



<b>Policy No.:</b> P400-23-3	<b>Type of Policy:</b> Finance
<b>Policy Title:</b> Consolidated Water Enterprise Fund	
<b>Policy Description:</b> Potable Water and Recycled Water to be Managed as Consolidated Funds for Operations, Replacement and Expansion	
<b>Approval Date:</b> 4/16/2019	<b>Last Review Date:</b> 2023
<b>Approval Resolution No.:</b> 17-19	<b>Next Review Date:</b> 2027
<b>Rescinded Resolution No.:</b> 36-16	<b>Rescinded Resolution Date:</b> 6/7/2016

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

Potable and recycled water operations shall be managed as consolidated funds for operations, replacement, and expansion.

**Background, Definitions and Basis for Policy**

In support of the District’s Mission<sup>1</sup>, the District is committed to planning, designing, constructing, operating, and maintaining the District’s water system so that it meets all legal and regulatory requirements and contractual obligations. In order to do so, it is imperative that sufficient revenue be collected and appropriate reserves maintained for both the potable and recycled water systems (collectively, the “**Water System**”). It is equally important that an appropriate financial structure and reporting system be maintained to account for the cost of providing potable and recycled water service (collectively, “**Water Service**”) and the investments made by the District into the Water System.

The District has been providing potable water service since the 1960’s and started deliveries of recycled water within its service area in the 1990’s. The District anticipates a steady and continued expansion of those distribution systems. Recycled water is integrated into the District’s water supply and distribution system planning. The District’s recycled water system benefits all customers of the District by improving the reliability of the potable supply. The integration of the systems also supports the District’s Water Supply, Storage, Conveyance, Quality and Conservation policy. Experience has also shown that it is more efficient and effective to maintain a consolidated and coordinated fund structure for the District’s water services.

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<sup>1</sup> The District’s Mission is to protect public health and the environment by providing reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and fiscally responsible manner (Proposed Strategic Plan FY 2020-2024)

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Accordingly, it is the policy of the District:

1. To maintain a consolidated fund structure for the potable and recycled water enterprises (collectively, the “**Water Enterprise**”), the fund structure shall include, but not be limited, to an enterprise fund for ongoing operations and maintenance, an expansion fund for increasing the capacity of the system, and a replacement fund for renewing and replacing assets; and
2. To charge equivalent system capacity fees in a given area (also known as connection fees) for all new potable and recycled water connections to the **Water System** (as well as connections for which the capacity is increased); and
3. To impose on all users of the **Water System** charges for water and recycled water usage. The charges will be developed approximately every five years in conjunction with the District’s Water Rate Study. Charges will be calculated based on industry standards and documented in an Administrative Record as required by law.

Policy is current and no changes need to be adopted by the Board of Directors. <u>Status Quo Chronology:</u>	
<b>Date Adopted:</b>	
<b>April 16, 2019</b>	
Reviewed by Committee or Board:	Date:
<b>Board</b>	<b>September 19, 2023</b>