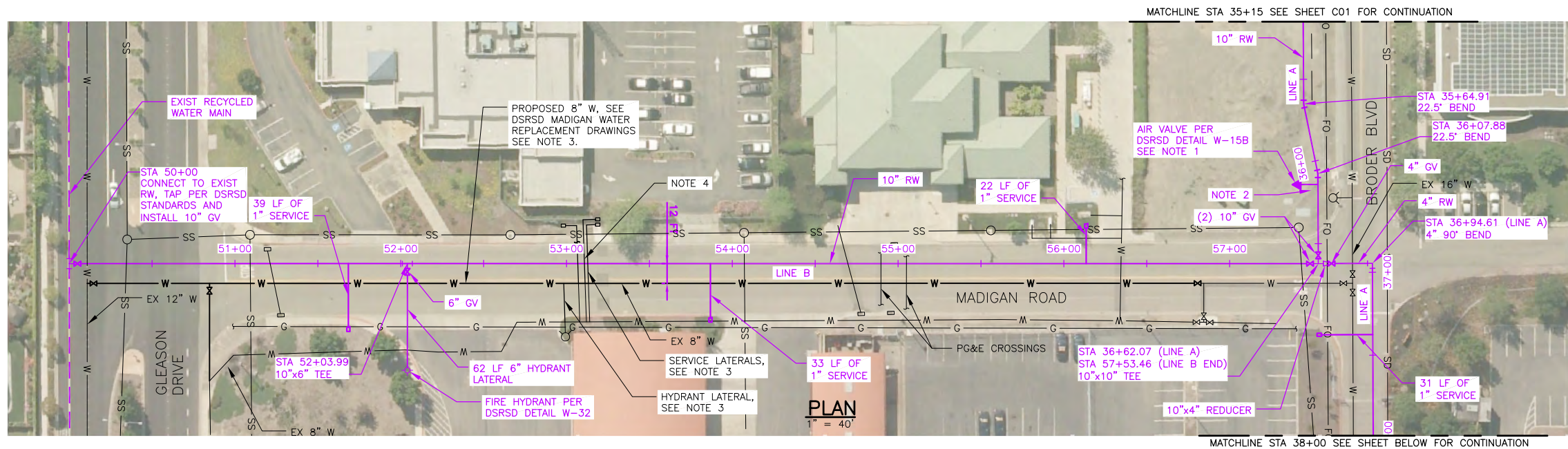
Dublin San Ramon Services District
 Water, wastewater, recycled water
GLEASON DRIVE RECYCLED WATER MAIN EXTENSION

BRODER BOULEVARD RECYCLED WATER MAIN PLAN

0 1" 2" SCALE: H: 1"=40'

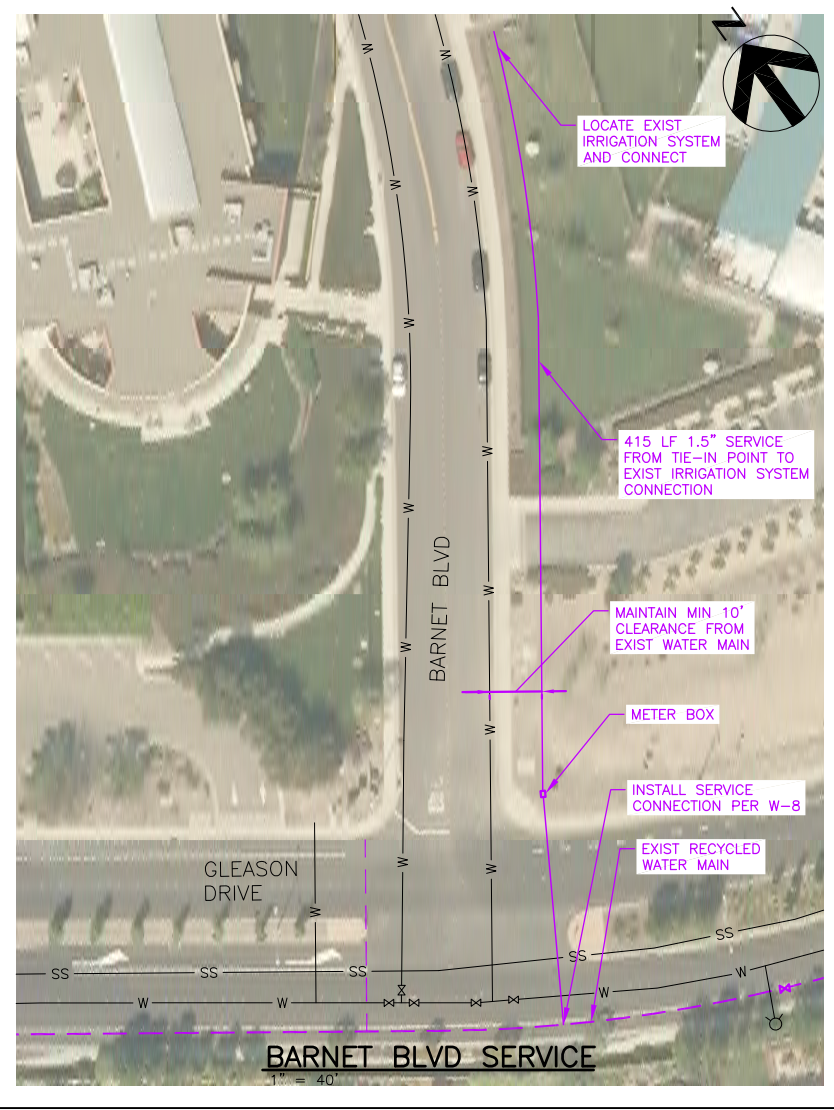
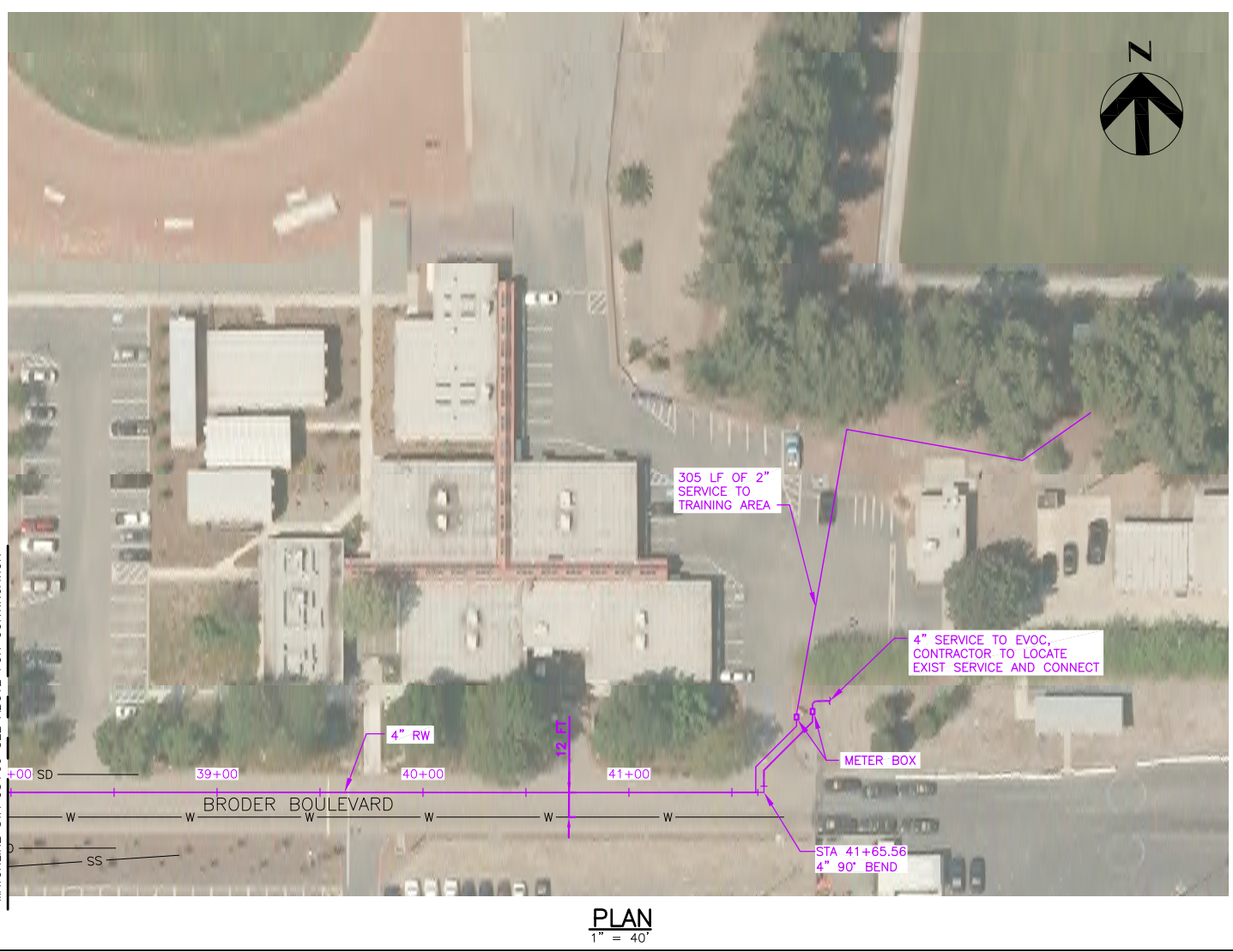
FILENAME: C-2.dwg
 SCALE: H: 1"=40'

142 of 239
 C-1
 2 of 4



NOTES

1. AIR VALVE LOCATION MAY BE FIELD ADJUSTED PER ENGINEER'S DIRECTION. ADDITIONAL AIR VALVE MAY BE ADDED PER THE ENGINEER'S DIRECTION AT THE BID PRICE.
2. REMOVE AND REPLACE FENCE AT THIS LOCATION
3. REFER TO DSRSD MADIGAN WATER REPLACEMENT PROJECT DRAWINGS CIP# 10-615 FOR WATER MAIN REPLACEMENT SCOPE, INCLUDING SERVICE LATERAL CONNECTIONS, HYDRANT LATERALS, AND EXISTING WATER MAIN ABANDONMENT.
4. LOCATE EXIST IRRIGATION SERVICE AND CONNECT TO NEW RW MAIN



ISSUE	DATE	DESCRIPTION
0	9/19/14	100% SUBMITTAL

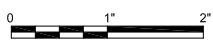
PROJECT MANAGER	XIANGQUAN LI
DESIGNED BY	XIANGQUAN LI
DESIGNED BY	
DRAWN BY	RICARDO SALCEDO
DRAWN BY	
CHECKED BY	KENT VONASPERN
CHECKED BY	
DATE	SEPTEMBER 2014
PROJECT NUMBER	235523

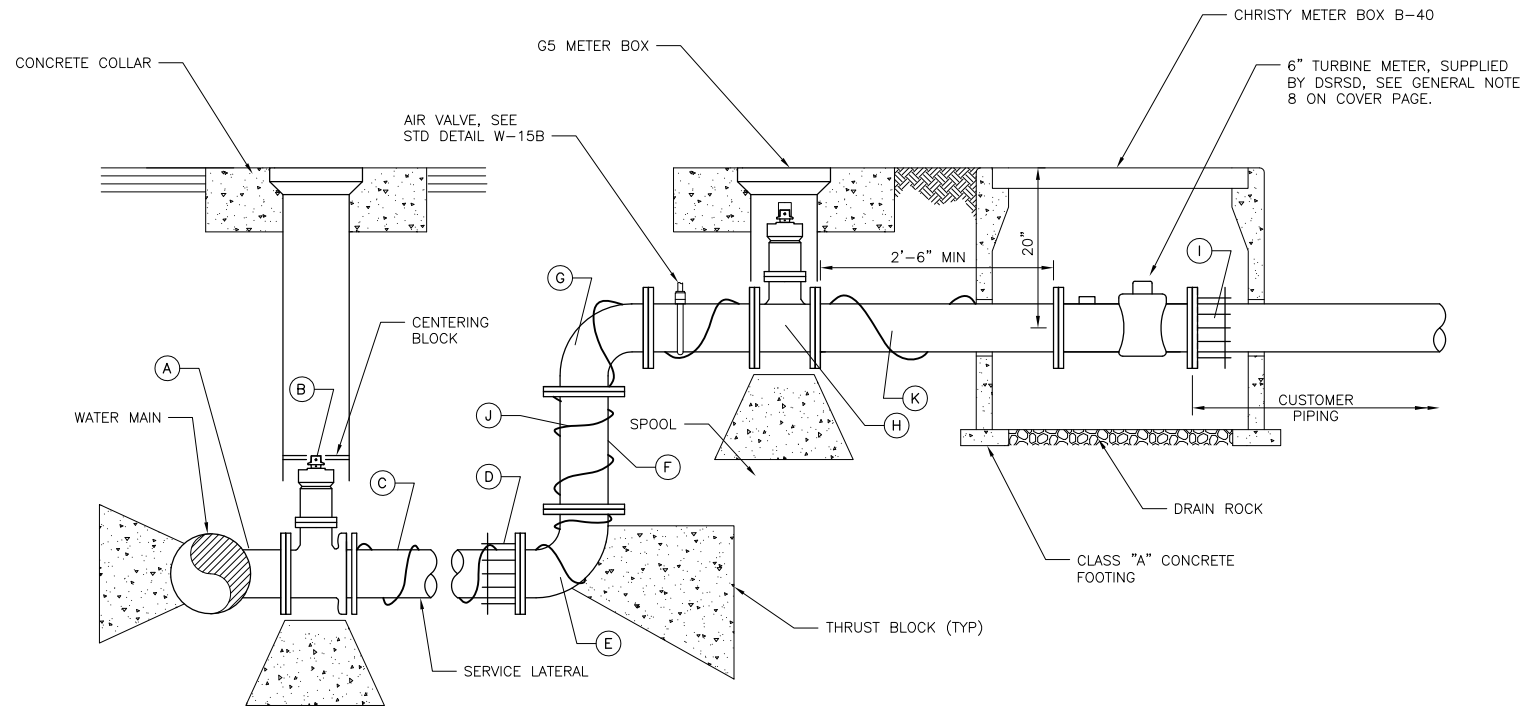



Dublin San Ramon Services District
Water, wastewater, recycled water

GLEASON DRIVE RECYCLED WATER MAIN EXTENSION

MADIGAN ROAD RECYCLED WATER MAIN PLAN AND BARNET BLVD SERVICE


 FILENAME | C-1.dwg
 SCALE | H: 1"=40'



KEY	MATERIALS
A	10"x6" TEE OR CROSS, FLANGE ENDS
B	6" TAPPING GATE VALVE, FLANGE x MJ
C	6" DIP OR PVC
D	6" FCA
E	6" DIP ELL, FLG x FLG
F	6" DIP SPOOL, FLG x FLG
G	6" DIP ELL, FLG x FLG
H	6" GATE VALVE, FLG x FLG
I	6" FLANGE x MJ ADAPTER FLANGE
J	TW#10 TRACER WIRE, EXTEND INTO METER BOX
K	6" DIP SPOOL, MIN 2'-6" LENGTH

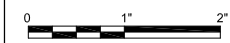
NOTES
 1. ALL THRUST BLOCKS TO BE POURED AGAINST UNDISTURBED SOIL

6" METER INSTALLATION
 NTS 



ISSUE	DATE	DESCRIPTION
0	9/19/14	100% SUBMITTAL

PROJECT MANAGER	XIANGQUAN LI
DESIGNED BY	XIANGQUAN LI
DRAWN BY	RICARDO SALCEDO
CHECKED BY	KENT VONASPERN
DATE	SEPTEMBER 2014
PROJECT NUMBER	235523



DETAILS
 FILENAME C-3.dwg
 SCALE AS NOTED

CAMP PARKS RFTA

FCI

SANTA RITA JAIL

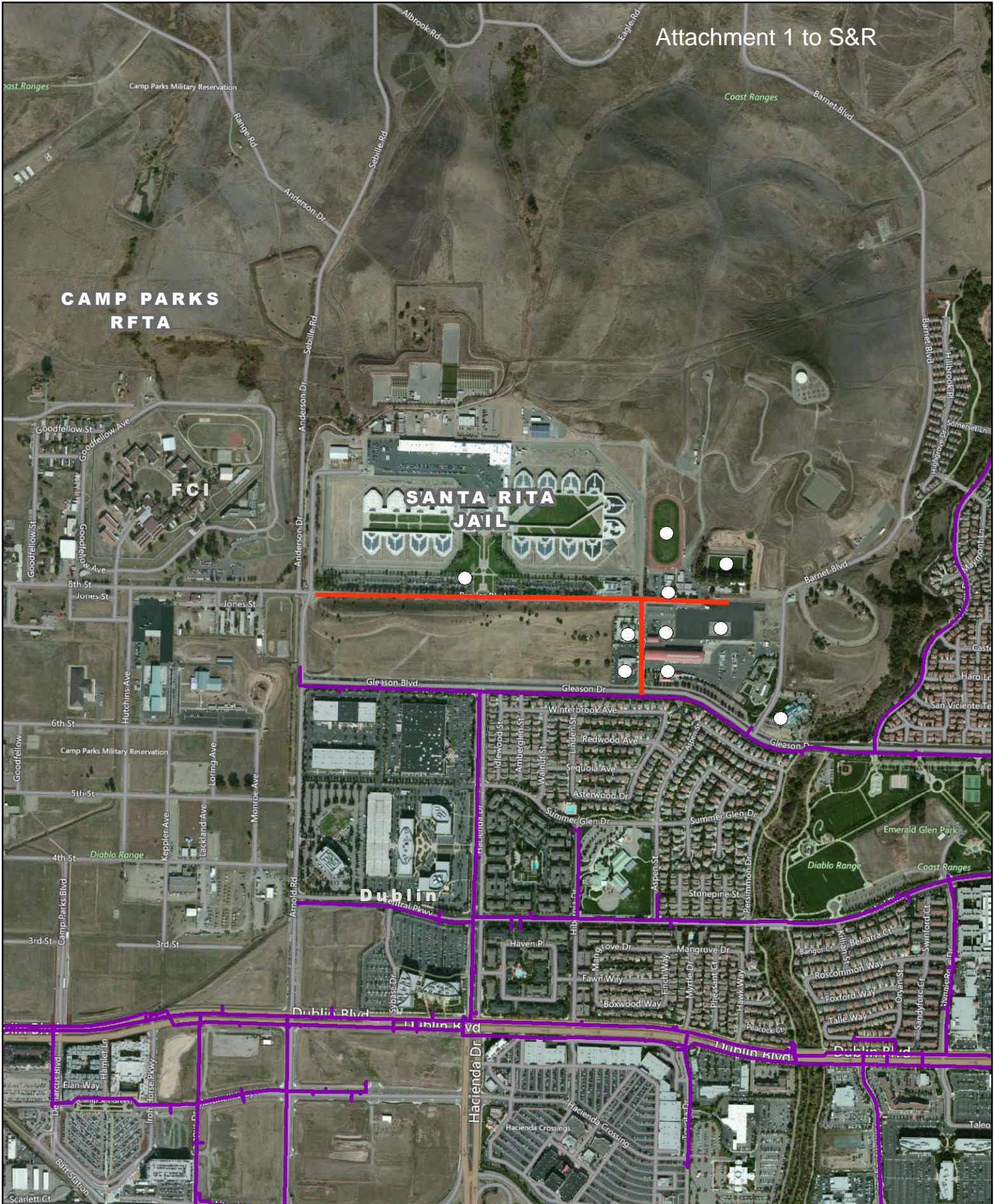
Dublin

RECYCLED WATER PIPELINE TO SANTA RITA JAIL

- New Connections
- Proposed Pipeline Alignments
- Existing



925 462.5 0 925 Feet





Reference Treasurer	Type of Action Accept Financial Statements	Board Meeting of November 18, 2014
Subject Accept Financial Statements for Year Ended June 30, 2014 with Independent Auditors' Report		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input checked="" type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	J. Archer
		<input type="checkbox"/> Board Member

Recommendation:

The Treasurer recommends that the Board accept, by Motion, the Financial Statements for the year ended June 30, 2014 with Independent Auditors' Report.

