

AGENDA

NOTICE OF REGULAR MEETING

TIME: 6 p.m.
PLACE: Shannon Community Center, Ambrose Hall
11600 Shannon Avenue, Dublin, CA 94568

DATE: Tuesday, April 16, 2019

Our mission is to provide reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and environmentally responsible manner.

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL – Members: Duarte, Halket, Johnson, Misheloff, 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. Speaker 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
 - 6.A. Reports by Staff
 - Event Calendar
 - Correspondence to and from the Board
 - 6.B. Joint Powers Authority and Committee Reports
DSRSD/City of Pleasanton Liaison – April 11, 2019
Special DERWA – April 16, 2019
 - 6.C. Agenda Management (consider order of items)
7. CONSENT CALENDAR
Matters listed under this item are considered routine and will be enacted by one Motion, in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board or the public prior to the time the Board votes on the Motion to adopt.
 - 7.A. Approve Regular Meeting Minutes of April 2, 2019
Recommended Action: Approve by Motion
 - 7.B. Accept Regular and Recurring Report: Warrant List
Recommended Action: Accept by Motion

8. BOARD BUSINESS

- 8.A. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists
Recommended Action: Approve by Motion
- 8.B. Approve Emergency Action Procurement by General Manager for Repair of Recycled Water Treatment Facility
Recommended Action: Approve by Resolution
- 8.C. First Reading: Introduction of Ordinance Establishing the District's By-Division System for Electing Directors in Conformance with the California Voting Rights Act (CVRA)
Recommended Action: Introduce Ordinance and Waive Reading by Motion
- 8.D. Receive Update on the Tri-Valley Water Supply
Recommended Action: Receive Report
- 8.E. Review Draft Water Rate Study Report, Authorize Proposition 218 Notice, and Set Public Hearing for June 18, 2019
Recommended Action: Receive Presentation, and Authorize Notice and Set Public Hearing by Motion
- 8.F. Adopt Revised Consolidated Water Enterprise Fund Policy and Rescind Resolution No. 36-16
Recommended Action: Adopt Policy by Resolution
- 8.G. Receive Presentation and Support the Proposed Livermore-Amador Valley Water Management Authority Operations and Maintenance Budgets for Fiscal Year 2019-2020 and Fiscal Year 2020-2021
Recommended Action: Receive Presentation
- 8.H. Receive Update on DSRSD Staffing Changes
Recommended Action: Receive Presentation
- 8.I. Receive Presentation on Legislative and Regulatory 2018 Report and 2019 Platform and Provide Direction
Recommended Action: Receive Presentation and Provide Direction by Motion

9. BOARD MEMBER ITEMS

- Submittal of Written Reports for Day of Service Events Attended by Directors
- Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

10. CLOSED SESSION

- 10.A. Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Potential Case
- 10.B. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
Name of Case: Dublin Unified School District

11. REPORT FROM CLOSED SESSION

12. ADJOURNMENT

All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection at the front desk of the DSRSD Field Operations Facility at 7035 Commerce Circle, Pleasanton, 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**

April 2, 2019

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6:04 p.m. by President Misheloff.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Madelyne A. (Maddi) Misheloff, Vice President Edward R. Duarte, Director Ann Marie Johnson, Director Richard M. Halket, and Director Georgean M. Vonheeder-Leopold.

District staff present: Dan McIntyre, General Manager; Carol Atwood, Administrative Services Manager/Treasurer; Judy Zavadil, Engineering Services Manager/District Engineer; Levi Fuller, Wastewater Treatment Plant Operations Supervisor; Carl P.A. Nelson, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:05 p.m. No public comment was received.

6. REPORTS

6.A. Reports by General Manager and Staff

- Event Calendar – General Manager McIntyre reported on the following:
 - Zone 7 Water Agency is holding a Groundbreaking Ceremony for the Patterson Pass Water Treatment Plant Upgrades and Ozonation Project Wednesday, April 10.
 - The DSRSD/Pleasanton Liaison Committee meeting will be hosted by City of Pleasanton Thursday, April 11.
 - The Dublin State of the City Address will be at the Shannon Community Center Wednesday, April 17. DSRSD is sponsoring a table.
 - The next Tri-Valley Water Liaison Committee meeting will be hosted by City of Pleasanton Wednesday, April 24.

- Correspondence to and from the Board on an Item not on the Agenda

Date	Format	From	To	Subject	Response
3/28/19	Letter	Robert E. Doyle – GM of East Bay Regional Park District	President Maddi Misheloff	Support for ACSDA Reappointment of EBRPD Board President Ayn Wieskamp to LAFCO	N/A

6.B. Joint Powers Authority and Committee Reports
DERWA – March 25, 2019

President Misheloff invited comments on recent JPA activities. Directors felt the available staff reports adequately covered the matters considered at the JPA meeting.

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

7. CONSENT CALENDAR

General Manager McIntyre reported that a revised resolution for the award of contract in item 7.B has been distributed to the Board which includes additional information pertaining to the award of contract. Director Halket requested that item 7.B be removed for discussion. The Board agreed to remove Item 7.B for discussion, and took Consent Calendar item 7.A and passed this item first.

Director Halket MOVED for approval of item 7.A on the Consent Calendar. Vice President Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

7.A. Special Meeting Minutes of March 25, 2019 – Approved

7.B. REMOVED – Approve Budget Increase to the Capital Improvement Program Two-Year Budget for Fiscal Years Ending 2018 and 2019 and Award Construction Agreement to Bay Pacific Pipelines Inc. for the Foul Air Line Rehabilitation Project (CIP 15-P018) – Approved – Resolution No. 14 -19 and Resolution No. 15-19

Speaker: Mr. Dennis Gutierrez (GSE Construction, Inc.) – Mr. Gutierrez stated Bay Pacific Pipelines Inc. (Bay Pacific) should not be awarded the CIP 15-P018 project contract due to safety record concerns.

The Board and staff addressed Mr. Gutierrez's concerns stating that Bay Pacific has provided the required documentation to show its 1.23 EMR (experience modification rate determines likelihood of workers' compensation claims) is within the accepted range of 1–1.5, and must submit safety plans to the District in order to be allowed to proceed. The Board stated other identified bid irregularities are within the District's right to waive, and based on District General Counsel and staff vetting of Bay Pacific's bid documentation, has determined the bid should be awarded to Bay Pacific as presented.

Director Halket MOVED to approve item 7.B, with the corrected resolution for the award of contract as noted, on the Consent Calendar. Vice President Duarte SECONDED the MOTION, which CARRIED with FIVE AYES.

8. BOARD BUSINESS

8.A. Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists

Engineering Services Manager Zavadil reviewed the item for the Board.

Director Vonheeder-Leopold MOVED to Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists. Director Johnson SECONDED the MOTION, which CARRIED with FIVE AYES.

- 8.B. Public Hearing: Receive Input from the Community Regarding Boundaries and Composition of Divisions to Be Established for Division-Based Elections Pursuant to Elections Code Section 10010, and Provide Direction

President Misheloff declared the Public Hearing open and asked for the staff presentation.

Executive Services Supervisor/District Secretary Nicole Genzale reviewed the item for the Board. She reported that this is the fourth of four required public hearings the District will hold to transition from at-large to by-division elections. She explained the Board would be expected to select a division map and determine the sequencing of division elections this evening. She introduced the District's independent demographer, Mr. Michael Wagaman of Wagaman Strategies, and special counsel, Mr. Tom Willis of Remcho, Johansen & Purcell, LLP. An email sent by Mr. Scott Rafferty (attorney representing Bay Area Voting Rights Initiative who issued demand letter to the District) regarding this evening's meeting was distributed to the Board at the dais.

Demographer Wagaman gave a presentation reviewing the transition process and timeline, the public input received as of the April 2 agenda publication, and the four additional draft map plans (identified as Canary, Scarlet, Emerald, and Navy) that were created per the Board's direction at the March 19 meeting.

The Board determined it would go into Closed Session 10.A at this time.

President Misheloff asked for any public comments. No public comments were received.

President Misheloff declared the Public Hearing closed.

The Board began discussion of the eight map plan options (Red, Scarlet, Yellow, Canary, Green, Emerald, Purple, and Navy). The Board agreed, by consensus, to eliminate the Green, Emerald, Purple, and Navy map plan options due to the configuration of division 5. Director Halket stated he could not support any map with the way division 5 is drawn in the four eliminated map plans due to the difficulty it would pose for a first-time candidate. The Board then further discussed the Red, Scarlet, Yellow, and Canary map plans and potential division election sequencing within them.

Director Halket MOVED to select map plan option Yellow with divisions 1, 3, and 5 up for election in 2020, and divisions 2 and 4 up for election in 2022. Director Vonheeder-Leopold SECONDED the MOTION, which FAILED with TWO AYES, and THREE NOES (Duarte, Johnson, and Misheloff).

Director Johnson MOVED to select map plan option Scarlet with divisions 1, 3, and 5 up for election in 2020, and divisions 2 and 4 up for election in 2022. Vice President Duarte SECONDED the MOTION which CARRIED with FOUR AYES, and ONE NO (Halket).

The Board took a 10-minute break at the conclusion of Item 8.B.

8.C. Receive Update on Preliminary Water Rate Study and Provide Direction

Administrative Services Manager Atwood reviewed the item for the Board. She gave a PowerPoint presentation which was distributed to the Board providing an update on the study's timeline, a summary of the Board's direction from the February 5 meeting, a summary of preliminary water rate study updates, and projected residential and revenue impacts.

Ms. Atwood requested Board policy input on the following staff recommendations:

1. Maintain separate potable water charge
2. Forego rate adjustment on January 1, 2020
3. Revise allocation between fixed and variable charges
4. Adjust replacement allocations to Water Replacement fund
5. Utilize water rate stabilization fund

The Board and staff discussed aspects of the presentation including the proposed fixed and variable charges and the recommendations from staff. The Board directed staff to carry forward with all recommendations as presented.

8.D. Receive Presentation on the 2015 Long-Term Alternative Water Supply Study

Engineering Services Manager Zavadil reviewed the item for the Board. She gave a PowerPoint presentation which was distributed to the Board highlighting the following points from the policy reviewed at the March 19 Board meeting: increase supply portfolio reliability, increase local control, reduce concentration risk, and implementation strategies. Her presentation also covered the purpose of the Long-Term Alternative Water Supply Study (Study), reviewed the water supply alternatives identified in the Study, the recommended next steps, progress made since the Study was completed, new information garnered after the Study was done, long-term water supply planning for the District, Zone 7 Water Agency's 2019 Water Supply Evaluation report (Zone 7 is the District's water wholesaler) and supply scenarios based on the alternatives. She summarized how the District might meet its policy requirements via partnership with Zone 7 and/or independent pursuits.

The Board and staff discussed aspects of the presentation, as well as the District's approach for discussions at the Tri-Valley Water Liaison Committee meeting on April 24, 2019.

9. BOARDMEMBER ITEMS

- Submittal of Written Reports for Day of Service Events Attended by Directors

Director Vonheeder-Leopold reported she attended the Alameda County California Special Districts Association Chapter annual dinner held Thursday, March 28 at the Redwood Canyon Golf Course in Castro Valley. Additionally, she requested the District submit a letter in support of H.R. 1764, a bill recently introduced by Representative John Garamendi, amending the Federal Water Pollution Control Act permitting terms.

- Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda – None

10. CLOSED SESSION

At 6:39 p.m. the Board went into Closed Session item 10.A in conjunction with item 8.B, as noted above.

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

10.B. NOT HELD – Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1)
Name of Case: Dublin Unified School District

11. REPORT FROM CLOSED SESSION

At 6:56 p.m. the Board came out of Closed Session item 10.A as noted with item 8.B above. President Misheloff announced that there was no reportable action.

12. ADJOURNMENT

President Misheloff adjourned the meeting at 9:15 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary



TITLE: Accept Regular and Recurring Report: Warrant List

RECOMMENDATION:

Staff recommends the Board of Directors accept, by Motion, the attached regular and recurring report.

SUMMARY:

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

The report presented this month for acceptance is noted below and is submitted as part of Attachment 1:

Ref A: Warrant List

Originating Department: Administrative Services	Contact: H. Chen	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Summary of Regular and Recurring Reports	
		9 of 172

SUMMARY OF REGULAR AND RECURRING REPORTS

Ref.	Description	Frequency	Authority	Last Acceptance	Acceptance at this Meeting?	Next Acceptance
A	Warrant List	Monthly	Board Direction	March 2019	Yes	May 2019
B	District Financial Reports ¹	Quarterly	Board Direction	February 2019		May 2019
C	Low Income Assistance Program Report	Annually – Fiscal Year	Resolution 41-10	July 2018		July 2019
D	Strategic Work Plan Accomplishments Report	Annually – Fiscal Year	Resolution 24-17	August 2018		August 2019
E	Outstanding Receivables Report	Annually – Fiscal Year	District Code 1.50.050	July 2018		July 2019
F	Employee and Director Reimbursements greater than \$100 ²	Annually – Fiscal Year	CA Government Code 53065.5	August 2018		August 2019
G	Utility Billing Adjustments ³	Annually – Fiscal Year	Utility Billing Adjustment Policy	August 2018		August 2019
H	Annual Rate Stabilization Fund Transfer Calculation	Annually – After Audit	Financial Reserves Policy	January 2019		December 2019
I	“No Net Change” Operating Budget Adjustments	As they occur but not more frequently than monthly	Board Direction Budget Accountability Policy (See table below)	November 2017		Before end of month after occurrence
J	Capital Outlay Budget Adjustments			July 2018		
K	Capital Project Budget Adjustments			October 2014		
L	Unexpected Asset Replacements			May 2018		

For the fiscal year ending 2019, the totals for these reports are as follows:

Category	YTD	This Meeting	Total
Capital Outlay Budget Adjustments	\$327,800	\$0	\$327,800
Capital Project Budget Adjustments	\$761,280	\$0	\$761,280
Unexpected Asset Replacements	\$0	\$0	\$0

¹ Financial reporting changed from monthly to quarterly reporting.

² Reimbursements also reported monthly in the Warrant List (Item B). Presented to Board as separate agenda item.

³ Per the policy a report will be presented to the Board if total credits in preceding fiscal year exceeded \$25,000

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Check History Description Listing

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Printed on: 04/08/2019 8:32AM

Dublin San Ramon Services District

From: 3/11/2019

To: 4/7/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
03/14/2019	99950	01738 3T EQUIPMENT COMPANY INC.	JOYSTICK OEM CONTROLS FOR VEHICLE #109	1,772.49	1,772.49
03/14/2019	99951	00019 A-1 ENTERPRISES	LAWWMA FEB '19 STREET SWEEPING	394.00	394.00
03/14/2019	99952	02158 AMADOR VALLEY INDUSTRIES	DO GARBAGE SVC - FOR JAN. 2019 DO GARBAGE SVC - FOR FEB. 2018	1,092.17 735.97	1,828.14
03/14/2019	99953	00058 ARROWHEAD MOUNTAIN SPRING	LAB BOTTLED WATER JAN & FEB '19 BLDG T BOTTLED WATER JAN & FEB '19	32.76 17.46	50.22
03/14/2019	99954	06211 ASSOCIATED SERVICES CO.	BEVERAGE SERVICE FEB '19 FOF, WWTP, MMB	640.87	640.87
03/14/2019	99955	00622 AT&T	MANAGED INTERNET SERVICES 02/01/19-02/28 AT&T VIOP SERVICE DO 02/01/19-02/28/19 AT&T VIOP SERVICE CC 02/01/19-02/28/19	2,164.63 98.11 98.11	2,360.85
03/14/2019	99956	01289 BURLINGAME ENGINEERS INC	PARTS FOR THE HYPO SYSTEM AT DERWA	650.02	650.02
03/14/2019	99957	05404 CALIFORNIA FIRST AID & SAFETY	WWTP FIRST AID KITS RESTOCKED DERWA BLDG 4: 10 UNITS RESTOCK FOF FIRST AID KITS RESTOCK LAWWMA FIRST AID KITS RESTOCK	159.01 54.68 53.48 51.89	319.06
03/14/2019	99958	01085 CALPERS LONG-TERM CARE PROGRAM	LONG-TERM CARE: PAYMENT	68.12	68.12
03/14/2019	99959	00118 CALTEST ANALYTICAL LAB	SAMPLE ANALYSES	184.30	184.30
03/14/2019	99960	01579 CHANNING-BETE COMPANY	WC - 2ND GRADE ACTIVITY BOOKLETS	2,308.95	2,308.95
03/14/2019	99961	00162 COAST CRANE CO. INC.	VEHICLE #109 BELT & TENSIONER	151.30	151.30
03/14/2019	99962	00014 GSA COUNTY OF ALAMEDA	FY 2019 FUELING - FOD/INSP/CFRS - JANUAR	2,373.70	2,373.70
03/14/2019	99963	01986 DELL ONLINE	QTY (10) DELL P2419H MONITORS FOR IT STO	2,686.47	2,686.47
03/14/2019	99964	00280 ECOWATER SYSTEMS	OPS LAB 6 TANKS WATER SOFTNER EXCH TANK RO TANKS EXCH QTRLY - MAINT MAR '19	217.20 21.00	238.20

Check History Description Listing

Dublin San Ramon Services District

From: 3/11/2019

To: 4/7/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
03/14/2019	99965	05839 EUROFINs EATON ANALYTICAL I	UCMR4 HAA SEH1	680.00	680.00
03/14/2019	99966	00307 FAIRWAY EQUIPMENT & SUPPLY	STAINLESS STEEL FITTINGS PS20B	88.19	88.19
03/14/2019	99967	02656 FASTENAL COMPANY	FOF SAFETY SUPPLIES	155.36	
			BLDG S SAFETY SUPPLIES	83.73	
			SUPPLIES FOR ZONE VALVES	29.57	268.66
03/14/2019	99968	00314 FEDEX	OVERNIGHT SHIPPING SERVICES 2-27-19	9.07	9.07
03/14/2019	99969	02914 STATE OF CALIFORNIA FRANCHI	FRANCHISE TAX BOARD: PAYMENT	150.00	150.00
03/14/2019	99970	00394 HILTI, INC.	PARTS FOR INSTALLING ANCHORS AT DAFT GAT	2,899.51	2,899.51
03/14/2019	99971	00468 CORP KAMAN INDUSTRIAL TECH	TWAS PUMP REBUILD PARTS	1,065.08	
			REPAIR PARTS	76.61	1,141.69
03/14/2019	99972	07193 LAI & ASSOCIATES	FIELD DENSITY TESTING - 7008 CEDAR LANE	901.83	
			FIELD DENSITY TESTING - 8700 AUGUSTA COU	802.79	1,704.62
03/14/2019	99973	07614 MAHLER CONSULTING SERVICE	DEVELOPMENT PROJECT INSPECTION SUPPORT F	12,045.00	12,045.00
03/14/2019	99974	05897 MERIT RESOURCE GROUP	A. MCCAFFERY: WE 02/17/19	1,414.50	1,414.50
03/14/2019	99975	08559 MICHAEL BAKER INT'L. INC.	17-W003 T.O. 1 12/31/18 THROUGH 2/3/19	12,754.42	12,754.42
03/14/2019	99976	04231 MSC INDUSTRIAL SUPPLY CO	PPE CACHE - RESTOCK	83.95	
			PPE CACHE	66.63	150.58
03/14/2019	99977	04796 NAPA AUTO PARTS	VEHICLE #61 FLOOR MATS	83.01	83.01
03/14/2019	99978	07461 OFFICE RELIEF	IN AARON/VIRGIL CUBES ERGO CHAIR	397.18	
			ERGO ITEMS FOR WWTP SR OPERATOR WORK STA	381.57	778.75
03/14/2019	99979	03987 OLIN CHLOR ALKALI PRODUCTS	4918 GALS SHIP 2-18-19 HYPO - DSRSD	3,487.02	
			4884 GALS DELV 2-21-19	3,462.92	6,949.94
03/14/2019	99980	00620 P G & E	WWTP ELECTRICITY - FEB 2019	24,154.55	
			PUMP STATION R200A ELECTRICITY - FEB 201	976.02	

Check History Description Listing

Dublin San Ramon Services District

From: 3/11/2019 To: 4/7/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			DISTRICT OFFICE GAS SERVICE - FEB 2019	60.29	
			DO UTILITY BLDG. GAS SERVICE - FEB 2019	37.09	
			RESERVOIR R200 ELECTRICITY - FEB 2019	36.26	
			RESERVOIR R100 ELECTRICITY - MAR 2019	33.70	
			ALAMO TRUNK SEWER ELECTRICITY - FEB 2019	14.47	
			JOHNSON DRIVE STREETScape ELEC - FEB 201	12.51	25,324.89
03/14/2019	99981	08883 PLASTI-FAB/ERSHIGS, INC	SEAL ASSEMBLY REPLACEMENT FOR HDTS GATE	2,279.49	2,279.49
03/14/2019	99982	01195 POWERSTRIDE BATTERY CO., IN	STOCK ORDER	159.32	159.32
03/14/2019	99983	04105 R & B COMPANY	MISC REPAIR PARTS	2,052.37	
			MISC REPAIR PARTS	845.20	
			MISC REPAIR PARTS	823.47	3,721.04
03/14/2019	99984	06345 RON DUPRATT FORD	FOF TRUCK: 2019 F150 SUPER CAB PICK UP	30,649.89	30,649.89
03/14/2019	99985	07455 SAFETY CENTER INCORPORATE	TRAFFIC CONTROL TRAINING 2-19 & 2-20-19	2,800.00	2,800.00
03/14/2019	99986	02698 SHAMROCK OFFICE SOLUTIONS	FREIGHT FOR WWTP TONER - EQUIP# 10810	11.47	11.47
03/14/2019	99987	01096 SHAPE INC	EPS/TIPS WET WELL PUMP + TAX	8,445.03	8,445.03
03/14/2019	99988	02444 DEPT LA 1368 STAPLES ADVANT	EASEL PADS, DRY ERASE MARKERS, LITHIUM B	55.97	55.97
03/14/2019	99989	07981 SUBSITE LLC	CCTV CAMERA & TRACTOR REPAIR	3,613.39	3,613.39
03/14/2019	99990	08023 ATTN: TOM MAJIC THE BACKFLO	BACKFLOW TESTING (QTY 33) REQ FOR 7035 C	2,475.00	2,475.00
03/14/2019	99991	00862 TIFCO INDUSTRIES	BOLTS FOR MAINT SHOP STOCK	620.39	620.39
03/14/2019	99992	01222 IRS UNITED STATES TREASURY	GARNISHMENT - IRS: PAYMENT	420.50	420.50
03/14/2019	99993	00556 UNITED WAY OF THE BAY AREA	UNITED WAY: PAYMENT	175.07	175.07
03/14/2019	99994	09004 VALLEJO ELECTRIC MOTOR INC	PSR1 PUMP 3 MOTOR RECONDITIONED	9,694.77	
			RECONDITIONED MOTOR EPS2 PUMP 6	5,595.55	15,290.32
03/14/2019	99995	00920 VASCO ROAD LANDFILL	UNLOADING OF WWTP SOLIDS/GRITFEB '19	500.72	500.72

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Dublin San Ramon Services District

From: 3/11/2019 To: 4/7/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
03/14/2019	99996	08423 WATERTALENT LLC	M. MAESTAS: WE 02/17/19	5,400.00	5,400.00
03/14/2019	99997	04061 WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES	408.25	408.25
03/14/2019	99998	00957 WEST YOST & ASSOCIATES	16-R018 T.O. OC-13 1/5/19 TO 2/8/19	11,538.00	11,538.00
03/14/2019	99999	00957 WEST YOST & ASSOCIATES	16-S001 TO NO. 2 PROF SERVICES JAN 5 - F	151.25	151.25
03/14/2019	100000	03536 U S BANK/ CORP PMT SYSTEMS	CISCO LIVE CONF REGISTRATION BAHOUL	2,095.00	
			DUENAS - INTRO TO GIS USING ARCGIS CLASS	1,210.00	
			DOFLOOD CITY OF DUBLIN BUILDING PERMIT F	1,166.44	
			PORTABLE SOUND SYSTEM	1,112.69	
			3W PUMP #2 VFD UPGRADE	1,059.78	
			TRUCK #93 REPAIR	1,009.71	
			ACWA 2019 CONFERENCE SPONSOR (BRONZE)	1,000.00	
			INTUIT QUICKBOOKS PREMIER DOWNLOAD 3 201	889.95	
			POWER SUPPLY FOR NETWORK SWITCHES	864.98	
			I/P CONTROLLER FOR DIGESTER MIXING VALVE	816.29	
			SIGN FOR PS 1A	798.31	
			GVL 2019 CASA ANNUAL CONFERENCE MARRIOTT	748.62	
			STEPHENSON - ACWA 2019 SPRING CONFERENCE	725.00	
			SPRING 2019 ACWA REG - D. MCINTYRE	725.00	
			SPRING 2019 ACWA REG - A.M. JOHNSON	725.00	
			EMPLOYEE ACADEMY 1/30/19 - TOUR TRANSPOR	710.79	
			LEVEL CONTROLLER FOR PSR1 WET WELL	687.24	
			DISTRICT MEMBERSHIP TO NATIONAL SAFETY C	657.00	
			OIL SEPARATOR ELEMENTS	635.88	
			TOOL BOX FOR FACILITIES	592.42	
			K. MOHAN CWEA CONFERENCE MONTEREY 2-19	575.00	
			BLEVINS - CAPIO 2019 CONFERENCE REGISTRA	530.00	
			MJOHNSTON: REG FEE RE: 2019 ANNUAL CONFE	525.00	

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Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			RBROOKS: REG FEE RE: 2019 ANNUAL CONFERE	525.00	
			STAPLES	501.01	
			REFUNDABLE DEPOSIT FOR COMMUNITY CENTER	500.00	
			BLEVINS - WATEREUSE 2019 CONFERENCE REGI	450.00	
			SIT/STAND FOR I. SUROSO	431.54	
			RENEWING PREMIUM SUBSCRIPION TO CAL-OSH	427.00	
			ONLINE JOB POSTING - HR TECH LIMITED-TER	419.00	
			D. GRIFFIN HOTEL CWEA CONF MONTEREY FEB	401.63	
			OFFICE SUPPLIES: LASER JET TONER CARTRID	398.94	
			FACILITIES SUPPLIES	387.12	
			#116 SERVICE KIT	372.91	
			EMPLOYEE ACADEMY 11/15/18 - EXPENSE	360.18	
			ONLINE JOB POSTING FOR ENVIRONMENTAL HEA	356.40	
			PENETRANT OIL FOR MAINTENANCE SHOP	340.68	
			SHIPPING INSTRUMENT UNDER CONTRACTOR WAR	336.16	
			OFFICE SUPPLIES FOR DO IT ACCT & EXEC 1	321.63	
			DROUGHT GARDEN ROSES 2/7/19 - ALDEN LANE	317.83	
			PARTS FOR VEHICLE #73-REMFG ABS CONTROL	317.52	
			FIXTURES	311.44	
			CAT 6 CABLE FOR DO/FOD CUBILCLE SET-UP	299.98	
			PORTABLE TOILET RENTAL 02/05/19 - 03/04/	299.00	
			WINDOW FILM	294.58	
			C. SANCHEZ CWEA ASSO MEMBERSHIP & CERT R	290.00	
			STEPHENSON - ACWA 2019 LEGISLATIVE SYMPO	270.00	
			DUES, ETC.	265.00	
			INGERSOLL RAND 1/2" DRIVE AIR IMPACT WRE	250.49	
			ONLINE JOB POSTING FOR ENVIRONMENTAL HEA	250.00	
			OFFICE SUPPLIES: HP CARTRIDGES	242.09	
			STEPHENSON - ACWA BOD WORKSHOP 1/24/19 -	238.20	

Check History Description Listing

Dublin San Ramon Services District

From: 3/11/2019 To: 4/7/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			D. GRIFFIN HOTEL - CWEA CONFERENCE MONTE	234.80	
			BLDG B DOOR STRIPS	222.70	
			AMAZON - GM - HIGH YIELD BLACK HP TONER	215.08	
			CASA CONF-1 NIGHT NON-REFUNDABLE: WORK E	208.35	
			FILTERS FOR ELECTRICAL CABINET EXHAUST F	205.62	
			GORMAN RUPP CHECK VALVE HINGES (RAS/MF F	204.06	
			M. MCGRATH SAFETY SHOES	200.63	
			CS RESCUE TEAM SHIRTS	200.32	
			ONLINE JOB POSTING FOR ENVIRONMENTAL HEA	200.00	
			COMPUTER ACCESSORIES	194.16	
			DITCH WITCH EQUIPMENT	193.24	
			CWEA MEMBERSHIP STEVE DELIGHT	188.00	
			KOZANDA MEMBERSHIP RENEWAL 5/1/19 - 4/30	188.00	
			CWEA PROFESSIONAL ORGANIZATION MEMBERSHI	188.00	
			ILOPEZ: MEMBERSHIP RENEWAL, EXP 03/31/19	188.00	
			LLANTIN: MEMBERSHIP RENEWAL, EXP 02/28/1	188.00	
			FUEL FOR TRUCK #110	185.33	
			SYMPATHY FLOWER SPRAY - D. BONN	182.44	
			GALLARDO - CSRMA MEETING 1/24/19 - LODGI	180.55	
			TOOLS FACILITY	173.25	
			M. MCGRATH SAFETY SHOES	169.28	
			HOTEL STAY RANCHO CORDOVA, CA FOR NUTS &	168.67	
			NETWORK WIRE FOR FOF SECURITY SYSTEM	164.99	
			REFURBISHED LENEL READER KEYPAD - SECURI	162.49	
			FACILITIES SUPPLIES	155.37	
			TEMPORARY POWER STRIPS FOR FAULTY CUBICL	152.82	
			FULL MANAGEMENT MEETING 2/6/19 EXPENSE	151.30	
			MISC SUPPLIES	147.48	
			HORIZON	145.74	