Summary:

Maze and Associates has audited the financial statements of Dublin San Ramon Services District. Their audit report of the District's Basic Financial Statements for the Year Ended June 30, 2014 is attached. The primary financial statements show the water and sewer enterprises as a whole with supplementary statements showing each of the District's funds individually. These individual fund statements give a better picture of how each of the District's enterprise (or operations) funds did over the last year.

The Memorandum on Internal Control is also attached.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Archer	DEPARTMENT Fin Serv	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. Financial Statements for Year Ended June 30, 2013 with Independent Auditors' Report 2. Memorandum on Internal Control and Required Communications 3.				
<small>H:\Board\2014\11-18-14\Accept Financial Statements\Summary and Rec - Accept Financial Statements.dotx.doc</small>						146 of 239

**DUBLIN SAN RAMON SERVICES DISTRICT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

This Page Left Intentionally Blank

**DUBLIN SAN RAMON SERVICES DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis.....	3
FINANCIAL STATEMENTS	
Statement of Net Position	8
Statement of Revenues and Expenses and Changes in Fund Net Position.....	10
Statement of Cash Flows	11
NOTES TO BASIC FINANCIAL STATEMENTS	13
SUPPLEMENTARY INFORMATION	
Sewer Operations	
Combining Statement of Net Position.....	38
Combining Statement of Revenues and Expenses and Changes in Fund Net Position	39
Regional Sewer Operations	
Combining Statement of Net Position.....	40
Combining Statement of Revenues and Expenses and Changes in Fund Net Position	41
Local Sewer Operations	
Combining Statement of Net Position.....	42
Combining Statement of Revenues and Expenses and Changes in Fund Net Position	43

**DUBLIN SAN RAMON SERVICES DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

Table of Contents

Water Operations

Combining Statement of Net Position..... 44

Combining Statement of Revenues and Expenses and Changes in Fund Net Position 45

Water Funds

Combining Statement of Net Position..... 46

Combining Statement of Revenues and Expenses and Changes in Fund Net Position 47

Allocations

Combining Statement of Net Position..... 48

Combining Statement of Revenues and Expenses and Changes in Fund Net Position 49

INDEPENDENT AUDITORS' REPORT

Board of Directors
Dublin San Ramon Services District
Dublin, California

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities, and each major fund of the Dublin San Ramon Services District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the business-type activities and each major fund of the District as of June 30, 2014, and the respective changes in the financial positions and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Management adopted the provisions of Governmental Accounting Standards Board Statement 65 – *Items Previously Reported as Assets and Liabilities*, which became effective during the year ended June 30, 2014. See note 1K to the financial statements for relevant disclosures.

The emphasis of this matter does not constitute a modification to our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District’s basic financial statements as a whole. The Supplementary Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Pleasant Hill, California
October 13, 2014

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2014 and 2013

Financial Highlights for Fiscal Year 2014

- ✓ Total assets increased by \$4.1 million or 0.9%
- ✓ Total liabilities decreased by \$6.3 million or 5.9%
- ✓ The District's net position increased \$10.4 million or 3.0%.
- ✓ Total revenues increased \$1.2 million or 1.7%
- ✓ Total expenses increased \$4.5 million or 7.8%

Overview of the Financial Statements

The following overview of the financial activities of Dublin San Ramon Services District summarizes changes in the District's Basic Financial Statements which consist of the Statement of Net Position, Statement of Revenues and Expenses and Changes in Fund Net Position, Statement of Cash Flows, and Notes to Financial Statements. The main purpose of these statements is to provide the reader with sufficient information to assess whether or not the District's overall financial position has improved or deteriorated. Increases or decreases in net position over time are an indicator of the District's overall financial health and should be considered together with management's short and long-term plans for prospectively financing operations and programs.

The Statement of Net Position includes all District assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). This statement provides data for calculating analytical review measures such as rate of return, capital structure, and liquidity. Revenues and expenses are accounted for in the Statement of Revenues and Expenses and Changes in Fund Net Position. This statement measures the success of District operations for the year and determines cost recovery through user fees and other charges, profitability, and credit worthiness. The Statement of Cash Flows provides information about District cash receipts and disbursements and net changes in cash that result from operating activities, non-capital financing activities, capital financing activities and investing activities. Thus, the Statement of Cash Flows shows sources and uses of cash.

The format of the District's financial statements is in accordance with business-type activities known as enterprise funds. Enterprise funds are self-supporting funds that charge fees to users to cover the costs of operation, maintenance, and recurring capital replacement (OM&R), and are similar to the accounting methods used by private sector companies. Enterprise funds report on the accrual basis of accounting recognizing all assets, liabilities, revenues and expenses applicable as of the financial statement date.

The District is governed by a Board of Directors, which sets policy, adopts budgets and appoints a General Manager to direct operations. There are five Directors elected at-large to overlapping four-year terms.

Changes in Net Position

The following condensed statements, Statement of Net Position (Table 1) and Statement of Revenues and Expenses and Changes in Fund Net Position (Table 2), are presented in a comparative format together with dollar and percentage of change from the previous year, to help the reader analyze financial activity.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2014 and 2013

TABLE 1
Condensed Statements of Net Position

	Fiscal Year Ended 2014	Fiscal Year Ended 2013	Increase (Decrease)	% Change	Fiscal Year Ended 2012	% Change
Current and restricted assets	\$ 132,813,452	\$ 125,399,268	\$ 7,414,184	5.9%	\$ 114,814,273	9.2%
Capital assets	318,764,933	321,292,876	(2,527,943)	-0.8%	322,653,837	-0.4%
Other assets	13,063,587	13,848,924	(785,337)	-5.7%	12,491,402	10.9%
Total assets	<u>464,641,972</u>	<u>460,541,068</u>	<u>4,100,904</u>	0.9%	<u>449,959,512</u>	2.4%
Current and restricted liabilities	12,148,687	13,546,277	(1,397,590)	-10.3%	12,805,610	5.8%
Long-term liabilities	88,891,024	93,813,534	(4,922,510)	-5.2%	97,708,098	-4.0%
Total liabilities	<u>101,039,711</u>	<u>107,359,811</u>	<u>(6,320,100)</u>	-5.9%	<u>110,513,708</u>	-2.9%
Net position						
Net investment in capital assets	234,213,401	233,439,184	774,217	0.3%	231,488,157	0.8%
Restricted for expansion	48,406,861	47,665,749	741,112	1.6%	43,200,700	10.3%
Restricted for assessment district	893,405	718,648	174,757	24.3%	789,272	-8.9%
Unrestricted	80,088,594	71,357,676	8,730,918	12.2%	63,967,675	11.6%
Total net position	<u>\$ 363,602,261</u>	<u>\$ 353,181,257</u>	<u>\$ 10,421,004</u>	3.0%	<u>\$ 339,445,804</u>	4.0%

During the fiscal year ended June 30, 2014 (FYE 2014) total assets increased a 0.9% or \$4.1 million. This increase was primarily in cash and investments offset by a decrease in capital assets due to annual recording of depreciation and amortization. For a more detailed looked at the increase in cash, see Statement of Cash Flows on page 11.

Total liabilities decreased \$6.3 million or 5.9% during the fiscal year. This is primarily due to paying down \$3.3 million of long-term debt (see Financial Statement Note 7 – Long-term Debt); plus a decrease in unearned revenue of \$1.2 million in the Water enterprise, as developers used capacity reserve fees paid in prior years to cover current fees on development.

Overall the District's total net position increased \$10.4 million or 3.0% during FYE 2014; the increase is principally in unrestricted net position. Unrestricted net position increased \$8.7 million due to a combination of increased rates and customer growth.

DUBLIN SAN RAMON SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2014 and 2013

TABLE 2

Condensed Statements of Revenues and Expenses and Changes in Fund Net Position

	Fiscal Year Ended 2014	Fiscal Year Ended 2013	Increase (Decrease)	% Change	Fiscal Year Ended 2012	% Change
Operating revenues - sewer	\$20,772,099	\$20,112,373	\$ 659,726	3.3%	\$18,969,087	6.0%
Operating revenues - water	24,992,374	23,255,332	1,737,042	7.5%	21,640,712	7.5%
Other revenues	7,715,632	7,888,376	(172,744)	-2.2%	6,702,916	17.7%
Investment income	1,376,221	149,815	1,226,406	818.6%	625,049	-76.0%
Capacity reserve fees	13,093,842	18,786,036	(5,692,194)	-30.3%	18,752,586	0.2%
Contributions	4,735,340	1,294,145	3,441,195	265.9%	2,261,767	-42.8%
Total revenues	<u>72,685,508</u>	<u>71,486,077</u>	<u>1,199,431</u>	<u>1.7%</u>	<u>\$68,952,117</u>	<u>3.7%</u>
Operating expenses - sewer	22,146,801	21,714,869	431,932	2.0%	23,868,357	-9.0%
Operating expenses - water	26,747,142	22,720,553	4,026,589	17.7%	22,823,640	-0.5%
Depreciation	10,900,456	10,760,074	140,382	1.3%	9,944,178	8.2%
Non-operating expenses	<u>2,470,105</u>	<u>2,555,128</u>	<u>(85,023)</u>	<u>-3.3%</u>	<u>2,637,397</u>	<u>-3.1%</u>
Total expenses	<u>62,264,504</u>	<u>57,750,624</u>	<u>4,513,880</u>	<u>7.8%</u>	<u>59,273,572</u>	<u>-2.6%</u>
Increase in fund net position	<u>\$ 10,421,004</u>	<u>\$ 13,735,453</u>	<u>\$ (3,314,449)</u>	<u>-24.1%</u>	<u>\$ 9,678,545</u>	<u>41.9%</u>

In FYE 2014, the District had an increase in total revenues of \$1.2 million compared to FYE 2013. The District saw a \$2.3 million increase in operating revenues, which was primarily in the Water enterprise, due to customer growth and rate increases. There was also a \$1.2 million increase in investment income, due to an unrealized gain in the market value of investments held. The revenues from contributions of sub-surface lines by developers to the District increased by \$3.4 million over FYE 2013 as developers completed larger developments. These increases were offset by a \$5.7 million decrease in capacity reserve fees; this decrease was primarily in the Sewer enterprise, due to a change in procedure as to when these fees are collected from developers. The developer now pays the capacity reserve fee as building permits are approved by the city rather paying in advance for the entire development when plans are submitted for review.

Total expenses increased \$4.5 million during FYE 2014. The increase was primarily in the Water enterprise due to the cost of installing advanced metering infrastructure, which integrated meters, communications networks and data management systems.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2014 and 2013

Capital Assets and Debt

During FYE 2014, the District purchased, had contributed, or transferred from construction in progress the following assets:

Contributed sub-surface lines	\$4,735,340
Constructed sub-surface lines	4,399,425
Building construction and improvements	1,239,824
Wastewater treatment plant equipment	1,199,640
Computer network equipment	137,436
Vehicles	18,396
	<u>\$11,730,061</u>

In FYE 2014 the District had the following additions to construction in progress:

Wastewater treatment plant improvements	\$2,267,719
Network and communication improvements	466,104
Potable water system improvements	350,960
Local sewer system improvements	69,765
Improvement to emergency power system	46,875
	<u>\$3,201,423</u>

There were many improvement projects at the wastewater treatment plant in FYE 2014. The largest projects, totaling almost \$1.8 million, included improving fencing and security, rehabilitating a secondary clarifier, replacing an underground fuel tank and improving the cogeneration system. Several small projects, all under \$75,000, totaled \$0.5 million

For additional information on capital assets see Financial Statement Note 4 – Capital Assets

The changes in long-term debt are as follows:

Debt Payable	Balance at 6/30/2013	Additions	Principal Payments	Balance at 6/30/2014
Bank Note - Sewer	\$12,890,289		\$1,754,699	\$11,135,590
Water Revenue Refunding Bonds	35,620,000		260,000	35,360,000
LAVWMA Obligation	39,343,403		1,287,461	38,055,942
	<u>\$87,853,692</u>	<u>\$ -0-</u>	<u>\$3,302,160</u>	<u>\$84,551,532</u>

In FYE 2014, there were no additions to debt and total principal repaid was \$3.3 million. For additional information on the District's debt obligations, see Financial Statement Note 7 – Long-term debt.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2014 and 2013

Rates and Other Economic Factors

The District is not subject to variations in general economic conditions, such as increases or declines in property tax values or sales taxes. Accordingly, the District sets its rates to cover the costs of operations, maintenance, replacement (OM&R), and debt-financed capital improvements.

Contacting the District

This financial report is designed to provide our customers, investors and creditors with a general overview of the District's finances and to show accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the Financial Services Department at 7051 Dublin Blvd., Dublin, California 94568; 925-828-0515.

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2013

ASSETS	2014			2013
	Sewer	Water	Totals	
Current assets:				
Pooled cash	\$10,825,813	\$5,693,854	\$16,519,667	\$6,653,737
Pooled investments	69,897,399	36,806,391	106,703,790	108,919,178
Restricted investments				327,352
Accounts receivable	3,589,189	5,250,151	8,839,340	8,783,664
Receivable from Water Fund	213,515		213,515	207,834
Interest receivable	110,049	57,587	167,636	166,427
Employee notes receivable	6,292		6,292	7,293
Deferred capacity reserve fees receivable	347,638		347,638	331,443
Prepaid expenses	12,170	3,404	15,574	2,340
Total current assets	85,002,065	47,811,387	132,813,452	125,399,268
Non-current assets:				
Capital assets:				
Property, plant and equipment	232,796,870	177,790,797	410,587,667	398,870,656
Less accumulated depreciation	75,135,084	42,470,201	117,605,285	106,717,878
Net property, plant and equipment	157,661,786	135,320,596	292,982,382	292,152,778
Land and construction in progress	15,113,401	10,669,150	25,782,551	29,140,098
Total capital assets	172,775,187	145,989,746	318,764,933	321,292,876
Other assets:				
Receivable from Water Fund	217,785		217,785	428,220
Net OPEB asset	8,315,655	3,818,797	12,134,452	12,052,156
Deferred charges				575,118
Deferred capacity reserve fees receivable - long term	711,350		711,350	793,430
Total other assets	9,244,790	3,818,797	13,063,587	13,848,924
Total non-current assets	182,019,977	149,808,543	331,828,520	335,141,800
Total assets	267,022,042	197,619,930	464,641,972	460,541,068

(Continued)

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2013

	2014			2013
	Sewer	Water	Totals	
LIABILITIES				
Current liabilities:				
Accounts payable	\$1,014,865	\$3,084,335	\$4,099,200	\$4,999,258
Contractor bonds and deposits	401,520	424,042	825,562	815,721
Accrued expenses	580,629		580,629	1,180,064
Accrued compensated absences	790,244	453,404	1,243,648	1,272,451
Interest payable	162,580	812,195	974,775	1,004,727
Payable to Sewer Fund		213,515	213,515	207,834
Current portion of long-term debt	3,187,926	270,000	3,457,926	3,302,160
Unearned revenue and other liabilities	753,432		753,432	764,062
Total current liabilities	<u>6,891,196</u>	<u>5,257,491</u>	<u>12,148,687</u>	<u>13,546,277</u>
Long-term liabilities:				
Long-term debt				
less current portion	46,003,606	35,090,000	81,093,606	84,551,532
Payable to Sewer Fund		217,785	217,785	428,220
DLD remediation reserve	690,000		690,000	663,000
Unearned revenue	711,350	6,178,283	6,889,633	8,170,782
Total long term liabilities	<u>47,404,956</u>	<u>41,486,068</u>	<u>88,891,024</u>	<u>93,813,534</u>
Total liabilities	<u>54,296,152</u>	<u>46,743,559</u>	<u>101,039,711</u>	<u>107,359,811</u>
NET POSITION				
Net investment in capital assets	123,583,655	110,629,746	234,213,401	233,439,184
Restricted for:				
Expansion	41,438,750	6,968,111	48,406,861	47,665,749
Assessment district		893,405	893,405	718,648
Unrestricted	47,703,485	32,385,109	80,088,594	71,357,676
Total net position	<u>\$212,725,890</u>	<u>\$150,876,371</u>	<u>\$363,602,261</u>	<u>\$353,181,257</u>

See accompanying notes to basic financial statements

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Sewer	Water	Total	
OPERATING REVENUES				
Wastewater service charges	\$20,772,099		\$20,772,099	\$20,112,373
Water sales		\$24,992,374	24,992,374	23,255,332
Other revenues	2,132,199	5,583,433	7,715,632	7,888,376
Total operating revenues	22,904,298	30,575,807	53,480,105	51,256,081
OPERATING EXPENSES				
Personnel	10,592,780	6,337,006	16,929,786	16,751,956
Materials	2,407,784	11,124,624	13,532,408	13,249,757
Contractual services	8,941,705	9,041,875	17,983,580	14,132,427
Other	204,532	243,637	448,169	301,282
Depreciation	6,653,263	4,247,193	10,900,456	10,760,074
Total operating expenses	28,800,064	30,994,335	59,794,399	55,195,496
OPERATING LOSS	(5,895,766)	(418,528)	(6,314,294)	(3,939,415)
NONOPERATING REVENUES (EXPENSE)				
Investment income	897,313	478,908	1,376,221	149,815
Interest expense	(519,970)	(1,950,135)	(2,470,105)	(2,555,128)
Total non-operating revenues (expense), net	377,343	(1,471,227)	(1,093,884)	(2,405,313)
LOSS BEFORE CONTRIBUTIONS	(5,518,423)	(1,889,755)	(7,408,178)	(6,344,728)
Non-cash contributions	1,397,100	3,338,240	4,735,340	1,294,145
Capital contributions - capacity reserve fees	7,879,118	5,214,724	13,093,842	18,786,036
Changes in net position	3,757,795	6,663,209	10,421,004	13,735,453
TOTAL NET POSITION, BEGINNING OF YEAR	208,968,095	144,213,162	353,181,257	339,445,804
TOTAL NET POSITION, END OF YEAR	\$212,725,890	\$150,876,371	\$363,602,261	\$353,181,257

See accompanying notes to basic financial statements

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Sewer	Water	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers, users and joint powers authorities	\$23,011,840	\$30,399,355	\$53,411,195	\$50,375,345
Payments for services and supplies	(12,362,712)	(21,064,097)	(33,426,809)	(27,012,871)
Payments to or on behalf of employees	(10,693,016)	(6,346,868)	(17,039,884)	(18,536,930)
Net Cash Provided (Used) by Operating Activities	(43,888)	2,988,390	2,944,502	4,825,544
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds		(204,754)	(204,754)	(203,760)
Due from other funds	204,754		204,754	203,760
Net Cash Provided by Noncapital Financing Activities	204,754	(204,754)		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	(3,042,160)	(260,000)	(3,302,160)	(3,311,988)
Interest paid on long-term debt	(467,585)	(1,457,354)	(1,924,939)	(2,548,639)
Acquisition and construction of capital assets	(3,046,874)	(590,299)	(3,637,173)	(8,104,968)
Capacity reserve fees collected	7,852,293	4,015,655	11,867,948	18,680,876
Net Cash Provided (Used) by Financing Activities	1,295,674	1,708,002	3,003,676	4,715,281
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	899,595	475,417	1,375,012	116,799
Purchase of investment securities	(11,466,000)	(6,034,000)	(17,500,000)	(47,130,000)
Redemptions of investment securities	9,266,350	1,534,866	10,801,216	23,444,884
Proceeds (purchase) of other investments	327,352	19	327,371	(9,632)
Proceeds of LAIF investments	5,840,553	3,073,600	8,914,153	8,842,707
Net Cash Provided (Used) by Investing Activities	4,867,850	(950,098)	3,917,752	(14,735,242)
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,324,390	3,541,540	9,865,930	(5,194,417)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,501,423	2,152,314	6,653,737	11,848,154
CASH AND CASH EQUIVALENTS, END OF YEAR	\$10,825,813	\$5,693,854	\$16,519,667	\$6,653,737
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating (loss)	(\$5,895,766)	(\$418,528)	(\$6,314,294)	(\$3,939,415)
Adjustments to reconcile operating (loss) to net cash provided by (used) operating activities:				
Depreciation	6,653,263	4,247,193	10,900,456	10,760,074
Decrease (increase) in accounts receivable	118,266	(173,942)	(55,676)	(895,349)
Decrease (increase) in employees notes receivable	1,001		1,001	(7,293)
(Increase) decrease in prepaid expenses	(10,724)	(2,510)	(13,234)	14,613
(Increase) decrease in net OPEB asset	(87,366)	5,070	(82,296)	(1,901,482)
(Decrease) increase in accounts payable	(223,035)	(677,023)	(900,058)	456,383
(Decrease) increase in contractor bonds and deposits payable	(13,221)	23,062	9,841	53,467
(Decrease) increase in accrued expenses	(599,435)		(599,435)	150,745
(Decrease) increase in compensated absences	(13,871)	(14,932)	(28,803)	123,801
Increase in DLD remediation reserve	27,000		27,000	10,000
Total adjustments	5,851,878	3,406,918	9,258,796	8,764,959
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(\$43,888)	\$2,988,390	\$2,944,502	\$4,825,544
NON CASH TRANSACTIONS:				
Fair market value adjustment increase	\$294,030	\$154,734	\$448,764	\$194,682
Contributed assets	1,397,100	3,338,240	4,735,340	1,294,145

See accompanying notes to basic financial statements

This Page Left Intentionally Blank

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Dublin San Ramon Services District (the District) is organized under the Community Services District Act provisions of the general laws of the State of California and is governed by a five-member Board of Directors. The District, which was established in 1953 and became active in 1960, provides water, recycled water and wastewater collection and treatment services. The District's jurisdiction is approximately 26 square miles in the counties of Alameda and Contra Costa, California.

B. Basis of Accounting

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that costs and expenses, including depreciation, and providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and all liabilities of the enterprise are recorded on its statement of net position, and under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

A Major Fund is a fund whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all funds.

The District reports the following major Proprietary Funds:

Water Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects of the water system, which is funded by user charges and other fees.

Sewer Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects of the sewer system, which are funded by user charges and other fees.

C. Measurement Focus

Enterprise funds are accounted for on a cost of services or *economic resources* measurement focus, which means that all assets and all liabilities associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Reporting Entity

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria prescribed by Generally Accepted Accounting Principals (GAAP). As required by GAAP, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Financial accountability is interpreted to mean appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that there is a financial benefit or burden on the primary government.

In evaluating the financial reporting entity for purpose of preparing the basic financial statements, the District has determined it is financially accountable for the DSRSD Financing Corporation. The Corporation is a separate government entity whose purpose is to assist with the financing of certain public capital facilities for the District through the issuance of bonds or other forms of debt. The Corporation is controlled by the District and has the same governing body as the District, which also performs all accounting and administrative functions for the Corporation. The Corporation is included as a blended component unit in these basic financial statements.

E. Capital Assets

Capital assets, which include property, plant, and equipment are recorded at historical costs or estimated historical cost, if actual cost is not available. Contributed assets are recorded at estimated fair value on the date of contribution.

The District defines capital assets as assets with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of one year.

Depreciation is computed by the straight-line method based on the estimated useful lives of related asset classifications. The District has assigned the useful lives listed below to capital assets:

Land Improvements	15-25 years
Buildings	10-50 years
Equipment	5-25 years
Sub-surface lines	25-50 years
Intangibles - Reclaimed Water Rights	41 years
Intangibles – Sewer Capacity Rights	20 years

F. Cash Flows Defined

For purpose of the statements of cash flows the District defines cash and cash equivalents to include all cash in deposit accounts and cash on hand but does not include cash held in escrow for restricted purposes.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accounts Receivable

The District bills its water consumption and sewer usage on a cycle billing method. Cycle billing results in an amount of services rendered but not yet billed at year-end. The District has recorded this revenue by estimating the unbilled amount. The estimate was calculated by using the billing subsequent to the balance sheet date (June 30) and calculating the amount of service provided prior to June 30. This calculated amount is included in accounts receivable.

H. Accrued Compensated Absences

The liability for vested vacation pay is calculated and accrued on an annual basis. The amount is computed using current employee accumulated leave hours (excluding sick leave which does not vest) at current pay rates.

	Business Type Activities		Total
	Sewer	Water	
Summary of activity:			
Beginning balance	\$804,115	\$468,336	\$1,272,451
Additions	826,103	479,521	1,305,624
Payments	<u>(839,974)</u>	<u>(494,453)</u>	<u>(1,334,427)</u>
Ending balance - due within one year	<u>\$790,244</u>	<u>\$453,404</u>	<u>\$1,243,648</u>

I. Use of Estimates

The District's management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses and the disclosure of contingent liabilities to prepare these financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Actual results could differ from those estimates.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources expense until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Implementation of Governmental Accounting Standards Board Statement (GASB)

The District has implemented the requirements of the following GASB Pronouncement:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. This Statement required the District to remove its remaining unamortized bond issuance costs of \$497,115 for Water and \$78,003 for Sewer, previously reported as a non-current asset on the Statement of Net Position as of June 30, 2013. As the balance did not materially impact the District’s net position, the balance was expensed in the current fiscal year ended June 30, 2014.

NOTE #2 - CASH AND INVESTMENTS

A. Policies

California Law generally requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District’s cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District’s name and places the District ahead of general creditors of the institution. As of June 30, 2014, the District’s cash in bank was insured or collateralized as discussed above.

The District invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the District employs the Trust Department of a bank as the custodian of certain District managed investments, regardless of their form.

The District’s investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or Agency agreements.

Cash and cash equivalents	\$16,519,667
Investments	106,703,790
Total cash and investments	<u>\$123,223,457</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #2 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the District's Investment Policy

The District's Investment Policy and the California Government Code allow the District to invest in the following investment types provided the credit ratings of the issuers are acceptable to the District; and approved percentages and maturities are not exceeded.

The table below identifies those investments authorized by the Board of Directors in the District's investment policy, which was last adopted May 1, 2012. With the exception of Negotiable CDs, there are no restrictions on the maximum amount invested in each security type or issuer. Maturities on investments are limited to five years except that up to 10% of the portfolio is deemed the "long-term" portfolio and may be invested up to ten years.

Authorized Investment Type

Bonds issued by the District

United States Treasury notes, bonds, bills, or certificates of indebtedness

Registered state warrants or treasury notes or bonds of this state

Registered treasury notes or bonds of any of the other 49 United States

Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state

Federal agency or United States government-sponsored enterprise obligations

Negotiable certificates of deposit issued by a nationally or state-chartered bank or a savings association or federal association or a state or federal credit union or by a state-licensed branch of a foreign bank (limited to 30% of the portfolio).

Medium-term notes, defined as all corporate and depository institution debt securities (limited to 30% of surplus money).

Deposits with bank and savings and loan associations, including certificates of deposit, where the deposits are insured by FDIC

The Local Agency Investment Fund (LAIF)

Shares in California Asset Management Program (CAMP)

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #2 – CASH AND INVESTMENTS (Continued)

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 - 24 Months	25 - 60 Months	Total
U.S. Agency Securities:				
Callable	\$35,344,244	\$2,985,177		\$38,329,421
Non-callable	3,008,889		\$11,249,413	14,258,302
California Local Agency Investment Fund	31,514,001			31,514,001
Negotiable certificates of deposit	1,751,110	1,496,850	996,460	4,244,420
Medium term notes	5,036,727	4,046,632	9,268,470	18,351,829
California Asset Management Program	5,817			5,817
<i>Total Unrestricted Investments</i>	\$76,660,788	\$8,528,659	\$21,514,343	\$106,703,790

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2014, these investments matured in an average of 232 days.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #2 – CASH AND INVESTMENTS (Continued)

The District is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the “Act”) for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool’s investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2014, the fair value approximated is the District’s cost. At June 30, 2014, these investments have an average maturity of 37 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2014 for each investment type as provided by Standard and Poor’s.

Investment Type	AAA	AA+	AA	AA-	A	Total
U.S. Agency Securities:						
Callable		\$38,329,421				\$38,329,421
Non-callable		14,258,302				14,258,302
California Asset Management Program	\$5,817					5,817
Medium term notes		7,934,889	\$2,030,930	\$5,036,727	\$3,349,283	18,351,829
<i>Not rated:</i>						
California Local Agency Investment Fund						31,514,001
Negotiable certificates of deposit						4,244,420
<i>Total Unrestricted Investments</i>	\$5,817	\$60,522,612	\$2,030,930	\$5,036,727	\$3,349,283	\$106,703,790

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE #2 - CASH AND INVESTMENTS (Continued)

F. Concentration Risk

Significant District investments in the securities of any individual issuers, other than U.S. Treasury securities, LAIF, and mutual funds, are set forth below:

<u>Reporting Unit</u>	<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
District-Wide			
	Federal National Mortgage Association	Federal Agency Securities	\$14,953,905
	Federal Home Loan Bank	Federal Agency Securities	14,385,938
	Federal Home Loan Mortgage Association	Federal Agency Securities	16,905,506
	Federal Farm Credit Bank	Federal Agency Securities	6,345,373
	General Electric Corporation	Corporate Bonds	7,934,889

NOTE #3 – RESTRICTED ASSETS AND RESTRICTED NET POSITION

The District has restricted its net position for capital expansion, asset replacement and other purposes in the amounts set forth below:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
<u>Capital expansion</u>		
Local sewer expansion	\$4,969,689	\$4,609,369
Regional sewer expansion	36,469,061	36,454,843
Water expansion	6,968,111	6,601,537
	<u>48,406,861</u>	<u>47,665,749</u>
<u>Assessment District</u>		
Dougherty Valley Assessment District	893,405	718,648
	<u>893,405</u>	<u>718,648</u>
Total restrictions on net position	<u>\$49,300,266</u>	<u>\$48,384,397</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #4 – CAPITAL ASSETS

Changes in capital assets accounts are summarized below:

	Balance at June 30, 2013	Additions	Retirements	Transfers	Balance at June 30, 2014
Capital assets being depreciated:					
Improvements	\$8,526,469				\$8,526,469
Buildings	129,795,324	\$53,942		\$1,185,882	131,035,148
Equipment	67,587,124	381,808	(\$13,049)	973,663	68,929,546
Sub-surface lines	127,985,859	4,735,340		4,399,425	137,120,624
Intangibles	64,975,880				64,975,880
Total capital assets being depreciated:	<u>398,870,656</u>	<u>5,171,090</u>	<u>(13,049)</u>	<u>6,558,970</u>	<u>410,587,667</u>
Less accumulated depreciation for:					
Improvements	(3,957,092)	(392,289)			(4,349,381)
Buildings	(31,018,011)	(2,814,870)			(33,832,881)
Equipment	(31,714,710)	(2,258,319)	13,049		(33,959,980)
Sub-surface lines	(35,491,470)	(2,800,838)			(38,292,308)
Intangibles	(4,536,595)	(2,634,140)			(7,170,735)
Total accumulated depreciation	<u>(106,717,878)</u>	<u>(10,900,456)</u>	<u>13,049</u>		<u>(117,605,285)</u>
Net capital assets being depreciated	292,152,778	(5,729,366)		6,558,970	292,982,382
Capital assets not being depreciated:					
Land	7,712,945				7,712,945
Construction in progress	21,427,153	3,201,423		(6,558,970)	18,069,606
Total capital assets not being depreciated	<u>29,140,098</u>	<u>3,201,423</u>		<u>(6,558,970)</u>	<u>25,782,551</u>
Total capital assets, net	<u>\$321,292,876</u>	<u>(\$2,527,943)</u>			<u>\$318,764,933</u>

As a result of the District's pledge of its regional service charges, the District is considered to be obligated in some manner for its portion of the 2011 LAVWMA Bonds and accordingly has recorded its share of those bonds as the LAVWMA Pledge Obligation. Concurrently, the District has also recorded its transmission rights provided to it under the terms of the Amended and Restated Sewer Service Contract (see Note 7) as an intangible asset in the above table.

The District had outstanding construction commitments on capital projects totaling \$1,924,160 at June 30, 2014.

NOTE #5 – DEFERRED CAPACITY RESERVE FEES RECEIVABLE

In fiscal year ended June 30, 1997, the District implemented a deferred payment program for regional sewer capacity reserve fees as a means to attract new business to the area. The program was modified in subsequent years and is now designed for commercial and affordable housing with regional sewer capacity reserve fees owed between \$25,000 and \$100,000. Loans bear an interest rate of 5%.

Customers make a 20% down payment of regional sewer capacity reserve fees owed and enter into an agreement with the District to pay the balance over a maximum of ten years. The capacity reserve fee revenue is recognized as it is received. The portions outstanding are recorded as deferred capacity reserve fees receivable, which amounted to \$1,058,988 at June 30, 2014, of which \$347,638 is the current portion.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #6 – JOINT POWERS AUTHORITIES

A. LAVWMA

The District is one of three participants in the Livermore Amador Valley Water Management Agency (LAVWMA), a joint powers authority formed in 1974, which constructed and operates an export pumping facility through which all wastewater in the area is discharged. The other two participants are the Cities of Livermore and Pleasanton, each also having a one-third representation in LAVWMA's Board of Directors, composed of two representatives from each participating agency. The LAVWMA's Board of Directors approves LAVWMA's annual budget, which is prepared by LAVWMA's general manager. The Agency charges its members for project costs in proportion to their rights to the Agency's capacity.

The District contracts with the City of Pleasanton ("City") to provide wastewater treatment. The District establishes user charges for these wastewater services. The City then establishes those same charges in its service area and remits the charges they collect to the District on a monthly basis. A portion of the user charge is for the services provided by LAVWMA. LAVWMA bills the District for both the District's and Pleasanton's share of these costs (which includes both operations and debt service). Financial statements for LAVWMA may be obtained from DSRSD, 7051 Dublin Boulevard, Dublin, California 94568.

During the year ended June 30, 2012, LAVWMA issued \$105,345,000 principal amount of 2011 Sewer Revenue Refunding Bonds on September 28, 2011. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Under the Amended And Restated Sewer Service Contract dated October 1, 2011, between LAVWMA and Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2011 Bonds, a lien on the Net Revenues of their respective wastewater systems (the "Sewer Systems"), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2011 Bonds. (See Note 7.)

Effective July 1, 2011, the LAVWMA Board entered into an agreement to retain the District's Finance Manager as LAVWMA's Treasurer.

B. DERWA

The District is also a participant (along with East Bay Municipal Utility District) in the DSRSD/EBMUD Recycled Water Authority (DERWA), a joint powers authority formed in 1995 to plan, design, construct, own and operate various facilities which together will maximize the volume of recycled water deliveries while recovering its costs. Each member provides two representatives to DERWA's Board of Directors which approves the annual budget prepared by DERWA's Treasurer. The Authority began its operations on June 28, 1995.

DERWA constructed a water recycling system, including treatment, conveyance, pumping and storage facilities which became operational on February 1, 2006. Operation and maintenance expenses are allocated based on each member's actual usage. Capital costs, including debt service, are allocated based on each member's proportional share of capital assets.

Financial statements may be obtained from DERWA, P.O. Box 24055 Oakland, California 94623.

DERWA has outstanding state loans totaling \$16,138,037 The District's share of the total debt is 52.4% or \$8,294,951.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE #7 – LONG-TERM DEBT

	Original Issue Amount	Balance June 30, 2013	Retirements	Balance June 30, 2014	Amount due within one year
2009 Refunding Note					
4.38%, due 09/01/2019	\$18,486,000	\$12,890,289	\$1,754,699	\$11,135,590	\$1,832,397
2011 LAVWMA Obligation					
2% - 5%, due 8/1/2031	40,975,094	39,343,403	1,287,461	38,055,942	1,355,529
2011 Water Revenue Refunding Bonds					
4%-6%, due 8/1/2041	35,620,000	<u>35,620,000</u>	<u>260,000</u>	<u>35,360,000</u>	<u>270,000</u>
Total long-term debt		<u>\$87,853,692</u>	<u>\$3,302,160</u>	<u>\$84,551,532</u>	<u>\$3,457,926</u>

A. 2009 Refunding Note

The District entered into a Refunding Note with Bank of America, N.A., on September 1, 2009, for the purpose of refinancing and retiring the District’s 2000 Series COPs/Bank Certificates. The Note amount totals \$18,486,000 with a stated interest rate of 4.38% per annum. Principal payments are due semi-annually beginning in March 1, 2010 through September 1, 2019.