Check History Description Listing

Dublin San Ramon Services District

From: 3/11/2019

To: 4/7/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			OFFICE SUPPLIES FOR DO 1 17 19	144.84	
			BLEVINS - WATEREUSE CONFERENCE AIRFARE	141.96	
			OFFICE SUPPLIES FOR ENG & DO 2 15 19	137.81	
			OFFICE SUPPLIES FOR HR PI ENG & DO 2 7 1	133.70	
			SHOP SUPPLIES	125.58	
			PROFESSIONAL ORGANIZATION MEMBERSHIP	120.00	
			NETWORK TOOLS FOR TERMINATION OF CAT 6 C	116.71	
			EPS2 PUMPS 5 & 6 OV/OT FILTER INSTALL	114.99	
			DROUGHT GARDEN TREES 2/8/19 - ALDEN LANE	109.23	
			SHELVES FOR FOD	108.49	
			FOAM FOR FOD	102.54	
			FINANCE/HR SHREDDER	101.58	
			MAGNETS FOR SHOP	100.62	
			VALVE SUPPLIES	96.26	
			DO FLOOD ERGO SUPPLIES: REPLACEMENTS-75%	96.10	
			FUEL FOR TRUCK #110	95.00	
			FUEL FOR TRUCK #110	95.00	
			FUEL FOR TRUCK #110	95.00	
			FUEL FOR TRUCK 110	95.00	
			WHITE BOARD FOR OFFICE	93.31	
			FUEL FOR TRUCK 112	93.00	
			FUEL FOR TRUCK #87	92.14	
			LLANTIN: E/I-2 CERTIFICATE RENEWAL, EXP	92.00	
			BLEVINS - CAPIO CONFERENCE AIRFARE	90.98	
			OFFICE SUPPLIES: BATTERIES, SUGAR, CREAM	90.11	
			SPARE PARTS FOR STOCK	88.61	
			MICROPHONE TRIPOD STAND	87.39	
			REPLACE WIRELESS MOUSE & KEYBOARD	87.39	
			INTERFACE FOR ULTRASONIC LEVEL @ PAX	85.00	

Check History Description Listing

Dublin San Ramon Services District

From: 3/11/2019

To: 4/7/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			OFFICE SUPPLIES: ENVELOPES, MEMO PADS, E	84.28	
			OFFICE SUPPLIES FOR DO & EXEC 1 28 19	84.17	
			FUEL FOR TRUCK #112	83.32	
			SD MEMORY CARD 128 GB	81.93	
			DINNER FOR DIANE, KAPIL, TROY CWEA CONF	80.52	
			FURL FOR TRUCK 110	80.02	
			SUPPLIES FOR LAB	78.63	
			AMAZON - EXEC SVCS - 2ND COLLAPSIBLE SUP	76.46	
			BAGELS FOR RESCUE TEAM TRAINING	76.46	
			ERGO STANDING MAT - J. PENAFLO	76.45	
			STAPLES	74.28	
			FURL FOR TRUCK #115	73.00	
			MOTOR REPAIR	69.79	
			DOCUMENT HOLDER FOR USE W/SIT/STAND - N.	68.82	
			OFFICE SUPPLIES FOR DO & PI 2 7 19	68.12	
			PARTS-HEAT GUN	67.74	
			GALLARDO - CSRMA MEETING 01/24/19 - RENT	67.44	
			OFFICE SUPPLIES FOR DO & ACCT 1 31 19	66.48	
			MECHANIC I/II RECRUITMENT APPRAISAL BOAR	66.40	
			SAMPLE FIXTURE	65.75	
			TAPE FOR FACILITIES	65.48	
			TEST KIT FOR LOOP WATER	64.15	
			WWTP OPERATOR I-II RECRUITMENT PANEL EXP	64.04	
			WWTP OPERATOR I-II RECRUITMENT PANEL EXP	62.95	
			ERGO KEYBOARD - N. GENZALE	60.30	
			FUEL FOR TRUCK #115	57.61	
			FUEL FOR TRUCK #115	57.51	
			TJ MAX - FOF KITCHEN ITEMS	55.67	
			POWR SUPPLY FOR FOD RADIO	55.47	

Check History Description Listing

Dublin San Ramon Services District

From: 3/11/2019 To: 4/7/2019

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Date	Check #	Vendor	Description	Amount Paid	Check Total
			FUEL FOR TRUCK #115	54.95	
			BOLT CUTTER FOR TRUCK #87	54.59	
			INGERSOLL-RAND IMPACT LUBE KIT & PROTECT	53.06	
			DREDGE ELECTRIC SWITCH	52.99	
			1 GBT FOR INFLUENT PUMP #2 VFD	52.49	
			ONLINE JOB POSTING FOR ENVIRONMENTAL HEA	50.00	
			NCCCO PRACTICAL TEST SITE PAYMENTS FOR 2	50.00	
			INK FOR PRINTER	49.16	
			QTY (1) 16' USB CABLE VALDEZ, QTY (1) LO	49.14	
			PHOTOS FOR ODOR POSTCARD	49.00	
			FUEL FOR ON-CALL TRUCK #115	48.36	
			SAFETY GLOVES	47.20	
			FUEL FOR TRUCK #115	46.84	
			FUEL FOR TRUCK #115	44.41	
			LAPTOP BAG	42.58	
			J. CARSON PLEASANTON STATE OF THE CITY L	40.00	
			GVL PLEASANTON STATE OF THE CITY LUNCHEO	40.00	
			A. JOHNSON PLEASANTON STATE OF THE CITY	40.00	
			FUEL FOR TRUCK #106	39.50	
			WWTP OPERATOR I-II RECRUITMENT - PANEL	38.43	
			EXTRA YELLOW INK CARTRIDGE FOR CITY OF D	38.12	
			TWEAKERS TO REPLACE BROKEN TOOL, OUTLET	36.54	
			SUPPLIES FOR ZONE VALVES	36.22	
			E DUARTE 2019 SR STATE OF THE CITY	35.00	
			J CARSON 2019 SR STATE OF THE CITY	35.00	
			GVL 2019 SR STATE OF THE CITY	35.00	
			A. JOHNSON 2019 SR STATE OF THE CITY	35.00	
			SUPPLIES FOR NEW EMPLOYEE WELCOME MEETIN	34.55	
			OFFICEMAX - HDMI ADAPTER FOR BOD MTG	34.40	

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Dublin San Ramon Services District

From: 3/11/2019 To: 4/7/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			YELLOW INK CARTRIDGE FOR CITY OF DUBLIN	34.40	
			MAGENTA PRINTER CARTRIDGE FOR CITY OF DU	34.40	
			DRY-ERASE BOARDS FOR DIV 42, VELCRO	33.83	
			DITCH WITCH EQUIPMENT	33.42	
			BATTERY FOR PLC PROGRAMMING LAPTOP	33.30	
			RIVETS & GUN FOR LS2 HARDWARE	33.26	
			PRO SUBSCRIPTION (FEBRUARY 2019)	33.00	
			2019 EMPLOYEE ACADEMY EXPENSE	30.97	
			WORKSTATION SET-UP WEEKEND WORK CREW LUN	29.06	
			5 GAL BUCKETS FOR VARIOUS WORK TRUCKS	28.41	
			QTY (1) SCREEN CLEANING KIT, QTY (1) 3 P	26.20	
			AMAZON SURPRISE SCIENCE OF MEETINGS BOOK	24.54	
			NETWORK TOOLS FOR TERMINATION OF CAT 6 C	24.40	
			AMAZON - EXEC SVCS - 25FT EXTENSION CORD	24.02	
			AMAZON - IT - SMEAD FILE POCKETS 1.75 IN	23.64	
			CENTER PUNCH & DRILL BITS FOR LS2	22.84	
			GALLARDO - CSRMA MEETNIG 01/24/19 - RENT	22.63	
			AMAZON - EXEC SVCS - HDMI CABLE & SCANNE	21.98	
			QTY (1) MINI DP TO DP CABLE MADARANG	21.84	
			PORTABLE HEATER FOR OFFICE	21.82	
			CELL PHONE COVER	21.55	
			IPHONE CASE	21.55	
			TRUCK SUPPLIES FOR #118	21.47	
			FUEL FOR ON-CALL TRUCK #115	21.10	
			WWTP OPERATOR I-II RECRUITMENT PANEL EXP	20.70	
			DINNER FOR DIANE, KAPIL & TROY CWEA CONF	20.13	
			BART TICKET FOR MS SEMINAR IN SF	20.00	
			2019 EMPLOYEE ACADEMY EXPENSE	19.85	
			SYMPATHY CARDS FOR BONN FAMILY	19.73	

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Dublin San Ramon Services District

From: 3/11/2019 To: 4/7/2019

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Date	Check #	Vendor	Description	Amount Paid	Check Total
			QTY (1) LOGITECH WIRELESS KB AND MOUSE F	19.65	
			QTY (1) MINI DP TO DP ADAPTER FOR KHAW	19.65	
			QTY (1) MINI DP TO DP VIDEO ADAPTER MADA	19.65	
			TRASH BAGS	19.64	
			WINDSHIELD WIPER BLADES 22" FOR ON-CALL	19.64	
			PICTURE FRAMES FOR PROCLAMATIONS AND CER	19.46	
			WOOD TRIM	19.34	
			SUPPLIES FOR ROUNDS	18.17	
			PICTURES	15.32	
			TARGET - BOD MTGS - PLASTIC TOTE BINS	15.27	
			DOOR SEAL	14.75	
			SUPPLIES FOR PORTABLE SOUND SYSTEM	14.35	
			WWTP OPERATOR I-II RECRUITMENT PANEL EXP	12.50	
			PICTURE MATS FOR PROCLAMATIONS AND CERTI	11.77	
			SAFEWAY 2/19/19 - BOD MTG COOKIES	11.09	
			MISC SUPPLIES	8.73	
			DAWN DISH SOAP - CCTV	8.67	
			PLASTIC BAGS FOR AV CORDS	7.56	
			SMART & FINAL - BOD MTG - COOKIES	7.16	
			SAMPLING SUPPLIES FOR TRUCK #87	4.86	
			MECHANIC I/II RECRUITMENT APPRAISAL BOAR	3.99	
			COURT RECORDS SEARCH	1.00	
			APPLE ICLOUD STORAGE FOR FEBRUARY 2019 -	0.99	
			AMAZON - CREDIT - EXEC SVCS - HDMI CABLE	-11.99	
			OFFICEMAX - CREDIT HDMI ADAPTER FOR BOD	-34.40	
			GVL PLEASANTON STATE OF THE CITY LUNCHEO	-40.00	
			RETURNED ITEMS FROM INV 9023778	-56.90	
			M. MGRATH SAFETY SHOES RETURNED	-169.28	
			EMPLOYEE ACADEMY 11/15/18 - TOUR TRANSP	-400.00	

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Date	Check #	Vendor	Description	Amount Paid	Check Total
			2019 MANAGEMENT RETREAT - FACILITY FEE-	-700.00	41,344.89
03/14/2019	100001	00031 ALLIED FLUID PRODUCTS CORP	POLYMER TOTE HOSE ACTIFLOW	244.17	244.17
03/14/2019	100002	01013 BARRETT BUSINESS SERVICES	H. BIRDSELL: W/E 2/17/19	1,064.96	
			B. GOMEZ: W/E 2/17/19	949.00	
			S. MONTAGUE: W/E 02/17/19	858.00	
			B. YENOKIDA: W/E 2/17/19	832.00	
			L. GOSS: W/E 2/17/19	832.00	
			J. CHAMBERS JR.: W/E 2/17/19	832.00	
			L. RUMMEL: WE 02/17/19	701.93	
			M. ZAKLAN: WE 02/17/19	437.76	
			N. POON: WE 02/17/19	345.60	
			A. GEHMLICH: WE 02/17/19	217.60	7,070.85
03/14/2019	100003	07954 BENEFIT COORDINATORS CORP	03/19 EE LIFE & DISABILITY INSURANCE PRE	11,691.94	11,691.94
03/14/2019	100004	00099 BUCKLES-SMITH ELECTRIC CO	BACK-ORDERED BUTTON LEGEND PLATE FOR ORT	13.66	13.66
03/14/2019	100005	00299 ENVIRONMENTAL RESOURCE A	STANDARD SOLUTIONS AND PROFICIENCY TESTI	562.78	562.78
03/14/2019	100006	04691 INC. EQUIFAX INFORMATION SV	EQUIFAX	359.00	359.00
03/14/2019	100007	00937 GRAINGER, INC.	RESTOCK PPE CACHE & D. BAILEY KNEE BOOTS	179.92	
			FILTER FOR FACILITIES & STOCK	94.71	274.63
03/14/2019	100008	04424 GRAYBAR ELECTRIC COMPANY	SHOP STOCK MATERIAL	828.93	
			SHOP STOCK MATERIAL	106.72	
			ALUMINUM ANTI-OXIDANT FOR INFLUENT PUMP	25.31	960.96
03/14/2019	100009	00386 HDR ENGINEERING INC.	DOFLOOD T.O. 2 11/19/18 TO 2/2/19	6,627.50	6,627.50
03/14/2019	100010	03853 ICMA	ICMA 457 DEFERRED COMPENSATION: PAYMENT	57,524.14	57,524.14
03/14/2019	100011	01242 INFOSEND, INC	INFOSEND	2,209.98	2,209.98
03/14/2019	100012	07745 ROBYN MUTOBE	MUTOBE MILEAGE REIMB FOR PUG ANNUAL SEMI	24.94	24.94

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Date	Check #	Vendor	Description	Amount Paid	Check Total
03/14/2019	100013	01403 PRAXAIR DISTRIBUTION INC 186	ARGON GAS AND CYLINDER RENTAL	81.55	81.55
03/14/2019	100014	09019 LORRENE SALAZAR	SALAZAR REIMB AT NUTS & BOLTS WORKSHOP 2	135.99	135.99
03/14/2019	100015	07290 V. W. HOUSEN & ASSOCIATES, IN	15-W017 T.O. OC4 12/1/18 TO 12/31/18 15-W017 T.O. OC-4 11/1/18 TO 11/30/18	7,772.99 4,157.20	11,930.19
03/14/2019	100016	02880 WUNDERLICH-MALEC SYSTEMS	SSLS SCADA IMPROVEMENTS (TO OC-3)	3,413.11	3,413.11
03/18/2019	2018	00494 PERS	RETIREMENT: PAYMENT	101,772.50	101,772.50
03/18/2019	8150	05511 DISBURSEMENT UNIT CALIFORN	CHILD SUPPORT GARNISHMENT: PAYMENT	699.23	699.23
03/19/2019	94120309	00558 IRS - PAYROLL TAXES	FEDERAL WITHHOLDING TAXES: PAYMENT	170,663.82	170,663.82
03/19/2019	1457553600	00559 EDD - PAYROLL	CALIFORNIA STATE TAXES: PAYMENT	35,566.26	35,566.26
03/21/2019	100017	00710 AAI TERMITE & PEST CONTROL	LAVWMA PEST CONTROL MAR '19	76.00	76.00
03/21/2019	100018	01013 BARRETT BUSINESS SERVICES	P. MULLEN: WE 02/17/19 P. MULLEN: WE 02/24/19	1,950.76 1,154.53	3,105.29
03/21/2019	100019	01013 BARRETT BUSINESS SERVICES	S. MONTAGUE: W/E 02/24/19 H. BIRDSSELL: W/E 2/24/19 B. GOMEZ: W/E 2/24/19 J. CHAMBERS JR.: W/E 2/24/19 L. RUMMEL: WE 02/24/19 B. YENOKIDA: W/E 2/24/19 LEVI GOSS: W/E 2/24/19 N. POON: WE 02/24/19 M. ZAKLAN: WE 03/03/19 A. GEHMLICH: WE 02/24/19	1,267.50 1,064.96 832.00 832.00 739.53 624.00 624.00 437.76 437.76 326.40	7,185.91
03/21/2019	100020	00099 BUCKLES-SMITH ELECTRIC CO	CUSTOM PRINTED LEGEND PLATE FOR NEW ORT	5.86	5.86
03/21/2019	100021	07915 JEFF CARSON	CARSON MILEAGE REIMB JAN 2019 CARSON MILEAGE REIMB FEB 2019	94.48 61.02	155.50

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From: 3/11/2019 To: 4/7/2019

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Date	Check #	Vendor	Description	Amount Paid	Check Total
03/21/2019	100022	00937 GRAINGER, INC.	#4 TAPS FOR LS2 NEW BREAKER LABELS	37.70	37.70
03/21/2019	100023	04424 GRAYBAR ELECTRIC COMPANY	CABLE FOR DAFT GBT TRAILER HOOK-UP MATERIAL FOR BULDING B UPS PROJECT	552.99 144.79	697.78
03/21/2019	100024	08268 DIANE GRIFFIN	GRIFFIN REIMB EXP AT CWEA CONFERENCE MON	230.96	230.96
03/21/2019	100025	01242 INFOSEND, INC	INFOSEND	3,734.74	3,734.74
03/21/2019	100026	03976 JMB CONSTRUCTION, INC	16-A002 PP #10 - FEBRUARY 2019	3,610.00	3,610.00
03/21/2019	100027	08903 ROPER MACARAEG	MACARAEG MILEAGE REIMB FOR MAR. 2019	35.44	35.44
03/21/2019	100028	04594 MCCAMPBELL ANALYTICAL INC	SAMPLE ANALYSES SAMPLE ANALYSES	35.10 34.20	69.30
03/21/2019	100029	07109 DANIEL MCINTYRE	MCINTYRE MILEAGE REIMB FOR FEB 2019	113.43	113.43
03/21/2019	100030	02072 KAPIL MOHAN	MOHAN REIMB EXP AT CWEA CONFERENCE MONTE	685.92	685.92
03/21/2019	100031	02470 SHRED-IT USA LLC	SHREDDING SERVICE - MAR 2019 INVOICE	113.92	113.92
03/21/2019	100032	00843 THE COVELLO GROUP INC	16-R014 T.O. 1 12/28/18 TO 1/31/19 07-3203 T.O. OC-9 12/28/18 TO 1/31/19 16-P028 T.O. OC-10 12/28/18 TO 1/31/19 17-P004 T.O. OC-11 12/28/18 TO 1/31/19	9,350.00 8,170.00 3,802.50 1,720.00	23,042.50
03/21/2019	100033	00866 DUC-TRI (TROY) TO	TO'S REIMB EXP AT CWEA CONFERENCE MONTER	203.24	203.24
03/21/2019	100034	07290 V. W. HOUSEN & ASSOCIATES, IN	15-W017 T.O. OC-3 ESDC 1/1/19 TO 1/31/19	250.00	250.00
03/21/2019	100035	01719 A & M PRINTING, INC.	BUSINESS CARDS - MULTIPLE EMPLOYEES	229.42	229.42
03/21/2019	100036	03872 ACSDA	2019 ACSDA ANNUAL DINNER - G. VONHEEDER-	59.00	59.00
03/21/2019	100037	01180 ADS REPROGRAPHICS, INC.	INK CARTRIDGE	337.29	337.29
03/21/2019	100038	07554 AIRGAS USA, LLC	FY19 DIV53 BPO: WELDING SUPPLIES RENTAL FY19 DIV53 BPO: WELDING SUPPLIES	134.91 74.47	209.38

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Date	Check #	Vendor	Description	Amount Paid	Check Total
03/21/2019	100039	06552 SOLUTIONS INC. AMERICAN COI	AMERICAN CONSERVATION & BILLING AQUAHAWK RW LICENSE WEEKLY REPORTS MARCH	2,421.00 175.00	2,596.00
03/21/2019	100040	00058 ARROWHEAD MOUNTAIN SPRIN	MARCH '19 BEVERAGE DELIVERY TO FOF	49.41	49.41
03/21/2019	100041	00622 AT&T	LAWWMA PHONE DSL-MAR '19	486.62	486.62
03/21/2019	100042	05097 BATTERIES PLUS	AAA BATTERIES	15.27	15.27
03/21/2019	100043	09015 JEAN-CHRISTOPHE BIZE	REFUND PROCESSED FOR 7820 STONELEAF	17.33	17.33
03/21/2019	100044	00091 & JUDSON BOLD, POLISNER, MA	MONTHLY LEGAL SERVICES - 02/2019	22,359.00	22,359.00
03/21/2019	100045	09007 DEREK BROWN	REFUND FOR 8139 ELGIN LN	120.74	120.74
03/21/2019	100046	07825 C & R TRUCKING INC.	HAULING MATERIALS TO FOF YARD	4,213.21	4,213.21
03/21/2019	100047	07138 CALIFORNIA WATER TECHNOLO	40,460.00 FERROUS CHLORIDE DELV: 2-25-19	5,109.11	5,109.11
03/21/2019	100048	00118 CALTEST ANALYTICAL LAB	SAMPLE ANALYSES	86.45	86.45
03/21/2019	100049	00207 CSMFO	H. CHEN CSMFO MUNICIPAL ANNUAL MEMBERSHI M. BAILEY CSMFO MUNICIPAL ANNUAL MEMBERS	110.00 110.00	220.00
03/21/2019	100050	04172 CULVER COMPANY, INC.	WC - 4TH GRADE ACTIVITY BOOKLETS - DO FL	1,422.90	1,422.90
03/21/2019	100051	00237 EBMUD MAIL REMITTANCE DERI	DERWA - JAN 2019	31,683.74	31,683.74
03/21/2019	100052	08938 DR HORTON	MTR 78227871 RETURN MTR 65492096 RETURN	755.64 706.43	1,462.07
03/21/2019	100053	00277 ACCOUNTING/ASSIST TREASUR	LAWWMA LEWELLING WTR & SWR 01/08/19 TO	173.13	173.13
03/21/2019	100054	05839 EUROFINS EATON ANALYTICAL I	UCMR4 METALS,ETC. SEA1	540.00	540.00
03/21/2019	100055	02656 FASTENAL COMPANY	SUPPLIES FOR VALVE REPAIRS BLDG S SAFETY SUPPLIES FOF SAFETY SUPPLIES BLDG A SAFETY SUPPLIES FLUSHING SUPPLIES	1,990.99 171.69 156.83 63.57 58.02	2,441.10

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03/21/2019	100056	00328 FRANK A. OLSEN CO.	16-R014 AUMA ACTUATORS	5,501.89	5,501.89
03/21/2019	100057	01950 FREEDLUN HYDROSEEDING INC	MTR 60661154 RETURN	1,305.64	1,305.64
03/21/2019	100058	09014 CAROLYN GARDUNO	REFUND FOR 3069 BLACKBERRY AVE	63.33	63.33
03/21/2019	100059	09011 HAIYANG HE	REFUND FOR 3012 BROWNTAIL WAY	146.64	146.64
03/21/2019	100060	06732 HIRERIGHT, INC.	EMPLOYMENT BACKGROUND SCREENING SERVICES	162.01	162.01
03/21/2019	100061	09010 ALLEN HUGGINS	REFUND FOR 3153 PAOLO TER	28.25	28.25
03/21/2019	100062	00417 IDEXX DISTRIBUTION, INC	LAB CHEMICALS AND SUPPLIES	130.19	130.19
03/21/2019	100063	07848 JARVIS, FAY & GIBSON, LLP	GENERAL COUNSEL SVCS - FEBRUARY 2019	3,217.50	3,217.50
03/21/2019	100064	09006 JCHEN PROPERTIES	REFUND FOR 7600 IRONWOOD DR	186.34	186.34
03/21/2019	100065	00468 CORP KAMAN INDUSTRIAL TECH	GBT CAKE PUMP COUPLING	214.37	
			BELTS FOR STOCK	90.85	305.22
03/21/2019	100066	09013 HEATHER KELLY	REFUND FOR 133 LUCY LN	156.84	156.84
03/21/2019	100067	00486 APPARATUS REPAIR INC KOFFLE	MOTOR REPAIR WORK COMPLETED ON THE DAFT	3,755.61	3,755.61
03/21/2019	100068	09012 SENGGI LEE	REFUND FOR 5007 OSBORNE CIR	185.81	185.81
03/21/2019	100069	05257 LENNAR COMMUNITIES	REFUND FOR 3928 SCOTTFIELD ST/ BLDG 16	691.63	
			3950 SCOTTFIELD ST/BLDG 15	677.68	
			REFUND FOR 4050 SCOTTFIELD ST/BLDG 10	631.18	
			REFUND FOR 4020 SCOTTFIELD ST/BLDG 11	607.93	
			REFUND FOR 4016 SCOTTFIELD ST/ BLDG 8	538.18	
			REFUND FOR 3916 SCOTTFIELD ST/BLDG 17	399.85	
			REFUND FOR 3986 SCOTTFIELD ST/BLDG 8	355.37	
			REFUND FOR 3966 SCOTTFIELD ST/BLDG 14	195.17	4,096.99
03/21/2019	100070	09009 LENNAR HOMES	REFUND FOR 3050 THREECASTLES WAY/BLDG 9	385.90	385.90
03/21/2019	100071	09008 LOU FRANK REAL ESTATE	REFUND FOR 8018 CREEKSIDE DR	148.69	148.69

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03/21/2019	100072	07614 MAHLER CONSULTING SERVICE	DEVELOPMENT PROJECT INSPECTION SUPPORT F	9,855.00	9,855.00
03/21/2019	100073	09020 BANK OF AMERICA MANAGED HI	ON-SITE COUNSELING SERVICES	1,750.00	
			ON-SITE COUNSELING SERVICES	900.00	2,650.00
03/21/2019	100074	05897 MERIT RESOURCE GROUP	A. MCCAFFERY: WE 03/17/19	1,345.50	
			A. MCCAFFERY: WE 03/10/19	1,311.00	
			A. MCCAFFERY: WE 02/24/19	1,104.00	3,760.50
03/21/2019	100075	01650 MICROSOFT	QTY (10) MS SURFACE PRO 6 TABLETS, DOCKS	20,301.10	20,301.10
03/21/2019	100076	06738 MOOREFIELD CONSTRUCTION,	MTR 60919153 RETURN	1,873.52	
			MTR 64833095 RETURN	948.27	2,821.79
03/21/2019	100077	04796 NAPA AUTO PARTS	FILTERS FOR STOCK	13.70	13.70
03/21/2019	100078	06596 NATIONAL PLANT SERVICES, INC	PRE-CLEAN & CCTV INSPECTION @ DUBLIN CT.	2,700.00	2,700.00
03/21/2019	100079	00595 NEWARK ELECTRONICS	FUSES FOR AEMC MEGGER	15.05	15.05
03/21/2019	100080	08424 NORCAL MOLECULAR LLC	PUMP REPAIR MATERIAL	3,190.86	3,190.86
03/21/2019	100081	03987 OLIN CHLOR ALKALI PRODUCTS	4908.000 SDG HYPO DELV 2-26-19	3,479.93	3,479.93
03/21/2019	100082	00620 P G & E	DISTRICT OFFICE ELECTRICITY - FEB 2019	2,339.21	
			FSL AERATORS; LAB HVAC; FLEET - FEB 2019	1,532.27	
			PUMP STATION R200B ELECTRIC - MAR 2019	1,143.34	
			DO UTILITY BLDG. ELECTRICITY - FEB 2019	139.18	5,154.00
03/21/2019	100083	07723 PLATINUM PIPELINE INC	MTR 77822381 RETURN	1,831.55	1,831.55
03/21/2019	100084	04541 PLATINUM PIPELINE, INC.	MTR 64833090 RETURN	836.91	836.91
03/21/2019	100085	07412 PURETEC INDUSTRIAL WATER	DI WATER MAINTENANCE	138.92	138.92
03/21/2019	100086	04105 R & B COMPANY	2 THREADED MATCO RW GATE VALVE (4)	559.36	
			SS 316 HEX BOLT & NUT KIT (8) & NEOPRENE	515.66	1,075.02
03/21/2019	100087	08339 SAN FRANCISCO ELEVATOR INC	ELEVATOR REPAIR FOR BLDG E	7,750.00	7,750.00

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03/21/2019	100088	00740 SAN RAMON CHAMBER OF COM	SAN RAMON CHAMBER OF COMMERCE DUES 2018	1,025.00	1,025.00
03/21/2019	100089	05478 SCM CONSTRUCTION MGMT SE	UB Refund Cst #00077557 UB Refund Cst #00076777	1,856.68 1,856.68	3,713.36
03/21/2019	100090	00786 SNAP-ON INDUSTRIAL	SOAP FOR PARTS WASHER	208.12	208.12
03/21/2019	100091	09016 OSBRON SOLITEI	REFUND FOR 2724 CEDARWOOD LOOP	149.61	149.61
03/21/2019	100092	02444 DEPT LA 1368 STAPLES ADVANT	COPY PAPER & COFFEE SUPPLIES	267.66	267.66
03/21/2019	100093	00810 STUDIO BLUE REPROGRAPHICS	DOFLOOD DISTRICT OFFICE PLANS	21.85	21.85
03/21/2019	100094	05433 TAYLOR MORRISON	MTR 78228017 RTN	4,353.42	4,353.42
03/21/2019	100095	00696 TRAVERSO'S WORK SHOE HQ	I. LOOPEZ 1-3-19 & J. BERTACCHI 11-27-18 E. KUEFNER-55-SAFETY SHOES 10-4-18 R. ROBLES-51-SAFETY SHOES 10-9-18	362.23 190.37 185.71	738.31
03/21/2019	100096	01806 U.S. BANK EQUIPMENT FINANCE	COPIER LEASE LAB/CUST SVC/EXEC - 03/01/1	1,680.27	1,680.27
03/21/2019	100097	06004 VANGUARD CLEANING SYSTEM	WWTP MARCH '19 CLEANING SERVICE FOF MAR '19 CLEANING SERVICE BLDG A & BLDG S WINDOWS CLEANED INTERNAL 2-20-29 CLEANED 1ST & 2ND FLOOR INTERNAL LAWWMA MAR '19 CLEANNG SERVICE	3,045.00 2,845.00 1,240.00 895.00 275.00	8,300.00
03/21/2019	100098	08561 VERIZON CONNECT	GPS TRACKING SYSTEM FEB 2019	1,308.04	1,308.04
03/21/2019	100099	00924 VERIZON WIRELESS	CELL PHN SVC AND EQUPTMNT CHARGES 02/04/	5,573.77	5,573.77
03/21/2019	100100	00928 VINCENT ELEC MOTOR CO., INC	NEW MOTOR FOR PRIMARY #2 SCUM SKIMMER	423.41	423.41
03/21/2019	100101	00933 VWR INTERNATIONAL, INC.	STANDARD SOLUTIONS AND LAB SUPPLIES STANDARD SOLUTIONS AND LAB SUPPLIES STANDARD SOLUTIONS AND LAB SUPPLIES STANDARD SOLUTIONS AND LAB SUPPLIES STANDARD SOLUTIONS AND LAB SUPPLIES	476.85 313.22 62.64 30.42 5.53	888.66

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03/21/2019	100102	08423 WATERTALENT LLC	M. MAESTAS: WE 02/24/19	4,117.50	4,117.50
03/21/2019	100103	00987 ATTN: ACCOUNTING ZONE 7 WA	FEB. 2019 CONNECTION FEES	2,481,766.20	2,481,766.20
03/25/2019	10564094	00591 NEOPOST USA INC.	POSTAGE ADVANCE 03/25/2019	500.00	500.00
03/28/2019	100104	00710 AAI TERMITE & PEST CONTROL	FEB '19 WWTP BLDG A ANT & PEST SERVICE	135.00	135.00
03/28/2019	100105	01013 BARRETT BUSINESS SERVICES	H. BIRDSSELL: W/E 3/3/19	1,214.72	
			B. GOMEZ: W/E 3/3/19	1,040.00	
			J. CHAMBERS JR: W/E 3/3/19	832.00	
			B. YENOKIDA: W/E 3/3/19	832.00	
			L. GOSS: W/E 3/3/19	832.00	
			L. RUMMEL: WE 03/03/19	739.53	
			A. GEHMLICH: WE 03/03/19	544.00	
			N. POON: WE 03/03/19	345.60	
			S. MONTAGUE: W/E 03/03/19	117.00	6,496.85
03/28/2019	100106	01013 BARRETT BUSINESS SERVICES	P. MULLEN: WE 03/03/19	716.61	716.61
03/28/2019	100107	08775 LEA BLEVINS	BLEVINS REIMB EXP AT WATEREUSE MARCH 201	147.11	147.11
03/28/2019	100108	00103 C. OVERAA & CO.	DOFLOOD WORK ORDER SLAB DEMO	73,340.00	73,340.00
03/28/2019	100109	03614 CAROLLO ENGINEERS INC.	16-A002 T.O. OC-10 9/1/18 TO 1/31/19	31,277.67	
			18-P002 TO OC-17 ELEC SYS STUDIES & DIAG	10,267.75	
			07-3203 T.O. 2 ESDC 2/1/19 TO 2/28/19	2,062.00	43,607.42
03/28/2019	100110	04424 GRAYBAR ELECTRIC COMPANY	SHOP STOCK MATERIAL	684.54	684.54
03/28/2019	100111	03853 ICMA	ICMA 457 DEFERRED COMPENSATION: PAYMENT	56,577.97	56,577.97
03/28/2019	100112	00439 IUOE LOCAL 39	LOCAL 39 UNION DUES: PAYMENT	4,639.90	4,639.90
03/28/2019	100113	00485 KOFF & ASSOCIATES INC.	CLASSIFICATION STUDY	780.00	780.00
03/28/2019	100114	04594 MCCAMPBELL ANALYTICAL INC	SAMPLE ANALYSES	201.60	201.60

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03/28/2019	100115	09039 KE NEWBERRY	K. BIAN REIMB EXP @ CALPERS SACRAMENTO 0	147.57	147.57
03/28/2019	100116	05026 UNIVAR USA INC.	140 GALLONS SODIUM HYPOCHLORITE 12.5%	629.28	629.28
03/28/2019	100117	05305 GEORGEAN VONHEEDER-LEOP	VONHEEDER REIMB EXP AT 2018 CASA 1/23 -	731.20	731.20
03/28/2019	100118	05729 ACME RIGGING & SUPPLY CO.	LIFTING SHACKLES FOR USE WAHTLE CRANE	1,146.47	1,146.47
03/28/2019	100119	01954 ANDERSON'S UNIFORMS	UNIFORM ITEMS FOR JEREMY HENDRYX	626.60	
			ANNA GARCIA ANSI CLASS 3 WATERPROOF PARK	106.77	733.37
03/28/2019	100120	06211 ASSOCIATED SERVICES CO.	MONTHLY BEVERAGE DELIVERY SERVICE FOR DO	284.85	284.85
03/28/2019	100121	00622 AT&T	C3 - TELE SVCS 02/13/19 - 03/12/19	686.10	686.10
03/28/2019	100122	04042 BAY AREA NEWS GROUP	BAY AREA NEWS GROUP - SIGNIFICANT NONCOM	299.70	299.70
03/28/2019	100123	08684 BIOGAS ENGINEERING	16-P028 T.O. 1 2/28/19	1,040.00	1,040.00
03/28/2019	100124	02217 BSK ASSOCIATES INC.	SAMPLE ANALYSES	200.00	200.00
03/28/2019	100125	08256 C & L SUPPLY COMPANY	AUTO LUBERS FOR PLANT EQUIPMENT	414.34	414.34
03/28/2019	100126	08428 CAL ENGINEERING & GEOLOGY	DOFLOOD T.O. OC-4 BILLING THROUGH 2/28/1	10,409.78	10,409.78
03/28/2019	100127	01085 CALPERS LONG-TERM CARE PR	LONG-TERM CARE: PAYMENT	68.12	68.12
03/28/2019	100128	00105 DEPT 34261 CAL-STEAM	PARTS TO REPAIR WATER LINE @ BLDG S	146.18	146.18
03/28/2019	100129	00157 CITY OF PLEASANTON	WWTP WATER BILL FEB '19	338.85	
			FOF IRRIGATION FEB '19	336.81	
			WWTP DERWA WATER BILL FEB '19	196.47	
			FOF WATER BILL FEB '19	153.74	
			LAVWMA WATER BILL FEB '19	148.19	1,174.06
03/28/2019	100130	08926 CORT	DO FLOOD: FOF CUBICLE RENTAL FEB 2019	4,222.36	4,222.36
03/28/2019	100131	08907 CRAIG SAFETY GROUP	TRENCHING AND SHORING COMPETENT PERSONS	1,807.50	1,807.50
03/28/2019	100132	05126 DKF SOLUTIONS GROUP, LLC	HR NEW HIRE TRAINING LEARNING UNIT	75.00	75.00

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03/28/2019	100133	08938 DR HORTON	REDO DDP 15-284 REFUND FOR REGIONAL SEWE	1,037.00	1,037.00
03/28/2019	100134	09024 DUBLIN INTEGRITY IN ACTION	BOWL-A-RAMA LANE SPONSORSHIP	250.00	250.00
03/28/2019	100135	00307 FAIRWAY EQUIPMENT & SUPPLY	TUBING AND PARTS FOR 3W PUMP SEAL H2O	175.35	175.35
03/28/2019	100136	02656 FASTENAL COMPANY	BLDG S PPE	157.35	
			BLDG A PPE	127.17	
			FOF PPE	81.75	
			FASTENERS FOR CANNONS AT BASINS	79.80	446.07
03/28/2019	100137	00314 FEDEX	WWTP OVERNIGHT DELIVERY SERVICE MAR '19	31.04	
			SPECIAL DELIVERY SERVICE MAR '19	9.10	40.14
03/28/2019	100138	02914 STATE OF CALIFORNIA FRANCHI	FRANCHISE TAX BOARD: PAYMENT	150.00	150.00
03/28/2019	100139	00352 GOLDEN STATE FLOW MEASURI	FY19 SENSUS METERS	16,151.52	16,151.52
03/28/2019	100140	03718 HR SIMPLIFIED	FSA 2/17/19 - 2/23/19	4,668.88	
			FSA 2/10/19 - 2/16/19	2,450.13	7,119.01
03/28/2019	100141	07652 HUNT & SONS, INC.	UNLEADED GAS (697)	1,942.34	1,942.34
03/28/2019	100142	07844 ICE SAFETY SOLUTIONS INC.	FIRE EXTINGUISHER TRAINING 2-25-19	675.00	675.00
03/28/2019	100143	07523 ID ARCHITECTURE	DOFLOOD T.O. 5 FEBRUARY DESIGN SERVICES	1,985.00	1,985.00
03/28/2019	100144	06074 INSIGHT PUBLIC SECTOR	CISCO ASA FIREPOWER SVC URL FILTERING SU	6,462.95	6,462.95
03/28/2019	100145	05882 KB HOMES	DP 15-284 REFUND FOR REGIONAL SEWER CAPA	5,812.00	5,812.00
03/28/2019	100146	03127 LUHDORFF & SCALMANINI INC.	DLD GROUNDWATER MONITORING SP'19	2,165.50	2,165.50
03/28/2019	100147	05897 MERIT RESOURCE GROUP	A. MCCAFFERY: WE 03/24/19	1,276.50	1,276.50
03/28/2019	100148	08939 MERITAGE HOMES OF CALIFORI	DP 15-291 REFUND FOR REGIONAL SEWER CAPA	57,707.00	57,707.00
03/28/2019	100149	04231 MSC INDUSTRIAL SUPPLY CO	TOOLS TO REPLENISH CART #328 FOR NEW MEC	964.71	
			FASTNERS FOR STOCK & MULTI TOOLS FOR SHO	470.50	1,435.21

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03/28/2019	100150	04796 NAPA AUTO PARTS	STOCK ORDER	185.87	
			STOCK ORDER	109.93	
			STOCK SUPPLIES	63.85	
			STOCK ORDER	29.50	
			VEHICLE #94 FUSES	9.55	398.70
03/28/2019	100151	07461 OFFICE RELIEF	REPLACEMENT ERGO ITEMS DAMAGED FROM FLOO	1,096.96	
			REPLACEMENT FOR DAMAGED CHAIR-B. TREPPA	397.18	1,494.14
03/28/2019	100152	03987 OLIN CHLOR ALKALI PRODUCTS	4932.000 BACTICIDE DELVERED 3/7/19	3,496.95	
			4924. GALS DELV 3-8-19	3,491.28	6,988.23
03/28/2019	100153	02109 ONE HOUR DELIVERY SERVICE,	19-P001 FILE NOTICE OF EXEMPTION	112.00	112.00
03/28/2019	100154	00620 P G & E	LAVWMA PS FEEDER A - MAR 2019	87,827.06	
			LAVWMA PS FEEDER B - MAR 2019	86,520.63	
			MISC PUMP STNS; COMM CIR ELECTRICITY - F	20,266.57	
			LAVWMA PIPELINE & LIVERMORE LINE - MAR 2	594.11	
			RESERVOIR 3A ELECTRICITY - FEB 2019	44.22	195,252.59
03/28/2019	100155	00677 PULTE HOMES CORPORATION	DP 15-291 REFUND FOR REGIONAL SEWER CAPA	58,744.00	58,744.00
03/28/2019	100156	09023 QUENCH USA, INC.	WATER FILTRATION SERVICE FOR FOF & BLDG	131.10	131.10
03/28/2019	100157	04105 R & B COMPANY	MISC REPAIR PARTS	968.10	968.10
03/28/2019	100158	03115 R & S ERECTION OF CONCORD I	FOD WAREHOUSE DOOR REPAIR	1,688.00	1,688.00
03/28/2019	100159	00701 REGISTRAR OF VOTERS	ALAMEDA CO. REG OF VOTERS 11-6-18 GEN. E	101,076.50	101,076.50
03/28/2019	100160	08339 SAN FRANCISCO ELEVATOR INC	DIV53 ELEVATOR ROUTINE MAINTENANCE-FOF &	342.00	342.00
03/28/2019	100161	08848 TEECOM	PROGRESS PAYMNTS:PROF SRVS THROUGH FEBRU	6,000.00	6,000.00
03/28/2019	100162	06650 TOKAY SOFTWARE	TOKAY WEB TEST REPORT ENTERIES FEB 2019	5.00	5.00
03/28/2019	100163	01552 TRI-VALLEY PROMOTIONAL PRO	MOOD PENCILS	2,140.22	2,140.22

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03/28/2019	100164	01222 IRS UNITED STATES TREASURY	GARNISHMENT - IRS: PAYMENT	420.50	420.50
03/28/2019	100165	00556 UNITED WAY OF THE BAY AREA	UNITED WAY: PAYMENT	175.07	175.07
03/28/2019	100166	00933 VWR INTERNATIONAL, INC.	STANDARD SOLUTIONS AND LAB SUPPLIES	18.91	18.91
03/28/2019	100167	08423 WATERTALENT LLC	M. MAESTAS: WE 03/03/19	5,400.00	5,400.00
03/28/2019	100168	04061 WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES JANITORIAL SUPPLIES	1,146.08 202.58	1,348.66
03/28/2019	100169	02884 WEST VALLEY CONSTRUCTION	16-A002 WORK ORDER LOWER ARV & REPLACE B	5,970.01	5,970.01
03/28/2019	100170	00987 ATTN: ACCOUNTING ZONE 7 WA	FEB '19 TREATED WATER SERVICE	926,965.15	926,965.15
04/01/2019	8153	05511 DISBURSEMENT UNIT CALIFORN	CHILD SUPPORT GARNISHMENT: PAYMENT	699.23	699.23
04/01/2019	1001288940	00494 PERS	RETIREMENT: PAYMENT	99,819.89	99,819.89
04/02/2019	61406602	00558 IRS - PAYROLL TAXES	FEDERAL WITHHOLDING TAXES: PAYMENT	510.25	510.25
04/02/2019	74990698	00558 IRS - PAYROLL TAXES	FEDERAL WITHHOLDING TAXES: PAYMENT	154,352.48	154,352.48
04/02/2019	318333120	00559 EDD - PAYROLL	CALIFORNIA STATE TAXES: PAYMENT	31,238.24	31,238.24
04/02/2019	412094656	00559 EDD - PAYROLL	CALIFORNIA STATE TAXES: PAYMENT	50.25	50.25
04/04/2019	100171	00710 AAI TERMITE & PEST CONTROL	WWTP BLDG A ANT & PEST CONTROL MAR '19	135.00	135.00
04/04/2019	100172	07832 CAROL ATWOOD	ATWOOD REIMB EXP FOR CPA LIC. RENEWAL AP	120.00	120.00
04/04/2019	100173	01013 BARRETT BUSINESS SERVICES	P. MULLEN: WE 03/10/19	1,393.40	1,393.40
04/04/2019	100174	01013 BARRETT BUSINESS SERVICES	H. BIRDSELL: W/E 3/10/19 J. CHAMBERS JR.: W/E 3/10/19 B. GOMEZ: W/E 3/10/19 L. GOSS: W/E 3/10/19 B. YENOKIDA: W/E 3/10/19 S. MONTAGUE: W/E 03/10/19 M. ZAKLAN: WE 03/10/19	1,064.96 1,040.00 936.00 832.00 832.00 741.00 449.28	

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			N. POON: WE 03/10/19	339.84	
			A. GEHMLICH: WE 03/10/19	326.40	6,561.48
04/04/2019	100175	03614 CAROLLO ENGINEERS INC.	16-R014 T.O. 1 2/1/19 TO 2/28/19	8,829.50	
			15-P018 T.O. OC-20 2/1/19 TO 2/28/19	4,294.32	
			16-R014 T.O. OC-19 2/1/19 TO 2/28/19	2,280.00	
			16-A002 T.O. OC-10 2/1/19 TO 2/28/19	368.03	15,771.85
04/04/2019	100176	00299 ENVIRONMENTAL RESOURCE A	STANDARD SOLUTIONS AND PROFICIENCY TESTI	3,915.11	
			STANDARD SOLUTIONS AND PROFICIENCY TESTI	73.36	3,988.47
04/04/2019	100177	00319 ACCT # 217838-001 FISHER SCIE	STANDARD SOLUTION AND LABORATORY SUPPLIE	699.76	699.76
04/04/2019	100178	03146 MICHELLE GALLARDO	GALLARDO REIMB FOR OFFICE SUPPLY-HEATER	61.69	
			GALLARDO REIMB EXP FOR ACCOUNTING MEET&G	33.94	95.63
04/04/2019	100179	00937 GRAINGER, INC.	STOCK: EDGE TRIM FOR SHEET METAL	89.82	89.82
04/04/2019	100180	04424 GRAYBAR ELECTRIC COMPANY	PSR1 PROJECT MATERIAL	1,852.63	
			LIGHT FIXTURES FOR PLANT POLE LIGHTS NEA	1,333.75	
			ODOR TOWER PROJECT	275.55	
			SHOP TOOLS	101.36	
			EPS PUMP CONNECTION MATERIAL	63.33	3,626.62
04/04/2019	100181	01123 JEREMY HENDRYX	HENDRYX REIMB FOR CERT COLLECTION SYSTEM	200.00	200.00
04/04/2019	100182	03853 ICMA	ICMA 457 DEFERRED COMPENSATION: PAYMENT	40.00	40.00
04/04/2019	100183	01242 INFOSEND, INC	INFOSEND	5,387.52	5,387.52
04/04/2019	100184	00478 FLORENCE KHAW	KHAW EXP REIMB - MEAL&MILEAGE FOR BACKFL	101.18	101.18
04/04/2019	100185	08903 ROPER MACARAEG	MACARAEG MILEAGE REIMB FOR 03/12/19-04/0	40.14	40.14
04/04/2019	100186	03039 LISA OLIVIERI	OLIVIERI MILEAGE REIMB MAR. 2019	45.94	45.94
04/04/2019	100187	01403 PRAXAIR DISTRIBUTION INC 186	ARGON GAS AND CYLINDER RENTAL	706.97	706.97
04/04/2019	100188	07290 V. W. HOUSEN & ASSOCIATES, IN	15-W017 T.O. OC-4 1/1/19 THROUGH 1/31/19	1,852.40	1,852.40

Check History Description Listing

Dublin San Ramon Services District

From: 3/11/2019 To: 4/7/2019

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
04/04/2019	100189	05127 VISION SERVICE PLAN - CA (VSF	APRIL 2019 - VISION	2,837.53	2,837.53
04/04/2019	100190	01738 3T EQUIPMENT COMPANY INC.	PARTS FOR VEHICLE #109 REPAIR	1,800.04	1,800.04
04/04/2019	100191	01719 A & M PRINTING, INC.	PRINTING: BILL INSERTS - DRUG DROP PRINTING - IMPORTANT NOTICE DOOR HANGER #10 LEFT WINDOW ENVELOPES (FINANCE, CS & BUSINESS CARDS FOR K. BIAN & T. LEONARDO	1,288.10 786.87 387.65 76.48	2,539.10
04/04/2019	100192	08340 AIR FILTER SUPPLY, INC.	PLANT AIR FILTERS	273.39	273.39
04/04/2019	100193	07510 ALL-CAL EQUIPMENT SERVICES	WWTP - BUILDING C ELEVATOR CRANE REPAIR	700.00	700.00
04/04/2019	100194	06211 ASSOCIATED SERVICES CO.	MARCH '19 BEVERAGE SERVICE FOR WWTP, MMD	640.87	640.87
04/04/2019	100195	08663 AWARDS NETWORK	RETIREMENT GIFT - VICKI GOLDMAN	273.13	273.13
04/04/2019	100196	07365 BILL'S ACE TRUCKBOX	VEHICLE #128 MATS	130.49	130.49
04/04/2019	100197	09033 BEVERLY BURKE	REFUND FOR 4424 FITZWILLIAM ST	24.18	24.18
04/04/2019	100198	09025 PRAVEENKUMAR CHERUVU	REFUND FOR 5249 KENILWORTH WAY	219.35	219.35
04/04/2019	100199	09028 VEE CHICK	REFUND FOR 8134 LOCUST PL S	62.82	62.82
04/04/2019	100200	01167 CITY OF DUBLIN	DSRSD LANDSCAPE SERVICES - FEB 2019	11,164.09	11,164.09
04/04/2019	100201	09031 JOSEPH CONWAY	REFUND FOR 2070 FORINO DR	226.00	226.00
04/04/2019	100202	01633 CPS HUMAN RESOURCE SVCS	HR TECHNICIAN RECRUITMENT TEST MATERIALS CREDIT MEMO - FLEET MECHANIC TEST MATERI	632.50 -35.00	597.50
04/04/2019	100203	06184 CREDIT CONSULTING SVCS, INC	INVOICE INVOICE REFUND FOR 7527 ODYSSEY WAY INVOICE	114.84 108.83 40.88 35.11	299.66
04/04/2019	100204	00222 DATCO SERVICES CORP.	APR/MAY/JUN 2019 - MONTHLY CHARGES	555.75	555.75
04/04/2019	100205	00241 DGS OFS SVC REVOLVING FUNE	NATURAL GAS @ WWTP - FEB 2019	19,531.64	19,531.64

Check History Description Listing

Dublin San Ramon Services District

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
04/04/2019	100206	09027 MARK DIXON	REFUND FOR 8486 BEVERLY LN	286.76	286.76
04/04/2019	100207	09034 FIVE STARS GROUP LLC	REFUND FOR 3693 WHITWORTH DR	23.25	23.25
04/04/2019	100208	00368 HACH COMPANY	REPLACEMENT/UPGRADE FOR OLDER AERATION B	9,111.78	9,111.78
04/04/2019	100209	03149 HDS WHITE CAP CONST SUPPLY	SUPPLIES FOR USA'S	59.15	59.15
04/04/2019	100210	09026 HJ HOME INVESTMENTS INC.	REFUND FOR 8350 DAVONA DR	212.41	212.41
04/04/2019	100211	07481 J.N. ABBOTT DISTRIBUTOR, INC.	OIL FOR COGEN AND PLANT AIR COMPRESSORS	4,600.95	4,600.95
04/04/2019	100212	00468 CORP KAMAN INDUSTRIAL TECH	SEAL FOR CRANE ON TRUCK 121	13.16	13.16
04/04/2019	100213	09029 BRIAN KENNEDY	REFUND FOR 6829 MAPLE DR	15.45	15.45
04/04/2019	100214	09030 AMELIE KOCH	REFUND FOR 7997 REGIONAL CMN	77.97	77.97
04/04/2019	100215	03200 LENNAR HOMES	DP 15-287 REFUND FOR REGIONAL SEWER CAPA	798.00	798.00
04/04/2019	100216	03958 LIVERMORE AUTO GROUP	VEHICLE #87 BRAKES	654.13	
			VEHICLE #82 BALL JOINTS	244.44	
			VEHICLE #94 CUP HOLDER	152.57	
			VEHICLE #93 SENSOR	105.03	
			VEHICLE #29 SHIFT LEVER	47.96	1,204.13
04/04/2019	100217	05897 MERIT RESOURCE GROUP	A. MCCAFFERY: WE 03/31/19	1,311.00	1,311.00
04/04/2019	100218	04231 MSC INDUSTRIAL SUPPLY CO	REPLENISH TOOLS TRUCK #60 AND MECHANICAL	704.66	704.66
04/04/2019	100219	04796 NAPA AUTO PARTS	VEHICLE #128 FLOOR MATS	212.78	
			504E LOADER FILTERS	91.08	
			#505E D7 FILTERS	40.55	344.41
04/04/2019	100220	00620 P G & E	DEPARTING LOAD NON-BYPASSABLE CHARGES -	598.08	598.08
04/04/2019	100221	05589 PHENOVA	PROFICIENCY TESTING AND STANDARDS	568.63	568.63
04/04/2019	100222	04211 PLATT ELECTRIC SUPPLY	PARTS	9,588.68	
			VARIABLE FREQUENCY DRIVE ANALYZER	6,468.74	16,057.42

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
04/04/2019	100223	04211 PLATT ELECTRIC SUPPLY	EPS2 PUMPS 5 & 6 DV/DT FILTERS TO PROTEC COGEN CIRCUIT SPARE BREAKER MODIFICATION FUSES FOR MCC-M1 ACTIVE HARMONICS FILTER SHOP TOOL CONSUMABLES LUGS & WIRE FOR EPS2 PUMP 5 & 6 DV/DT AL TOOLS PARTS	1,551.38 940.38 539.42 435.91 152.36 81.56 57.36	3,758.37
04/04/2019	100224	00663 PLEASANTON GARBAGE SVC IN	WWTP FEB & MAR '19 GARBAGE SERVICE 02/26	4,528.29	4,528.29
04/04/2019	100225	05543 PREFERRED BENEFIT INSURAN	APRIL 2019 - DENTAL	23,142.10	23,142.10
04/04/2019	100226	04105 R & B COMPANY	CONCRETE UTILITY BOX (21) CONCRETE UTILITY BOX (7)	550.62 183.54	734.16
04/04/2019	100227	08010 SLOAN SAKAI YEUNG & WONG L	LABOR RELATED LEGAL FEES (02/19)	512.40	512.40
04/04/2019	100228	08886 SPRINGER CONTROLS COMPAN	REPLACE THE MONITORS ON THE EPS 2 PUMPS	6,199.90	6,199.90
04/04/2019	100229	00810 STUDIO BLUE REPROGRAPHICS	15-P018 BID DOCUMENT	110.95	110.95
04/04/2019	100230	00903 UNITED RENTALS, INC.	15.70 BULK PROPANE FOR FORKLIFT PROPANE FOR GROVE CRANE	68.43 13.95	82.38
04/04/2019	100231	00912 OCC SERVICES VALLEY CARE H	PHYSICAL: DOT (BUNDLED) R. FREITAS	85.00	85.00
04/04/2019	100232	00920 VASCO ROAD LANDFILL	UNLOADING OF WWTP SOLIDS GRIT MAR '19	677.26	677.26
04/04/2019	100233	09032 SARINA VERGARI	REFUND FOR 4372 FITZWILLIAM ST	107.08	107.08
04/04/2019	100234	00933 VWR INTERNATIONAL, INC.	GLOVES FOR OPS STANDARD SOLUTIONS AND LAB SUPPLIES STANDARD SOLUTIONS AND LAB SUPPLIES	122.75 86.15 42.49	251.39
04/04/2019	100235	08423 WATERTALENT LLC	M. MAESTAS: WE 03/10/19	5,400.00	5,400.00
04/04/2019	100236	00957 WEST YOST & ASSOCIATES	17-P004 T.O. 1 2/9/19 TO 3/18/19 17-P004 T.O. 1 12/1/18 TO 1/4/19	216,717.78 4,597.50	

Bank code: apbank

Date	Check #	Vendor	Description	Amount Paid	Check Total
			16-R018 T.O. OC-13 2/9/19 TO 3/8/19	3,405.50	
			STANDARD SPECS UPDATE 2/9/19 - 3/8/19	2,533.00	
			16-R014 RWTF EXPANSION SRF ASSIST TO OC-	337.50	227,591.28
04/04/2019	100237	00987	ATTN: ACCOUNTING ZONE 7 WA MAR. 2019 CONNECTION FEES	1,842,766.20	1,842,766.20
299 checks in this report				Total Checks:	7,495,276.11



TITLE: Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Motion, a continuation of the Emergency Action as declared in Board Resolution No. 53-18 and find that there exists a need for continuing the District Office flooding emergency which the Board last confirmed on April 2, 2019.

SUMMARY:

On Sunday, November 11, 2018, the District Office flooded due to a leak in the fire service line. The General Manager, as the District’s Emergency Manager per the District’s Emergency Response Plan policy, immediately proclaimed a District State of Emergency to reduce potential further property damage due to water exposure and to minimize the time to restore core business operations.

The District Office is closed for restoration and repair. Staff is requesting the Board of Directors find that there still exists a need for continuing the State of Emergency reflected by Board Resolution No. 53-18. Expedited action, including the emergency procurement of equipment, furnishings, services, supplies, and repairs, is necessary to bring about re-occupancy of the District Office by staff at the earliest opportunity, in order to restore normal operations and core services. Delay in restoration and repair will have an unacceptable adverse impact on the services provided by the District.

Further detail on the emergency and the current state of restoration is reflected in the attached staff report.

Originating Department: Engineering Services	Contact: J. Ching	Legal Review: N/A
Cost: \$0	Funding Source: Insurance Claim	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		

STAFF REPORT



District Board of Directors
April 16, 2019

Approve Continuation of Emergency Action Procurement by General Manager for Repair of the District Office and Find that the Need for the District Office Flooding Emergency Still Exists

BACKGROUND

On Sunday, November 11, 2018, the District Office flooded due to a leak in the fire service line. The General Manager, as the District’s Emergency Manager per the District’s Emergency Response Plan policy, immediately proclaimed a District State of Emergency to reduce potential further property damage due to water exposure and to minimize the time to restore core business operations. As the Emergency Manager, the General Manager is charged with managing all emergency operations and making decisions to allocate resources and expend funds as necessary to meet the needs of the emergency.

Per the District’s Purchasing policy, in case of an emergency and in accordance with Public Contract Code Section 22050, the General Manager may let contracts for any amount without giving notice for bids for repair or replacement of 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. On November 20, 2018, the Board of Directors adopted Resolution No. 53-18 approving emergency action procurement by the General Manager for restoration of the District Office. Per the Public Contract Code, at every regularly scheduled meeting after the initial emergency action, the Board is to review and determine by a four-fifths vote, that there is a need to continue the emergency action.

DISCUSSION

RESTORATION UPDATE

On March 13, 2019, Overaa Construction commenced work to replace a portion of concrete floor slab in the southeast area of the building. The repair work is proceeding on schedule, and anticipated for completion in mid-April 2019.