Debt service on the Note plus the District’s contribution toward debt service due on debt issued by LAVWMA (see Note 6) are payable from draws from a Rate Stabilization Fund (Regional Expansion Fund). At the end of each fiscal year, if the balance in the District’s Regional Expansion Fund is in excess of two times maximum annual debt service on the 2009 Refunding Note and the District’s contribution toward LAVWMA’s debt, then the total amount paid from that fund towards debt service is considered a draw from reserves. Debt service not covered from the draw is included in Rate Covenant Debt Service subject to a coverage requirement of 1.1 times debt service. This coverage calculation is shown below.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE #7 – LONG-TERM DEBT (Continued)

Rate Stabilization Fund/Regional Expansion Fund

Maximum annual debt payments payable from the Rate Stabilization Fund:

2009 Refunding Loan	\$ 2,300,289
2011 LAVWMA Bonds	4,332,552
	<u>\$ 6,632,841</u>

Target level of Rate Stabilization Fund (2X)	<u>\$ 13,265,682</u>
--	----------------------

Working capital at June 30, 2014	<u>\$ 33,398,465</u>
----------------------------------	----------------------

Actual debt paid from the Rate Stabilization Fund:

2009 Refunding Loan	\$ 2,300,289
LAVWMA 2011 Bonds	4,310,488
	<u>\$ 6,610,777</u>

If the working capital balance exceeds the target level, all debt paid from the Rate Stabilization Fund is considered a draw and is excluded from the coverage requirement shown below.

Coverage calculation (total Sewer):

Sewer operating revenues	\$ 22,904,298
Sewer non-operating revenues	897,313
Capacity Reserve Fees	7,879,118
Less Regional Expansion Capacity Reserve Fees	<u>(6,339,445)</u>
Total available revenues	<u>25,341,284</u>

Sewer operating expenses	28,800,064
Less Regional Expansion costs for:	
Debt payments to LAVWMA	(4,310,488)
Other operating costs	(3,392,993)
Less depreciation	<u>(6,653,263)</u>
Operations & maintenance costs	<u>14,443,320</u>

Net available revenue	<u>\$ 10,897,964</u>
-----------------------	----------------------

Rate covenant debt service:

LAVWMA 2011 Bonds (repair portion)	\$ 1,463,340
	<u>\$ 1,463,340</u>

Coverage on rate covenant debt service	<u>7.4</u>
--	------------

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #7 – LONG-TERM DEBT (Continued)

B. 2011 Water Revenue Refunding Bonds

The District issued \$35,620,000 of 2011 Water Revenue Refunding Bonds on January 6, 2011. Proceeds of the issuance were used to fund a contribution to DERWA which it used to retire its commercial paper obligations (Note 6), to refund and retire the WaterReuse Finance Authority Obligation, and to pay costs of issuance. Interest rates range from 4% to 6%. Principal payments are due annually beginning August 1, 2013 through August 1, 2041.

The issuance is payable from a pledge of fees, charges and other amounts received from the available Net Revenue of the water enterprise. The pledge of future Water Fund Revenues ends upon repayment of the \$74,479,602 in remaining debt service on the bonds that is scheduled to occur in 2041. Pursuant to the official statement, the District is required to set rates to achieve coverage of 1.2 times debt service. The computation of the Net Revenue and coverage amount is presented below.

Water revenues:	
Water sales	\$ 24,992,374
Other revenues (1)	5,583,433
Interest income	478,908
Capacity Reserve Fees	5,214,724
Less Assessment District (2)	<u>(1,514,376)</u>
Total Water revenues	<u><u>34,755,063</u></u>
Water Operations & Maintenance Costs	
Operating expense	30,994,335
Less DERWA debt (3)	(845,794)
Less depreciation	(4,247,193)
Less Assessment District (2)	<u>(1,339,619)</u>
 Total Water operations & maintenance costs	 <u><u>24,561,729</u></u>
 NET WATER REVENUES	 <u><u>\$ 10,193,334</u></u>
Debt Service:	
DERWA debt	\$ 845,794
2011 Water Bonds	<u>2,213,869</u>
Total debt service	<u><u>\$ 3,059,663</u></u>
 DEBT SERVICE COVERAGE	 <u><u>3.33</u></u>

(1) Includes Tax Revenues

(2) Assessments levied in the Dougherty Valley Standby Assessment District can be used only to pay for costs related to the Assessment District and are not available to pay debt service on the Bonds.

(3) The DERWA Payments are payable as Operation and Maintenance Costs prior to payment of debt service on the Bonds pursuant to the Indenture and the Recycled Water Sales Agreement. For purposes of the rate covenant established by the Indenture, the DERWA Payments will be excluded from Operation and Maintenance Costs, but included as Debt Service on Parity Debt.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #7 – LONG-TERM DEBT (Continued)

C. Segment Reporting

The Regional Sewer Expansion Fund and Water Fund represent segments reported within the Sewer Enterprise Fund and Water Enterprise Fund, respectively, which had debt outstanding, with the revenue pledge streams discussed above. In addition, the Regional Sewer Expansion Fund's and Water Enterprise Fund's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. Condensed financial information for each segment is presented below:

	Regional Sewer Expansion	Water
Condensed Statement of Net Position		
Assets:		
Current	\$36,865,584	\$46,705,578
Capital	32,397,174	145,989,746
Other non current	807,147	
Total assets	<u>70,069,905</u>	<u>192,695,324</u>
Liabilities:		
Current liabilities	3,467,119	5,078,837
Long term liabilities	39,972,281	41,532,421
Total liabilities	<u>43,439,400</u>	<u>46,611,258</u>
Net position:		
Net investment in capital assets	(9,838,556)	110,629,746
Restricted	36,469,061	6,968,111
Unrestricted		28,486,209
Total net position	<u>\$26,630,505</u>	<u>\$146,084,066</u>
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Operating revenue	\$50,726	\$28,458,482
Operating expenses	(5,067,235)	(29,072,801)
Operating loss (gain)	<u>(5,016,509)</u>	<u>(614,319)</u>
Nonoperating revenues (expenses):		
Interest income	405,060	468,548
Interest expense	(519,970)	(1,950,135)
Non-cash contributions		3,338,240
Capital contributions - capacity reserve fees	6,339,445	5,214,724
Transfers in		5,477,685
Transfers out		(5,477,685)
Change in net position	<u>1,208,026</u>	<u>6,457,058</u>
Beginning net position	<u>25,422,479</u>	<u>139,627,008</u>
Ending net position	<u>\$26,630,505</u>	<u>\$146,084,066</u>
Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	(\$4,974,676)	(\$2,560,064)
Noncapital financing activities	(61,211)	(253,881)
Capital financing activities	4,864,629	7,154,264
Investing activities	2,899,915	(924,909)
Net cash flows	<u>2,728,657</u>	<u>3,415,410</u>
Beginning cash and cash equivalents	<u>2,098,157</u>	<u>2,166,359</u>
Ending cash and cash equivalents	<u>\$4,826,814</u>	<u>\$5,581,769</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #7 – LONG-TERM DEBT (Continued)

D. LAVWMA Pledge Obligation

As discussed in Note 6, the District is a member of LAVWMA and during the year ended June 30, 2012, LAVWMA issued \$105,345,000 of 2011 Sewer Revenue Refunding Bonds (2011 LAVWMA Bonds) on September 28, 2011. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Principal payments are due annually beginning August 1, 2012 through August 1, 2031.

Debt service on the 2011 LAVWMA Bonds is payable from Agency Net Revenues which are defined as Gross Revenues less Maintenance and Operations costs, excluding in all cases depreciation, replacement and obsolescence charges or reserves thereon, debt service, amortization of intangibles or other book-keeping entries of a similar nature, and costs paid out of the Sole-Use, Dual-Use and Joint-Use Replacement Funds.

Member Liens for Repayment of 2011 Bonds: Under an amended and restated Amended And Restated Sewer Service Contract dated October 1, 2011, between the Agency and Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2011 LAVWMA Bonds, a lien on the Net Revenues of their respective wastewater systems (the “Sewer Systems”), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2011 LAVWMA Bonds. There are three important limitations with respect to this pledge of Net Revenues. First, this lien is subordinate to the Members’ existing obligations payable from their Net Revenues, as well as obligations payable from their Net Revenues to be issued in the future by the Members to finance or refinance improvements to their respective Sewer System. Second, for DSRSD and Pleasanton, “Net Revenues” are not defined in the Sewer Service Contract to include all of the fees, rates and charges collected by DSRSD and Pleasanton in connection with their Sewer System; DSRSD and Pleasanton have only pledged regional service charges as security for their obligation to make the Payments. Third, Pleasanton, in its capacity as the largest customer of DSRSD’s Sewer System, is only obligated to levy regional charges and fees established by DSRSD and to transfer the amount collected to DSRSD.

As a result of the District’s pledge of its regional service charges, the District is considered to be obligated in some manner for its portion of the 2011 LAVWMA Bonds and accordingly has recorded its share of those bonds as the LAVWMA Pledge Obligation. Concurrently, the District has also recorded its transmission rights provided to it under the terms of the Amended and Restated Sewer Service Contract (See Note 4).

Pursuant to the official statement, each member agency is required to set rates to achieve coverage of 1.1 times debt service.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE #7 – LONG-TERM DEBT (Continued)

E. Repayment Schedule

Shown below are maturities for the District’s debt issues:

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$3,457,926	\$4,170,000	\$7,627,926
2016	3,617,132	4,008,385	7,625,517
2017	3,785,765	3,839,227	7,624,992
2018	3,967,040	3,662,023	7,629,063
2019	4,149,178	3,476,465	7,625,643
2020-2024	12,562,003	15,220,203	27,782,206
2025-2029	16,751,417	12,029,758	28,781,175
2030-2034	17,126,071	7,375,813	24,501,884
2035-2039	10,920,000	4,126,676	15,046,676
2040-2042	8,215,000	758,550	8,973,550
Total payments due	<u>\$84,551,532</u>	<u>\$58,667,100</u>	<u>\$143,218,632</u>

NOTE #8 – INTERFUND TRANSACTIONS

Prior to June 2005, the District allocated a fixed portion of capacity reserve fees collected toward general administrative costs. In June 2005, the District adopted the practice of transferring a certain percentage of budgeted capacity reserve fees toward general administrative costs as part of its plan to phase out this practice over six years while minimizing the impacts to its rates and fees. Transferring the budgeted rather than actual amounts resulted in some funds paying too much and others paying too little toward administrative costs. Therefore, the District has recorded an interfund payable/receivable between the various funds to repay the amounts over the next two years.

NOTE #9 – UNEARNED REVENUE AND OTHER LIABILITIES

Unearned revenue and other liabilities for the year ended June 30, 2014 totaled \$7,643,065.

As of June 30, 2014, the Sewer Fund recorded \$405,794 from developers for future capacity reserve fee credits. When utilized in the future, 100% of the cost of the current capacity reserve fee will be paid for with the credit and the revenue will be recorded at that time.

Sewer Fund deferred revenue for the Deferred Capacity Reserve Fee Program was also recorded in the amount of \$1,058,988 (see Note 5). The current portion of this balance at June 30, 2014 is \$347,638.

As of June 30, 2014, the Water Fund recorded \$6,178,283 from developers for future capacity reserve fee credits. When utilized in the future, 50% of the cost of the current capacity reserve fee will be paid for with the credit and the revenue will be recorded at that time.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #10 – PENSION PLAN

A. Plan Description

The District's defined benefit pension plan, (Miscellaneous Plan), provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance or resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS's annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

B. Funding Policy

Active plan members in the Miscellaneous Plan (Tier 1 for members hired before January 1, 2013 and Tier 2 for members hired on or after January 1, 2013) are required to contribute 8% and 6.25%, respectively, of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

For Tier 1 members, on November 16, 2004, the Board of Directors approved a resolution authorizing an amendment to the contract between CalPERS and the Dublin San Ramon Services District. Prior to the amendment, the Retirement Plan formula was 2.0% at 55. The new formula of 2.7% at 55 formula provides local miscellaneous members 2.7% of pay at age 55 for each year of service credited with the employer. If retirement is earlier than 55, the percentage of final compensation decreases for each quarter of age to 2% at age 50. Former DSRSD employees' service credit will not be affected by this change and the change became effective in November 2004.

The District has agreed to cost sharing with employees to implement the new retirement formula. The increased cost on an annual basis to implement the program is approximately 7% and is spread over the next 10 years, which is the period over which CalPERS allows an agency to satisfy the increased liability. The cost sharing was negotiated with all employee bargaining groups and continues the employer-employee partnership of jointly funding retirement benefits.

For Tier 2 members, the benefit formula is 2% at age 62, based on the member's final three years' compensation. The District's contribution rate is 6.25% of reportable compensation, which is effective until June 30, 2015.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE #10 – PENSION PLAN (Continued)

C. Annual Pension Cost

For fiscal year 2014, the District’s annual pension cost was \$1,559,584 and was equal to the District’s required and actual contributions. The required contribution for fiscal year 2013-2014 was determined as part of the June 30, 2012, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.30% to 14.20% for miscellaneous members; (c) 2.75% inflation rate; and (d) 3.00% cost-of-living adjustment. The actuarial value of Miscellaneous Plan’s assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. Miscellaneous Plan’s unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis.

Annual Pension Costs for the last three years are presented below:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2014	\$1,559,584	100%	-
6/30/2013	1,445,286	100%	-
6/30/2012	1,612,230	100%	-

D. Funded Status of Plan

Audited annual financial statements are available from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

E. Three Year Trend Information for Miscellaneous Plan Cost Sharing Pool

CalPERS’ latest available actuarial value (which differs from market value) and funding progress for all members of the cost sharing pool are set forth below at their actuarial valuation date of June 30, 2012.

Valuation Date	Actuarial			Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability			
2010	\$2,297,871,345	\$1,815,671,616	\$482,199,729	79.0%	\$434,023,381	111.1%
2011	2,486,708,579	1,981,073,089	505,635,490	79.7%	427,300,410	118.3%
2012	2,680,181,441	2,178,799,790	501,381,651	81.3%	417,600,034	120.1%

According to the June 30, 2012 CALPERS actuarial report, the District’s annual covered payroll amounted to \$11,815,935 which represented 2.77% of the total pooled annual covered payroll.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #11 – POST EMPLOYMENT HEALTH CARE BENEFITS

The District provides medical and dental benefits for employees that retire from the District and their families under third-party insurance plans. While the District participates in the CalPERS medical plan, it is required to pay the same amounts for retiree medical insurance as it does for active employees. The Board sets the benefit amounts by resolution each year for each bargaining group and in accordance with current employee contracts.

Prior to 2004, the District paid these benefits regardless of the employee's length of service. Currently, all new employees are automatically enrolled in a medical vesting program where they are eligible for benefits based upon amounts set by CalPERS and length of service. Employees under the vesting program are not eligible to receive any medical benefits without accumulating at least ten years of CalPERS service with at least five of those years as a DSRSD employee.

As of June 30, 2014, 67 retirees are receiving medical benefits, and 70 are receiving dental benefits, and there are 107 active participants eligible for future benefits.

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a July 2013 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.61% investment rate of return, (b) 3.25% projected annual salary increase, (c) 3.00% inflation rate, and (d) 4.64% - 8.50% health inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The District's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year closed amortization period.

In accordance with the District's budget, the annual required contribution (ARC) is to be funded through out the year as a percentage of payroll. The District Board passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of the District Board. This Trust is not considered a component unit by the District and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE #11 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Funding Progress and Funded Status

Generally accepted accounting principles permit contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. As a result, the District has recorded the Net OPEB Asset, representing the difference between the ARC, the amortization of the Net OPEB Asset and actual contributions, as presented below:

Net OPEB Asset at June 30, 2013	<u>\$12,052,156</u>
Annual required contribution (ARC)	719,186
Interest on net OPEB asset	(917,169)
Adjustment to annual required contribution	<u>834,873</u>
Annual OPEB cost	<u>636,890</u>
Contributions made:	
Retiree premiums paid by the District	668,098
Contributions to CERBT	<u>51,088</u>
Total contributions	<u>719,186</u>
Change in net OPEB Asset	<u>82,296</u>
Net OPEB Asset at June 30, 2014	<u><u>\$12,134,452</u></u>

The Plan’s annual OPEB cost and actual contributions for the prior three fiscal years are set forth below:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
6/30/2012	\$824,309	\$1,132,383	137%	\$10,150,674
6/30/2013	865,137	2,766,619	320%	12,052,156
6/30/2014	636,890	719,186	113%	12,134,452

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE #11 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the actuarial studies is presented below:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (Asset)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability as Percentage of Covered Payroll</u>
7/1/2009	\$7,247,589	\$12,177,427	\$4,929,838	59.52%	\$10,995,921	45%
7/1/2011	14,661,042	17,793,420	3,132,378	82.40%	11,146,385	28%
7/1/2013	17,609,101	17,356,805	(252,296)	101.45%	11,865,168	0%

As of June 30, 2014, the fund balance in the California Employer’s Retiree Benefit Trust Program (CERBT) was \$20,892,337.

NOTE #12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District joined together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 54 member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays annual premiums to CSRMA for its general, liability, property damage and workers compensation insurance.

CSRMA is governed by a Board comprised of one representative from each member agency. The Board controls the operations of CSRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

In addition to the primary insurance types provided for through CSRMA listed above, the District also maintains commercial fidelity bonds, public employee dishonesty and public official bonds, to protect against employee theft or defalcation. Settled claims for CSRMA or commercial fidelity bonds have not exceeded coverage in any of the past three fiscal years.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #12 - RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies carried by the District as of June 30, 2014:

Company Name	Insurance Program Type of Coverage	Limits	Deductibles
Ironshore Specialty Insurance Co.	Excess liability	\$10,000,000	None
Public Entity Property Insurance Program	Special form property	147,180,766	\$25,000
Illinois Union Insurance Company	Public entity pollution liability	25,000,000	None
Lloyd's of London	Cyber liability coverage	20,000,000	None
Travelers Property and Casualty	Public official bond	100,000	None
National Union Fire Insurance Co.	Employee theft and fraud	200,000	2500
Travelers Property and Casualty	Identity theft	25,000	0
Safety National Casualty Corporation	Excess workers' compensation	Statutory	None
<u>Pooled Insurance Program</u>			
CSRMA Pooled	Bodily injury and property damage- auto, errors and omissions and employment practices	15,500,000	100,000
CSRMA Pooled Workers' Compensation	Workers' compensation	750,000	None

Prior to July 1, 1994, the District was self-insured for workers' compensation and will continue to be responsible for any claims existing as of that date.

Claims and judgments, including provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the District has coverage for such claims, but it had retained the risk for the deductible or uninsured portion of these claims.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

NOTE #12 - RISK MANAGEMENT (Continued)

The District's liability for uninsured claims is limited to workers' compensation and general liability claims, as discussed above, and was estimated by a third party claims administrator based on prior years claims experience as follows:

	<u>2014</u>	<u>2013</u>
Balance at July 1	\$529,190	\$484,882
Net change in liability for claims and claims incurred but not reported	395,203	436,971
Claims paid	<u>(671,009)</u>	<u>(392,663)</u>
Balance at June 30	<u><u>\$253,384</u></u>	<u><u>\$529,190</u></u>

The District has not exceeded its insurance coverage limits in any of the last three years. The District liability is included in accrued expenses on the financial statements.