Three task orders for the District Office Renovation Project (CIP 19-A005) have been issued to date. A task order for ID Architecture, in an amount not to exceed \$124,600 for design services, was executed on March 19, 2019. A second task order for Swinerton Builders, DBA Swinerton Management & Consulting, in an amount not to exceed \$366,178 for cost estimating and construction management services, was executed on the same date. A third task order for Sausal Corporation, in an amount not to exceed \$126,506 for pre-construction design services, was executed on April 10, 2019. Finally, a certified industrial hygienist will be retained to confirm that the restoration work has satisfactorily resolved any environmental effects (i.e. mold) from the flooding. Staff is currently soliciting proposals for this specialty work.

NEED FOR CONTINUING EMERGENCY

The District Office is closed until further notice. Displaced District Office staff have been assigned to the Regional Wastewater Treatment Facility, the Field Operations Facility, the utility building behind the District Office, and

Dublin City Hall. District administrative operations and customer service have been hampered in the following ways:

- The Board’s customary meeting place for Board meetings is unavailable for use, inconveniencing the public who might wish to attend Board meetings;
- Customer service functions related to “in-person” bill payment have been suspended, because the Field Operations Facility where the Customer Services & Billing Division has been temporarily relocated to cannot accommodate in-person payment of water and sewer bills. Thus, one form of payment (in-person) is not available to the District’s customers;
- There is minimal meeting space for staff for internal meetings, to meet with developer representatives and contractors, and to confer with other agency personnel;
- Work units in the Engineering Department, the Administrative Services Department, the Executive Services Division, and the Communications Division are located in inefficient and inconvenient locations at the Field Operations Facility, the Regional Wastewater Treatment Plant, and Dublin City Hall. The convenience of working in close proximity, with adequate work space, is hampered. Natural work efficiencies are degraded because of location of staff in scattered and inadequate work facilities;
- Many supervisory staff have lost use of their individual offices for confidential meetings pertaining to performance management, coaching, and recruiting;
- Through relocation of some District staff to the Field Operations Facility Training Room, space for large group training activities has been lost. Moreover, meeting space for regional meetings has been lost (neither the Boardroom nor the Field Operations Facility Training Room are available).

Based on the above consequences of the District Office being closed for restoration and repair, staff is requesting the Board of Directors find that there still exists a need for continuing the State of Emergency reflected by Board Resolution No. 53-18. Expedited action, including the emergency procurement of equipment, furnishings, services, supplies, and repairs, is necessary to bring about re-occupancy of the District Office by staff at the earliest opportunity, in order to restore normal operations and core services. Delay in restoration and repair will have an unacceptable adverse impact on the services provided by the District.

RECOMMENDATION

Staff recommends the Board of Directors approve, by Motion, a continuation of the State of Emergency as declared by Board Resolution No. 53-18 and find that there exists a need for continuing the District Office flooding emergency which the Board confirmed at the previous regularly scheduled meeting on April 2, 2019. A four-fifths vote by the Board of Directors is required to continue the State of Emergency.



TITLE: Approve Emergency Action Procurement by General Manager for Repair of Recycled Water Treatment Facility

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Resolution, emergency action procurement by the General Manager for repair of the Recycled Water Treatment Facility, per the District Emergency Response Plan policy (P300-16-2) and District Purchasing policy (P500-18-1), and confirm the District State of Emergency.

SUMMARY:

On Sunday, April 7, 2019, a catastrophic power failure occurred at the Recycled Water Treatment Facility (RWTF) due to a ground fault in the external electrical buss ducting connecting the main transformer to switchgear in Building M. This loss of power primarily affected the WWTP Effluent Pumps (EPS2), the Tertiary Influent Pumps (TIPS), the recycled water sand filters, and supervisory control and data acquisition (SCADA) equipment in Building M, reducing production output from the RWTF by approximately 80 percent.

Per the District’s Emergency Response Plan policy (P300-16-2 – Attachment 1), the General Manager, as the Emergency Manager, is charged with managing all emergency operations and making decisions to allocate resources and expend funds as necessary to meet the needs of the emergency. On April 10, 2019, the General Manager proclaimed a District State of Emergency to minimize the time to restore recycled water operations.

Per the District’s Purchasing policy (P500-18-1 – Attachment 2), in case of an emergency and in accordance with Public Contract Code Section 22050, the General Manager may let contracts for any amount without giving notice for bids for repair or replacement of 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. The Purchasing policy, in accordance with Public Contract Code Section 22050, requires that any emergency action taken by the General Manager be reviewed by the Board of Directors no later than seven days after the action or at its next regularly scheduled meeting if that meeting will occur no later than fourteen days after the action. This report serves to meet that requirement.

To date, one contract has been issued with Peterson Power Systems for emergency generator installation, including the first month rental and anticipated fuel costs, for \$189,770.

Further anticipated contracts and activities under this emergency declaration include:

1. Specialized electrical assessment and testing on critical electronic components including: the damaged buss bar, electrical switchgear, and transformer.
2. Engineering services to evaluate the damaged power conductor and provide recommendation to replace in kind or with an alternative design.
3. Purchase of new power conductor to replace the damaged component.

The attached resolution confirms the General Manager’s proclamation of District State of Emergency, and directs the General Manager to report on progress at least at every regularly scheduled meeting until the State of Emergency is terminated.

Per Article 2B of the Operations Agreement between DSRSD and Dublin San Ramon Service District-East Bay Municipal Utilities District Recycled Water Authority (DERWA), in the case of an emergency involving DERWA Program Facilities, the DSRSD General Manager is authorized to act as Director of Emergency Services and is required to notify DERWA and the member agencies. DERWA has been notified of the Emergency.

Originating Department: Engineering Services	Contact: J. Zavadil	Legal Review: Yes
Cost: To be determined	Funding Source: Water Replacement (Fund 610)	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – District Emergency Response Plan policy (P300-16-2) Attachment 2 – District Purchasing policy (P500-18-1)	
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Policy

Policy No.: P300-16-2	Type of Policy: Operations
Policy Title: Emergency Response Plan (ERP)	
Policy Description: Designation of District Emergency Manager and authorization to manage emergency operations	
Approval Date: 5/1/2012	Last Review Date: 2016
Approval Resolution No.: 14-12	Next Review Date: 2020
Rescinded Resolution No.: 2-06	Rescinded Resolution Date: 1/10/2006

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

The General Manager or successor is designated as the District's Emergency Manager who will direct District emergency response activities after natural or malevolent emergency events.

1. Under emergency conditions in which immediate action must be taken to protect lives and property, respond to emergencies, and to restore essential services for public health and safety, the Emergency Manager may proclaim a District State of Emergency and activate the Dublin San Ramon Services District Emergency Response Plan.

2. Upon activation of the District Emergency Response Plan, the Emergency Manager will direct and manage all emergency operations and make decisions to allocate resources and expend funds as necessary to meet the needs of the emergency.

3. During any state of emergency, the District's priorities will be to: (1) protect human life and health, (2) protect property, and, (3) protect the environment while at all times protecting the safety of our work force. After the state of emergency has been stabilized, DSRSD will take action to ensure its customers will have confidence in the water supply and in DSRSD.

4. The Board of Directors shall meet within ten (10) days of the Declaration of Emergency to proclaim by official Board resolution the Declaration of the District State of Emergency and to authorize continued emergency operations and recovery operations.

Policy No.: P300-16-2	Policy Title: Emergency Response Plan (ERP)
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5. The Declaration of the District State of Emergency shall remain in effect for fourteen (14) days from the date of Board resolution and shall be renewed by the Board of Directors every fourteen (14) days, unless terminated by the Emergency Manager and the Board of Directors.

6. The General Manager shall have the ongoing responsibility to ensure District compliance with evolving emergency response and preparedness legislation and regulation.

Policy is current and no changes need to be adopted by the Board of Directors. <u>Status Quo Chronology:</u>	
Date Adopted:	
May 1, 2012	
Reviewed by Committee or Board:	Date:
Board	August 2, 2016



Policy

Policy No.: P500-18-1	Type of Policy: Purchasing
Policy Title: Purchasing	
Policy Description: Purchasing of Materials, Supplies, Services and Equipment	
Approval Date: 3/20/2018	Last Review Date: 2018
Approval Resolution No.: 18-18	Next Review Date: 2022
Rescinded Resolution No.: 13-17	Rescinded Resolution Date: 3/21/2017

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

- Perform purchasing activities with the highest ethical standards.
- Purchase materials, supplies, non-professional services, technical services and equipment using processes to ensure the appropriate quality is received for a reasonable price.
- Secure professional services using an equitable, quality-based selection process.
- Incorporate environmental sustainability into purchasing decisions as a Green Business practice.
- Provide fair and open competition.
- Define authority for the purchasing function.

Purchasing Agent

The General Manager is designated as Purchasing Agent. The Purchasing Agent shall:

1. Establish written purchasing guidelines and update them as needed, in conformance with the California Uniform Construction Cost Accounting Act (the Act), District Code Chapter 7.40, this policy, and applicable laws.
2. Negotiate and execute contracts, including purchase orders, work orders, task orders and agreements, within the authority outlined in the Act, District Code Chapter 7.40, and this policy.
3. Purchase or contract for supplies, services and equipment required by the District, in accordance with the Act, District Code Chapter 7.40, and this policy.

Policy No.: P500-18-1	Policy Title: Purchasing
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Purchasing Authority

1. The Purchasing Agent, or designee is authorized to negotiate and execute all contracts including purchase orders, work orders, task orders and agreements, made in conformance with the purchasing guidelines up to \$175,000.
2. The Purchasing Agent or designee is authorized to negotiate and execute contracts in any amount for recurring, operational purchases such as:
 - Utility payments
 - Scheduled debt payments and related debt administration services
 - Chemical purchases
 - Payments to a District Joint Powers Agency within contractual agreements
 - Water purchase
 - Insurance payments
 - Retirement contributions
 - Payroll
 - Dougherty Valley Standby Charge District
3. In case of an emergency:
 - a. In accordance with Public Contract Code 22050 the General Manager may let contracts for any amount without giving notice for bids for repair or replacement of 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.
 - b. Any emergency action taken by the General Manager shall be reviewed by the Board of Directors no later than seven days after the action or at its next regularly scheduled meeting if that meeting will occur no later than fourteen day after the action.

Credit Cards

The General Manager is authorized on behalf of the District to enter into credit card agreements, designate who may receive and use credit cards issued on behalf of the District, execute security agreements with respect to the District’s credit card accounts and otherwise bind the District with respect to its credit card accounts.

Adjustment of Contracts

For those contracts in excess of \$175,000 that were originally approved by the Board, the General Manager has the authority to make adjustments of up to \$175,000, unless additional authority is delegated in an approving resolution.

Public Works Contracts

The General Manager is authorized to award, and make associated decisions relating to, Public Works Contracts up to his purchasing authority of \$175,000 in accordance with the California Uniform

Policy No.: P500-18-1	Policy Title: Purchasing
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Construction Cost Accounting Act, District Code Chapter 7.40, and this policy. In addition, the General Manager is authorized to adjust Public Works Contracts in excess of \$175,000 that were originally approved by the Board, by a maximum adjustment of \$175,000, unless additional authority is delegated in an approving resolution. This delegation expressly encompasses related discretionary decisions such as the responsibility to accept one of two or more tied bids, to reject all bids, to require bid bonds, to utilize emergency procedure set forth in the Code, sole source findings, post award determinations regarding subcontractor substitutions, determining whether to waive irregularities, determining whether to accept or reject a bid protest, and making determinations regarding the substitution of a subcontractor claimed to have been inadvertently listed under the procedures set forth in Public Contract Code section 4107.5. However, in the case where a bid protest is filed, the General Manager shall refer approval of the Public Works contract to the Board of Directors.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING EMERGENCY ACTION PROCUREMENT BY THE GENERAL MANAGER FOR REPAIR OF THE RECYCLED WATER TREATMENT FACILITY

WHEREAS, on April 7, 2019, the Recycled Water Treatment Facility experienced a catastrophic power failure due to a ground fault in the external electrical buss ducting connecting the main transformer to switchgear in Building M; and

WHEREAS, the District Emergency Response Plan policy (P300-16-2) designates the General Manager as the District's Emergency Manager, charged with managing all emergency operations and making decisions to allocate resources and expend funds as necessary to meet the needs of the emergency; and

WHEREAS, the General Manager declared a District State of Emergency on April 10, 2019, and has taken action to minimize the time to restore recycled water operations; and

WHEREAS, as the District's Emergency Manager, in accordance with Public Contract Code Section 22050 and the District Purchasing policy (P500-18-1), the General Manager may let contracts for any amount without giving notice for bids for repair or replacement of 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; and

WHEREAS, the Purchasing policy, in accordance with Public Contract Code Section 22050, specifies that the Board of Directors must review any emergency action taken by the General Manager no later than seven days after the action or at its next regularly scheduled meeting if that meeting will occur no later than fourteen days after the action; and

WHEREAS, the General Manager has procured services as an emergency action to restore the Recycled Water Treatment Facility; and

WHEREAS, in the case of an emergency involving the Dublin San Ramon Services District-East Bay Municipal Utilities District Recycled Water Authority (DERWA) Program Facilities, the DSRSD General Manager is authorized to act as Director of Emergency Services on behalf of DERWA; and

WHEREAS, the DERWA Authority Manager has been notified of the emergency.

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:

Res. No. _____

1. The Board of Directors confirms the District State of Emergency declared by the General Manager on April 10, 2019.

2. The emergency action procurement by the General Manager to restore core business operations, as stated above, is hereby approved.

3. The General Manager is authorized to enter into contracts for continuing actions to restore recycled water operations at the Recycled Water Treatment Facility under District emergency procedures and policies.

4. The General Manager is directed to report the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids at least at every regularly scheduled meeting until the District State of Emergency is terminated.

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 16th day of April, 2019, and passed by the following vote:

AYES:

NOES:

ABSENT:

Madelyne A. Misheloff, President

ATTEST: _____
Nicole Genzale, District Secretary



TITLE: First Reading: Introduction of Ordinance Establishing the District’s By-Division System for Electing Directors in Conformance with the California Voting Rights Act (CVRA)

RECOMMENDATION:

Staff recommends the Board of Directors waive, by Motion, the first reading of an Ordinance that, if adopted, will establish division-based elections for Directors for implementation in the 2020 Statewide General Election, and set the sequencing for divisions in future elections.

SUMMARY:

This is the first of two readings for the proposed ordinance to establish division-based elections for Dublin San Ramon Service District (District). In response to a letter from Attorney Scott Rafferty threatening litigation, received on November 6, 2018, the Board of Directors (Board) adopted a resolution of intent to transition from at-large to division-based elections for Directors. The District undertook extensive community outreach efforts and held four public hearings. On April 2, 2019, the Board selected the final voting division boundary map (“Scarlet”) for implementation in the 2020 Statewide General Election and determined the sequence of divisions in future elections (Divisions 1, 3, and 5 in 2020; and Divisions 2 and 4 in 2022).

This item introduces an ordinance implementing those actions.

Originating Department: Office of the General Manager	Contact: C. Nelson/N. Genzale	Legal Review: Yes
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	50 of 172	

STAFF REPORT



District Board of Directors
April 16, 2019

First Reading: First Reading: Introduction of Ordinance Establishing the District’s By-Division System for Electing Directors in Conformance with the California Voting Rights Act (CVRA)

BACKGROUND

On January 15, 2019, the Board of Directors adopted a resolution of intent to transition from an at-large to a division-based election system in conformance with the California Voting Rights Act of 2001 (“CVRA”). The Board of Directors considered adoption of the resolution after the District received a letter on November 6, 2018 from Walnut Creek attorney Scott Rafferty, on behalf of the Bay Area Voting Rights Initiative (“BAVRI”), asserting that “racially polarized voting” is occurring in the San Ramon Valley, and that the District’s at-large electoral system therefore violates the CVRA. Mr. Rafferty’s letter threatened litigation unless the District voluntarily transitioned to division-based elections in time for the November 3, 2020 election. After weighing the legal implications and potential costs of litigation, the Board decided to adopt the resolution of intent and begin the transition process.

Following adoption of a resolution of intent, the law requires the District to hold at least four public hearings to receive public testimony throughout the boundary drawing process. The first two hearings were held February 5, 2019, and February 19, 2019 to inform the public about the divisioning process and receive community input on criteria for drawing division boundaries. The third hearing was held March 19, 2019, to introduce four draft maps and receive public testimony regarding details of the map boundaries. At that hearing, the Board directed preparation of certain modified draft maps to capture multiple District services, use Interstate 680 as a boundary for Contra Costa County, and to add a new map using east to west boundaries. On April 2, 2019 the fourth hearing was held to introduce four additional draft maps, select a final map from among the eight alternatives (and any new maps that might have been submitted for consideration), and consider the sequencing of divisions in future elections. At the conclusion of the April 2, 2019 meeting, the Board, by motion, selected Plan “Scarlet” as the District’s voting division boundary map; and directed that the by-division seats within Divisions 1, 3, and 5 would be on the November 2020 ballot, and that the by-division seats within Divisions 2 and 4 would be on the November 2022 ballot.

For additional background information regarding the CVRA and the District’s transition process, see the April 2, 2019 staff report (Attachment 3) and tentative timeline for the entire transition process (Attachment 4). The four public meetings are being held on regularly scheduled Board meeting dates at locations throughout the District’s service area to facilitate participation in this process by all of its citizens and customers.

DISCUSSION

This is the first of two readings for the proposed ordinance establishing division-based elections at the District.

The District currently elects its Directors using an at-large election system. In an at-large election system, candidates may live in any part of the District’s service area and each Director is elected by voters of the entire service area. In a division-based election system, a candidate for the Board must live in the division which he or

she wishes to represent, and only the voters of that division are entitled to decide who their divisional representative will be.

The Board, by motion, selected the final voting division boundary map, the “Scarlet” map, on April 2, 2019 for implementation in the 2020 Statewide General Election. The Board also determined the sequence of divisions in future elections: Divisions 1, 3, and 5 in 2020; and Divisions 2 and 4 in 2022.

This item introduces an ordinance implementing those actions.

Public Outreach and Input

In addition to testimony received at the public hearings, District staff developed a public outreach strategy. Since the Board of Directors adopted the resolution of intent on January 15, 2019, the District immediately engaged in public outreach efforts to help inform the public on division-based elections and to encourage and obtain feedback and input, per the following methods:

- Established a dedicated web page on the District’s website to provide information regarding the boundary drawing and transition process, including a toolkit to facilitate drawing communities of interest and proposed division maps: <http://www.dsrds.com/about-us/area-based-elections>
- Created a home page slide on the District’s website that promotes the meetings and links to the dedicated web page
- Mailed over 38,000 notification postcards to residents and businesses in the District’s service area informing them about the District’s transition to division-based elections and how they can participate in the process
- Posted ongoing social media outreach to Facebook, Twitter, and Nextdoor
- Issued a press release to local outlets to inform residents and businesses in the District’s service area about the District’s transition to division-based elections and how they can participate in the process
- Issued DSRSDToday news update emails to DSRSD community subscribers
- Published the eight draft division maps in the East Bay Times newspaper
- Providing ongoing staff responses to all community inquiries received

No proposed maps were received from the community. Input received from the four residents who spoke at the four previously held public hearings (February 5, February 19, March 19, and April 2) has been captured in the Board meeting minutes which are available at www.dsrds.com.

Fiscal and Administrative Impacts

The fiscal and administrative impacts to adopt the resolution and to implement the procedures to transition from an at-large election system to a division-based election system within the safe harbor time period will include several dedicated hours from multiple staff and consultants. Total costs to the District are anticipated to be \$200,000, and may require a budget adjustment for FYE 2019 at a later Board meeting.

At this time, it is unknown how 2020 election costs may be impacted due to this transition. The Board’s Candidates’ Statement Costs policy will be reviewed following the transition to a by-division election system.

Once updated federal census data becomes available in 2021, the District will need to consider adjusting the division boundaries to assure compliance with federal and state voting law. The estimated cost for this work in late 2021 or early 2022 is \$50,000 to \$100,000.

Next Steps

A public hearing will be held on Tuesday, May 7, 2019 to adopt the ordinance, on second reading, establishing a division-based election system per the boundary map selected, and the sequencing of voting divisions for future elections.

RECOMMENDATION

Staff recommends the Board of Directors waive, by Motion, the first reading of an Ordinance that, if adopted, will establish division-based elections for Directors for implementation in the 2020 Statewide General Election and set the sequencing for divisions in future elections.

ATTACHMENTS:

1. Final Division Map (“Scarlet”)
2. Final Division Map Population Data
3. Staff Report – April 2, 2019
4. Tentative Timeline



Draft Map
Proposed Final
Scarlet

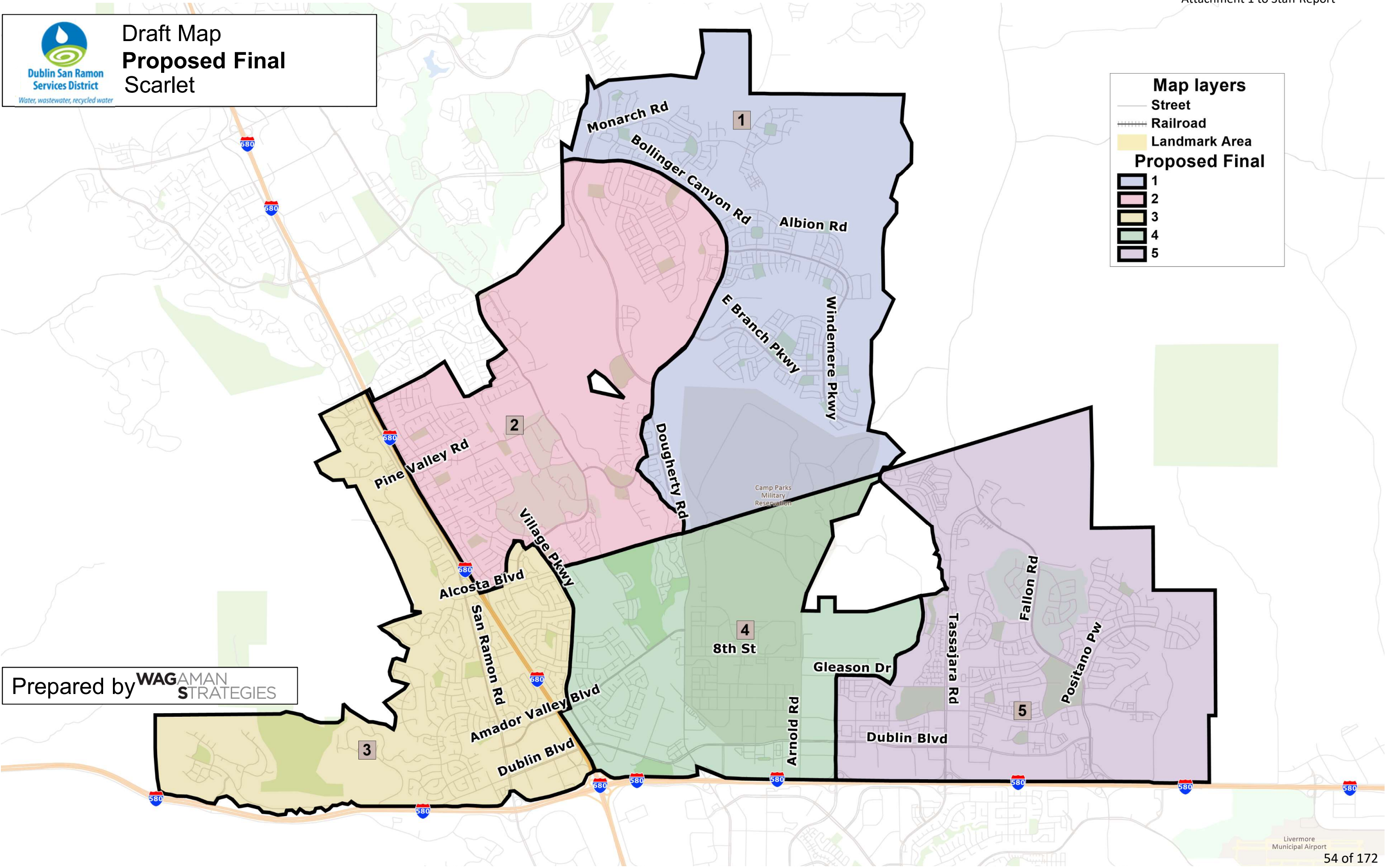
Water, wastewater, recycled water

Map layers

- Street
- Railroad
- Landmark Area

Proposed Final

- 1
- 2
- 3
- 4
- 5



Prepared by **WAGAMAN STRATEGIES**

**DUBLIN SAN RAMON SPECIAL DISTRICT
PROPOSED FINAL MAP DEMOGRAPHICS**

Plan	Division	Population^							Voting Age Population^				Citizen Voting Age Population+			
		Total	Deviation	% Dev	% White*	% Latino	% Asian*	% Black*	% White*	% Latino	% Asian*	% Black*	% White*	% Latino	% Asian*	% Black*
Proposed Final	1	17,753	780	4.6%	23.7%	4.9%	68.1%	2.1%	25.4%	4.4%	67.2%	2.0%	28.1%	4.2%	65.3%	1.2%
	2	17,670	697	4.1%	54.9%	11.0%	27.8%	4.7%	58.9%	9.8%	25.8%	4.1%	55.8%	11.4%	26.4%	5.7%
	3	16,688	-285	-1.7%	56.5%	14.7%	23.4%	3.1%	59.5%	13.0%	22.5%	3.0%	65.0%	8.1%	23.3%	3.1%
	4	16,100	-873	-5.1%	41.5%	19.9%	16.8%	19.7%	40.9%	19.7%	15.7%	21.8%	48.8%	15.0%	18.6%	15.8%
	5	16,654	-319	-1.9%	35.2%	8.5%	49.6%	5.1%	37.9%	8.0%	48.0%	4.8%	36.6%	6.7%	50.1%	5.8%

* Does not include Latinos. Calculated pursuant to OMB BULLETIN NO. 00-02.

^ 2010 Census Redistricting Data [P.L. 94-171] Summary File, U.S. Census Bureau.

+ Citizen Voting Age Population Special Tabulation from the 2012-2016 5-Year American Community Survey, U.S. Census Bureau.



STAFF REPORT

District Board of Directors
April 2, 2019

Public Hearing: Receive Input from the Community Regarding Boundaries and Composition of Divisions to Be Established for Division-Based Elections Pursuant to Elections Code Section 10010, and Provide Direction

BACKGROUND

On January 15, 2019, the Board of Directors adopted a resolution of intent to transition from an at-large to a division-based election system in conformance with the California Voting Rights Act of 2001 (“CVRA”). The Board of Directors considered adoption of the resolution after the District received a letter on November 6, 2018 from Walnut Creek attorney Scott Rafferty, on behalf of the Bay Area Voting Rights Initiative (“BAVRI”), asserting that “racially polarized voting” is occurring in the San Ramon Valley, and that the District’s at-large electoral system therefore violates the CVRA. Mr. Rafferty’s letter threatened litigation unless the District voluntarily transitioned to division-based elections in time for the November 3, 2020 election. After weighing the legal implications and potential costs of litigation, the Board decided to adopt the resolution of intent and begin the transition process.

Based on comments received from members of the public and direction received from the Board of Directors during the prior public hearings, eight alternative maps have been prepared for consideration. The eight maps are identified by a special name based on color, to minimize any bias in favor of or opposition to any option that might result from using a numerical designation. The eight names are: Yellow, Red, Green, Purple, Canary, Scarlet, Emerald, and Navy. The first four maps (Yellow, Red, Green, Purple) were presented for consideration at the third public hearing. The second four maps (Canary, Scarlet, Emerald, Navy) were developed per additional Board direction given during the third public hearing.

This fourth public hearing is to inform the community about the transition process, present options, and receive public input regarding the boundaries and composition of divisions as set forth on the eight maps and on any alternative maps that might be proposed by members of the community. This hearing is the second of two hearings to enable the Board to receive input on the draft maps and on any alternative maps that might be proposed.

The tentative timeline for the entire transition process is included as Attachment 5 to the staff report. The public meetings are being held on regularly scheduled Board meeting dates at locations throughout the District’s service area to facilitate participation in this process by all of its citizens and customers. The District must complete the transition process no later than June 1, 2019 to remain legally compliant.

DISCUSSION

On January 15, 2019, the Board of Directors adopted a resolution of intent to transition from an at-large to a division-based election system in conformance with the California Voting Rights Act of 2001 (“CVRA”). The transition will be implemented for the 2020 general municipal election, when three of the five Board of Director seats will be up for election.

Pursuant to Elections Code Section 10010, the District is required to hold at least two public hearings over a period of no more than 30 days before any map or maps of the boundaries for the proposed voting districts are drawn. Following that, two public hearings must be held, over a period of no more than 45 days, regarding the

maps showing division boundaries prior to the adoption of the division-based elections ordinance. This is the second of the two hearings to consider configuration of the draft map alternatives prepared by the District's independent demographer, Mr. Michael Wagaman, from Wagaman Strategies.

Public Outreach and Input

In addition to testimony at the public hearings, District staff has developed a public outreach strategy. Since the Board of Directors adopted the resolution of intent on January 15, 2019, the District immediately engaged in public outreach efforts to help inform the public on division-based elections and to encourage and obtain feedback and input, per the following methods:

- Established a dedicated web page on the District's website to provide information regarding the boundary drawing and transition process, including a toolkit to facilitate drawing communities of interest and proposed division maps: <http://www.dsrds.com/about-us/area-based-elections>
- Created a home page slide on the District's website that promotes the meetings and links to the dedicated web page
- Mailed over 38,000 notification postcards to residents and businesses in the District's service area informing them about the District's transition to division-based elections and how they can participate in the process
- Posted ongoing social media outreach to Facebook, Twitter, and Nextdoor
- Issued a press release to local outlets to inform residents and businesses in the District's service area about the District's transition to division-based elections and how they can participate in the process
- Issued DSRSDToday news update emails to DSRSD community subscribers
- Published the eight draft division maps in the East Bay Times newspaper
- Providing ongoing staff responses to all community inquiries received

No proposed maps have been received from the community as of the date of the agenda publication, March 28, 2019. Input received from the four residents who spoke at the three previously held public hearings (February 5, February 19, and March 19) has been captured in the Board meeting minutes which are available at www.dsrds.com. An overview of public input received by noon on March 28, 2019 is included in the Demographer Presentation (Attachment 1) and Public Input Received on Draft Division Map Alternatives (Attachment 4).

Public Hearings

On February 5, 2019, the first public hearing was held to receive input regarding the boundaries and composition of divisions. Five members of the public attended the public hearing. Two of the attendees were residents who provided public testimony conveying opposition to the District having to transition its election system. Mr. Rafferty then shared his perspective on the CVRA. The Board of Directors asked questions and commented generally on the process of transitioning from at-large to division-based elections, and expressed concerns about possible impacts division-based voting may have on future elections, and candidate and voter opportunities.

On February 19, the second public hearing was held. At that meeting, two members of the public attended. One attendee was a resident who provided public testimony suggesting the Board consider the District's different services and usages when drafting the division maps. Mr. Rafferty also spoke and suggested making the creation of one to two Asian-majority districts a priority, considering the high concentration of Asians in East Dublin and Dougherty Valley. He also suggested the Board consider county lines, types of service areas, and common interests. Mr. Rafferty later expressed support for blended service areas. After hearing public testimony, the

Board of Directors asked questions and discussed possible criteria, including county lines, service areas, geography, natural borders such as existing communities and thoroughfares, and incumbent location by election year. The Board expressed difficulties developing areas without accurate population figures. The Board discussed trying to have division boundaries conform to the county lines when possible. Additionally, the Board discussed an alternative approach of encouraging a blended customer base, where divisions might need to cross the county line.

Mr. Wagaman clarified for the record that he always starts with race-neutral criteria and only after drawing plans does he check to make sure the plans appear to comply with the federal Voting Rights Act. In this way, he avoids using race as the predominant factor. He summarized the Board's direction: to draw at least one map that prioritizes county lines and at least one map that prioritizes keeping service districts together to the extent feasible. The Board then discussed commercial versus residential areas, prison population, and build-out of Dougherty Valley for criteria considerations. The Board provided direction not to exclude the prison population when comparing the relative population of the proposed divisions.

Four draft division map alternatives (Red, Yellow, Green, Purple) were published and posted on the District's Area-Based Elections web page on March 1, 2019 and published in the East Bay Times on March 6, 2019.

On March 19, the third public hearing was held. At that meeting, two members of the public attended. One attendee was a resident who provided public testimony strongly opposing the District's transition to by-division elections and asserting that Mr. Rafferty's demand is unnecessary and making the transition will harm the District and its customers by creating division within the service area. Mr. Rafferty also spoke and commended the Board on its handling of the transition process, and restated he felt the transition would be beneficial to the District.

After hearing public testimony, the Board discussed the four draft map plans developed by Mr. Wagaman. Directors expressed ideas and concerns regarding services represented in the divisions, using Interstate 680 as the boundary line between Divisions 2 and 3 within Contra Costa County (mirroring East Bay Municipal Utility District's ward map handed out to the Board by Director Johnson), and drawing divisions with predominantly horizontal boundaries between them, such that divisions extend greater distances eastward or westward across the District.

At the conclusion of its discussion, the Board directed Mr. Wagaman to keep the four existing maps for further consideration, and to also develop and present additional alternative maps for consideration at the fourth public hearing reflecting the following:

- Include Collection service in the Yellow and Red maps' Division 1;
- Use Interstate 680 freeway as the boundary between Divisions 2 and 3 in Contra Costa County in the Red and Green maps; and
- Develop a map that creates divisions east to west.

Based on Board direction, Mr. Wagaman drafted four additional map alternatives, three of which modify the Yellow, Red, and Green maps, and one that is entirely new. The eight maps showing possible District division boundaries are attached to the staff report, including the four originally presented map alternatives and the four new alternative maps based on the Board's direction at the March 19, 2019 meeting (Attachment 2). Population data for each of the divisions that would be created by each of the maps is attached (Attachment 3).

The four new draft map alternatives (Canary, Scarlet, Emerald, Navy) were published and posted on the District's Area-Based Elections web page on March 22, 2019 and published in the East Bay Times on March 26, 2019.

Analysis of Map Alternatives:

Four map alternatives prepared in response to initial Board direction - February 19, 2019:

Red Map: District 1 is entirely in Contra Costa County and consists of those portions of the Dougherty Valley north and east of the intersection of Bollinger Canyon and Dougherty Roads. District 2 is also entirely in Contra Costa County and consists primarily of the portions of San Ramon between Davona Drive to the west and Bollinger Canyon Road to the east. District 3 is in both Alameda and Contra Costa Counties, with the Contra Costa portion consisting primarily of the portions of San Ramon west of Davona Drive and the Alameda portion consisting primarily of the portions of Dublin west of Village Parkway. District 4 is entirely in Alameda County and consists of central Dublin, roughly bordered by Village Parkway in the west and Hacienda Drive in the east. District 5 is entirely in Alameda County and consists of the portions of Dublin east of Hacienda Drive, and the prison and military facilities.

Yellow Map: Districts 1 and 5 are identical to the Red Map as described above. District 4 is nearly identical to the Red Map except the border along Village Parkway in the west is slightly different. District 2 is entirely in Contra Costa County and consists of the bulk of San Ramon west of Bollinger Canyon Road except for communities to the north and the south of the San Ramon Golf Club. District 3 is in both Alameda and Contra Costa Counties, with the Contra Costa portion consisting primarily of communities to the north and the south of the San Ramon Golf Club and the Alameda portion substantially similar to the Red Map.

Green Map: District 1 is entirely in Contra Costa County and generally consists of most of the Dougherty Valley except those portions south of Windemere Parkway. District 2 is in both Alameda and Contra Costa Counties, with the Contra Costa portion consisting of communities to the north and the south of the San Ramon Golf Club roughly between Broadmoor Drive in the west and Alcosta Blvd in the east and the Alameda portion consisting roughly of the portions of Dublin east of I-680 and west of the military facility. District 3 is in both Alameda and Contra Costa Counties, with the Contra Costa portion consisting primarily of the portions of San Ramon west of Broadmoor Drive and the Alameda portion consisting of the portion of Dublin east of I-680. District 4 is in both Alameda and Contra Costa Counties, with the Contra Costa portion consisting primarily of the Bent Creek Drive area and the Alameda portion roughly bordered by the military facility in the west and Tassajara Road in the east. District 5 is in both Alameda and Contra Costa Counties, with the Contra Costa portion generally consists of the portions of the Dougherty Valley south of Windemere Parkway and the Alameda portion consisting of the portions of Dublin east of Tassajara Road.

Purple Map: Districts 1, 4, and 5 are nearly identical to the Green Map as described above except Districts 1 and 5's border along Windemere Parkway is slightly different, and Districts 1 and 4's border around Bent Creek Road are slightly different. District 2 is in both Alameda and Contra Costa Counties, with the Contra Costa portion consisting of communities to the south of the San Ramon Golf Club and the Alameda portion consisting roughly of the portions of Dublin east of San Ramon Road and west of the military facility. District 3 is in both Alameda and Contra Costa Counties, with the Contra Costa portion consisting primarily of the portions of San Ramon north and west of Alcosta Boulevard and the Alameda portion consisting of the portion of Dublin west of San Ramon Road.

Four map alternatives prepared in response to additional Board direction – March 19, 2019:

Canary Map: Variant of the Yellow Map described above. Adds to Division 1 a small portion of the Bent Creek Drive area west of Dougherty Road where the District provides wastewater collection services.

Scarlet Map: Variant of the Red Map. Adds to Division 1 the same small portion of the Bent Creek Drive area west of Dougherty Road. Additionally, moves line between divisions 2 and 3 to use Interstate 680 as dividing line in Contra Costa County.

Emerald Map: Variant of the Green Map described above. Moves line between divisions 2 and 3 to use Interstate 680 as dividing line in Contra Costa County.

Navy Map: New plan. Division 5 is identical to the Red and Yellow Maps described above. Division 1 is entirely in Contra Costa County and consists of the portions of the Dougherty Valley north of Windemere Parkway and Bollinger Canyon Road, in addition to the portions of San Ramon bounded by Alcosta Boulevard to the east, Pine Valley Road to the south, and Broadmoor Drive to the west. Division 2 is entirely in Contra Costa County and consists of the portions of the Dougherty Valley south of Windemere Parkway and Bollinger Canyon Road, in addition to the portions of San Ramon consisting roughly of the areas south of Pine Valley Road and North of Alcosta Boulevard, along with the portions north of Pine Valley Road and west of Broadmoor Drive. Division 3 is in both Alameda and Contra Costa Counties, with the Contra Costa portion consisting primarily of the portions of San Ramon south of Alcosta Boulevard and Old Ranch Road, along with the portions west of Interstate 680 and south of Pine Valley Road and the Alameda portion consisting primarily of the portion north of Amador Valley Boulevard. Division 4 is entirely in Alameda County and consists primarily of the portions of Dublin south of Amador Valley Boulevard and west of Hacienda Drive.

Sequence of Division Elections

The sequence of division elections has not yet been determined. The transition to division-based elections will be implemented in the 2020 election at which time three Director seats will be on the ballot, with the two remaining Director seats on the ballot in applicable election years.

In determining final sequencing this evening, the Board should keep in mind the purposes of the CVRA and also take into account the preferences expressed by members of the public residing within the respective divisions.

Next Steps

At the conclusion of tonight’s hearing, the Board of Directors is expected to select the final map and provide direction to staff regarding the sequence of division elections. The ordinance adopting the final map will be introduced on April 16, 2019, and adopted on second reading on May 7, 2019. The District must complete the transition process no later than June 1, 2019 to remain legally compliant.

Once new census data is available from the 2020 federal census in 2021, the Board will consider how to revise the voting divisions to equalize the population within the divisions in time to be effective for the 2022 election. Because of substantial growth east of Dougherty Road from 2001 through 2010, staff anticipates that the voting divisions for the 2022 election will differ significantly from the voting divisions that the Board will approve for the 2020 election.

Fiscal and Administrative Impacts

The fiscal and administrative impacts to adopt the resolution and to implement the procedures to transition from an at-large election system to a division-based election system within the safe harbor time period will include several dedicated hours from multiple staff and consultants. Total costs to the District are anticipated to be \$200,000, and may require a budget adjustment for FYE 2019 at a later Board meeting.

Once updated federal census data becomes available in 2021, the District will need to consider adjusting the division boundaries to assure compliance with federal and state voting law. The estimated cost for this work in late 2021 or early 2022 is \$50,000 to \$100,000.

RECOMMENDATION

Staff recommends the Board of Directors:

- 1) Hold the fourth public hearing to receive input from the community regarding the boundaries, composition, and sequencing of divisions to be established for division-based elections for Directors pursuant to Elections Code Section 10010;
- 2) Consider configurations of the draft map alternatives and either select the final division map from those alternatives, or provide additional changes to one of the draft maps and select the map as thus amended; and
- 3) Provide direction regarding sequencing of divisions in future elections.

ATTACHMENTS:

1. Demographer Presentation
2. Division Map Alternatives (8) Prepared per February 19, 2019 Board Direction (Yellow, Red, Green, Purple) and per March 19, 2019 Board Direction (Canary, Scarlet, Emerald, Navy)
3. Population Data for Map Alternatives
4. Public Input Received on Draft Division Map Alternatives
5. Tentative Timeline

Tentative Timeline

Board Meeting	Actions	Date & Location
1	Public Hearing without maps to provide input on criteria to be used for drawing voting divisions	February 5, 2019 Alcosta Senior & Community Center Garden View Room 9300 Alcosta Blvd., San Ramon
2	Public Hearing without maps to provide input on criteria to be used for drawing voting divisions Board to provide direction to demographer on desired criteria to be used for drawing maps	February 19, 2019 The Wave Wave Community Room 4201 Central Parkway, Dublin
3	Public Hearing with maps produced by the demographer for consideration and feedback by the public and Board	March 19, 2019 Dougherty Station Community Center Front Row Theater 17011 Bollinger Canyon Road, San Ramon
4	Public Hearing with revised map(s) produced by the demographer for consideration and selection of one of the published maps and sequencing of voting divisions	April 2, 2019 Shannon Community Center Ambrose Hall 11600 Shannon Avenue, Dublin
5	Introduce the ordinance to establish voting divisions	April 16, 2019 Shannon Community Center Ambrose Hall 11600 Shannon Avenue, Dublin
6	Public Hearing to adopt the ordinance to establish voting division on second reading	May 7, 2019 Shannon Community Center Ambrose Hall 11600 Shannon Avenue, Dublin

ORDINANCE NO. _____

AN ORDINANCE OF DUBLIN SAN RAMON SERVICES DISTRICT TO ESTABLISH A BY-DIVISION SYSTEM FOR ELECTING DIRECTORS

WHEREAS, the Dublin San Ramon Services District (District) currently elects its Directors using an at-large election system; and

WHEREAS, in the at-large election system, candidates may live in any part of the District's service area and each Director is elected by the voters of the entire service area; and

WHEREAS, in a by-division election system, a candidate for the Board of Directors must live in the division which he or she wishes to represent, and only the voters of that division are entitled to vote to decide who their representative will be; and

WHEREAS, on November 6, 2018, the District received a demand letter from Scott Rafferty, Attorney at Law, asserting that the District's at-large system for electing Directors violates the California Voting Rights Act of 2001 ("CVRA") and threatening litigation if the District declines to voluntarily change to a division-based election system for electing Boardmembers; and

WHEREAS, the District denies that its at-large system for electing its Directors violates the CVRA or any other provision of law; and

WHEREAS, despite the foregoing, the Board of Directors has determined that the public interest would be served by transitioning to a division-based electoral system because of: 1) the extraordinary cost to defend against a CVRA lawsuit, 2) the risk of losing such a lawsuit which would require the District to pay the prevailing plaintiff's attorneys' fees, and 3) by following the procedures set forth in California Elections Code Section 10010 as amended by AB 350, the potential plaintiff's reimbursable costs and attorneys' fees would be capped at a maximum of \$30,000; and

WHEREAS, California Government Code Section 61025, part of the Community Services District Law, authorizes community services districts like the District to utilize an election process specified therein to transition to a "by-division" system from electing Directors, and specifies certain criteria to be considered by the Board in creating the divisions; and

WHEREAS, California Elections Code Section 10010 provides an alternative procedure for political subdivisions, including community services districts, to transition to a by-division system from electing Directors in furtherance of the purposes of the California Voting Rights Act of 2001 (Chapter 1.5 (commencing with Section 14025) of Division 14 of the California Elections Code), by holding a series of public hearings to obtain public input before completing the transition by adopting an ordinance; and

WHEREAS, California Elections Code Section 10010 permits a political subdivision and a prospective plaintiff to agree to extend the time periods set forth in that section and counsel for the

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plaintiff agreed to extend the time period for adopting a resolution of intention to adopt a division-based election system to January 31, 2019 and to extend the time period for adopting an ordinance establishing the division boundaries and sequence of elections to June 1, 2019; and

WHEREAS, at its regular meeting on January 15, 2019, the Board of Directors adopted a resolution of intent to establish a by-division voting process pursuant to California Elections Code Section 10010 (including the provisions of subdivision (e)(3) thereof); and

WHEREAS, the change in the method of electing Directors of the Board of the District made by this ordinance is being made in furtherance of the purposes of the California Voting Rights Act of 2001, (including the implementation of the guarantees of Section 7 of Article I and of Section 2 of Article II of the California Constitution, as set forth in California Elections Code Section 14031; and

WHEREAS, under the provisions of California Elections Code Section 10010, a political subdivision that changes from an at-large method of election to a by-division method of election shall hold at least two (2) public hearings over a period of no more than thirty (30) days, at which the public is invited to provide input regarding the composition of the divisions before drawing a draft map or maps of the proposed boundaries of the divisions; and

WHEREAS, before any maps of the proposed boundaries of the divisions were drawn, the Board of Directors held two (2) public hearings on February 5, 2019, and February 19, 2019, respectively, at which time input from the public on the composition of the District divisions including criteria for determining division boundaries and the timing and sequence of implementing division elections was invited and heard; and

WHEREAS, at the public hearings on February 5, 2019, and February 19, 2019, the District considered all oral and written information, testimony, and comments received during the public review process, including information received at the public hearings, oral and written reports from District staff and the District's demographer, exhibits, maps, and all other pertinent information prior to acting on, or making recommendations on, the division elections process and composition of maps; and

WHEREAS, at the public hearing on February 19, 2019, the Board of Directors instructed its demographer to develop four (4) draft map options containing five (5) divisions each; and

WHEREAS, on March 6, 2019, consistent with the provisions of California Elections Code Section 10010, the District published and made available for release, all four (4) of the draft maps then under consideration, which were entitled "Yellow," "Red," "Green," and "Purple." In addition to the newspaper publication, on March 1, 2019, the four (4) draft maps were made available on the District's website and the public was invited to provide comment via the District's "ContactUs" public email, various social media announcements and polls, and by otherwise directly contacting District staff; and

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WHEREAS, as required by California Elections Code Section 10010, the District held two additional hearings within a period of no more than forty-five (45) days, the first on March 19, 2019, and the second on April 2, 2019, at which the public was invited to provide input regarding the content of the draft maps, as well as the timing and sequence of division elections; and

WHEREAS, at the public hearing on March 19, 2019, the Board of Directors considered all oral and written information, testimony, and comments received through the public review process, including information received at the public hearings, oral and written reports from District staff and the District's demographer, exhibits, maps, and all other pertinent information prior to acting on, or making recommendations on, the content of the draft map or maps and the proposed timing and sequence of elections; and

WHEREAS, at the public hearing on March 19, 2019, the Board of Directors instructed its demographer to develop revisions to the "Yellow," "Red," and "Green" draft maps to include collection services in Division 1 ("Yellow" and "Red" maps), shift the proposed Contra Costa County boundary to Interstate 680 for Divisions 2 and 3 ("Red" and "Green" maps), and develop a new draft map option that shows an east to west orientation; and

WHEREAS, on March 26, 2019, consistent with the provisions of California Elections Code Section 10010, the District published and made available for release, the original four (4) maps, three (3) revised draft maps, respectively entitled "Canary," "Scarlet," and "Emerald," and a new map entitled "Navy." In addition to the newspaper publication, on March 22, 2019, the four (4) original maps, the three (3) revised draft maps, and the new map were all made available on the District's website, and the public was invited to provide comment via the District's "ContactUs" public email, various social media announcements and polls, and by otherwise directly contacting District staff; and

WHEREAS, at the public hearing on April 2, 2019, the Board of Directors considered all oral and written information, testimony, and comments received during the public review process, including information received at the public hearings, oral and written reports from District staff and the District's demographer, exhibits, maps, and all other pertinent information prior to acting on the revised draft map and the timing and sequence of elections; and

WHEREAS, at the public hearing on April 2, 2019, the Board of Directors voted to proceed with the "Scarlet" map attached hereto, and commence by-division elections in 2020 for Divisions 1, 3, and 5; and

WHEREAS, the purpose of this Ordinance is to enact, pursuant to California Elections Code Section 10010, an ordinance providing for the election of Directors of the Board of Directors of the Dublin San Ramon Services District by-division in five divisions to be created hereby.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT AS FOLLOWS:

SECTION 1. PURPOSE AND AUTHORITY.

The purpose of this Ordinance is to enact, pursuant to California Elections Code Section 10010, an ordinance providing for the election of members of the Board of Directors of the Dublin San Ramon Services District by five (5) single-member divisions. This Ordinance is adopted pursuant to the District's authority under California Elections Code Section 10010 and California Elections Code Section 10650. The change in the method of electing members of the legislative body is being made in furtherance of the purposes of the California Voting Rights Act of 2001 (Chapter 1.5 (commencing with Section 14025) of Division 14 of the California Elections Code).

SECTION 2. EFFECT OF ORDINANCE.

This Ordinance shall take effect thirty (30) days following its passage and adoption. In the event a summary of said Ordinance is published in lieu of the entire Ordinance, a certified copy of the full text of this Ordinance shall be posted in the office of the District Secretary at least five (5) days prior to its adoption and within fifteen (15) days after its adoption, including the vote of the Directors. Additionally, a summary prepared by the District General Counsel and District Secretary shall be published once at least five (5) days prior to the date of adoption of this Ordinance and once within fifteen (15) days after its passage and adoption, including the vote of the Directors, in the East Bay Times, a newspaper of general circulation within the Dublin San Ramon Services District.

SECTION 3. BY-DIVISION ELECTORAL SYSTEM FOR FIVE DIRECTORS.

(a) Pursuant to California Elections Code Sections 10010 and 10650, and California Government Code Section 61040, Directors shall be elected by-divisions in five (5) divisions.

(b) Except as provided in subdivision (c) hereof, the Director elected to represent a division must live in that division and be a registered voter in that division, and any candidate for Director must live in, and be a registered voter in, the division in which he or she seeks election at the time nomination papers are issued, pursuant to subdivision (b) of California Government Code Section 61040 and California Elections Code Section 10227.

(c) A Director in office at the time this ordinance takes effect shall continue in office until the expiration of the full term to which he or she was elected or appointed and until his or her successor is

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qualified. If vacancies in Director offices elected at-large occur before expiration of the full term thereof, such vacancies may be filled according to law from the District at-large.

(d) Upon expiration of the full term of each Director elected at-large, that Director's successor shall be elected only on a by-division basis in the divisions established by this Ordinance. A vacancy in a Director office elected or appointed by-division shall be filled according to law by a person qualified to hold the office, who lives, and is a registered voter, in the division.

SECTION 4. DIVISIONS.

(a) Elections shall take place, and Directors shall be elected, "by-divisions" as that term is defined in California Government Code Section 61025, meaning one member of the division shall be elected from each division, by the voters of that division alone.

(b) The divisions are as follows:

District 1: All the portion of the Dublin San Ramon Services District lying easterly of the following described line: Beginning at the intersection of Bollinger Canyon Road and the northerly boundary of the Dublin San Ramon Services District, and proceeding easterly along Bollinger Canyon Road to Dougherty Road, and proceeding southerly along Dougherty Road to Oak Valley Drive, and proceeding westerly along Oak Valley Drive to Summit View Drive, and proceeding southerly along Summit View Drive to Old Ranch Road, and proceeding southwesterly along Old Ranch Road to Bent Creek Drive, and proceeding southeasterly along Bent Creek Drive to Austin Creek Avenue, and proceeding easterly along Austin Creek Avenue to Dougherty Road, and proceeding southerly along Dougherty Road to the northerly boundary of Alameda County, and proceeding northeasterly along the Alameda County boundary to the easterly boundary of the Dublin San Ramon Services District.

District 2: All the portion of the Dublin San Ramon Services District lying northerly of the following described line: Beginning at the intersection of Bollinger Canyon Road and the northerly boundary of the Dublin San Ramon Services District, and proceeding easterly along Bollinger Canyon Road to Dougherty Road, and proceeding southerly along Dougherty Road to Oak Valley Drive, and proceeding westerly along Oak Valley Drive to Summit View Drive, and proceeding southerly along Summit View Drive to Old Ranch Road, and proceeding southwesterly along Old Ranch Road to Bent Creek Drive, and proceeding southeasterly along Bent Creek Drive to Austin Creek Avenue, and proceeding easterly along Austin Creek Avenue to Dougherty Road, and proceeding southerly along Dougherty Road to the northerly boundary of Alameda County, and proceeding southwesterly along the Alameda County boundary to Village Parkway, and proceeding northwesterly along Village Parkway to Alcosta Boulevard,

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and proceeding southwesterly along Alcosta Boulevard to Belle Meade Drive, and proceeding northerly along Belle Meade Drive to San Point Drive, and proceeding westerly along Sand Point Drive to Interlachen Avenue, and proceeding southerly along Interlachen Avenue to Davona Drive, and proceeding southerly along Davona Drive to the northerly boundary of Alameda County, and proceeding southwesterly along the Alameda County line to Interstate 680, and proceeding northwesterly along Interstate 680 to the northerly boundary of the Dublin San Ramon Services District.

District 3: All the portion of the Dublin San Ramon Services District lying westerly of the following described line: Beginning at the intersection of Interstate 680 and the southerly boundary of the Dublin San Ramon Services District, and proceeding northly along Interstate 680 to Amador Valley Boulevard, and proceeding easterly along Amador Valley Boulevard to Village Parkway, and proceeding northerly along Village Parkway to and proceeding northerly along Village Parkway to Alcosta Boulevard, and proceeding southwesterly along Alcosta Boulevard to Belle Meade Drive, and proceeding northerly along Belle Meade Drive to Sand Point Drive, and proceeding westerly along Sand Point Drive to Interlachen Avenue, and proceeding southerly along Interlachen Avenue to Davona Drive, and proceeding southerly along Davona Drive to the northerly boundary of Alameda County, and proceeding southwesterly along the Alameda County boundary to Interstate 680, and proceeding northwesterly along Interstate 680 to the northerly boundary of the Dublin San Ramon Services District.

District 4: All the portion of the Dublin San Ramon Services District lying southerly of the following described line: Beginning at the intersection of Interstate 680 and the southerly boundary of the Dublin San Ramon Services District, and proceeding northly along Interstate 680 to Amador Valley Boulevard, and proceeding easterly along Amador Valley Boulevard to Village Parkway, and proceeding northerly along Village Parkway to the northerly boundary of Alameda County, and proceeding northeasterly along the Alameda County boundary to the easterly boundary of the Camp Parks Military Reservation, and proceeding southerly along the easterly boundary of the Camp Parks Military Reservation to the boundary of the Dublin San Ramon Services District, and proceeding southwesterly along the boundary of the Dublin San Ramon Services District to Barnet Boulevard, and proceeding southerly along Barnet Boulevard to Gleason Drive, and proceeding westerly along Gleason Drive to Hacienda Drive, and proceeding southerly along Hacienda Drive to the southerly boundary of the Dublin San Ramon Services District.

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District 5: All the portion of the Dublin San Ramon Services District lying easterly of the following described line: Beginning at the intersection of Hacienda Drive and the southerly boundary of the Dublin San Ramon Services District, and proceeding northly along Hacienda Drive to Gleason Drive, and proceeding easterly along Gleason Drive to Barnet Boulevard, and proceeding northerly along Barnet Boulevard to the boundary of the Dublin San Ramon Services District, and proceeding northeasterly along the boundary of the Dublin San Ramon Services District to the easterly boundary of the Camp Parks Military Reservation, and proceeding northerly along the easterly boundary of the Camp Parks Military Reservation to the northerly boundary of Alameda County, and proceeding northeasterly along the Alameda County boundary to the easterly boundary of the Dublin San Ramon Services District.

A map showing the divisions described in this Ordinance is attached hereto as Exhibit 1 and incorporated by this reference. To the extent there is a conflict between the descriptions contained in the Ordinance and the map incorporated herein, the map shall prevail. If necessary to facilitate the implementation of this Ordinance, the General Manager or his or her designee is authorized to make technical adjustments to the division boundaries that do not substantively affect the populations in the divisions or the eligibility of candidates. The General Manager shall consult with the District General Counsel concerning any technical adjustments deemed necessary and shall advise the Board of Directors of any such adjustments required in the implementation of the divisions.

(c) The divisions specified in subdivision (b) shall continue in effect until they are amended or repealed in accordance with law.

SECTION 5. ELECTION SCHEDULE.

(a) Directors from Divisions 1, 3, and 5 as so constituted shall be elected by division beginning at the Statewide General Election in November 2020, and every four years thereafter.

(b) Directors from Divisions 2 and 4 shall be elected by division beginning at the Statewide General Election in November 2022, and every four years thereafter.

SECTION 6. EXEMPTION FROM CEQA.

The Board of Directors finds that the actions taken in this Ordinance are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

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SECTION 7. SEVERABILITY.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this ordinance. The Board of Directors of the Dublin San Ramon Services District hereby declares that it would have passed this ordinance and each section or subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 8. ADMINISTRATIVE IMPLEMENTATION.

The General Manager is authorized and directed to establish appropriate administrative procedures consistent with the provisions of this ordinance and to take reasonable and appropriate action to fully implement the provisions of this ordinance.