NOTE #13 – COMMITMENTS AND CONTINGENT LIABILITIES

The District purchases water from the Alameda County Flood Control and Water Conservation District (Zone 7) under a thirty-year contract, which expires August 23, 2024. Under the terms of the contract, subject to various exceptions, the District is required to purchase all of its water from Zone 7. During fiscal year ended June 30, 2014, the District's water purchases from Zone 7 amounted to \$10,107,882.

The District is a defendant in a number of lawsuits, which have arisen in the normal course of business. In the opinion of the District, these actions when finally adjudicated will not have a material adverse effect on the financial position of the District.

The District operates a Dedicated Land Disposal site upon which the District processes biosolids produced by the District's wastewater treatment plant. On August 8, 2007, the San Francisco Bay Regional Water Quality Control Board issued Waste Discharge Requirements, which require the District to perform corrective actions for known and reasonably foreseeable releases from the Dedicated Land Disposal site. At this time, the Regional Board and the District expect that the most likely corrective action, if any is needed, would be related to the potential impact to groundwater quality and resulting closure and post-closure activities. The District prepared an analysis in December 2007 to determine the estimated costs of these corrective actions which comprise drilling two extraction wells and constructing a conveyance pipeline for discharge of potentially impacted ground water into the District's collection system. The Study also included estimated costs of operation, maintenance and monitoring of the above facilities for a ten year period after closure of the site which is expected to occur within thirty to fifty years. Actual closure and post-closure care costs may be higher, lower, or even not required due to inflation variances, changes in technology, or changes in State or Federal regulations.

The present value of these closure and post closure costs, discounted at 5 percent amounted to \$690,000 as of June 30, 2014. The District is required by State and federal laws and regulations to make annual funding contributions to finance closure and post-closure care. The District is in compliance with these requirements for the year ended June 30, 2014 with the establishment of the fully-funded liability for this purpose.

This Page Left Intentionally Blank

SUPPLEMENTARY INFORMATION

This Page Left Intentionally Blank

DUBLIN SAN RAMON SERVICES DISTRICT
SEWER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Regional Sewer Total	Local Sewer Total	Allocation	Allocation OPEB Fund	Sewer Total
ASSETS					
Current assets:					
Pooled cash	\$8,552,091	\$2,259,209	(\$349)	\$14,862	\$10,825,813
Pooled investments	55,204,359	14,592,690		100,350	69,897,399
Accounts receivable	3,144,230	202,908	242,051		3,589,189
Receivable from Water Fund	127,874	8,131	77,510		213,515
Interest receivable	86,952	22,940		157	110,049
Employee notes receivable	6,292				6,292
Deferred capacity reserve fees receivable	347,638				347,638
Prepaid expense	6,364		5,806		12,170
Total current assets	67,475,800	17,085,878	325,018	115,369	85,002,065
Non-current assets:					
Capital assets:					
Property, plant and equipment	181,279,924	51,516,946			232,796,870
Less accumulated depreciation	53,866,118	21,268,966			75,135,084
Net property, plant and equipment	127,413,806	30,247,980			157,661,786
Construction in progress	13,851,350	1,262,051			15,113,401
Total capital assets	141,265,156	31,510,031			172,775,187
Other assets:					
Receivable from Water Fund	130,431	8,294	79,060		217,785
Net OPEB asset				8,315,655	8,315,655
Deferred capacity reserves receivable - long term	711,350				711,350
Total other assets	841,781	8,294	79,060	8,315,655	9,244,790
Total non-current assets	142,106,937	31,518,325	79,060	8,315,655	182,019,977
Total assets	209,582,737	48,604,203	404,078	8,431,024	267,022,042
LIABILITIES					
Current liabilities:					
Accounts payable	770,310	131,527	134,992	(21,964)	1,014,865
Contractor bonds and deposits	394,249	7,271			401,520
Accrued expenses	580,629				580,629
Accrued compensated absences	451,818	69,340	269,086		790,244
Interest payable	162,580				162,580
Current portion of long-term debt	3,187,926				3,187,926
Unearned revenue	347,638	405,794			753,432
Total current liabilities	5,895,150	613,932	404,078	(21,964)	6,891,196
Long term liabilities:					
Long-term debt					
less current portion	46,003,606				46,003,606
DLD remediation reserve	690,000				690,000
Unearned revenue	711,350				711,350
Total long term liabilities	47,404,956				47,404,956
Total liabilities	53,300,106	613,932	404,078	(21,964)	54,296,152
NET POSITION					
Net investment in capital assets	92,073,624	31,510,031			123,583,655
Restricted for:					
Expansion	36,469,061	4,969,689			41,438,750
Unrestricted	27,739,946	11,510,551		8,452,988	47,703,485
Total net position	\$156,282,631	\$47,990,271		\$8,452,988	\$212,725,890

DUBLIN SAN RAMON SERVICES DISTRICT
SEWER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Regional Sewer Total	Local Sewer Total	Allocation	Allocation OPEB Fund	Eliminations	Sewer Total
OPERATING REVENUES						
Wastewater service charges	\$18,576,353	\$2,195,746				\$20,772,099
Other revenues	676,726	410,966	\$992,529	\$51,978		2,132,199
Total operating revenues	19,253,079	2,606,712	992,529	51,978		22,904,298
OPERATING EXPENSES						
Personnel	6,442,934	1,438,041	2,711,805			10,592,780
Materials	2,267,279	54,679	85,826			2,407,784
Contractual services	7,859,033	635,819	446,853			8,941,705
Other	157,523	19,442	27,567			204,532
Overhead Charges	1,873,287	406,235	(2,279,522)			
Depreciation	5,636,978	1,016,285				6,653,263
Total operating expenses	24,237,034	3,570,501	992,529			28,800,064
OPERATING INCOME (LOSS)	(4,983,955)	(963,789)		51,978		(5,895,766)
NONOPERATING REVENUES (EXPENSE)						
Investment income	705,864	189,605		1,844		897,313
Interest (expense)	(519,970)					(519,970)
Total non-operating revenues (expense), net	185,894	189,605		1,844		377,343
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(4,798,061)	(774,184)		53,822		(5,518,423)
Non-cash contributions		1,397,100				1,397,100
Capital contributions - capacity reserve fees	7,276,961	602,157				7,879,118
Transfers in	3,712,071	287,000				3,999,071
Transfers (out)	(3,712,071)	(287,000)				(3,999,071)
Changes in net position	2,478,900	1,225,073		53,822		3,757,795
TOTAL NET POSITION, BEGINNING OF YEAR	153,803,731	46,765,198		8,399,166		208,968,095
TOTAL NET POSITION, END OF YEAR	\$156,282,631	\$47,990,271		\$8,452,988		\$212,725,890

DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL SEWER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Regional Sewer Enterprise	Regional Sewer RSF	Regional Sewer Replacement	Regional Sewer Expansion	Total
ASSETS					
Current assets:					
Pooled cash	\$1,243,340	\$833,918	\$1,648,019	\$4,826,814	\$8,552,091
Pooled investments	7,991,959	5,387,391	10,652,757	31,172,252	55,204,359
Accounts receivable	2,743,762		53,764	346,704	3,144,230
Receivable from Water Fund				127,874	127,874
Interest receivable	12,907	8,477	16,539	49,029	86,952
Employee notes receivable	6,292				6,292
Deferred capacity reserve fees receivable			4,727	342,911	347,638
Prepaid expense	6,364				6,364
Total current assets	12,004,624	6,229,786	12,375,806	36,865,584	67,475,800
Non-current assets:					
Capital assets:					
Property, plant and equipment	147,794,190			33,485,734	181,279,924
Less accumulated depreciation	49,680,512			4,185,606	53,866,118
Net property, plant and equipment	98,113,678			29,300,128	127,413,806
Land and construction in progress	56,014		10,698,290	3,097,046	13,851,350
Total capital assets	98,169,692		10,698,290	32,397,174	141,265,156
Other assets:					
Receivable from Water Fund				130,431	130,431
Deferred capacity reserves receivable - long term			34,634	676,716	711,350
Total other assets			34,634	807,147	841,781
Total non-current assets	98,169,692		10,732,924	33,204,321	142,106,937
Total assets	110,174,316	6,229,786	23,108,730	70,069,905	209,582,737
LIABILITIES					
Current liabilities:					
Accounts payable	553,018		199,700	17,592	770,310
Contractor bonds and deposits	392,996			1,253	394,249
Accrued expenses	580,629				580,629
Accrued compensated absences	449,200			2,618	451,818
Interest Payable				162,580	162,580
Current portion of long-term debt	247,761			2,940,165	3,187,926
Unearned revenue			4,727	342,911	347,638
Total current liabilities	2,223,604		204,427	3,467,119	5,895,150
Long-term liabilities:					
Long-term debt					
less current portion	6,708,041			39,295,565	46,003,606
DLD remediation reserve	690,000				690,000
Unearned revenue			34,634	676,716	711,350
Total long term liabilities	7,398,041		34,634	39,972,281	47,404,956
Total liabilities	9,621,645		239,061	43,439,400	53,300,106
NET POSITION					
Net investment in capital assets	91,213,890		10,698,290	(9,838,556)	92,073,624
Restricted for:					
Expansion				36,469,061	36,469,061
Unrestricted	9,338,781	6,229,786	12,171,379		27,739,946
Total net position	\$100,552,671	\$6,229,786	\$22,869,669	\$26,630,505	\$156,282,631

DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL SEWER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Regional Sewer Enterprise	Regional Sewer RSF	Regional Sewer Replacement	Regional Sewer Expansion	Total
OPERATING REVENUES					
Wastewater service charges	\$18,576,353				\$18,576,353
Other revenues	626,000			\$50,726	676,726
Total operating revenues	19,202,353			50,726	19,253,079
OPERATING EXPENSES					
Personnel	6,379,196		\$24,520	39,218	6,442,934
Materials	2,266,038		441	800	2,267,279
Contractual services	4,164,563		358,119	3,336,351	7,859,033
Other	157,523				157,523
Overhead Charges	1,856,663			16,624	1,873,287
Depreciation	3,962,736			1,674,242	5,636,978
Total operating expenses	18,786,719		383,080	5,067,235	24,237,034
OPERATING INCOME (LOSS)	415,634		(383,080)	(5,016,509)	(4,983,955)
NONOPERATING REVENUES (EXPENSE)					
Investment income	94,001	\$68,296	138,507	405,060	705,864
Interest expense				(519,970)	(519,970)
Total non-operating revenues	94,001	68,296	138,507	(114,910)	185,894
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	509,635	68,296	(244,573)	(5,131,419)	(4,798,061)
Capital contributions - capacity reserve fees			937,516	6,339,445	7,276,961
Residual equity transfer	1,248,803		(1,248,803)		
Transfers in		1,195,491	2,516,580		3,712,071
Transfers (out)	(3,712,071)				(3,712,071)
Changes in net position	(1,953,633)	1,263,787	1,960,720	1,208,026	2,478,900
TOTAL NET POSITION, BEGINNING OF YEAR	102,506,304	4,965,999	20,908,949	25,422,479	153,803,731
TOTAL NET POSITION, END OF YEAR	\$100,552,671	\$6,229,786	\$22,869,669	\$26,630,505	\$156,282,631

DUBLIN SAN RAMON SERVICES DISTRICT
LOCAL SEWER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Local Sewer Enterprise	Local Sewer RSF	Local Sewer Replacement	Local Sewer Expansion	Total
ASSETS					
Current assets:					
Pooled cash	\$162,030	\$77,612	\$1,301,242	\$718,325	\$2,259,209
Pooled investments	1,045,264	497,612	8,405,625	4,644,189	14,592,690
Accounts receivable	202,908				202,908
Receivable from other funds				8,131	8,131
Interest receivable	1,636	784	13,217	7,303	22,940
Total current assets	1,411,838	576,008	9,720,084	5,377,948	17,085,878
Non-current assets:					
Capital assets:					
Property, plant and equipment	51,516,946				51,516,946
Less accumulated depreciation	21,268,966				21,268,966
Net property, plant and equipment	30,247,980				30,247,980
Land and construction in progress	850,893		398,230	12,928	1,262,051
Total capital assets	31,098,873		398,230	12,928	31,510,031
Receivable from Water Fund				8,294	8,294
Total non-current assets	31,098,873		398,230	21,222	31,518,325
Total assets	32,510,711	576,008	10,118,314	5,399,170	48,604,203
LIABILITIES					
Current liabilities:					
Accounts payable	120,442		8,348	2,737	131,527
Contractor bonds and deposits	2,940		4,331		7,271
Accrued compensated absences	61,318			8,022	69,340
Unearned revenue				405,794	405,794
Total current liabilities	184,700		12,679	416,553	613,932
Total liabilities	184,700		12,679	416,553	613,932
NET POSITION					
Net investment in capital assets	31,098,873		398,230	12,928	31,510,031
Restricted for:					
Expansion				4,969,689	4,969,689
Unrestricted	1,227,138	576,008	9,707,405		11,510,551
Total net position	\$32,326,011	\$576,008	\$10,105,635	\$4,982,617	\$47,990,271

DUBLIN SAN RAMON SERVICES DISTRICT
 LOCAL SEWER OPERATIONS
 COMBINING STATEMENT OF REVENUES AND EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Local Sewer Enterprise	Local Sewer RSF	Local Sewer Replacement	Local Sewer Expansion	Total
OPERATING REVENUES					
Wastewater service charges	\$2,195,746				\$2,195,746
Other revenues	20,890			\$390,076	410,966
Total operating revenues	2,216,636			390,076	2,606,712
OPERATING EXPENSES					
Personnel	1,128,622		\$184	309,235	1,438,041
Materials	47,900		5,162	1,617	54,679
Contractual services	186,887		445,776	3,156	635,819
Other	19,442				19,442
Overhead charges	340,530			65,705	406,235
Depreciation	1,016,285				1,016,285
Total operating expenses	2,739,666		451,122	379,713	3,570,501
OPERATING INCOME (LOSS)	(523,030)		(451,122)	10,363	(963,789)
NONOPERATING REVENUES					
Investment income	12,069	\$6,567	110,320	60,649	189,605
Total non-operating revenues	12,069	6,567	110,320	60,649	189,605
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS					
	(510,961)	6,567	(340,802)	71,012	(774,184)
Non-cash contributions	1,397,100				1,397,100
Capital contributions - capacity reserve fees			305,058	297,099	602,157
Residual equity transfer	22,474		(22,474)		
Transfers in			287,000		287,000
Transfers (out)	(287,000)				(287,000)
Changes in net position	621,613	6,567	228,782	368,111	1,225,073
TOTAL NET POSITION, BEGINNING OF YEAR	31,704,398	569,441	9,876,853	4,614,506	46,765,198
TOTAL NET POSITION, END OF YEAR	\$32,326,011	\$576,008	\$10,105,635	\$4,982,617	\$47,990,271

DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Eliminations	Total
ASSETS						
Current assets:						
Pooled cash	\$5,581,769	\$104,033	(\$205)	\$8,257		\$5,693,854
Pooled investments	36,074,596	672,852		58,943		36,806,391
Accounts receivable	4,992,776	115,462	141,913			5,250,151
Receivable from other funds			45,443		(\$45,443)	
Interest receivable	56,437	1,058		92		57,587
Prepaid expenses			3,404			3,404
Total current assets	46,705,578	893,405	190,555	67,292	(45,443)	47,811,387
Non-current assets:						
Capital assets:						
Property, plant and equipment	177,790,797					177,790,797
Less accumulated depreciation	42,470,201					42,470,201
Net property, plant and equipment	135,320,596					135,320,596
Land and construction in progress	10,669,150					10,669,150
Total capital assets	145,989,746					145,989,746
Other assets:						
Receivable from Water Fund			46,353		(46,353)	
Net OPEB asset				3,818,797		3,818,797
Total other assets			46,353	3,818,797	(46,353)	3,818,797
Total non-current assets	145,989,746		46,353	3,818,797	(46,353)	149,808,543
Total assets	192,695,324	893,405	236,908	3,886,089	(91,796)	197,619,930
LIABILITIES						
Current liabilities:						
Accounts payable	3,018,001		79,145	(12,811)		3,084,335
Contractor bonds and deposits	424,042					424,042
Accrued compensated absences	295,641		157,763			453,404
Interest payable	812,195					812,195
Bonds payable - current portion	270,000					270,000
Payable to Sewer Fund	258,958				(45,443)	213,515
Total current liabilities	5,078,837		236,908	(12,811)	(45,443)	5,257,491
Long-term liabilities:						
Bonds payable - less current portion	35,090,000					35,090,000
Payable to Sewer Fund	264,138				(46,353)	217,785
Unearned revenue	6,178,283					6,178,283
Total long term liabilities	41,532,421				(46,353)	41,486,068
Total liabilities	46,611,258		236,908	(12,811)	(91,796)	46,743,559
NET POSITION						
Net investment in capital assets	110,629,746					110,629,746
Restricted for:						
Expansion	6,968,111					6,968,111
Assessment district		893,405				893,405
Unrestricted	28,486,209			3,898,900		32,385,109
Total net position	\$146,084,066	\$893,405	\$3,898,900	\$3,898,900	\$150,876,371	

DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Eliminations	Total
OPERATING REVENUES						
Wastewater service charges						
Water sales	\$24,992,374					\$24,992,374
Other revenues	3,466,108	\$1,505,092	\$581,915	\$30,318		5,583,433
Total operating revenues	28,458,482	1,505,092	581,915	30,318		30,575,807
OPERATING EXPENSES						
Personnel	4,747,170		1,589,836			6,337,006
Materials	11,074,305		50,319			11,124,624
Contractual services	7,440,268	1,339,619	261,988			9,041,875
Other	227,474		16,163			243,637
Overhead charges	1,336,391		(1,336,391)			
Depreciation	4,247,193					4,247,193
Total operating expenses	29,072,801	1,339,619	581,915			30,994,335
OPERATING INCOME (LOSS)	(614,319)	165,473		30,318		(418,528)
NONOPERATING REVENUES (EXPENSE)						
Investment income	468,548	9,284		1,076		478,908
Interest (expense)	(1,950,135)					(1,950,135)
Total non-operating revenues (expenses), net	(1,481,587)	9,284		1,076		(1,471,227)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,095,906)	174,757		31,394		(1,889,755)
Non-cash contributions	3,338,240					3,338,240
Capital contributions - capacity reserve fees	5,214,724					5,214,724
Transfers in	5,477,685					5,477,685
Transfers (out)	(5,477,685)					(5,477,685)
Changes in net position	6,457,058	174,757		31,394		6,663,209
TOTAL NET POSITION, BEGINNING OF YEAR	139,627,008	718,648		3,867,506		144,213,162
TOTAL NET POSITION, END OF YEAR	\$146,084,066	\$893,405		\$3,898,900		\$150,876,371

DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
ASSETS					
Current assets:					
Pooled cash	\$1,625,201	\$1,524,470	\$1,136,110	\$1,295,988	\$5,581,769
Pooled investments	10,502,611	5,009,910	7,336,368	13,225,707	36,074,596
Accounts receivable	4,936,098	(2,236)	56,500	2,414	4,992,776
Interest receivable	16,491	7,882	11,291	20,773	56,437
Total current assets	17,080,401	6,540,026	8,540,269	14,544,882	46,705,578
Non-current assets:					
Capital assets:					
Property, plant and equipment	153,790,011			24,000,786	177,790,797
Less accumulated depreciation	40,421,353			2,048,848	42,470,201
Net property, plant and equipment	113,368,658			21,951,938	135,320,596
Land and construction in progress	6,806,038		2,740,399	1,122,713	10,669,150
Total capital assets	120,174,696		2,740,399	23,074,651	145,989,746
Total non-current assets	120,174,696		2,740,399	23,074,651	145,989,746
Total assets	137,255,097	6,540,026	11,280,668	37,619,533	192,695,324
LIABILITIES					
Current liabilities:					
Accounts payable	2,764,444		205,627	47,930	3,018,001
Contractor bonds and deposits	424,042				424,042
Accrued compensated absences	280,374			15,267	295,641
Interest Payable				812,195	812,195
Bonds payable - current portion				270,000	270,000
Payable to Sewer Fund				258,958	258,958
Total current liabilities	3,468,860		205,627	1,404,350	5,078,837
Long-term liabilities:					
Bonds payable - less current portion				35,090,000	35,090,000
Payable to Sewer Fund				264,138	264,138
Unearned revenue				6,178,283	6,178,283
Total long term liabilities				41,532,421	41,532,421
Total liabilities	3,468,860		205,627	42,936,771	46,611,258
NET POSITION					
Net investment in capital assets	120,174,696		2,740,399	(12,285,349)	110,629,746
Restricted for:					
Expansion				6,968,111	6,968,111
Unrestricted	13,611,541	6,540,026	8,334,642		28,486,209
Total net position	\$133,786,237	\$6,540,026	\$11,075,041	(\$5,317,238)	\$146,084,066

DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
OPERATING REVENUES					
Water sales	\$24,962,632			\$29,742	\$24,992,374
Other revenues	569,829	\$576,999	\$1,133,875	1,185,405	3,466,108
Total operating revenues	<u>25,532,461</u>	<u>576,999</u>	<u>1,133,875</u>	<u>1,215,147</u>	<u>28,458,482</u>
OPERATING EXPENSES					
Personnel	4,287,256		1,687	458,227	4,747,170
Materials	10,517,073		142,133	415,099	11,074,305
Contractual services	2,189,421		3,887,354	1,363,493	7,440,268
Other	210,717	16,757			227,474
Overhead Charges	1,214,041			122,350	1,336,391
Depreciation	3,661,808			585,385	4,247,193
Total operating expenses	<u>22,080,316</u>	<u>16,757</u>	<u>4,031,174</u>	<u>2,944,554</u>	<u>29,072,801</u>
OPERATING INCOME (LOSS)	<u>3,452,145</u>	<u>560,242</u>	<u>(2,897,299)</u>	<u>(1,729,407)</u>	<u>(614,319)</u>
NONOPERATING REVENUES (EXPENSE)					
Investment income	139,771	61,164	88,500	179,113	468,548
Interest expense				(1,950,135)	(1,950,135)
Total non-operating revenues (expenses)	<u>139,771</u>	<u>61,164</u>	<u>88,500</u>	<u>(1,771,022)</u>	<u>(1,481,587)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	3,591,916	621,406	(2,808,799)	(3,500,429)	(2,095,906)
Non-cash contributions	3,338,240				3,338,240
Capital contributions - capacity reserve fees			1,371,210	3,843,514	5,214,724
Residual equity transfer	5,723,443		(4,052,869)	(1,670,574)	
Transfers in		2,344,685	2,458,000	675,000	5,477,685
Transfers (out)	(4,727,685)			(750,000)	(5,477,685)
Changes in net position	7,925,914	2,966,091	(3,032,458)	(1,402,489)	6,457,058
TOTAL NET POSITION, BEGINNING OF YEAR	<u>125,860,323</u>	<u>3,573,935</u>	<u>14,107,499</u>	<u>(3,914,749)</u>	<u>139,627,008</u>
TOTAL NET POSITION, END OF YEAR	<u>\$133,786,237</u>	<u>\$6,540,026</u>	<u>\$11,075,041</u>	<u>(\$5,317,238)</u>	<u>\$146,084,066</u>

DUBLIN SAN RAMON SERVICES DISTRICT
ALLOCATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Administrative Cost Center	OPEB Fund	Total
ASSETS			
Current assets:			
Pooled cash	(\$554)	\$23,119	\$22,565
Pooled investments		159,293	159,293
Accounts receivable	383,964		383,964
Receivable from Water Fund	122,953		122,953
Interest receivable		249	249
Prepaid expense	9,210		9,210
	515,573	182,661	698,234
Total current assets			
Other assets:			
Receivable from Water Fund	125,413		125,413
Net OPEB asset		12,134,452	12,134,452
	125,413	12,134,452	12,259,865
Total other assets			
	125,413	12,134,452	12,259,865
Total non-current assets			
	640,986	12,317,113	12,958,099
Total assets			
LIABILITIES			
Current liabilities:			
Accounts payable	214,137	(34,775)	179,362
Accrued compensated absences	426,849		426,849
	640,986	(34,775)	606,211
Total current liabilities			
	640,986	(34,775)	606,211
Total liabilities			
NET POSITION			
Unrestricted		12,351,888	12,351,888
	Total net position	\$12,351,888	\$12,351,888
	Total net position	\$12,351,888	\$12,351,888

DUBLIN SAN RAMON SERVICES DISTRICT
ALLOCATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Administrative Cost Center	OPEB Fund	Total
OPERATING REVENUES			
Other revenues	\$1,574,444	\$82,296	\$1,656,740
Total operating revenues	1,574,444	82,296	1,656,740
OPERATING EXPENSES			
Personnel	4,301,641		4,301,641
Materials	136,145		136,145
Contractual services	708,841		708,841
Other	43,730		43,730
Overhead charges	(3,615,913)		(3,615,913)
Total operating expenses	1,574,444		1,574,444
OPERATING INCOME		82,296	82,296
NONOPERATING REVENUES			
Investment income		2,920	2,920
Total non-operating revenues		2,920	2,920
Changes in net position		85,216	85,216
TOTAL NET POSITION, BEGINNING OF YEAR		12,266,672	12,266,672
TOTAL NET POSITION, END OF YEAR		\$12,351,888	\$12,351,888

**DUBLIN SAN RAMON SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED
JUNE 30, 2014**

This Page Left Intentionally Blank

**DUBLIN SAN RAMON SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2014

Table of Contents

	<u>Page</u>
<i>Memorandum on Internal Control</i>	1
Schedule of Current Year Other Matters	3
<i>Required Communications</i>	9
Significant Audit Findings	9
Accounting Policies	9
Unusual Transactions, Controversial or Emerging Areas	9
Estimates	10
Disclosures	10
Difficulties Encountered in Performing the Audit	10
Corrected and Uncorrected Misstatements	10
Disagreements with Management	10
Management Representations	10
Management Consultations with Other Independent Accountants	10
Other Audit Findings or Issues	11
Other Information Accompanying the Financial Statements	11

This Page Left Intentionally Blank

MEMORANDUM ON INTERNAL CONTROL

Board of Directors
Dublin San Ramon Services District,
Dublin California

We have audited the financial statements of the Dublin San Ramon Services District (District) for the year ended June 30, 2014, and have issued our report thereon dated October 13, 2014. In planning and performing our audit of the financial statements of the District, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe to be of potential benefit to the District.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California
October 13, 2014

This Page Left Intentionally Blank

**DUBLIN SAN RAMON SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF CURRENT YEAR OTHER MATTERS

There are a number of new accounting and financial reporting pronouncements that have been issued by the Governmental Accounting Standards Board, the authoritative standard setting body in the United States. We have included the one effective in the next fiscal year below to keep you informed about these developments on a proactive basis.

The following pronouncement is effective in fiscal year 2014/15:

2014-01 GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)

This Statement will have a material impact on the District's financial statement. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared.

The following are the major impacts:

- This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (**net pension liability**) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (**total pension liability**), less the amount of the pension plan's **fiduciary net position**.
- Actuarial valuations of the total pension liability are required to be performed at least every two years, with more frequent valuations encouraged. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation (performed as of a date no more than 30 months and 1 day prior to the employer's most recent year-end).
- The actuarial present value of projected benefit payments is required to be attributed to periods of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay. The actuarial present value is required to be attributed for each employee individually, from the period when the employee first accrues pensions through the period when the employee retires.

**DUBLIN SAN RAMON SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF CURRENT YEAR OTHER MATTERS

**GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)
(Continued)**

Single and Agent Employers

- In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a single or agent employer that does not have a special funding situation is required to recognize a liability equal to the net pension liability. The net pension liability is required to be measured as of a date no earlier than the end of the employer's prior fiscal year (the measurement date), consistently applied from period to period.
- The pension expense and deferred outflows of resources and deferred inflows of resources related to pensions that are required to be recognized by an employer primarily result from changes in the components of the net pension liability—that is, changes in the total pension liability and in the pension plan's fiduciary net position.
- This Statement requires that most changes in the net pension liability be included in pension expense in the period of the change. For example, changes in the total pension liability resulting from current-period service cost, interest on the total pension liability, and changes of benefit terms are required to be included in pension expense immediately. Projected earnings on the pension plan's investments also are required to be included in the determination of pension expense immediately.
- The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning with the current period. The effect on the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions.
- Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

**DUBLIN SAN RAMON SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF CURRENT YEAR OTHER MATTERS

**GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)
(Continued)**

- In governmental fund financial statements: A net pension liability should be recognized to the extent the liability is normally expected to be liquidated with expendable **available** financial resources. Pension expenditures should be recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources.

- Notes to financial statements of single and agent employers include descriptive information, such as the types of benefits provided and the number and classes of employees covered by the benefit terms. Single and agent employers also should disclose the following information:
 - For the current year, sources of changes in the net pension liability

 - Significant assumptions and other inputs used to calculate the total pension liability, including those about inflation, salary changes, ad hoc postemployment benefit changes (including ad hoc COLAs), and inputs to the discount rate, as well as certain information about mortality assumptions and the dates of experience studies.

 - The date of the actuarial valuation used to determine the total pension liability, information about changes of assumptions or other inputs and benefit terms, the basis for determining employer contributions to the pension plan, and information about the purchase of allocated insurance contracts, if any.

 - Required Supplementary Information: Single and agent employers are required to present in required supplementary information the following information, determined as of the measurement date, for each of the 10 most recent fiscal years:
 - Sources of changes in the net pension liability

 - The components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percentage of covered-employee payroll.

 - Schedule covering each of the 10 most recent fiscal years that includes information about the actuarially determined contribution, contributions to the pension plan, and related ratios. If the contributions of a single or agent employer are not actuarially determined but are established in statute or by contract, the employer should present a schedule covering each of the 10 most recent fiscal years that includes information about the statutorily or contractually required contribution rates, contributions to the pension plan, and related ratios.

**DUBLIN SAN RAMON SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF CURRENT YEAR OTHER MATTERS

GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)
(Continued)

- Significant methods and assumptions used in calculating the actuarially determined contributions, if applicable, should be presented as notes to required supplementary information. In addition, the employer should explain factors that significantly affect trends in the amounts reported in the schedules, such as changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions.

Cost-Sharing Employers

- Government-wide and accrual basis of accounting financial statements: A cost-sharing employer that does not have a special funding situation is required to recognize a liability for its **proportionate** share of the net pension liability (of all employers for benefits provided through the pension plan)—the collective net pension liability. An employer's proportion is required to be determined on a basis that is consistent with the manner in which contributions to the pension plan are determined, and consideration should be given to separate rates, if any, related to separate portions of the collective net pension liability. The use of the employer's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers as the basis for determining an employer's proportion is encouraged.
- A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.
- In addition, the effects of (1) a change in the employer's proportion of the collective net pension liability and (2) differences during the measurement period between the employer's contributions and its proportionate share of the total of contributions from employers included in the collective net pension liability are required to be determined. These effects are required to be recognized in the employer's pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees). The portions of the effects not recognized in the employer's pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. Employer contributions to the pension plan subsequent to the measurement date of the collective net pension liability also are required to be reported as deferred outflows of resources related to pensions.

**DUBLIN SAN RAMON SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF CURRENT YEAR OTHER MATTERS

GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)
(Continued)

- In governmental fund financial statements, the cost-sharing employer's proportionate share of the collective net pension liability is required to be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Pension expenditures should be recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources.

- Notes to financial statements of cost-sharing employers include descriptive information about the pension plans through which the pensions are provided. Cost-sharing employers should identify the discount rate and assumptions made in the measurement of their proportionate shares of net pension liabilities, similar to the disclosures about those items that should be made by single and agent employers. Cost-sharing employers, like single and agent employers, also should disclose information about how their contributions to the pension plan are determined.

- This Statement requires cost-sharing employers to present in required supplementary information 10-year schedules containing (1) the net pension liability and certain related ratios and (2) if applicable, information about statutorily or contractually required contributions, contributions to the pension plan, and related ratios.

This Page Left Intentionally Blank

REQUIRED COMMUNICATIONS

To the Board of Directors of
the Dublin San Ramon Services District
Dublin, California

We have audited the basic financial statements of the Dublin San Ramon Services District for the year ended June 30, 2014. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are included in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

GASB 65 - *Items Previously Reported as Assets and Liabilities*

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

The following pronouncements became effective, but did not have a material effect on the financial statements.

GASB 67 – *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*

GASB 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of depreciation is based on the estimated useful lives of the capital assets, and its estimate of claims is based on the District Attorney's estimates of current and potential litigation provided for the District as of June 30, 2014. We evaluated the key factors and assumptions used to develop the depreciation expense and claims liability balances and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the District's financial reporting process.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated October 13, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

With respect to the required supplementary information accompanying the financial statements, we applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Pleasant Hill, California
October 13, 2014

This Page Left Intentionally Blank



Reference Engineering Services Manager	Type of Action Approve Agreement and Task Order No. 1	Board Meeting of November 18, 2014
Subject Approve Master Agreement for Consulting Services with Brown and Caldwell and Authorize General Manager to Execute Task Order No. 1 for Design Services for the Secondary Clarifier No. 3 Rehabilitation (CIP 14-S013)		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	R. Biagtan
		<input type="checkbox"/> Board Member

Recommendation:

The Engineering Services Manager recommends the Board of Directors: 1) approve, by Resolution, a Master Agreement for Consulting Services with Brown and Caldwell; and, 2) authorize, by Motion, the General Manager to execute Task Order No. 1 for Design Services for the Secondary Clarifier No. 3 Rehabilitation (CIP 14-S013) in the amount of \$162,439.

Summary:

The Secondary Clarifier No. 3 launder and collector unit mechanism is 25 years old, in poor condition and in need of replacement to ensure adequate sedimentation of the wastewater is achieved. This project will replace Secondary Clarifier No. 3 launder with inboard steel launder, and will include scum box replacement, collector modifications and brush cleaner. Additionally, the collector unit, including inlet well and flocculation well, collector pipe, flow squeegees, center column, return activated sludge (RAS) pipe support and bridge connection modifications and drive, will be replaced.

A significant portion of the design is follow-on work conducted by Brown and Caldwell (B&C) for the WWTP’s Stage 4 Improvements which included a fourth Secondary Clarifier (CIP 98CH140), and Secondary Clarifier No. 2 Rehabilitation (CIP 310C02). B&C was selected to conduct the WWTP’s Stage 4 Improvements and Secondary Clarifier No. 2 Rehabilitation through a “Quality Based Selection Process” in accordance with District Purchasing Procedures and Board Resolution No. 14-06. To meet deadline and reduce costs, staff requested that B&C prepare a scope of work for engineering design services required for the Secondary Clarifier No. 3 Rehabilitation Project (CIP 14-S013). The scope of services provided by B&C is detailed in the Scope of Services attached to the Task Order. The project is expected to be completed in late 2015.

B&C’s existing consulting agreement has expired and is outdated. B&C has reviewed and agreed upon the terms and conditions of the latest version of the District’s Consulting Services Agreement. General Counsel has reviewed and approved this Consulting Agreement. The Master Agreement for Consulting Services has a two-year term. Services will be authorized by task orders. Each task order will include a scope of work and compensation on a time and materials basis with a not-to-exceed amount.

The project is funded 100% through the Regional Sewer Replacement Fund (310). Adequate funds are available for this project. Staff recommends the Board approve the Master Consulting Services Agreement and authorize the General Manager to execute Task Order No. 1 for Design Services for the Secondary Clarifier No. 3 Rehabilitation (CIP 14-S013) in the amount of \$162,439.

Committee Review			Legal Review	Staff Review		
COMMITTEE	DATE	RECOMMENDATION	Yes	ORIGINATOR	DEPARTMENT	REVIEWED BY
---	---	---		R. Portugal	Engineering	
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$162,439	<input checked="" type="checkbox"/> Funding Source A. Fund 310 B.		Attachments to S&R 1 Task Order No. 1 2. 3.			

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING A MASTER AGREEMENT FOR CONSULTING SERVICES WITH BROWN AND CALDWELL

WHEREAS, Brown and Caldwell was selected to conduct the design work for previously completed projects WWTP's Stage 4 Improvements (CIP 98CH140) and Secondary Clarifier No. 2 Rehabilitation (CIP 310C02) through a "Quality Based Selection Process" in accordance with Board Resolution No. 14-06; and

WHEREAS, Secondary Clarifier No. 3 Rehabilitation (CIP 14-S013) is an authorized project included in the District's Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2014 and 2015; and

WHEREAS, a significant portion of the design for the Secondary Clarifier No. 3 Rehabilitation (CIP 14-S013) is follow-on work conducted by Brown & Caldwell for the WWTP's Stage 4 Improvements which included a new Secondary Clarifier No. 4 (CIP 98CH140) and Secondary Clarifier No. 2 Rehabilitation (CIP 310C02); and

WHEREAS, to meet deadline and reduce costs, staff requested that Brown and Caldwell prepare a scope of work for follow-on work required for the Secondary Clarifier No. 3 Rehabilitation (CIP 14-S013); and

WHEREAS, the existing consulting agreement between the District and Brown and Caldwell is outdated, and both parties wish to update the agreement; and

WHEREAS, District staff have evaluated the need for professional engineering consulting services for future District projects.