The General Manager, or the person or persons to whom such task may from time to time be delegated, is further authorized and directed to make further nonsubstantive administrative changes, as approved by District General Counsel, to the Ordinance (including revisions in formatting as may be suggested by the publisher) for consistency and ease of reference within sixty (60) days from the date of 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 7th day of May, 2019, by the following vote:

AYES:

NOES:

ABSENT:

Madelyne A. Misheloff, President

ATTEST: _____
Nicole Genzale, District Secretary

DATE OF ATTESTATION: _____



Draft Map
Proposed Final
Scarlet

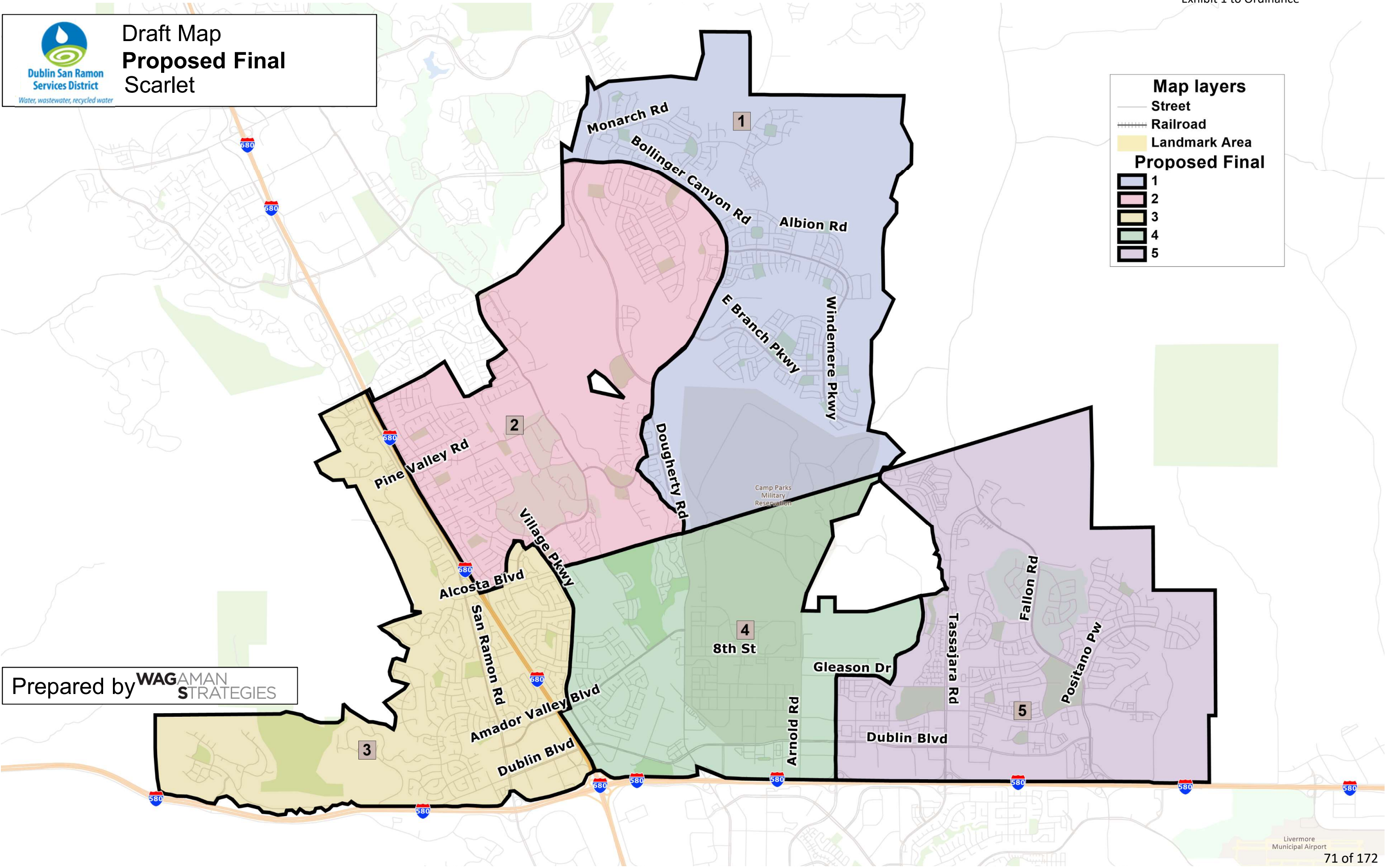
Water, wastewater, recycled water

Map layers

- Street
- Railroad
- Landmark Area

Proposed Final

- 1
- 2
- 3
- 4
- 5



Prepared by **WAGAMAN STRATEGIES**



TITLE: Receive Update on the Tri-Valley Water Supply

RECOMMENDATION:

Staff recommends the Board of Directors receive an update on the Tri-Valley water supply.

SUMMARY:

One of the District’s strategic plan goals is to develop and implement an integrated recycled and potable water program that meets the objectives of the District’s water supply policy. Staff will provide a brief verbal update on current activities to achieve this strategic goal, including an update on the Tri-Valley Water Liaison Committee’s current activities.

Originating Department: Office of the General Manager		Contact: D. McIntyre	Legal Review: Not Required
Cost: \$0		Funding Source: N/A	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		72 of 172	



TITLE: Receive Draft Water Rate Study, Authorize Proposition 218 Notice, and Set Public Hearing for June 18, 2019

RECOMMENDATION:

Staff recommends the Board of Directors receive the Draft Water Rate Study, and by Motion, authorize a Proposition 218 notice and set a public hearing for June 18, 2019.

SUMMARY:

Dublin San Ramon Services District (DSRSD) conducts water rate studies approximately every five years to ensure financial sufficiency to meet operation and maintenance (O&M) and capital asset replacement costs, achieve policy reserve fund targets, realign rates to more closely reflect costs incurred, and adequately recover the water enterprise’s revenue requirements. DSRSD retained Raftelis Financial Consultants (Raftelis) to complete a comprehensive cost of service review of water rates, which were last updated in 2013.

At the February 5, 2019 and April 2, 2019 Board of Directors meetings, staff requested Board guidance on several policy issues to provide the framework for Raftelis to conduct the water rate study. Staff has incorporated Board guidance and will be presenting proposed water rates for Fiscal Year Ending 2020. The proposed rates will generate approximately the same amount of total water revenue as current rates. Board guidance and the impact to water rates are detailed in the staff report. Drafts of the *2019 Comprehensive Water Cost of Service Study* and the Proposition 218 notice are also included for review.

Originating Department: Administrative Services	Contact: H. Chen	Legal Review: Yes
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		

STAFF REPORT



District Board of Directors
April 16, 2019

Receive Draft Water Rate Study, Authorize Proposition 218 Notice, and Set Public Hearing for June 18, 2019

BACKGROUND

DSRSD water rates are periodically reviewed to ensure financial sufficiency to meet operation and maintenance (O&M) and capital asset replacement costs, achieve policy reserve fund targets, realign rates to more closely reflect costs incurred, and adequately recover the water enterprise's revenue requirements. DSRSD retained Raftelis Financial Consultants (Raftelis) to complete a comprehensive review of water rates, which were last updated in 2013. The last water rate study was completed in 2013. Since the last study, DSRSD has limited annual water rate adjustments from 2014 to 2018 to inflation (typically 2-3%) based on the Consumer Price Index and did not adjust rates in 2019.

At the February 5, 2019 and April 2, 2019 Board meetings, staff requested Board guidance on several policy issues to provide the framework for Raftelis to conduct the water rate study. Board guidance has been incorporated into the *2019 Comprehensive Water Cost of Service Study* (Study) (Attachment 1) and is reflected in the proposed water rates. Staff is recommending authorization to mail a Proposition 218 notice and set a public hearing to consider proposed water rates for June 18, 2019. The proposed effective date would be July 1, 2019.

DISCUSSION

Based on projected water demand, account growth, and operating expenses, DSRSD is currently in a strong financial position with healthy reserves. Due to this, the Study proposes to realign and streamline water rates without increasing overall revenues. The proposed rates will generate approximately the same amount of total water revenue as current rates. However, as rates are realigned between different customer classes, some customers will see increased bills. As a public agency, DSRSD cannot collect more revenue than is necessary to recover the costs of providing those services.

Below is a summary of the Board guidance incorporated into the *2019 Comprehensive Water Cost of Service Study*.

Potable Consumption Charges

DSRSD's potable variable charges (consumption charges) are billed on a per unit basis. One unit is equal to 100 cubic feet or 748 gallons of water. Below are the rate structures for current potable consumption charges:

- Single-Family Residential – Inclining three tiered rate structure
- Commercial (also includes Institutional, Industrial, Multi-Family Residential) – Seasonal (Winter/Summer) rate structure
- Potable Irrigation – Uniform rate structure

The Board directed staff to develop a uniform rate for potable customers, but maintain separate potable irrigation charges. The proposed uniform rates treats all potable customer classes (single-family residential, commercial, industrial, institutional, and multi-family residential) equally, but will result in a reallocation of costs among low and high consumption customers and between various customer classes. In addition, the proposed

uniform rate reduces and simplifies the number of charges on customer water bills, making them easier to understand and administer. A separate potable irrigation charge is also proposed to account for higher peaking costs.

Variable Charge (per unit)	Current	Proposed Eff. 7/1/2019
Single-Family Residential		
Tier 1 (1-10 units)	\$0.57	\$1.30
Tier 2 (11-34 units)	\$1.20	
Tier 3 (over 34 units)	\$1.60	
Commercial		
Winter (Nov-Apr)	\$1.15	\$1.66
Summer (May-Oct)	\$1.30	
Potable Irrigation	\$1.60	

Recycled Water Charge

The recycled water charge is currently calculated based on the Zone 7 Water Agency (Zone 7) cost of water plus DSRSD’s potable irrigation charge. The Board directed staff to develop a recycled water rate based on cost of service. The proposed recycled water rate is based on DSRSD’s share of the Dublin San Ramon Services District-East Bay Municipal Utilities District Recycled Water Authority (DERWA) Joint Powers Authority operation costs and estimated recycled water capital reinvestments. The Study proposes a \$0.19 per unit decrease to the recycled water charge.

Variable Charge (per unit)	Current	Proposed Eff. 7/1/2019
Recycled Water	\$4.57	\$4.38

Fixed/Variable Charge Allocation

DSRSD water rates are primarily comprised of two types of water charges, a fixed service charge based on revenue through fixed charges provides greater fiscal stability during periods of lower demand. However, higher fixed charge allocations have a greater impact on lower usage customers because fixed charges represent a larger proportion of their overall water bill. DSRSD had originally targeted a 30% fixed/70% variable allocation in the prior water rate study.

The Board directed staff to utilize a 20% fixed/80% variable allocation for the 2019 water rate study. The reallocation will result in lower fixed service charges, which will be offset by higher variable charges.

Meter Size (bimonthly)	Current	Proposed Eff. 7/1/2019
5/8"	\$36.45	\$35.16
3/4"	\$54.70	\$49.03
1"	\$91.15	\$76.76
1-1/2"	\$182.25	\$146.08
2"	\$291.59	\$229.27
3"	\$637.91	\$610.56
4"	\$1,822.50	\$1,047.31
6"	\$3,644.99	\$2,225.83
8"	\$6,378.73	\$3,889.63
10"	\$10,023.72	\$5,830.73

Power Charge

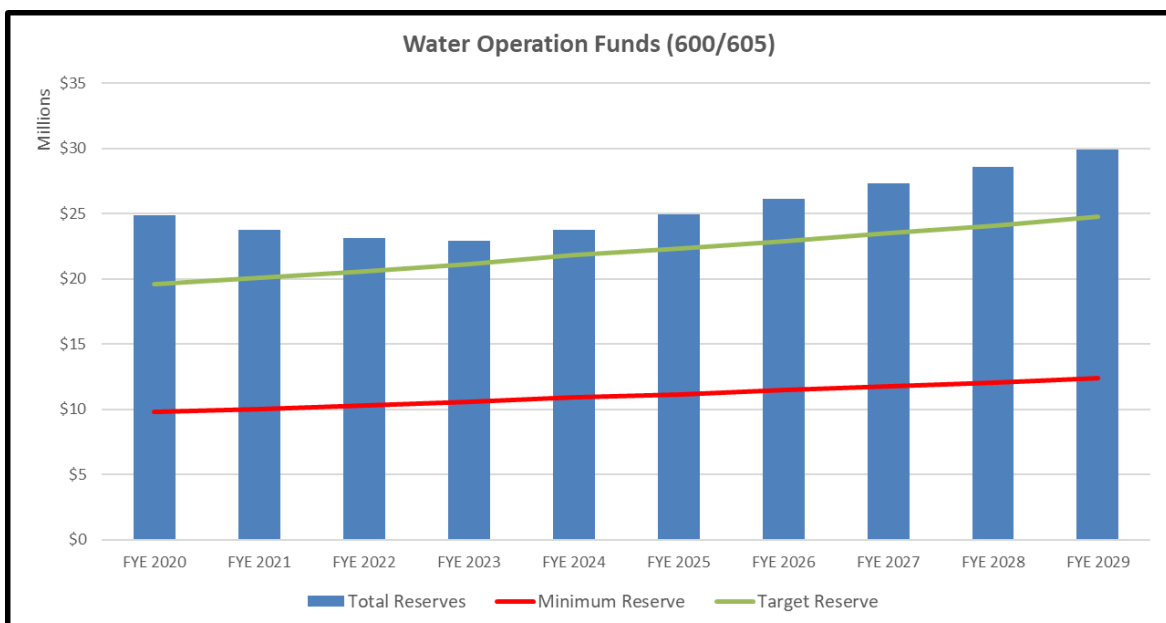
DSRSD has currently established a power charge of \$0.28 per unit for all customers in elevation zones 2, 3, and 4. The Board directed staff to maintain a uniform power charge for customers in higher elevations. Based on projected energy costs, the Study proposes a \$0.02 per unit decrease to the power charge.

Variable Charge (per unit)	Current	Proposed Eff. 7/1/2019
Power Charge	\$0.28	\$0.26

Zone 7 Fixed Charge

Zone 7 charges a “wholesale rate” for water in the Tri-Valley. This charge covers the cost of purchasing water from the Department of Water Resources, as well as treating and storing water. The actual cost of distributing water to individual customers is reflected in a separate “retailer rate” charged by DSRSD. Zone 7 had historically consolidated fixed and variable charges into the “wholesale rate” to retailers based on projected water sales. In 2016, Zone 7 started separately charging retailers fixed and variable charges. Thus, each retailer in the Tri-Valley is required to pay a fixed amount based on estimated use. As of January 1, the fixed charge from Zone 7 accounts for approximately 37.5% of the cost of water purchased from Zone 7 by the retailers. Currently, DSRSD has chosen to allocate the fixed charge as a variable component to the Zone 7 charge, in proportion to estimated water use. This “blending” helps minimize the impact to low consumption customers.

The Board directed staff to continue “blending” Zone 7 fixed and variable charges to minimize impacts to low consumption customers. The risk of this approach is that if actual water sales are less than projected, DSRSD will collect insufficient revenue to fully pay the Zone 7 fixed charge (\$5.8 million for calendar year 2019), and will require utilizing Water Enterprise reserves for the shortfall. Conversely, if water sales are higher than projected, DSRSD will generate more water rate revenue than is necessary to pass through to Zone 7. Since the Zone 7 rate is a pass-through that will be adjusted annually based on actual water demand and State Water Project (SWP) costs, the current rate (\$3.48) was assumed for the five-year Study period. Currently, there is \$14.5 million in the Water Rate Stabilization (Fund 605) and \$13.4 million in the Water Enterprise (Fund 600). DSRSD’s policy reserve target for each fund is \$10.0 million. The Study projects DSRSD will be able to draw down \$6.8 million from these funds over the next five years (\$1.4 million per year) while maintaining reserves above the policy targets. Water enterprise reserves are projected to remain above target levels as defined in DSRSD’s *Financial Reserves* policy during the five-year Study period.



Forego Rate Adjustment in 2020

DSRSD did not adjust rates in 2019 and the Study proposes to forego a rate adjustment in 2020 and limit future increases to inflation to minimize the bill impact to low usage customers. Water rates are proposed to be adjusted annually based on the August Consumer Price Index (All Urban Consumers for San Francisco-Oakland-Hayward) beginning in January 1, 2021 through January 1, 2024.

Funding for an Alternative Water Supply Project

DSRSD’s current water rates are sufficient to provide \$30 million of funding (the Water Expansion (Fund 620) is projected to contribute an additional \$10 million) toward an alternative water supply project, such as indirect potable reuse. The current adopted Capital Improvement Program assumed that this funding would be expended by 2023. Other funding needed to complete a project, such as from a grant or from Tri-Valley partners on a joint project, has not yet been identified. The Joint Potable Reuse Feasibility Study estimates that the cost of a Regional Potable Reuse project will range from \$112 to \$222 million.

The Board directed staff to evaluate funding of an alternative water supply over a longer time period. The Study adjusts replacement allocations (transfers) to the Water Replacement (Fund 610). The proposed replacement allocation schedule is sufficient to fund replacement capital improvement projects including the \$30 million portion of an alternative water supply project.

Dougherty Valley Standby Charge District (DVSCD)

Zone 7 recovers a portion of its SWP costs through the Alameda County property tax roll and charges to Tri-Valley retailers. The DVSCD was established in 2000 to provide potable water service to the newly developed Dougherty Valley in the City of San Ramon, which is located in Contra Costa County. Since Zone 7 does not have authority to place assessments on the Contra Costa County property tax roll, DSRSD assessed the DVSCD a proportionate share of SWP costs on Zone 7’s behalf. The assessments were placed on the Contra Costa property tax bills based on parcel Dwelling Unit Equivalents (DUEs) and passed through to Zone 7. The agreement that established the DVSCD placed a limit on total collected assessments to \$1.56 million. It is projected that this limit will be exceeded in the next few years as SWP costs increase, which would require a higher assessment limit or an additional pass-through charge to fully recover SWP costs.

The Board directed staff to retain the DVSCD and assessment limit, but charge for the additional cost increment separately. Staff has been evaluating administrative options separately from the Study. The table below shows estimated bimonthly incremental pass-through charges based on DUE. Actual pass-through will be determined by an annual DVSCD Engineer’s Report.

Estimated (bimonthly)	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
DVSCD incremental pass through	\$2.55	\$6.20	\$10.22	\$14.65	\$19.51

Water Shortage Condition Charges

Water shortage condition rates are also proposed to ensure DSRSD generate sufficient revenue to cover the cost of providing water service during water shortage emergencies such as droughts. These contingency rates are only implemented during water shortage emergencies and require a declaration from the DSRSD Board. In response to statewide drought, the DSRSD Board last declared a water emergency and implemented water shortage condition charges in 2014.

	NORMAL		STAGE ONE		STAGE TWO		STAGE THREE		STAGE FOUR	
Water Reduction Goal	0%		10%		20%		35%		50%	
Customer Class	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Single Family Residential										
Tier 1	\$0.57	\$1.30	\$0.61	\$1.45	\$0.72	\$1.63	\$1.00	\$2.00	\$1.47	\$2.60
Tier 2	\$1.20		\$1.44		\$1.87		\$2.41		\$3.91	
Tier 3	\$1.60		\$1.99		\$3.14		\$4.49		\$6.19	
Commercial, Industrial, Institutional, Multi-Family Residential										
Winter	\$1.15	\$1.30	\$1.19	\$1.45	\$1.38	\$1.63	\$1.74	\$2.00	\$2.19	\$2.60
Summer	\$1.38		\$1.53		\$1.92		\$2.42		\$3.45	
Potable Irrigation	\$1.60	\$1.66	\$1.99	\$1.85	\$3.14	\$2.08	\$4.49	\$2.56	\$6.19	\$3.32
Power Charge	\$0.28	\$0.26	\$0.28	\$0.29	\$0.28	\$0.33	\$0.28	\$0.40	\$0.28	\$0.52

Customer Impact

The bimonthly water bill for an average single-family residential customer with a 5/8" meter and using 18 units of water will increase by \$6.81 per bill.

Single-Family Residential (18 units bimonthly)	Current	Proposed Eff. 7/1/2019
Service Charge (5/8")	\$36.45	\$35.16
Zone 7 Cost of Water	\$62.64	\$62.64
Tier 1	\$5.70	\$23.40
Tier 2	\$9.60	
Total Bimonthly Bill	\$114.39	\$121.20

Proposition 218 Notice

Proposition 218, passed by California voters in 1996, amended the State of California Constitution and placed requirements on how various governmental charges can be increased. For water and sewer utilities, Proposition 218 requires that the local agency proposing any increase to a rate or charge to set a public hearing to receive public comment, and to mail a public notice of the public hearing to all affected property owners at least 45 days prior to the public hearing date. Many elements of the public notice are mandated by Proposition 218, and subsequent implementing legislation. Among the mandated requirements are notification that property owners may file a formal written protest to any increased rate or charge. If a "majority protest" (as defined by Proposition 218) is received from affected property owners, then the agency may not impose the proposed increase to rates or fees.

A preliminary draft public hearing notice is attached (Attachment 2). Staff is still working on some minor refinements, and enhancements to the format. The notice will be mailed to all property owners in our water service area no later than April 30, more than 45 days in advance of the June 18 public hearing date.

RECOMMENDATION

Staff recommends the Board of Directors receive the Draft Water Rate Study, and by Motion, authorize a Proposition 218 notice and set a public hearing for June 18, 2019.

ATTACHMENTS:

1. Draft 2019 Comprehensive Water Cost of Service Study
2. Draft Proposition 218 Notice of Proposed Changes to Water Rates

Dublin San Ramon Services District

Comprehensive Water Cost of Service Study

Draft Report / April 10, 2019



**Dublin San Ramon
Services District**

Water, wastewater, recycled water

April 10, 2019

Ms. Carol Atwood
Administrative Services Manager
Dublin San Ramon Services District
7051 Dublin Boulevard
Dublin, CA 94568-3018

Subject: Comprehensive Water Cost of Service Study Report

Dear Ms. Atwood,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Comprehensive Water Cost of Service Report (Report) for the Dublin San Ramon Services District (District). This Report includes a comprehensive review of the District's financial plan, available usage data, customer accounts, capital improvement plan, and reserves in both the short-term and long-term planning horizons. The proposed rate structures and resulting rates were derived based on the cost of service principles and are proportionate and in compliance with Proposition 218.

The major objectives of the study include the following:

- Develop financial plans for the water utility to ensure financial sufficiency, meet operation and maintenance (O&M) costs, meet debt obligations, maintain reserves above policy targets, and ensure sufficient funding for system improvement and capital needs.
- Review current rate structures for the water utility and determine any adjustments to the rates to more closely reflect costs incurred and adequately recover the revenue requirements over the planning period.
- Develop an administrative record that demonstrates the nexus between the District's costs and rates, in compliance with Proposition 218.

The Report summarizes the key findings and recommendations related to the development of rates for the water utility.

It has been a pleasure working with you, and we thank you, Herman Chen, Mayette Bailey and other District Staff for the support provided during this study.

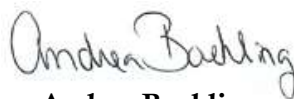
Sincerely,



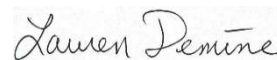
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- APPENDIX A – Exhibit A-4: Specific Revenue Offsets

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1. Executive Summary

1.1. BACKGROUND

In 2018, Dublin San Ramon Services District (District) engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a comprehensive Water Rate Study (Study), which includes a twenty-year financial plan, cost of service analysis, and rate derivation. The District utilizes a long-term financial planning process to project future financial conditions, provide guidance in the decision-making process, and ultimately to ensure the continued financial stability of the District. This Water Rate Study Report (Report) presents the current and recommended financial plan and proposed rates for implementation on July 1, 2019.

This Executive Summary is an overview of the District's water rate-making process, containing a description of the Study, methodology, results, and recommendations for near-term District water rates. The District process establishes fair and equitable rates that:

- Provide necessary revenues to meet the District's operational and capital expenses, as well as reserve requirements to ensure the financial stability of the District
- Are easy to implement, update in the future, and convey to customers
- Proportionally allocates costs of providing service in accordance with Article XIII D of the California Constitution, commonly known as Proposition 218

1.2. PROCESS

Raftelis worked closely with District staff on an ongoing basis via scheduled in-person meetings and webinars. During the kick-off meeting, the major drivers for the study were determined and key information was discussed. Raftelis used the knowledge gained during the kick-off meeting, as well as subsequent meetings, in conjunction with historical financial information, economic and demographic characteristics, industry standards, engineering planning and estimates, and assumptions defined by District staff to develop a long-term financial plan.

Raftelis hosted financial plan webinars with District staff to present the preliminary results of the financial plan, receive feedback from District staff, and determine the scenarios to examine moving forward. During the workshop, key inputs, assumptions, revenues, and expenditures were reviewed. In addition, rate funded capital investment scenarios were evaluated, and reserve targets were discussed. Working collaboratively with District staff, Raftelis refined the financial plan to:

- Account for projected water demand as provided by District staff
- Adjust the account growth and timing of new accounts based on District provided estimates
- Smooth capital contributions for water and recycled system reinvestments to show a steady measured approach
- Meet or exceed the reserve targets identified during the five-year Study Period (FYE 2020 – FYE 2024)

Based on the financial plan forecast and input from District management, Raftelis proposes rate adjustments based on the percentage change of the Consumer Price Index for San Francisco – Oakland – Hayward (CPI) beginning in January of FYE 2021. Doing so should allow the District to maintain its strong financial position for the next five years and ensure that the projected operating and capital reinvestments are met, and the reserve targets identified during the Study Period are maintained.

The results of the financial plan and revenue adjustments determine the revenue requirements (revenue needed to be recovered from rates). Raftelis provided the proposed financial plan to District staff for review and signoff before developing the cost of service analysis. Similar to financial plan workshops, Raftelis hosted cost of service and rate design workshops. During these workshops, the following main rate objectives were determined, and the cost of service was refined:

- Simplify the rate structure
- Maintain a Zone 7 pass-through component and recover all purchased water costs on a variable component
- Update recycled water rates to recover the District's share of projected contributions to Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA) and recycled water capital reinvestments
- Recover approximately 20% of the revenue needs through fixed charges and the remaining 80% over the variable rates

1.3. METHODOLOGY

The water rates were developed using cost of service principles set forth by the American Water Works Association M1 Manual titled Principles of Water Rates, Fees and Charges (AWWA M1 Manual). Cost of service principles distribute costs to customer classes in accordance with the way each class uses the water system. This methodology is described in Sections 4 and 5. For this Study, the Base-Extra Capacity Method of the AWWA M1 Manual was used for distributing costs. Costs were separated into three main components¹ : (1) base costs, (2) extra capacity costs, and (3) customer costs. Base costs are costs associated with meeting average daily demand needs and include operations, maintenance, and capital costs designed to accommodate average demand conditions. Extra capacity costs are costs associated with meeting peak demand conditions. Customer costs are costs associated with serving customers, such as meter reading, billing, customer service, and other such services.

The rates are designed to meet the requirements of Proposition 218; all rates are charged to customers based on the identified cost of providing comprehensive water service.

1.4. RESULTS AND RECOMMENDATIONS

Table 1-1 summarizes the financial plan rate adjustment recommendations. For financial forecasting purposes, 3% is assumed as the annual CPI adjustment, however, rates will be based on the actual CPI percentage change for each applicable year. Any increases from Zone 7 will be automatically passed-through to customers when known and are in addition to the proposed adjustments. The Zone 7 rate increases will take into account Zone 7 fixed costs, Zone 7 variable costs, and changes in the District's total water demand.

¹ Other rate components were used to appropriately distribute costs to customers, see Section 5 for additional information.

Table 1-1: Financial Plan Rate Adjustment Recommendations

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Effective Date	7/1/2019	1/1/2021	1/1/2022	1/1/2023	1/1/2024
Rate Adjustments	0%	3%	3%	3%	3%
Pass-Through of Zone 7 costs	Yes ²	Yes	Yes	Yes	Yes

Table 1-2 shows the targets for the operating reserves according to the District’s *Financial Reserves* policy. The District intends to maintain reserves above policy targets throughout the Study period.

Table 1-2: Recommended Reserves

Reserves	Target	FYE 2020 Target Balance	FYE 2021 Target Balance	FYE 2022 Target Balance	FYE 2023 Target Balance	FYE 2024 Target Balance
Water Enterprise Fund (600)	4 months of operating expenses	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609
Rate Stabilization Fund (605)	4 months of operating expenses	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609
Total		\$19,580,053	\$20,041,816	\$20,595,043	\$21,150,697	\$21,851,218

1.4.1. Factors Affecting Revenue Adjustments

The following factors affect revenue requirements (i.e. costs) and thus the water rates. District expenses include Operation and Maintenance (O&M) expenses, capital expenses, debt service costs, and purchased water costs from Zone 7.

- **O&M Expenses:** Overall, the District’s O&M expenses are expected to increase by approximately 6% from FYE 2019 to FYE 2020 primary due to Board guidance regarding advanced funding of pension unfunded actuarial liabilities (UAL) and staffing that will be included in the proposed FYE 2020 and FYE 2021 operating budget.
- **Capital Investments:** The District is planning to fund approximately \$21.6 Million of water system capital expenditures and approximately \$5.4 Million of recycled water system capital expenditures through rates and/or reserves during the Study Period. Reinvestment in the system is a key component in providing safe and reliable water to the District’s customers. Additional capital funding will be provided through capacity fee and other revenue sources. These additional revenues help offset the funding needed through rates and reserves and therefore mitigate the impact to existing customers.
- **Reserve Funding:** The financial plan reflects operating reserve target according to the District’s *Financial Reserves* policy and summarized in Table 1-2. The District plans to use reserves early in the Study Period and will replenish the reserves so that they stay above the target levels through the Study Period.
- **Projected Water Sales:** Through discussions with District Staff, FYE 2020 potable water consumption was increased by four percent (4%) over projected FYE 2019 usage to reflect recent consumption patterns of the District’s customers and to account for expected growth. The projected usage for each year of the Study Period was based on estimates from District staff.
- **Water Purchase Costs:** Purchased water costs represent approximately 50% of the operating costs of the District’s Water Enterprise Fund (600). These costs are outside of the control of the District,

² Rates for FYE 2020 include the cost of purchased water at the CY 2019 Zone 7 rates, any increases above these rates should be automatically passed through to customers.

therefore, to mitigate risks, Raftelis recommends continuing to automatically pass-through increases in these costs. Existing water costs from Zone 7 are factored into the proposed water rates. Any increases beyond what was projected in the study will automatically be passed-through to customers.

1.5. PROPOSED WATER RATES

Through discussions with District staff, a key objective of the study is to develop rates that are easy to update and easily understood by customers. Based on these discussions, Raftelis recommends simplifying the District’s rate structure. The proposed water rates modify the District’s current rate structure from a tiered single-family residential (SFR) and seasonal (Winter and Summer) Non-Residential (Commercial, Institutional, and Industrial) rate structure to a uniform rate structure and contain the following three components:

1. A bi-monthly fixed charge based on the size of the meter that is intended to recover the costs related to meter maintenance and reading, customer service, and billing.
2. Uniform commodity or volumetric rates that vary by customer type (Potable Domestic, Potable Irrigation, or Recycled Water) and recovers the remaining costs related to water supply, base delivery, and extra capacity.
3. Uniform power charge or pumping rate (applicable to all customer types) recovers the energy costs associated with pumping water to customers in certain elevated areas in the District.

Rate structures consisting of a fixed monthly or bi-monthly charge by meter size and a volumetric charge based on usage are the most common and accepted rate structures in the industry³. The fixed charge provides revenue stability while the volumetric charge encourages conservation.

Table 1-3 shows the current and proposed fixed meter charges. The proposed rates will be effective July 1st, 2019 with future rate increases occurring January 1st of each year beginning in 2021.

Table 1-3: Current and Proposed Bi-Monthly Fixed Meter Charges (\$/Meter)

Meter Size	Current Fixed Charge	FY 2020 Proposed Fixed Charge
Effective Date		7/1/2019
5/8"	\$36.45	\$35.16
3/4"	\$54.70	\$49.03
1"	\$91.15	\$76.76
1-1/2"	\$182.25	\$146.08
2"	\$291.59	\$229.27
3"	\$637.91	\$610.56
4"	\$1,822.50	\$1,047.31
6"	\$3,644.99	\$2,225.83
8"	\$6,378.73	\$3,889.63
10"	\$10,023.72	\$5,830.73

Table 1-4 details the current and proposed commodity rates. The FYE 2020 proposed commodity rates have been adjusted to recover the costs known at the time of the study from Zone 7. Future increases from Zone 7 will be in addition to the proposed rates shown below.

³ More than 90% of water providers in the US have either uniform or tier/block rates – 2016 Water and Wastewater Rate Survey, Table III-18 conducted by AWWA and Raftelis

Table 1-4: Current and Proposed Bi-Monthly Commodity Rates (\$/CCF)

Customer Class	Current Commodity Rates	FY 2020 Proposed Commodity Rates
Effective Date		7/1/2019
Zone 7	\$3.48	\$3.48
Single Family Residential		\$1.30
Tier 1	\$0.57	-
Tier 2	\$1.20	-
Tier 3	\$1.60	-
Non-Residential		\$1.30
Winter	\$1.15	-
Summer	\$1.38	-
Potable Irrigation	\$1.60	\$1.66
Recycled Water	\$4.57	\$4.38
Pumping Rate	\$0.28	\$0.26

Pumping/power expenses account for approximately 3% of the District’s operating expenses. Since these costs are unavoidable costs and specific to only customers within an elevation zone, they were recovered through a separate pumping/power rate. The total commodity rate for potable customers (Single Family Residential, Non-Residential, and Potable Irrigation) include the Zone 7 rate plus each customer classes uniform rate. For example, the total proposed FY 2020 commodity rate for Single Family Residential customers is \$4.78 (\$3.48 + \$1.30). In this example, if the customer were within an elevation zone, their total commodity rate is \$5.04 (\$3.48 + \$1.30 + \$0.26).

2. Introduction

2.1. BACKGROUND

Dublin San Ramon Services District (District) provides potable water, wastewater, and recycled water services to approximately 186,000 residents in Dublin, southern San Ramon, Dougherty Valley, and Pleasanton. Types of customers include residential, commercial, industrial, and institutional. The District receives wholesale treated water from Zone 7 Water Agency (Zone 7). The District also partners with East Bay Municipal Utility District (EBMUD) and the City of Pleasanton to produce and distribute recycled water through the Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA), a joint-powers authority (JPA) formed in 1995. The District operates and maintains its potable and recycled water distribution facilities and has approximately 321 miles of potable water pipeline and 68 miles of recycled water pipeline.

In view of this background, the District engaged Raftelis to develop a long-term financial plan and perform a comprehensive cost of service analysis. The major objectives of the study include the following:

- Develop a financial plan for the water utility to ensure financial sufficiency, meet operation and maintenance (O&M) costs, meet existing and new debt obligations, ensure sufficient funding for system improvement and capital needs, and maintain the financial health of the utility.
- Develop fair and equitable water rates compliant with the requirements of California Constitution Article XIII D, Section 6 (commonly referred to as Proposition 218)
- To the extent possible, simplify the rate structure to ease customer understanding and ease administration

2.2. LEGAL REQUIREMENTS

2.2.1. California Constitution - Article XIII D, Section 6 (Proposition 218)

Proposition 218, reflected in the California Constitution as Article XIII D, was enacted in 1996 to ensure that rates and fees are reasonable and proportional to the cost of providing service. The principal requirements for fairness of the fees, as they relate to public water or wastewater services are as follows:

1. Revenues derived from the charge shall not exceed the costs required to provide the property related service.
2. Revenues derived from the charge shall not be used for any purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of property.
5. No charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.
6. A public agency must hold a public hearing to consider the adoption of the proposed new or increase in an existing charge; written notice of the public hearing and proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing; if the public agency receives

written protests to the proposed charge from a majority of the property owners, the charge may not be imposed.

As stated in AWWA's *M1 Manual*, "water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." Prop 218 requires that water rates cannot be "arbitrary and capricious," meaning that the rate-setting methodology must be sound and that there must be a nexus between costs and the rates charged. Raftelis followed industry standard rate setting methodologies set forth by the AWWA *M1 Manual* to ensure this study meets Proposition 218 requirements and creates rates that do not exceed the proportionate cost of providing water services.

In addition, the San Juan Capistrano decision (*Capistrano Taxpayers Assn v. City of San Juan Capistrano*, Cal.App.4 (Apr 20, 2015, 4th DCA Case No. G048969) clarifies Proposition 218 requirements so that tiered rates (as well as rates for the remaining classes) need to be based on the proportionate costs incurred to provide water to each customer class and each tier in order to achieve compliance with Proposition 218.

2.2.2. California Constitution - Article X, Section 2

Article X, Section 2 of the California Constitution states the following:

"It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare."

Article X, section 2 of the State Constitution institutes the need to preserve the State's water supplies and to discourage the wasteful or unreasonable use of water by encouraging conservation. As such, public agencies are constitutionally mandated to maximize the beneficial use of water, prevent waste, and encourage conservation.

In connection with meeting the objectives of Article X, section 2, Water Code Sections 370 and 375 et seq. authorize a water purveyor to utilize its water rate design to incentivize the efficient use of water. Although incentives to conserve water may be provided by implementing a higher rate as consumption increases, a nexus between the rates and costs incurred to provide the water must be developed to achieve compliance with Proposition 218.

2.2.3. Cost-Based Rate Setting Methodology

As stated in the AWWA M1 Manual, "the costs of water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." To develop utility rates that comply with Proposition 218 and industry standards while meeting other emerging goals and objectives of the District, there are four major steps discussed below.

1. Calculate Revenue Requirement

The rate-making process starts by determining the test year (rate setting year) revenue requirement, which for this study is FYE 2020. The revenue requirement should sufficiently fund the utility's O&M, debt service, capital expenses, and reserves.

2. Cost of Service Analysis (COS)

The annual cost of providing service is distributed among customer classes commensurate with their service requirements. A COS analysis involves the following:

- a) Functionalize costs. Examples of functions are supply, treatment, transmission, distribution, storage, meter servicing, and customer billing and collection.
- b) Allocate functionalized costs to cost causation components. Cost causation components include, but are not limited to, supply, base⁴, maximum day, maximum hour⁵, meter capacity, and customer service.
- c) Distribute the cost causation components. Distribute cost components, using unit costs, to customer classes in proportion to their demands on the system. This is described in the M1 Manual.

A COS analysis for water considers both the average quantity of water consumed (base costs) and the peak rate at which it is consumed (peaking or capacity costs as identified by maximum day and maximum hour demands).⁶ Peaking costs are costs that are incurred during peak times of consumption. There are additional costs associated with designing, constructing, and operating and maintaining facilities large enough to meet peak demands. These peak demand costs need to be allocated to those imposing such costs on the utility. In other words, not all customer classes share the same responsibility for peaking related costs.

3. Rate Design and Calculations

Rates do more than simply recover costs. Within the legal framework and industry standards, properly designed rates should support and optimize a blend of various utility objectives, such as deterring water waste, supporting affordability for essential needs, and ensuring revenue stability among other objectives. Rates may also act as a public information tool in communicating these objectives to customers.

4. Rate Adoption

Rate adoption is the last step of the rate-making process to comply with Proposition 218. Raftelis documents the rate study results in this Study Report to serve as the District's administrative record and a public education tool about the proposed changes, the rationale and justifications behind the changes, and their anticipated financial impacts.

⁴ Base costs are those associated with meeting average day demands and unrelated to meeting peaking demands.

⁵ Collectively maximum day and maximum hour costs are known as peaking costs or capacity costs.

⁶ System capacity is the system's ability to supply water to all delivery points at the time when demanded. Coincident peaking factors are calculated for each customer class at the time of greatest system demand. The time of greatest demand is known as peak demand. Both the operating costs and capital asset related costs incurred to accommodate the peak flows are generally allocated to each customer class based upon the class's relative demands during the peak month, day, and hour event.

3. Water System

This section describes the water system, customer account and water usage assumptions, and account and water usage projections used in the study.

3.1. WATER SOURCES

The District relies entirely on treated water purchased from Zone 7, which receives its water from the State Water Project. The District receives its recycled water from the DERWA JPA. The DERWA recycled water treatment plant began operation in 2006 and delivers recycled water to irrigation customers.

Currently, the rate structure consists of both fixed bi-monthly charges based on the meter size and variable commodity rates based on the units of water. Additionally, the rates include a pumping/power charge to account for the costs of pumping water to certain elevated areas within the District.

3.2. ACCOUNT GROWTH AND WATER USE ASSUMPTIONS

The revenue calculated for each fiscal year in the financial plan is a function of the number of accounts, account growth, water use, timing of the water use, and existing rates. Table 3-1 summarizes the key assumptions used in determining the number of accounts and projected usage. Usage for FYE 2020 is expected to increase from FYE 2019 usage by about four percent (4%) and will fluctuate between increases of two and five (2% - 5%) percent in future years. These estimates were based on information provided by the District.

Table 3-1: Account Growth and Demand Assumptions

Escalation Factors	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Account Growth					
Single Family Residences	0.8%	0.9%	1.5%	0.7%	0.8%
Demand Factor					
Potable Water	4%	2%	3%	3%	5%
Recycled Water	0%	0%	0%	0%	0%

3.3. NUMBER OF ACCOUNTS

Raftelis projected the number of accounts for each year of the Study Period by increasing the number of residential accounts provided by the District by the account growth assumptions from Table 3-1. Through discussions with District staff, future growth is expected mostly within the residential customer class, therefore, all other classes were held constant during the Study Period. The number of accounts is used to forecast the amount of fixed revenue the District will receive from the bi-monthly fixed charges. Table 3-2 shows the projected number of potable water accounts by meter size and Table 3-3 shows the projected number of recycled water accounts by meter size for each year of the Study Period. As shown in Table 3-3, the number of recycled water accounts was held constant during the Study Period, meaning the District will not rely on growth to occur to meet the Revenue Requirements. Assuming zero recycled growth is a conservative approach and is reasonable and appropriate given the District has reached capacity and cannot provide additional recycled water without expanding their system or purchasing recycled water from other sources.

Table 3-2: Projected Potable Water Customer Accounts

Meter Size	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
5/8"	21,880	22,084	22,404	22,569	22,754
3/4"	107	107	107	107	107
1"	313	313	313	313	313
1-1/2"	403	403	403	403	403
2"	375	375	375	375	375
3"	59	59	59	59	59
4"	6	6	6	6	6
6"	3	3	3	3	3
8"	2	2	2	2	2
10"	0	0	0	0	0
Total	23,148	23,352	23,672	23,837	24,022

Table 3-3: Projected Recycled Water Customer Accounts

Meter Size	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
5/8"	9	9	9	9	9
3/4"	12	12	12	12	12
1"	100	100	100	100	100
1-1/2"	185	185	185	185	185
2"	108	108	108	108	108
3"	20	20	20	20	20
4"	5	5	5	5	5
6"	0	0	0	0	0
8"	0	0	0	0	0
10"	0	0	0	0	0
Total	439	439	439	439	439

3.4. WATER DEMAND

Raftelis worked closely with the District to determine the appropriate level of usage during the Study Period. An increase of usage by four percent (4%) was applied to all potable customer classes in FYE 2020 (see Table 3-1) and increases between two and five percent (2% - 5%) were applied in future years. The demand factor was held constant for all recycled customers throughout the Study Period. Table 3-4 details the projected usage for each customer class during the Study Period.

Table 3-4: Projected Billable Water Usage (CCF)

Customer Class	Tier Width (ccf)	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Single Family Residential						
Tier 1	0-10	1,233,697	1,262,033	1,304,421	1,344,350	1,407,580
Tier 2	>10-34	1,090,574	1,115,623	1,153,093	1,188,390	1,244,285
Tier 3	>34	220,739	225,809	233,393	240,537	251,851
Non-Residential						
Winter (November – April)	Uniform	541,312	553,745	572,344	589,864	617,608
Summer (May – October)	Uniform	579,179	592,482	612,382	631,127	660,811
Potable Irrigation	Uniform	463,070	473,706	489,617	504,604	528,338
Total Potable Usage (Zone 7)		4,128,570	4,223,398	4,365,249	4,498,872	4,710,472
Recycled Usage	Uniform	1,184,092	1,184,092	1,184,092	1,184,092	1,184,092
Power Charge Usage	Uniform	3,011,167	3,080,330	3,183,789	3,281,246	3,435,577

4. Financial Plan

This section describes the development of the water utility financial plan, the results of which were used to determine the revenue adjustments needed to meet ongoing expenses and provide fiscal sustainability to the District. The review involves analysis of projected annual operating revenues under the current rates, O&M expenses, capital expenditures, transfers between funds, and reserve requirements.

4.1. KEY ASSUMPTIONS

The Study uses the District’s FYE 2019 amended budget as the base year and the model projects the District’s revenue requirements through FYE 2040. Certain cost escalation assumptions and inputs were incorporated into the Study to adequately model expected future expenses. To ensure that future costs are reasonably projected, inflationary assumptions are utilized with input from District staff. Table 4-1 shows the inflationary assumptions that were utilized to inflate the expenses for future years (FYE 2020 and onward) in the financial plan. Based on Raftelis’ experience, the inflationary assumptions used are within the typical range utilized by other California water agencies.

Table 4-1: Water Expense Escalation Factor Assumptions

Escalation Factors	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
General ⁷	3.0%	3.0%	3.0%	3.0%	3.0%
Salary	3.0%	3.0%	3.0%	3.0%	3.0%
Benefits	5.0%	5.0%	5.0%	5.0%	5.0%
Utilities	5.0%	5.0%	5.0%	5.0%	5.0%
Capital ⁸	2.9%	2.9%	2.9%	2.9%	2.9%

Table 4-2 details inflationary assumptions for the District’s revenues.

Table 4-2: Water Revenue Inflationary Assumptions

Escalation Factors	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Non-Rate Revenues	2.0%	2.0%	2.0%	2.0%	2.0%
Reserve Interest Rate	1.0%	1.0%	1.0%	1.0%	1.0%

4.2. REVENUES

4.2.1. Revenues from Current Rates

Currently, the rate structure consists of both fixed bi-monthly charges based on the meter size and variable commodity rates based on the units of water. Potable water customers also pay a charge per ccf for treated water purchased from Zone 7. Additionally, the rates include a pumping/power charge to account for the costs of pumping water to certain elevations within the District. The following tables summarize the current water rate structure of the District that are used to calculate the revenues under status quo conditions. Table 4-3 identifies the bi-monthly service charges by meter size for potable and recycled water customers and Table 4-4 shows the volume charges per hundred cubic foot (ccf) for all customer classes.

⁷ Based on Consumer Price Index for San Francisco – Oakland – Hayward (CPI)

⁸ Based on Engineering News Record Construction Cost Index San Francisco 20-Year Annual Average (ENR CCI)

Table 4-3: Current Bi-Monthly Meter Service Charge (\$/Meter)

Meter Size	Bi-Monthly Service Charge
5/8"	\$36.45
3/4"	\$54.70
1"	\$91.15
1-1/2"	\$182.25
2"	\$291.59
3"	\$637.91
4"	\$1,822.50
6"	\$3,644.99
8"	\$6,378.73
10"	\$10,023.72

Table 4-4: Current Variable Usage Charge (\$/ccf)

Customer Class	Tier Width (ccf)	Usage Charge per ccf
Zone 7		\$3.48
Single Family Residential		
Tier 1	0-10	\$0.57
Tier 2	>10-34	\$1.20
Tier 3	>34	\$1.60
Non-Residential		
Winter (November – April)	Uniform	\$1.15
Summer (May – October)	Uniform	\$1.38
Potable Irrigation	Uniform	\$1.60
Recycled Water	Uniform	\$4.57
Power Charge – Elevated Areas	Uniform	\$0.28

Table 4-5 shows the calculated water rate revenues for each of the charges. The fixed charge revenue is calculated by multiplying the number of accounts in Table 3-2 and Table 3-3 by the bi-monthly fixed charge in Table 4-3 and then multiplying the result by the number of billable months in the fiscal year (6). The usage charge revenue is calculated by multiplying the projected water usage in Table 3-4 by usage rate in Table 4-4. All potable usage (Single Family Residential, Non-Residential, and Potable Irrigation) are charged the Zone 7 rate.

Table 4-5: Calculated Rate Revenues

Calculated Rate Revenues	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Fixed Revenues					
Potable Water	\$6,521,711	\$6,566,514	\$6,636,288	\$6,672,539	\$6,712,966
Recycled Water	\$583,069	\$583,069	\$583,069	\$583,069	\$583,069
Subtotal Fixed Revenues	\$7,104,780	\$7,149,583	\$7,219,357	\$7,255,608	\$7,296,034
Commodity Revenues					
Zone 7	\$14,367,423	\$14,697,427	\$15,191,068	\$15,656,073	\$16,392,444
Single-Family Residential	\$2,365,077	\$2,419,400	\$2,500,660	\$2,577,207	\$2,698,423
Non-Residential	\$1,421,776	\$1,454,432	\$1,503,282	\$1,549,298	\$1,622,168
Potable Irrigation	\$740,912	\$757,930	\$783,387	\$807,367	\$845,340
Recycled Water	\$5,411,299	\$5,411,299	\$5,411,299	\$5,411,299	\$5,411,299
Power Charge	\$843,127	\$862,492	\$891,461	\$918,749	\$961,961
Subtotal Usage Revenues	\$25,149,614	\$25,602,980	\$26,281,157	\$26,919,992	\$27,931,637
Total Revenue from Rates	\$32,254,393	\$32,752,563	\$33,500,514	\$34,175,600	\$35,227,671

Table 4-6 shows the District’s projected revenues over the Study period. To project non-rate revenues for future years, Raftelis utilizes the inflationary assumptions in Table 4-2⁹. Contract customer revenues from Limited Access and Alameda County Recycled Water as well as revenues from Private Fireline’s, are calculated the same way as other charges. These revenues have been shown below the total revenue from rates and will be treated as “Other Revenues” since contract rates and Private Fireline rates were not evaluated as a part of this study.

Table 4-6: Projected Water Revenues (at current rates)

Revenues	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Total Rate Revenues	\$32,254,393	\$32,752,563	\$33,500,514	\$34,175,600	\$35,227,671
Other Revenues					
Limited Access (Contract)	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265
Alameda County Recycled Water (Contract)	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548
Fire Protection	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850
Plan Check / Inspection Fees	\$343	\$350	\$357	\$364	\$371
Interest	\$107,238	\$81,505	\$61,158	\$43,437	\$30,169
Fees	\$10,695	\$10,909	\$11,128	\$11,350	\$11,577
Miscellaneous Revenue	\$376,332	\$383,859	\$391,536	\$399,367	\$407,354
Subtotal Other Revenues	\$1,221,271	\$1,203,286	\$1,190,841	\$1,181,181	\$1,176,134
Total Revenues	\$33,475,664	\$33,955,850	\$34,691,355	\$35,356,781	\$36,403,805

4.3. O&M EXPENSES

The District’s FYE 2019 amended budget values and the assumed escalation factors (Table 4-1) for the Study Period were used as the basis for projecting O&M costs. Table 4-7 shows the total projected O&M expenses for FYE 2020 through FYE 2024¹⁰.

⁹ Tables within this report are summary tables, for additional information regarding each individual line item, see the Dublin Water Model on file with the District.

¹⁰ Although only the Study Period is shown here, Raftelis projected the revenues through FYE 2040.

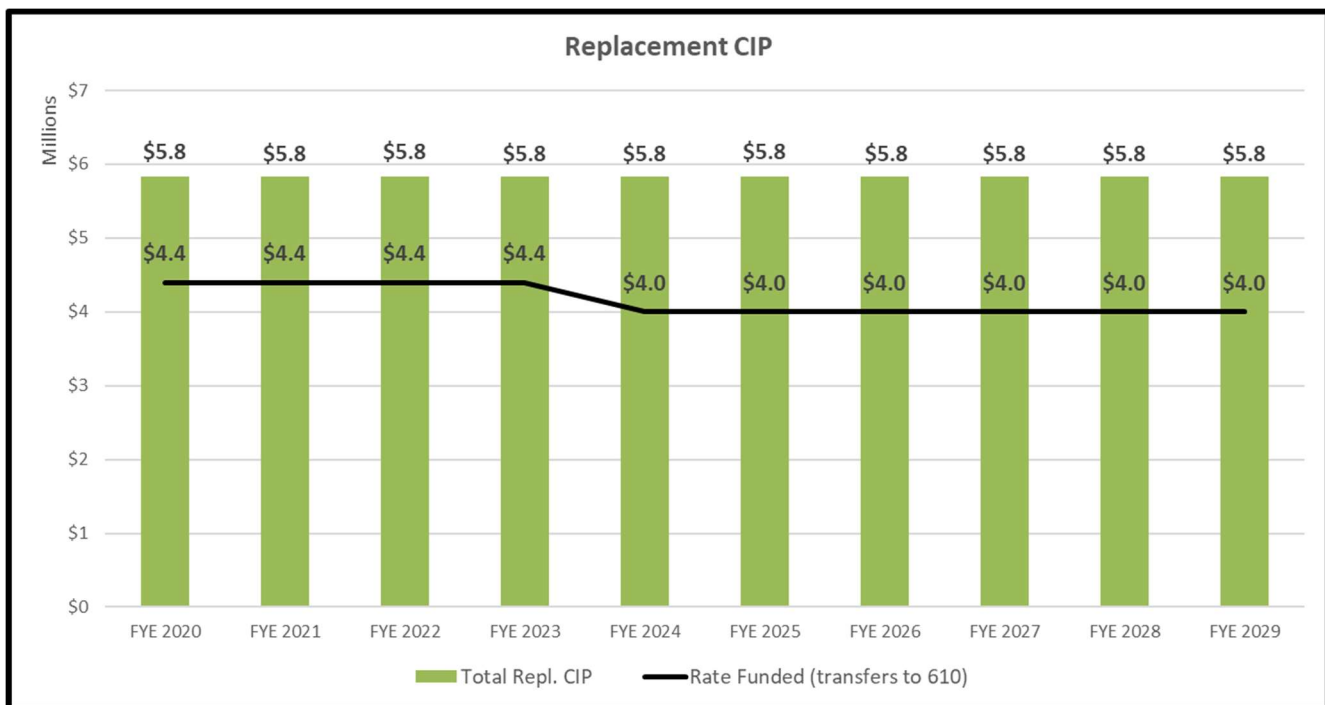
Table 4-7: Projected Water O&M Expenses

O&M Expense	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Purchased Water – Fixed Cost	\$5,898,775	\$6,075,738	\$6,258,010	\$6,445,751	\$6,639,123
Purchased Water – Variable Cost	\$8,763,325	\$8,975,209	\$9,292,160	\$9,590,725	\$10,063,525
Utilities	\$776,311	\$833,429	\$903,846	\$977,471	\$1,073,621
Salaries & Benefits	\$6,250,413	\$6,471,026	\$6,699,914	\$6,937,405	\$7,183,846
Central Services	\$2,310,661	\$2,374,689	\$2,440,491	\$2,508,117	\$2,577,617
Operations	\$3,199,864	\$3,101,751	\$3,005,443	\$2,910,347	\$2,817,575
Recycled Water (Contributions to JPA)	\$2,170,731	\$2,230,882	\$2,292,699	\$2,356,230	\$2,421,521
Subtotal Operating Expenditures	\$29,370,079	\$30,062,724	\$30,892,564	\$31,726,046	\$32,776,827
Debt Service	\$674,856	\$674,856	\$674,830	\$673,663	\$673,888
Total Expenses	\$30,044,936	\$30,737,581	\$31,567,394	\$32,399,709	\$33,450,715

4.4. CAPITAL IMPROVEMENT PLAN (REPLACEMENT)

The District provided the adopted FYE 2018-2027 capital expenditures to address future capital improvement project related to replacement needs. Raftelis worked closely with District staff to adjust the Capital Improvement Plan (CIP) to reflect a measured multi-year approach. Based on discussions with District staff, ten-year average of CIP for the Water Replacement fund was used as the baseline CIP costs for each year of the Study Period. Figure 4-1 summarizes the average replacement CIP needs. The amount of CIP funded by rates (i.e. transfers from the operating to Fund 610) is represented by the black trend line. The remaining capital is anticipated to be funded through the buy-in component of the capacity reserve fees and other sources of revenue. In addition to the water replacement needs, the District anticipates funding approximately \$1.1 million each year of recycled capital reinvestments. The detailed capital improvement plan used to calculate the 10-Year Average can be found in Appendix A – Exhibit A-1.

Figure 4-1: Water Replacement Capital Improvement Plan



4.5. RESERVE REQUIREMENTS

Reserve requirements establish reserve targets and provide guidelines for sound financial management. The overall long-term aim is to maintain financial solvency and mitigate financial risks associated with working capital requirements, revenue instability, sudden or significant capital costs, and emergencies. Additionally, adopting and adhering to sustainable reserve requirements helps to achieve and maintain a favorable credit rating for future debt issues.

The appropriate amount of reserves and reserve types are determined by a variety of factors, such as size of the operating budget, planned capital improvements, amount of debt, type of rate structure, frequency of customer billing, and risk of natural disaster. Typically, reserves for water utilities fall into the following categories: O&M, rate stabilization, capital, debt service, and emergency. Currently, the District maintains a Water Enterprise Fund (Fund 600), a Rate Stabilization Fund (Fund 605), a Water Replacement Fund (Fund 610), and a Water Expansion Fund (Fund 620). Reserves can offset unanticipated reductions in revenues, fluctuations in costs of providing services, and fiscal emergencies such as revenue shortfalls, asset failures, and natural disasters. Capital reserves set funds aside for replacement of capital assets as they age, as well as for new capital projects.

Through discussions with District staff, this study focused on the operating reserves. The District’s existing operating reserve policy is summarized in Table 4-8. As part of Best Management Practices of utilities, it is recommended that a utility have at least 90-180 days of operating reserves as well as sufficient funds available to ensure that the utility’s capital plan can move forward as scheduled and is not delayed due to insufficient funds on hand.

Table 4-8: Existing Operating Reserve Policies

Reserves	Policy
Water Enterprise Fund (Fund 600)	Minimum: Two months of operating expenses Target: Four months of operating expenses Maximum: Six months of operating expenses
Rate Stabilization Fund (Fund 605)	Same as Fund 600 with a maximum of 12 months of operating expenses for combined Operation Funds (600 + 605)

4.6. CURRENT FINANCIAL PLAN

Based on the financial plan review, the District is currently in a strong financial position and only modest revenue adjustments are needed to ensure that the District maintains its strong financial position moving forward. These modest adjustments will allow the District to continue to reinvest in the water utility system in the out years. Figure 4-2 illustrates the operating position of the utility, where expenses, inclusive of reserve funding, are shown by stacked bars and the total revenues at current rates are shown by the horizontal orange trend line. Current revenue is insufficient to recover expenses resulting in negative cashflow for each year of the Study period.