Res. No. _____

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:

That certain “Master Agreement for Consulting Services” (Exhibit A) by and between Dublin San Ramon Services District and Brown and Caldwell is hereby approved, and the General Manager and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said agreements for and on behalf of Dublin San Ramon Services District.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 18th day of November 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgean M. Vonheeder-Leopold, President

ATTEST: _____
Nancy G. Hatfield, District Secretary

MASTER AGREEMENT for CONSULTING SERVICES
WITH
BROWN AND CALDWELL

THIS AGREEMENT, made and entered into this _____ day of _____, 20____ by and between DUBLIN SAN RAMON SERVICES DISTRICT, a public agency in the counties of Alameda and Contra Costa, California (“District”) and Brown and Caldwell (“Consultant”), 201 North Civic Drive, Suite 115, Walnut Creek, California 94596, (925) 931-9010;

WHEREAS, District requires professional engineering consulting services; and

WHEREAS, Consultant’s principals include Professional Engineers duly registered in the State of California and Consultant represents that it is experienced in performing, and uniquely qualified to perform, the professional engineering consulting services; and

WHEREAS, District desires to engage Consultant for such services; and

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES. Consultant shall perform assignments in accordance with the terms and conditions of this Agreement and written Task Orders issued from time to time by District to Consultant and accepted by Consultant. Each such Task Order shall include, but not be limited to: (i) a description of the services to be performed by Consultant, and the key personnel to be assigned by Consultant to the performance of the specific Task (who shall not be replaced without the prior written approval of the District, which shall not be unreasonably withheld); (ii) the time of performance for providing such services; (iii) maximum compensation payable for providing such services, provided that such compensation shall be payable pursuant to Paragraph 2 hereof unless otherwise expressly provided in the Task Order; (iv) District’s source of funding; and (v) such other provisions as the parties deem appropriate or necessary to accomplish the purpose of the Task Order. To the extent not expressly modified by Task Order, all other terms and conditions of this Agreement shall be deemed incorporated in each Task Order.

Consultant is expressly authorized to continue, complete, and shall be compensated by District for all work authorized, approved and performed, prior to the effective date of this Agreement, under any prior agreement(s) or any Task Orders issued by the District pursuant thereto.

2. COMPENSATION. District shall compensate Consultant for all services performed by Consultant pursuant to Paragraph 1 in an amount equal to Consultant’s hourly rates of charge for Consultant’s personnel times the number of hours, or portions thereof, of services correspondingly performed by said personnel. Said rates of charge are set forth in Exhibit “A” hereof, attached hereto, and by reference incorporated herein. Said rates may be adjusted, from time to time, upon written approval of the District.

District shall reimburse Consultant for other expenses directly incurred in performing services hereunder, if any, described in Exhibit “A” or in written Task Orders.

Compensation and reimbursement of expenses shall be payable by District within thirty (30) days upon receipt of billing by Consultant. Billing by Consultant to District shall not be more often than monthly for services corresponding to each Task Order. The billing shall include an itemized statement briefly describing the services rendered and costs incurred and the authorized amount remaining.

3. RECORDS. Consultant shall keep and maintain accurate records of all time expended and costs and expenses incurred relating to services to be performed by Consultant hereunder. Said records shall be available to District for review and copying during regular business hours at Consultant's place of business, or as otherwise agreed upon by the parties.

4. NON-ASSIGNABILITY. Consultant shall not subcontract, assign, sell, mortgage, hypothecate or otherwise transfer its interest or obligations in this agreement or any Task Order issued hereunder in any manner, without the express prior written consent of District, which consent shall not be unreasonably withheld. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Consultant, upon District's written consent, from employing such independent consultants, associates, and subcontractors as may be necessary to assist in the performance of the services hereunder. Nothing herein shall be construed to give any rights or benefits to anyone other than District and Consultant.

5. STATUS. In the performance of services hereunder, Consultant shall be, and is, an independent contractor, and shall not be deemed to be an employee or agent of District. All services provided pursuant to this Agreement shall be authorized by Task Order issued by the District's General Manager or his or her designated representative and signed by the Consultant.

6. PERIOD OF SERVICE. Unless extended by Task Order, this Master Agreement shall expire on June 30, 2016.

7. PERFORMANCE STANDARDS. In performing services hereunder, Consultant shall adhere to the standards generally prevailing for the performance of engineering design and consulting services similar to those to be performed by Consultant hereunder, shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a Professional Engineer under similar circumstances, and shall, at no cost to District, re-perform services which fail to satisfy the foregoing standard of care. All drawings and specifications requiring certification by a Professional Engineer shall bear the stamp and signature of an engineer duly registered in the State of California.

Any costs incurred by the District (including but not limited to additional design costs, construction costs, and construction management costs, to the extent that any such costs are recoverable under California law) and used to correct deficiencies caused by Consultant's negligent errors and omissions or willful misconduct shall be borne solely by the Consultant. The District is relying upon the Consultant's qualifications concerning the services furnished hereunder and, therefore, the fact that the District has accepted or approved the Consultant's work shall in no way relieve the Consultant of these responsibilities.

8. TERMINATION. Either party may terminate this Agreement without cause by giving the other party written notice thereof not less than sixty (60) days in advance of the effective date of termination, which date shall be included in said notice.

In the event of such termination, District shall compensate Consultant for services rendered to the date of termination, calculated in accordance with the provisions of Paragraph 2. In ascertaining services actually rendered to the date of termination, consideration shall be given both to work completed and work in process of completion. Nothing herein contained shall be deemed a limitation upon the exercise of the right of District to terminate this Agreement for cause, or otherwise to exercise such legal or equitable rights, and to seek such remedies as may accrue to District, or to authorize Consultant to terminate this Agreement for cause.

9. TITLE TO, POSSESSION OF, AND RELIANCE UPON DOCUMENTS. All documents, work products, plans, specifications, negatives, drawings, computer disks, electronic tapes, renderings, data reports, files, estimates and other such papers, information and materials (collectively, "materials"), or copies thereof (except proprietary computer software purchased or developed by Consultant) obtained or prepared by Consultant pursuant to the terms of this Agreement, shall become the property of District. District and Consultant shall, from time to time pursuant to Task Orders, specify which materials Consultant shall deliver to District ("Deliverables"). Deliverables are intended to, and may, be relied upon by District, or joint powers authorities of which District is a member agency by District, where appropriate, for those purposes for which District requested their preparation, or for use in connection with planning-level activities including, without limitation, the preparation of environmental documentation pursuant to the California Environmental Quality Act ("CEQA") or the National Environmental Policy Act ("NEPA") or similar statutes. Consultant will not be responsible for use of Deliverables, or portions thereof, for any purpose other than those specified in the preceding sentence.

Materials not delivered to District ("Non-Deliverables") shall be retained by Consultant, but Consultant shall provide District access to such Non-Deliverables at all reasonable times upon District's request. District may make and retain copies of all Non-Deliverables, at District's expense, for information and reference. Unless otherwise specified in writing by Consultant, use thereof for any purpose other than the purpose for which the Non-Deliverables were prepared, or for use in connection with planning-level activities including, without limitation, the preparation of environmental documentation pursuant to CEQA or NEPA or similar statutes, shall be at the user's sole risk and without liability to Consultant.

10. COMPLIANCE WITH LAWS. In performance of this Agreement, Consultant shall exercise due professional care in compliance with all applicable federal, state and local laws, rules, regulations, orders, codes, criteria and standards. Consultant shall procure all permits, certificates, and licenses necessary to allow Consultant to perform the Services specified herein. Consultant shall not be responsible for procuring permits, certificates, and licenses required for any construction unless such responsibilities are specifically assigned to Consultant under a Task Order.

Consultant shall comply at all times with California Occupational Safety and Health Act

(“OSHA”) regulations regarding necessary safety equipment or procedures and shall take all necessary precautions for safe operation of its work, and the protection of its personnel and the public from injury and damage from such work.

11. NON-DISCLOSURE OF PROPRIETARY INFORMATION. Consultant shall consider and treat all drawings, reports, studies, design calculations, specifications, and other documents and information provided to Consultant by District in furtherance of this Agreement to be the District’s proprietary information, unless said information is available from public sources other than District. Consultant shall not publish or disclose District’s proprietary information for any purpose other than in the performance of services hereunder without the prior written authorization of District or in response to legal process. Nothing herein contained shall be deemed to abrogate compliance with the California Public Records Act (Government Code Section 6250, et seq.); provided that District shall determine and advise Consultant which documents, if any, are required to be disclosed under said Act.

12. INSURANCE. Consultant shall procure and maintain for the duration of this Agreement, and any Task Orders issued hereunder, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

Minimum Scope and Limit of Insurance. Coverage shall be at least as broad as:

A. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

B. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

C. Workers’ Compensation insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. (*Not required if consultant provides written verification it has no employees*)

D. Professional Liability (Errors and Omissions) Insurance appropriate to the Consultant’s profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Consultant maintains higher limits than the minimums shown above, the District requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

A. **Additional Insured Status:** The District, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

B. **Primary Coverage:** For any claims related to this contract, the Consultant's commercial general liability and automobile liability insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

C. **Notice of Cancellation:** Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the District.

D. **Waiver of Subrogation:** Consultant hereby grants to District a waiver of any right to subrogation which any insurer of said Consultant, other than the professional liability insurer, may acquire against the District by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.

E. **Deductibles and Self-Insured Retentions:** Any deductibles or self-insured retentions must be declared to and approved by the District. The District may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

F. **Acceptability of Insurers:** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District.

G. **Claims Made Policies:** If any of the required policies provide coverage on a claims-made basis:

i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

ii. Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract of work.*

iii. If coverage is canceled or non-renewed, and not *replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of *five (5) years* after

completion of contract work.

H. **Verification of Coverage:** Consultant shall furnish the District with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

I. **Subcontractors:** Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that District is an additional insured on insurance required from subcontractors.

J. **Special Risks or Circumstances:** District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

13. INDEMNIFICATION. Consultant shall hold harmless, indemnify and defend District, its governing Board of Directors, other boards, commissions, committees, officers, officials, employees, volunteers, and agents (collectively, "Indemnities") from and against all claims for liability, losses, damages, expenses, costs (including, without limitation, costs and fees of litigation) of every nature, kind and description, which may be brought against or suffered or sustained by Indemnities, to the extent caused in whole or in part by the negligence, intentional tortuous acts or omissions, or willful misconduct of Consultant, its officers, employees or agents, in the performance of any services or work pursuant to this Agreement or any Task Order issued hereunder. Consultant's duty to indemnify and save harmless shall include the duty to defend as set forth in California Civil Code Section 2778; provided, that nothing herein contained shall be construed to require Consultant to indemnify Indemnities against any responsibility or liability in contravention of California Civil Code Section 2782.

A. In the event Consultant provides a defense pursuant to this Paragraph and such action or other claim is resolved by a final judicial determination, which includes a finding that there was no negligence on the part of Consultant, its officers, employees or agents, District shall refund to Consultant all defense costs, judgments and/or amounts paid by Consultant on behalf of Indemnities.

B. In the event Consultant provides a defense pursuant to this Paragraph and such action or other claim is resolved by a final judicial determination which includes a finding as to the respective negligence of Consultant, its officers, employees or agents and any Indemnities(s), then District shall be responsible to pay that portion of the judgment attributed to Indemnities(s), and shall refund to Consultant a pro rata share of any defense costs expended on behalf of Indemnities.

C. In the event Consultant provides a defense pursuant to this Paragraph and such action or other claim is finally resolved by any other means than those stated in

Paragraphs 13(a) and 13(b), or in the event Consultant fails to provide a defense to Indemnities, Consultant and District shall meet and confer in an attempt to reach a mutual agreement regarding the apportionment of costs (including attorneys' fees), judgments and/or amounts paid by Consultant and/or Indemnities. In the event Consultant and District are unable to reach agreement regarding such an apportionment, said dispute shall be submitted to arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association in effect on the date a demand for arbitration is submitted. The arbitration panel shall award the prevailing party its costs (including attorneys' fees) incurred in the arbitration.

14. COVENANT AGAINST CONTINGENCY FEES. Consultant hereby warrants that Consultant has not employed or retained any company or person, other than a *bona fide* employee working for Consultant, to solicit or secure this Agreement, and Consultant has not paid or agreed to pay any company or person, other than a *bona fide* employee, any fee, commission, percentage, brokerage fees, gifts or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, District shall have the right to annul this Agreement without liability or at District's discretion, to deduct from the Agreement price or consideration or otherwise recover the full amount of such fee, commission, percentage, brokerage fees, gifts or contingent fee.

15. ECONOMIC DISCLOSURE. Upon District's determination that the services provided through this Agreement involve making, or participation in making, decisions which may foreseeably have a material effect on a financial interest, Consultant and/or any of its employees identified by District shall prepare and file an Economic Disclosure Statement(s) consistent with District's local conflict of interest code and the Political Reform Act.

16. PARAGRAPH HEADINGS. Paragraph headings as used herein are for convenience only and shall not be deemed to be a part of any such paragraph and shall not be construed to change the meaning thereof.

17. WAIVER. A waiver by either District or Consultant of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

18. SURVIVABILITY. The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void.

19. INTEGRATION AND MODIFICATION. This Agreement, together with the Compensation Schedule setting forth Consultant's rates and charges and compensable expenses, attached hereto as Exhibit "A," is adopted by District and Consultant as a complete and exclusive statement of the terms of this Agreement between District and Consultant, except to the extent

revised and/or implemented through issuance of Task Orders hereunder. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters, or other communications between the District and Consultant, whether written or oral; provided, however, that Consultant is expressly authorized to continue, complete, and be fully compensated by District for all work authorized, approved and begun, prior to the effective date of this Agreement, according to the terms of said agreement and/or any Task Orders issued by the District pursuant thereto.

20. AMENDMENTS. This Agreement may be amended or supplemented by the parties by written agreement approved and executed in the same manner as this Agreement.

21. SUCCESSORS AND ASSIGNS. This agreement shall be binding upon the respective successors, executors, administrators, assigns, and legal representatives to the parties.

22. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

23. NOTICES. All notices to be given hereunder shall be written, and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

To District: General Manager
Dublin San Ramon Services
District 7051 Dublin Boulevard
Dublin, CA 94568

To Consultant: Timothy Banyai, PE
Brown & Caldwell
201 North Civic Drive, Suite 115
Walnut Creek, CA 94596

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first written.

DUBLIN SAN RAMON SERVICES DISTRICT, a
public agency

By: _____
Bert Michalczyk, General Manager

Attest: _____
Nancy G. Hatfield, District Secretary

Consultant BROWN AND CALDWELL

By: _____
Lori Jones, Vice President

Brown and Caldwell
Task Order No. 1 to Agreement dated _____

Issue Date: November 18, 2014

Project Name and Number: Secondary Clarifier No. 3 Rehabilitation (CIP 14-S013)

Task Title: Engineering Services for Design, Bid Period, and During Construction

Project Manager Name & Signature: Rudy Portugal _____

Source of Funds: Regional Sewer Replacement (Fund 310)

Board Review Committee: N/A

Account Number: 14-S013.cip.design

Authorization Amount: \$162,439

Purchase Order Number: TBD

Return Purchase Order to: Evita Schnupp

Compensation Method: Time and materials as per Agreement

Completion Date: December 1, 2015

Insurance Requirements: As per Agreement; no special requirements

Work Product: See Attachment "A"

Digital Drawings, if applicable: Digital files shall be in AutoCAD 2010 or higher drawing format. Drawing units shall be decimal with a precision of 0.00. Angles shall be in decimal degrees with a precision of 0. All objects and entities in layers shall be colored by layer. All layers shall be named in English. Abbreviations are acceptable. All submitted map drawings shall use the Global Coordinate system of USA, California, NAD 83 California State Planes, Zone III, U. S. foot.

Scope of Work: See Attachment "A"

Economic Disclosure: Required – Need to include Attachment B
 Not Required

Recommended by: Rhodora Biagtan (_____)

Accepted by: _____ Date _____
Tracy M. Stigers, Principal-in-Charge
Brown and Caldwell

Authorized by: _____ Date _____
Bert Michalczyk, General Manager
Dublin San Ramon Services District

**DUBLIN SAN RAMON SERVICES DISTRICT
SECONDARY CLARIFIER 3 REHABILITATION**

Date: August 14, 2014

Scope of Work

Project Description

The Dublin San Ramon Services District (District) Wastewater Treatment Plant (WWTP) has an average dry weather flow (ADWF) capacity of approximately 17 million gallons per day (mgd); an equalized peak wet weather (EPWWF) capacity of 37.7 mgd; and an un-equalized peak wet weather flow (UPWWF) of 60.7 mgd. Secondary Clarifiers 1 and 2 have been rehabilitated with new equipment. This project will rehabilitate Secondary Clarifier 3 with equipment similar to Secondary Clarifiers 1 and 2. The target date to complete the construction portion of the project is October 2015 in order to maximize recycle water production in 2015 and complete the project before wet weather.

Secondary Clarifier 3 is 90-foot inside diameter with a 13.5-foot sidewater depth. The secondary clarifier equipment will be provided by Ovivo to match Secondary Clarifiers 1 and 2. The rehabilitation will include the following major components:

- New drive assembly with center platform and ‘tow bro’ style mechanism with two scraper arms
- New center column
- New distribution well and secondary flocculator baffle
- New full diameter bridge with aluminum handrail
- New rotating scum collection troughs with chopper style scum pump in the center ring and discharge piping connected to the secondary scum piping
- New galvanized weirs and launders in a circular configuration
- New automated brush cleaning system for the launders
- New instruments for monitoring and control to replace existing
- Reconnect existing electrical and control circuits to new equipment and instruments
- New 3W spray system
- All parts and pieces of equipment made of steel shall be coated

In addition, the project will include assistance with field survey to verify Secondary Clarifier 3 elevations, structural evaluation of center column foundation and structure, and evaluation of pre-purchasing equipment to meet construction schedule limitations.

This task order provides engineering services for design, bid period, and engineering services during construction. The bid period and engineering services during construction tasks have an estimate of time based on assumptions described within each task. The assumptions and hours for bid period and engineering services during construction are an estimate and may not represent the actual number required. The assumptions and hours will be reviewed monthly and included in the monthly progress reports.

The preliminary drawing list for the project consists of the following drawings:

General Drawings

- G1 Cover Sheet, Vicinity Map, and Location Map, and List of Drawings
- G2 Abbreviations, Symbols, and Details

Demolition Drawings

- D1 Demolition Plan
- D2 Demolition Section and Details

Structural Drawings – (Optional)

- S1 General Structural Notes
- S2 General Structural Details
- S3 Modification Plan
- S4 Modification Section and Details

Mechanical Drawings

- M1 Standard Details
- M2 Modification Plan
- M3 Modification Section

Electrical Drawings

- E1 Legend and Symbols 1
- E2 Construction Details 1
- E3 Single Line Diagram
- E4 Control Schematic Diagrams
- E5 Demolition Plan
- E6 Site Plan
- E7 Power and Ground Plan

Thirty technical specifications will be developed. The District's engineering staff will develop and provide the front-end documents for the project. BC will assist in providing information for the front-end documents.

Scope of Work

The scope of work is divided into eight tasks: Technical Memoranda, 75 Percent Design, 100 Percent Design, Bid Documents, Bidding, Engineering Services during Construction, Project Management, and Option Task for Structural Work. The scope of work is described in the following sections.

Design Assumptions

1. Hazardous area classification (NFPA 820) is not required.
2. New lighting or lighting design is not required
3. Existing power source has available capacity for new loads and is of current technology.
4. Existing wires for new instruments replacing existing instruments will be reused.
5. Development of as-built drawings of existing motor control centers, remote I/O cabinets, control panels, PLC cabinets, etc. is not included.
6. New overcurrent protection and motor starter controls will be installed in existing motor control center.
7. Existing secondary clarifier controls and logic will remain the same. Control narratives or control strategies are not required.
8. New programmable logic controller input/output connections are not required. No new I/O will be included.
9. Modifications to plant system SCADA are not required.
10. Process and Instrumentation Diagrams are not included.
11. BC drawing standards will be used.
12. Technical specifications will be in BC standard Division 2 through Division 17 format.

Task 1 — Technical Memoranda

This task will include the project kickoff workshop, development of two TMs and field verification of secondary clarifier elevations:

1. Conduct a project kickoff meeting at DSRSD's Wastewater Treatment Plant to confirm the project requirements, a final drawing list, and specifications. BC will develop an agenda and list of project requirements to be included as part of the project. BC will provide a summary of the workshop. The workshop will be attended by BC's project manager and project engineer and is expected to last two hours.
2. Conduct a site visit and visual inspection of Secondary Clarifier concrete. Develop a TM of approximately three pages plus appendices (calculations) that presents an evaluation of the secondary clarifier and center column foundation to meet new seismic requirements and summarizes the results of a visual inspection of the Secondary Clarifier 3 concrete. A planning level cost estimate for the structural repair recommendations will be provided. The seismic evaluation will be in accordance with ACI 650 and Seismic Hydrodynamic forces. The visual inspection will occur in October 2014.
3. Develop a TM of approximately three pages for evaluating pre-purchasing the secondary clarifier equipment and assigning it to the Contractor vs the Contractor purchasing the equipment. The evaluation will develop an overall project schedule for both options. The TM

will be approximately three pages.

4. Provide a list of elevations for Secondary Clarifier 3 to be surveyed by the District's surveyor. The list will be provided on a site plan.

Schedule

The project kickoff meeting will occur within two weeks of Notice-to-Proceed. The draft TMs will be submitted within four weeks of the project kickoff workshop. The final TMs will be submitted within two weeks of receiving consolidated comments from the District.

Task 2 — 75 Percent Design

This task will include the following work items:

1. Completion of general drawings to approximately 80 percent level.
2. Completion of demolition drawings to approximately 80 percent. Backgrounds for demolition drawings will be developed by scanning existing drawings.
3. Completion of structural drawings to approximately 70 percent. Backgrounds for structural drawings will be developed by scanning existing drawings. The scope of required structural work will be evaluated as part of a Task 1 technical memorandum. A preliminary estimate to complete structural design activities, if they are needed, is included as an optional task in this fee estimate.
4. Completion of mechanical drawings to approximately 70 percent. Backgrounds for mechanical drawings will be developed by scanning existing drawings.
5. Completion of electrical drawings to approximately 50 percent. Drawings will include single line diagrams, control schematic diagrams, and location of equipment. Backgrounds for electrical drawings will be developed by scanning existing drawings.
6. Development of preliminary construction sequencing plan.
7. Development of draft technical specifications.
8. The 75 percent design submittal will be provided in electronic PDF format and 5 hard copies of specification and drawing (11 x 17).

Schedule

The 75 percent Design Submittal will be submitted within four weeks after the Final TMs are submitted.

Task 3 — 100 Percent Design

This task will include the following work items:

1. A 75 percent design review workshop.
2. Incorporate District's 75 percent comments into the 100 percent submittal.
3. Completion of general drawings to 100 percent level.
4. Completion of demolition drawings to 100 percent.
5. Completion of structural drawings to 100 percent. The structural work is include as an optional

- task in the fee estimate.
6. Completion of mechanical drawings to 100 percent.
 7. Completion of electrical drawings to 100 percent.
 8. Completion of Class 1 level engineer's opinion of probable construction cost (estimate) prepared in accordance with the Association of the Advancement of Cost Engineering International standards.
 9. Completion of construction sequencing plan.
 10. Completion of specifications to 100 percent.
 11. Completion of front-end specifications with changes to be incorporated by District.
 12. The 100 percent design submittal will be provided in electronic PDF format and 5 hard copies of specification and drawing (11 x 17).

Schedule

The 100 percent Design Submittal will be submitted within three weeks after the receipt of collated 75 percent design review workshop.

Task 4 — Bid Documents

This task will include the following work items:

1. 100 percent design review workshop attended by BC's project manager
2. Incorporation of District's 100 percent comments in Final Construction Documents.
3. Preparation of 100 percent design documents.

Schedule

The final Bid Documents will be submitted within 2 weeks after the receipt of collated 100 percent design review workshop comments from the District. The District will be responsible for preparing and distributing bid documents to the plan holders.

Task 5 — Bid Period Service

1. **Pre-bid Meeting Attendance:** BC's project manager will attend the Pre-bid Meeting. This task assumes that the District will prepare the meeting agenda and minutes. The BC PM will review the meeting agenda and minutes. The estimate of time for this task is four hours including travel time.
2. **Prepare Addenda:** This task includes preparation of up to two addenda. This task assumes each addendum may contain up to two pages of written text and modification of up to two drawings. The District will be responsible for distributing addenda to the plan holders. The estimate of time for this task is 20 hours.
3. **Conformed Documents:** BC will create conformed documents from the addenda. BC will

provide the Conformed Documents in electronic PDF form. The estimate of time for this task is 12 hours.

Task 6 — Office Engineering during Construction

1. **Preconstruction Meeting Attendance:** The BC project manager will attend the Preconstruction Meeting. This task assumes that the District will prepare the meeting agenda and minutes. The BC PM will review the meeting agenda and minutes. The estimate of time for this task is four hours including travel time.
2. **Shop Drawing Submittal Review:** This task includes reviewing shop drawing submittals and resubmittals, product data, and samples for general conformance with the project design concept and general compliance with the information and design requirements provided in the Contract Documents. Brown and Caldwell will not review quantities, dimensions, weights and gauges, fabrication processes, construction methods, coordination of work, or construction safety practices, etc. Submittals that are substantially deficient or incomplete may not be reviewed or may be rejected without comments. The District will be responsible for tracking and processing shop drawings from the Contractor. BC will keep a log of shop drawings submitted. Shop drawing submittal review comments will be returned to the City within 14 calendar days.

This task includes a total of approximately 25 shop drawing submittals and resubmittals to be reviewed. For estimating purposes, we have assumed a resubmittal will count as a new submittal. The estimate of time for this task is 100 hours. Specific submittals not included in this scope of work are the contractor's health and safety related plans, construction schedules, and application for payments.

3. **Request for Information (RFI) Responses:** This task includes responding to RFI's. This task assumes the District will be responsible for tracking and processing RFIs with the contractor. BC will keep a log of RFI's submitted. This task assumes a total of 8 RFIs will be answered. The estimate of time for this task is 24 hours.
4. **Change Order/Claims Assistance:** BC will assist the District with Contractor change order review and preparation. This includes review of the work tasks, effort, costs and preparation of drawings, and specifications, if necessary. The District will be responsible for processing change orders with the Contractor. BC will also assist the District with claims assistance. This task assumes up to two change orders/claims will be processed. The estimate of time for this task is 16 hours.
5. **Structural Observations:** A BC structural engineer will review the center column installation. Structural concrete, field and shop welding, and other special inspections shall be completed by the District's inspectors. The BC structural engineer will prepare a site visit memorandum for the site visit. This task includes one visit by the BC structural engineer. The District shall provide a

minimum of 48 hour notice for all inspection requests. The estimate of time for this task is 8 hours including travel time.

- 6. Site Visits/Meetings:** This task includes site visits/meetings by the BC personnel to clarify questions for the Contractor and the District. This task includes attendance at four construction meetings, two site visits to clarify questions, and a final walk through by the BC project manager. BC will prepare a site visit memorandum for each site visit for the District's records. The estimate of time for this task is 28 hours including travel time.
- 7. Startup Assistance:** BC will assist the District with startup of the secondary clarifier. This task assumes that the District does not need startup assistance with existing systems related to the secondary clarifier. BC will review the Contractor's startup plans before the startup site visits. This task assumes up to two site visits for startup assistance will be required. The estimate of time for this task is 12 hours including preparation and travel time.
- 8. Record Drawing Preparation:** BC will create record drawings from the Contractor and District markups. The estimate of time for this task is 24 hours.

Task 7 — Project Management

This task will include project management including scope, budget and schedule control, quality assurance, monthly progress reports, and preparation of up to 15 monthly invoices.

Task 8 — Structural Design and Engineering Services During Construction (Optional Task)

As part of Task 1, a technical memorandum will be developed to evaluate if Secondary Clarifier 3 meets new building and seismic codes, and recommend, if necessary, required improvements. The extent and cost of the work will not be known until the technical memorandum is completed. This task is an optional task with an estimate of hours and fee for the structural design and engineering services during construction if it is needed. The fee presented in this task is an estimate and the scope of work and fee estimate will be re-evaluated after completion of the technical memorandum.

Project Deliverables

Deliverables for the Scope of Work in this Amendment shall be as follows:

- **Technical Memoranda:** BC will provide three hard copies and one electronic copy of the TMs.
- **Survey Information:** BC will prepare a site plan with elevations needed for the project.
- **75 Percent Design Submittal:** BC will provide three hard copies and one electronic copy of the specifications and drawings. Drawings will be 11 x 17 and be included as an appendix to the specifications.
- **100 Percent Design Submittal:** BC will provide three hard copies and one electronic copy of the specifications and drawings. Drawings will be 11 x 17 and be included as an appendix to the specifications.
- **Final Bid Documents:** BC will provide three hard copies and one electronic copy of the specifications and drawings. Drawings will be 11 x 17 and be included as an appendix to the specifications.
- **Conformed Documents:** BC will provide three hard copies and one electronic copy of the conformed specifications and drawings. Drawings will be 11 x 17 and be included as an appendix to the specifications.
- **Shop Drawing Submittal Review Comments:** BC will provide one electronic copy of comments for each shop drawing reviewed.
- **RFI Responses:** BC will provide one electronic copy of responses for each RFI submitted.
- **Change Order Summary:** BC will provide a change order review and technical documents for two change orders.
- **Structural Observation Summary:** BC will provide a summary report for each structural observation. A draft and final version will be provided for each report.
- **Site Visit Memoranda and Punch List:** BC will provide reports to the District summarizing each site visit. A draft and final version will be provided for each memorandum and punch list.
- **Startup Assistance Comments:** BC will provide one hard copy and one electronic copy of comments on the draft and final Contractor startup plans.

- **Record Drawings:** BC will develop record drawings and specifications based on the marked-up documents and deliver to the District one hard copy set and one electronic set on CD format.

District Tasks

District will carry out the following tasks in support of this Task Order:

- Collated (consolidated?) comments for deliverables
- Provide confined space entry support
- Surveying
- Submit environmental documentation as required for project
- Provide geotechnical reports for the WWTP
- Obtain permits.
- Provide construction management and inspection including special inspections.
- Provide reasonable access to the WWTP site.
- Distribute and monitor status of shop drawings.
- Distribute and monitor status of RFIs.
- Prepare change orders.
- Participate in meetings.
- Provide one set of markups for record drawing preparation.

The following items are specifically not included in this Task Order:

- Geotechnical work and reports
- Continuous on-site construction oversight services.
- Provide coordination with Contractor.
- Management of change order requests.
- Construction management including processing payment requests.
- Staff training.
- Operations and Maintenance Manual review and updating.

Time and Materials Not-to-Exceed Cost Limits

Contract shall be invoiced on a time and materials not-to-exceed cost of \$162,439, without prior written authorization. Optional Task 008, if needed, is an additional \$26,502. Attachment A presents an estimate of labor effort and cost. Labor will be charged on an hourly basis according to the rate schedule agreed to by District and Brown and Caldwell. Other charges will be billed at cost plus 10 percent.

A project schedule for each is provided as Attachment B.

Brown and Caldwell Schedule of Hourly Billing Rates

Level	Engineering	Technical/Scientific	Administrative	Hourly Rate
A			Office/Support Services I	\$55
B	Drafter Trainee	Field Service Technician I	Word Processor I Office/Support Services II	\$73
C	Assistant Drafter	Field Service Technician II	Word Processor II Office/Support Services III	\$80
D	Drafter Engineering Aide Inspection Aide	Field Service Technician III	Accountant I Word Processor III Office/Support Services IV	\$96
E	Engineer I Senior Drafter Senior Illustrator Inspector I	Geologist/Hydrogeologist I Scientist I Senior Field Service Technician	Accountant II Word Processor IV	\$116
F	Engineer II Inspector II Lead Drafter Lead Illustrator	Geologist/Hydrogeologist II Scientist II	Accountant III Area Business Operations Mgr Technical Writer Word Processing Supervisor	\$145
G	Engineer III Inspector III Senior Designer Supervising Drafter Supervising Illustrator	Geologist/Hydrogeologist III Scientist III	Accountant IV Administrative Manager	\$171
H	Senior Engineer Principal Designer Senior Construction Engineer Senior Engineer	Senior Geologist/Hydrogeologist Senior Scientist	Senior Technical Writer	\$194
I	Principal Engineer Principal Construction Engineer Supervising Designer	Principal Geologist/Hydrogeologist Principal Scientist	Corp.Contract Administrator	\$219
J	Supervising Engineer Supervising Constr. Engineer Supervising Engineer	Supervising Scientist Supervising Geologist/Hydrogeologist	Assistant Controller	\$223
K	Managing Engineer	Managing Geologist/Hydrogeologist Managing Scientist	Area Bus Ops Mgr IV	\$243
L	Chief Engineer Executive Engineer	Chief Scientist Chief Geologist/Hydrogeologist	Corp Marketing Comm. Mgr.	\$263
M	Vice President			\$289
N	Senior Vice President			\$325

Notes:

Rates include associated project charge of \$8.00/labor hour that covers costs for personal and CADD computers, reprographics, facsimile transmissions, local and long distance telephone, postage, and express mail services.

Alternatively, the hourly billing rates, as BC has done in past projects, can be multiplied by 3.30.

Exhibit A - Dublin San Ramon Svs Dist-DSRSD(CA) – DSRSD Secondary Clarifier 3 Rehab

Phase	Phase Description	PM	PA	PE	SE	SE	QC	EE	EE	CADD	COST	WP	MM	Total Labor Hours	Total Labor Effort	APC	Company Vehicles	Total Unit Pricing Effort	Total Expense Effort	Total Effort
		\$242.85	\$105.91	\$118.47	\$249.35	\$136.91	\$270.80	\$222.09	\$108.70	\$157.24	\$219.92	\$101.71	\$267.22							
001	Technical Memorandum	12	0	22	24	46	4	0	0	0	8	5	0	121	21,154	968	150	150	1,118	22,272
001	Conduct Kickoff Workshop	4	0	4	0	0	0	0	0	0	0	1	0	9	1,547	72	50	50	122	1,669
002	Develop TM for Eval Center Column	4	0	0	24	46	0	0	0	0	8	2	0	84	15,216	672	50	50	722	15,938
003	Develop TM for Eval Pre-Purchase	4	0	16	0	0	2	0	0	0	0	2	0	24	3,612	192	0	0	192	3,804
004	Secondary Clarifier List of Evals	0	0	2	0	0	2	0	0	0	0	0	0	4	779	32	50	50	82	861
002	75 Percent Design	12	0	80	0	2	8	24	60	80	0	8	0	274	40,078	2,192	100	100	2,292	42,370
****	Default Task	12	0	80	0	2	8	24	60	80	0	8	0	274	40,078	2192	100	100	2,292	42,370
003	100 Percent Design	8	0	24	2	2	8	12	40	40	40	8	0	184	30,638	1,472	100	100	1,572	32,210
****	Default Task	8	0	24	2	2	8	12	40	40	40	8	0	184	30,638	1472	100	100	1,572	32,210
004	Bid Documents	2	0	8	0	0	0	6	8	12	0	8	0	44	6,336	352	0	0	352	6,688
****	Default Task	2	0	8	0	0	0	6	8	12	0	8	0	44	6,336	352	0	0	352	6,688
005	Bid Period Services	6	0	12	0	0	0	4	0	14	0	0	0	36	5,969	288	50	50	338	6,307
001	Pre-bid Meeting Attendance	4	0	0	0	0	0	0	0	0	0	0	0	4	971	32	50	50	82	1,053
002	Prepare Addenda	2	0	8	0	0	0	4	0	6	0	0	0	20	3,265	160	0	0	160	3,425
003	Conformed Documents	0	0	4	0	0	0	0	0	8	0	0	0	12	1,732	96	0	0	96	1,828
006	Office Eng During Construction	38	0	84	8	26	0	6	36	18	0	0	0	216	32,811	1,728	350	350	2,078	34,889
001	Preconstruction Mtg. Attendance	4	0	0	0	0	0	0	0	0	0	0	0	4	971	32	50	50	82	1,053
002	Shop Drawing Submittal Review	4	0	40	4	16	0	0	36	0	0	0	0	100	12,811	800	0	0	800	13,611
003	RFI Responses	4	0	8	2	4	0	6	0	0	0	0	0	24	4,298	192	0	0	192	4,490
004	Change Order/Claims Assistance	8	0	8	0	0	0	0	0	0	0	0	0	16	2,891	128	0	0	128	3,019
005	Structural Observations	0	0	0	2	6	0	0	0	0	0	0	0	8	1,320	64	50	50	114	1,434
006	Site Visits/Meetings	12	0	16	0	0	0	0	0	0	0	0	0	28	4,810	224	200	200	424	5,234
007	Startup Assistance	4	0	8	0	0	0	0	0	0	0	0	0	12	1,919	96	50	50	146	2,065
008	Record Drawing Preparation	2	0	4	0	0	0	0	0	18	0	0	0	24	3,790	192	0	0	192	3,982
007	Project Management	40	48	0	0	0	0	0	0	0	0	0	8	96	16,936	768	0	0	768	17,704
****	Default Task	40	48	0	0	0	0	0	0	0	0	0	8	96	16,936	768	0	0	768	17,704
	Grand Total	118	48	230	34	76	20	52	144	164	48	29	8	971	153,921	7,768	750	750	8,518	162,439
008	Optional Task - Structural	4	0	4	16	60	4	0	0	60	0	0	4	152	25,236	1,216	50	50	1,266	26,502
****	Default Task	4	0	4	16	60	4	0	0	60	0	0	4	152	25,236	1216	50	50	1,266	26,502