Figure 4-2: Water Operating Financial Position at Current Rates

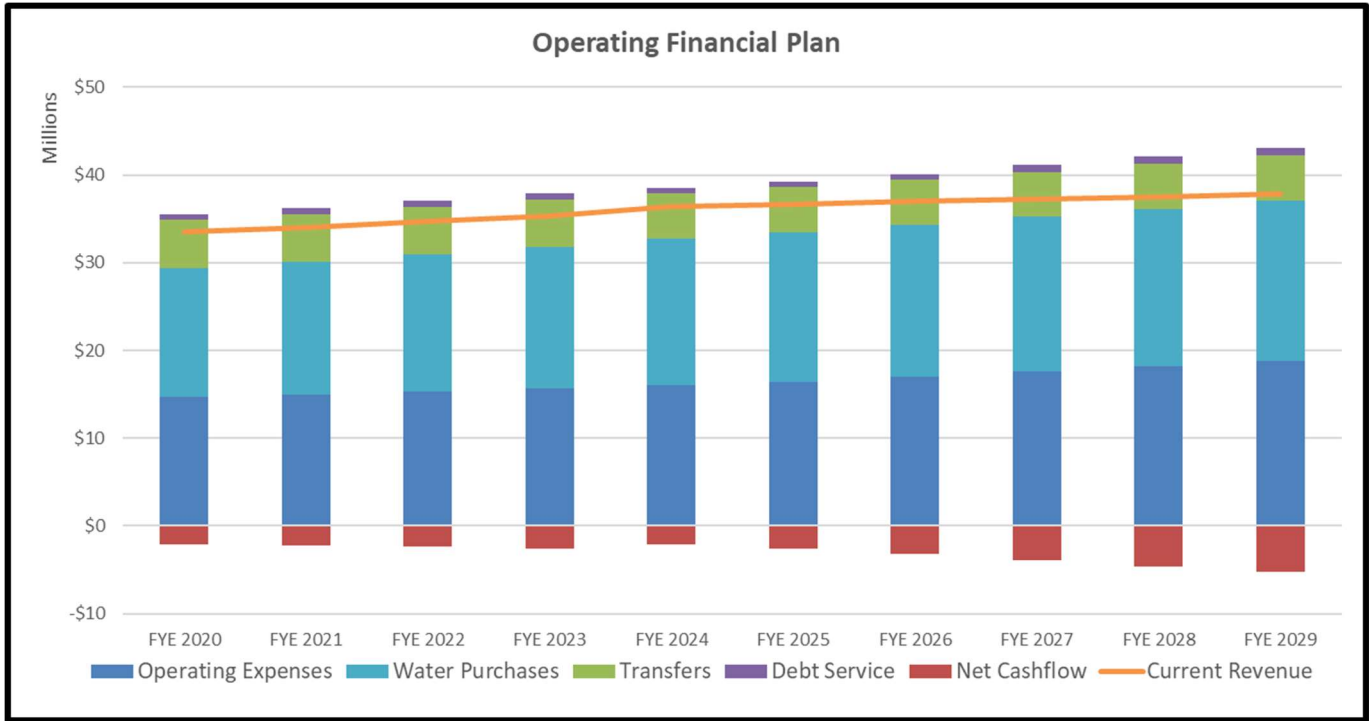
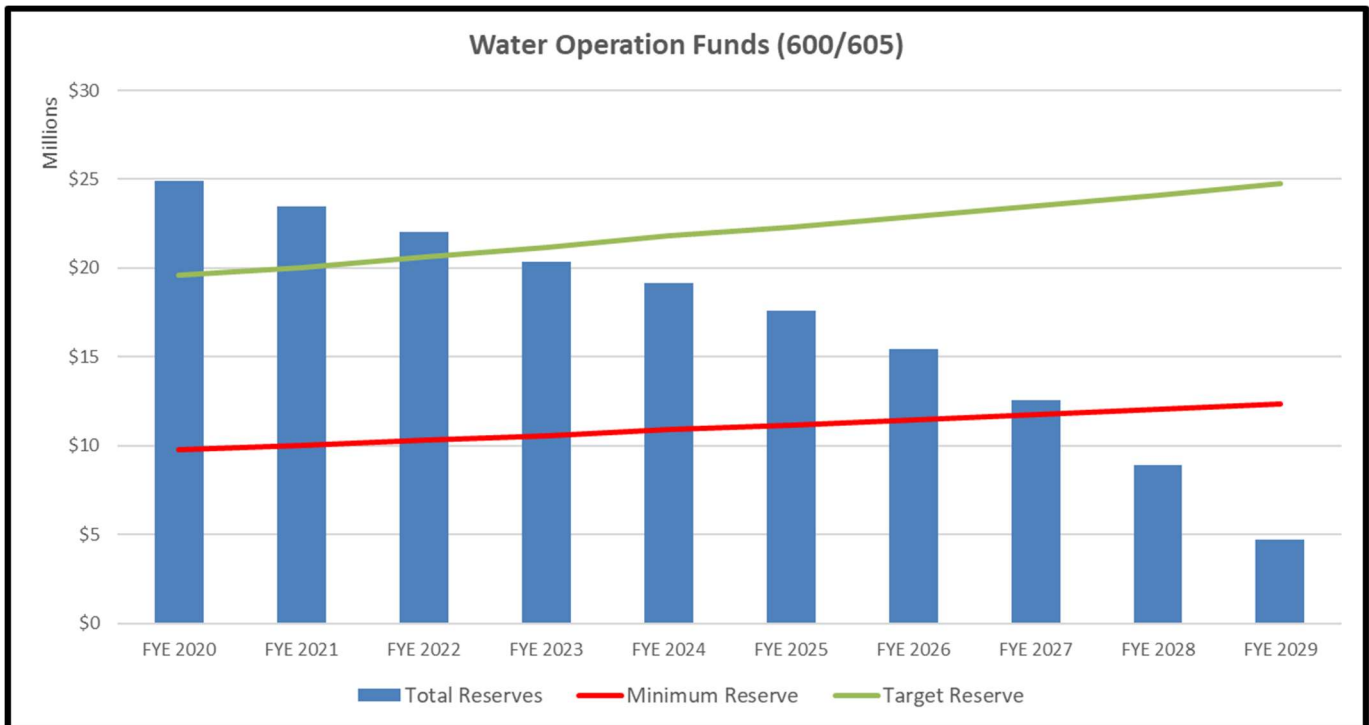


Figure 4-3 illustrates the ending total reserve balances for the Water Operation Funds (Funds 600 & 605) for each fiscal year after operating expenses and transfers to replacement capital are funded. The financial plan projects reserves will fall below policy target in FYE 2023 and below policy minimum in FYE 2028.

Figure 4-3: Projected Ending Water Utility Reserves



4.7. PROPOSED FINANCIAL PLAN

The proposed revenue adjustments provide adequate revenue to fund operating expenses, capital expenditures, and recommended reserve targets. The financial plan assumes there will be no rate adjustment in FYE 2020 followed by automatic CPI rate adjustments occurring on January 1 each year thereafter beginning in FYE 2021. The proposed rate adjustments enable the District to fund approximately \$21.6 million of water-related capital reinvestments and approximately \$5.4 million of recycled capital reinvestments during the Study Period. In addition, the proposed adjustments allow the District to meet or exceed the reserve targets.

Table 4-9 shows the recommended financial plan, which includes assumed CPI rate adjustments of 3.0%¹¹. The rates presented in Section 5.4 are based on this financial plan.

Table 4-9: Financial Plan Rate Adjustment Recommendations

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Effective Month	July	January	January	January	January
Rate Adjustments	0%	3.0%	3.0%	3.0%	3.0%
Pass-through of Zone 7 Costs	Yes ¹²	Yes	Yes	Yes	Yes

Applying these adjustments results in the proposed financial plan in Table 4-10 (see Appendix A – Exhibit A-2 for a detailed financial plan). While FYE 2020 through 2023 will draw down reserves, the District will stay above its target reserve balance and will see positive cash balances in the out years. The line for Rate Revenues includes the additional revenue from the proposed revenue adjustments assuming they become effective January 1 of each year.

Based on discussions with District staff, this study only focused on the operating reserves, Water Operating Fund and Rate Stabilization Fund (Funds 600 and 605). Raftelis recommends maintaining an operating reserve of approximately 180 days of operating expenses. Due to the frequency of the billing (bi-monthly), the District will see considerable delays from the time they purchase water and deliver water to customers and when they receive payment. The goal of maintaining sufficient operating reserves is to provide liquid funds for the continued operations and to ensure the utility can continue in the event of unforeseen costs or interruptions. Rate stabilization reserves are typically based on each agencies risk tolerance, objectives, and other factors.

¹¹ The assumed CPI adjustments were based on the 20-Year average CPI. Rate adjustments beginning in FYE 2021 will be based on the most recent annual CPI figures.

¹²Rates for FYE 2020 include the cost of purchased water at the CY 2019 Zone 7 rates, any increases above these rates should be automatically passed through to customers.

Table 4-10: Recommended Water Financial Plan

Category	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Revenues					
Rate Revenues	\$17,886,970	\$18,325,964	\$19,141,610	\$19,942,077	\$20,890,487
Zone 7 Revenues	\$14,367,423	\$14,697,427	\$15,191,068	\$15,656,073	\$16,392,444
Other Revenues	\$1,221,271	\$1,203,286	\$1,190,841	\$1,181,181	\$1,176,134
Total Revenues	\$33,475,664	\$34,226,677	\$35,523,519	\$36,779,331	\$38,459,066
Less: Expenditures					
Purchased Water – Fixed Cost	\$5,898,775	\$6,075,738	\$6,258,010	\$6,445,751	\$6,639,123
Purchased Water – Variable Cost	\$8,763,325	\$8,975,209	\$9,292,160	\$9,590,725	\$10,063,525
Recycled Water (Contributions to JPA)	\$2,170,731	\$2,230,882	\$2,292,699	\$2,356,230	\$2,421,521
Other O&M	\$12,537,249	\$12,780,895	\$13,049,694	\$13,333,340	\$13,652,658
Subtotal Operating Expenditures	\$29,370,079	\$30,062,724	\$30,892,564	\$31,726,046	\$32,776,827
Total Debt Service	\$674,856	\$674,856	\$674,830	\$673,663	\$673,888
Total Expenditures	\$30,044,936	\$30,737,581	\$31,567,394	\$32,399,709	\$33,450,715
Net Cashflow (before Transfers)	\$2,526,045	\$2,593,695	\$3,037,833	\$3,437,681	\$4,041,823
Transfers to Water Replacement Fund (610)	(\$4,400,000)	(\$4,400,000)	(\$4,400,000)	(\$4,400,000)	(\$4,000,000)
Transfers to DERWA Recycled Replacement Fund (610)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)
Net Cashflow (after Transfers)	(\$2,063,960)	(\$2,005,592)	(\$1,538,562)	(\$1,115,066)	(\$86,337)
Water Enterprise Fund (600)					
Beginning Balance	\$9,182,522	\$7,118,562	\$5,112,970	\$3,574,408	\$2,459,341
Net Cashflow (after Transfers)	(\$2,063,960)	(\$2,005,592)	(\$1,538,562)	(\$1,115,066)	(\$86,337)
Transfers (to)/from Rate Stabilization	\$2,671,464	\$2,236,474	\$1,788,461	\$1,343,681	\$369,120
Ending Balance	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609
Rate Stabilization Fund (605)					
Beginning Balance	\$16,920,166	\$15,094,345	\$13,730,956	\$12,810,978	\$12,335,900
Transfers (to)/ from Water Enterprise Fund	(\$2,671,464)	(\$2,236,474)	(\$1,788,461)	(\$1,343,681)	(\$369,120)
Fund Revenues ¹³	\$905,418	\$934,516	\$958,331	\$982,698	\$1,007,600
Fund Expenditures	(\$59,775)	(\$61,431)	(\$63,133)	(\$64,883)	(\$66,681)
Ending Balance	\$15,094,345	\$13,730,956	\$12,810,978	\$12,335,900	\$12,840,222
Total Operating Reserves – Ending Balance	\$24,884,371	\$23,751,864	\$23,108,499	\$22,911,248	\$23,765,831
Total Operating Reserves Target	\$19,580,053	\$20,041,816	\$20,595,043	\$21,150,697	\$21,851,218

Figure 4-4 and Figure 4-5 display the FYE 2020 through FYE 2024 financial plan in graphical format. Figure 4-4 illustrates the operating position of the District where expenses, inclusive of reserve funding, are shown by stacked bars and total revenues at both current rates and recommended rates are shown by the horizontal trend lines. No new debt is recommended to be issued as part of the recommended five-year financial plan. The District will use reserves from FYE 2020 to FYE 2023 to help mitigate the impacts to customers. Beginning in FYE 2024, the District’s projected revenues will meet or exceed the projected expenditures.

¹³ Detailed Fund Revenues and Expenditures for can be found in Appendix A – Exhibit A-3.

Figure 4-4: Proposed Operating Financial Plan

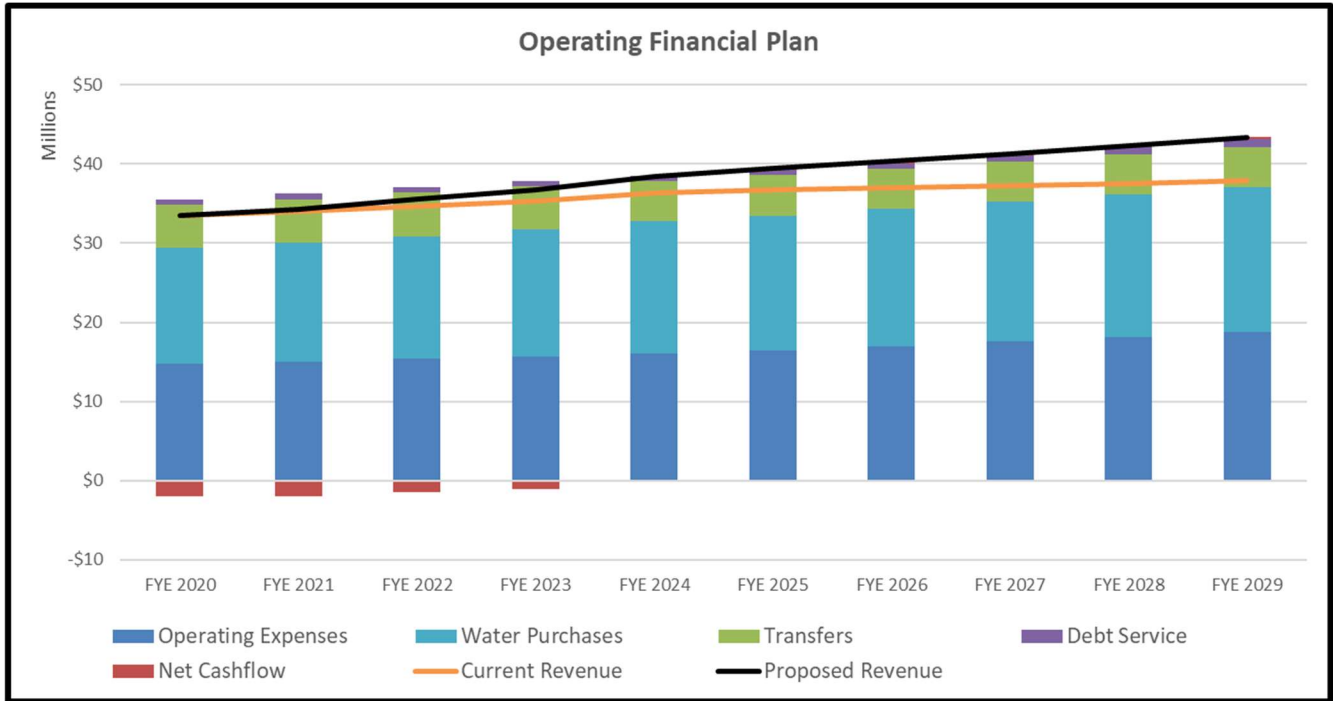
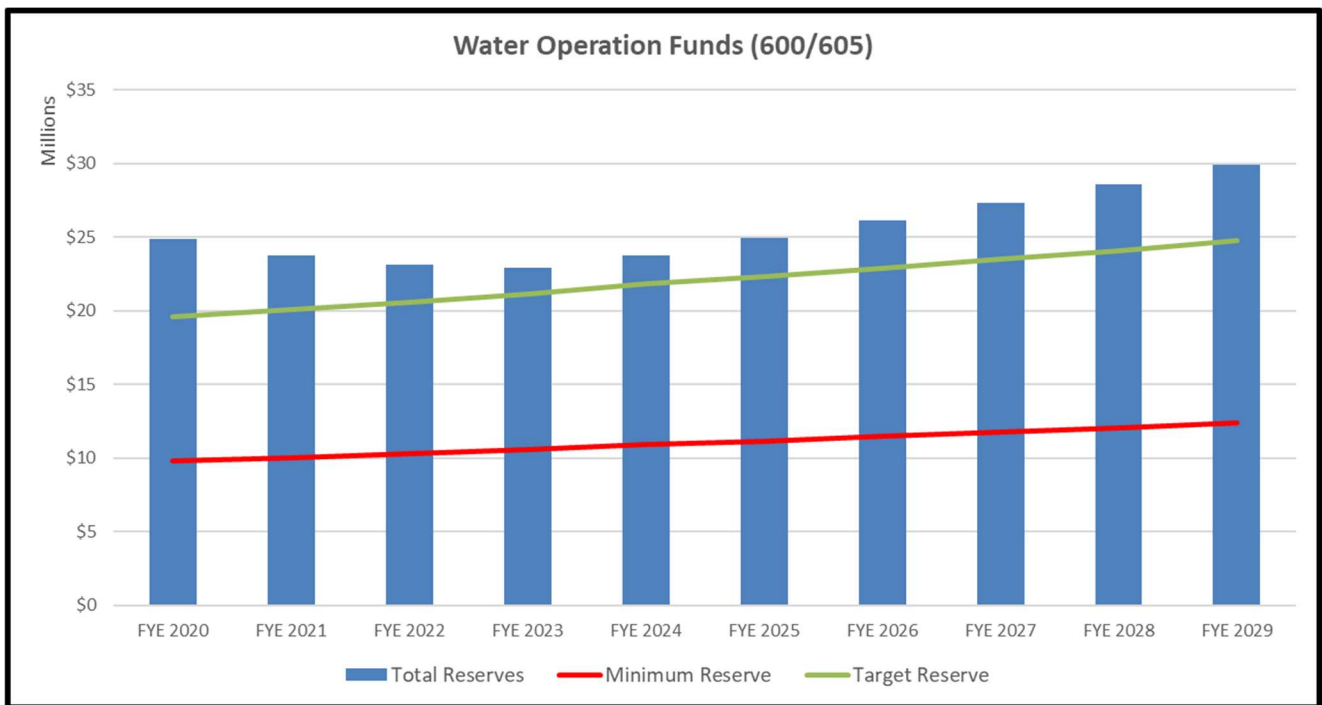


Figure 4-5 displays the projected yearly ending balance for the operating funds (Fund 600 & Fund 605). The horizontal trend lines indicate the minimum and target reserve balances and the bars indicate the ending reserve balance. The District’s objectives are to meet or exceed the target reserve (represented by the green horizontal line) to ensure prudent financial planning. Under the proposed rate adjustments, the District will be drawing from reserves in FYE 2020 through FYE 2023, contributing to reserves beginning in FYE 2014, and meet or exceed the targets each year of the study period.

Figure 4-5: Projected Operating Fund Ending Balances



5. Cost of Service Study

This Rate Study conforms to the principles set forth in the enabling statutes and the rates abide by the cost-of-service provisions of Proposition 218.

5.1. PROPORTIONALITY

Demonstrating proportionality when calculating rates is a critical component of ensuring compliance with Proposition 218. For costs that are recovered through the District's proposed fixed meter charge, the Study spread the costs either over all accounts or by meter size, depending on the type of expense. As such, customer classes and usage are not considered nor necessary for calculating each customer's fixed charge. Conversely, costs that were determined as variable, are allocated among customer classes based on their demand on the system and water supply. As stated in the Manual M1, the AWWA Rates and Charges Subcommittee agree with Proposition 218 that "the costs of water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." The District's revenue requirements are, by definition, the cost of providing service. This cost is then used as the basis to develop unit costs for the water components and to allocate costs to the various customer classes in proportion to the water services rendered.

Individual customer demands vary depending on the nature of the utility use at the location where service is provided. For example, water service demand for a family residing in a typical single-family home is different than the water service demand for an irrigation customer, primarily due to peak use behavior which drives the need for and costs of sizing infrastructure to meet this demand. The concept of proportionality requires that cost allocations consider both the average quantity of water consumed (base) and the peak rate at which it is consumed (peaking). Use of peaking is consistent with the cost of providing service because a water system is designed to meet peak demands, and the additional costs associated with designing, constructing and maintaining facilities required to meet these peak demands need to be allocated to those customers whose usage requires the need to size facilities to meet peak demand.

In allocating the costs of service, the industry standard, as promulgated by AWWA's M1 Manual, is to group customers with similar system needs and demands into customer classes. Rates are then developed for each customer class, with each individual customer paying the customer class' proportionate, average allocated cost of service.

Generally speaking, customers place the following demands on the District's water system and water supply:

- The system capacity¹⁴ (for treatment, storage, and distribution) that must be maintained to provide reliable service to all customers at all times.
- The level of water efficiency as a collective group.
- The number of customers requiring customer services such as bill processing, customer service support, and other administrative services.

A customer class consists of a group of customers, with common characteristics, who share responsibility for certain costs incurred by the utility. Joint costs are proportionately shared among all customers in the system based on their service requirements.

¹⁴ System capacity is the system's ability to supply water to all delivery points at the time when demanded. The time of greatest demand is known as peak demand.

5.2. COST OF SERVICE PROCESS

A cost of service analysis distributes a utility’s revenue requirements (costs) to each customer class. Figure 5-1 provides a general overview of a cost-of-service analysis. Each step shown below will be described in greater detail in the next section.

Figure 5-1: Cost of Service Process



5.3. COST OF SERVICE ANALYSIS

5.3.1. Step 1 – Determine Revenue Requirement

In this Study, water rates are calculated for FYE 2020 (known as the Test Year), by using the District’s current FYE 2019 amended budget and inflationary factors. Board guidance regarding advanced funding of pension unfunded actuarial liabilities (UAL) and staffing that will be included in the proposed FYE 2020 and FYE 2021 operating budgets have also been included in the Study. Test Year revenue requirements are used in the cost allocation process. Subsequent years’ revenue adjustments are incremental and the rates for future years will be based on CPI. The District should review the cost of service analysis at least once every five years to ensure that the rates are consistent with the costs of providing service.

The revenue requirement determination is based upon the premise that the utility must generate annual revenues to meet Supply, O&M expenses, any debt service needs, reserve levels, and capital investment needs. Deductions are made to account for the required net cashflows (found in Table 4-10) and any mid-year adjustment¹⁵. FYE 2020 cost of service to be recovered from the District’s water customers is shown in Table 5-1.

¹⁵ The revenue requirement needs to be based on the revenue needs for a full fiscal year. Since the rates in FYE 2020 were assumed to be in effect for 12 months, there is no mid-year adjustment.

Table 5-1: Revenue Requirements

Revenue Requirements	FYE 2020			
	Specific Allocation	Operating	Capital	Total
Revenue Requirements				
Utilities – Power	\$776,311			\$776,311
Purchased Water – Fixed Cost	\$5,898,775			\$5,898,775
Purchased Water – Variable Cost	\$8,763,325			\$8,763,325
Salaries and Benefits		\$6,250,413		\$6,250,413
Central Services		\$2,310,661		\$2,310,661
Operations		\$3,199,864		\$3,199,864
Contributions to JPA	\$2,170,731			\$2,170,731
Subtotal Revenue Requirements	\$17,609,142	\$11,760,938	\$0	\$29,370,079
Debt Service				
DSRSD 2017 Water Revenue Refunding Bonds			\$674,856	\$674,856
Subtotal Debt Service	\$0	\$0	\$674,856	\$674,856
Direct Transfers				
Transfers to Water Replacement Fund 610			\$4,400,000	\$4,400,000
Transfers to DERWA Recycled Replacement Fund 610	\$1,094,688			\$1,094,688
Subtotal Direct Transfers	\$1,094,688	\$0	\$4,400,000	\$5,494,688
Total Revenue Requirements	\$18,703,830	\$11,760,938	\$5,074,856	\$35,539,624
Less: Revenue Offsets				
Limited Access Revenue	\$326,709	\$89,556		\$416,265
Alameda County Recycled Water Revenue	\$75,822	\$2,726		\$78,548
Fire Protection Revenue	\$3,483	\$228,367		\$231,850
Plan Check / Inspection Fees		\$343		\$343
Interest		\$107,238		\$107,238
Fees		\$10,695		\$10,695
Miscellaneous Revenue		\$376,332		\$376,332
Total Revenue Offsets	\$406,110	\$815,162	\$0	\$1,221,271
Less: Adjustments				
Adjustment for Net Cashflow		\$2,063,960		\$2,063,960
Adjustment for Mid-Year Increase		\$0		\$0
Total Adjustments	\$0	\$2,063,960	\$0	\$2,063,960
Revenue Requirements from Rates	\$18,319,992	\$8,859,544	\$5,074,856	\$32,254,393

5.3.2. Step 2 – Functionalize Costs

O&M Functionalized Expenses

A cost of service analysis distributes a utility’s revenue requirements (costs) to each customer class. After determining a utility’s revenue requirement, the total cost of water service is analyzed by system functions to proportionately distribute costs in relation to how that cost is generally incurred. The water utility costs were categorized into the following **functions**:

- **Utilities-Power** – Utility costs related to pumping water to customers in elevated areas within the District.
- **Purchased Water-Fixed Costs** – Fixed costs incurred to purchase Zone 7 water.
- **Purchased Water-Variable Costs** – Water usage costs to purchase Zone 7 water.
- **Operations & Maintenance (O&M) Expenses**
 - **Salaries and Benefits** – Includes salaries and benefits costs for water operations staff
 - **Central Services** – Overhead costs, such as finance, administration, human resources, etc.
 - **Operations** – Includes supply and material costs, tools and equipment, contract service costs, and other costs related to maintaining water system facilities and meters.
- **Contributions to JPA** – District contributions to DERWA for recycled water
- **Debt Service** – Principle and Interest costs related to existing/outstanding debt
- **Direct Transfers** – Transfers from the District Water Enterprise Fund (600) to the Water Replacement Fund (610) to fund CIP

Table 5-2 summarizes the functionalized costs prior to any offset adjustments (from Table 5-1).

Table 5-2: Functionalized Expenses

Functionalized Expenses	FYE 2020 Functionalized Expenses
Utilities – Power	\$776,311
Purchased Water – Fixed Cost	\$5,898,775
Purchased Water – Variable Cost	\$8,763,325
Salaries and Benefits	\$6,250,413
Central Services	\$2,310,661
Operations	\$3,199,864
Contributions to JPA	\$2,170,731
Debt Service	\$674,856
Direct Transfers	\$5,494,688
Total O&M Expenses	\$35,539,624

Functionalized Assets

Similar to O&M, assets are also functionalized. The District provided Raftelis with a comprehensive listing of assets¹⁶ for the water utility, which were functionalized based on the asset’s purpose. Table 5-3 summarizes the functionalized assets.

Table 5-3: Functionalized Assets

Functionalized Assets	FYE 2020 Functionalized Assets
Distribution	\$16,008,200
Mains	\$488,865,460
Reservoirs	\$9,821,125
Pump Stations	\$20,325,247
Admin	\$6,823,019
Total Assets	\$541,843,051

¹⁶ A detailed asset listing is on file with the District.

5.3.3. Step 3 – Allocate Functionalized Costs to Cost Components

The functionalization of costs allows us to better allocate the costs based on how the costs are incurred. This is commonly referred to as **cost causation**. Essentially, cost causation means that the District incurs a cost of providing service because of the demands or burdens the customer places on the system and water resources. Raftelis used the Base-Extra Capacity method to allocate the functionalized costs to various rate components (cost causation components), as described in the M1 Manual. The District's costs were allocated to the following cost causation components:

1. **Customer Service** includes customer-related costs such as billing, collecting, customer accounting, and customer call center. These costs are incurred at the same level regardless of the type of land use or the total amount of water that the utility delivers.
2. **Meter Capacity** includes maintenance and capital costs associated with serving meters. These costs are assigned based on the meter size or equivalent meter capacity.
3. **Recycled Water** represents the costs incurred by contributing to the DERWA JPA for recycled water. These costs will be specifically allocated to promote transparency and clearly show the costs that are out of the District's control. In addition to the DERWA costs, the transfers to fund recycled capital reinvestments were allocated specifically to the recycled rate component based on the three-year average depreciation of DERWA assets.
4. **Base** are those operating and capital costs of the system associated with serving customers at a constant, or average, rate of use. These costs tend to vary with the total quantity of water used.
5. **Peaking Costs** or Extra Capacity Costs represent those costs incurred to meet customer peak demands for water in excess of average day usage. Total extra capacity costs are subdivided into costs associated with maximum day and maximum hour demands. The maximum day demand is the maximum amount of water used in a single day in a year. The maximum hour (Max Hour) demand is the maximum usage in an hour on the maximum usage day (Max Day). Various facilities are designed to meet customer peaking needs. For example, reservoirs are designed to meet Max Day requirements and have to be designed larger than they would be if the same amount of water were being used at a constant rate throughout the year. The cost associated with constructing a reservoir is based on system-wide peaking factors. For example, if the Max Day factor is 2.0, then certain system facilities must be designed larger than what would be required if the system only needed to accommodate average daily demand. In this case, half of the cost would be allocated to Base (or average day demand) and the other half allocated to Max Day. The calculation of the Max Hour and Max Day demands is explained below.

Allocating costs into these components allows us to distribute these cost components to the various customer classes based on their respective base, extra capacity, and customer requirements for service.

To allocate costs to delivery and peaking cost components, system peaking factors are used. The base demand is assigned a value of 1.0 signifying no peaking demands. The Max Day and Max Hour factors shown in Table 5-4 were based on the District's Waster Master Plan Update. A max day peaking factor of 2.0 means that the system delivers approximately 2.0 times the average daily demand during a peak day.

Table 5-4: System-Wide Peaking Factors

	Factor	Base	Max Day	Max Hour
Base	1.00	100%	0%	0%
Max Day	2.00	50%	50%	0%
Max Hour	2.40	42%	42%	17%

Specific Allocation

The Specific Allocation expenses consist of five functionalized categories: Utilities – Power, Contributions to JPA, Purchased Water – Fixed Cost, Purchased Water – Variable Cost, and Transfers to DERWA. Table 5-5 details the breakdown of these specific allocation costs. The resulting Specific Allocation (%) will be used to allocate the Specific Allocation Requirement, including any revenue offsets or adjustments, from the revenue requirements (Table 5-1). The Purchased Water costs were each allocated 100% to the Zone 7 Variable cost component as the District recovers these costs through a commodity rate only. The Contributions to JPA and Transfers to DEWRA costs were allocated 100% to the Recycled Water cost component as these costs are directly related to the cost of providing recycled water. To ensure the pumping/power component of the proposed rate structure only reflects the energy costs incurred to pump water to elevated areas in the District, Raftelis specifically allocated pumping/power costs. This prevents the pumping/power component from being impacted by revenue adjustments, revenue offsets, or mid-year adjustments.

Table 5-5: Specific Allocation

Functionalized Expenses	Cost Components			Total
	Zone 7	Recycled Water	Pumping	
% Allocation				
Utilities – Power			100%	100%
Contributions to JPA		100%		100%
Purchased Water – Fixed Cost	100%			
Purchased Water – Variable Cost	100%			
Transfer to DERWA Replacement		100%		100%
\$ Allocation				
Utilities – Power			\$776,311	\$776,311
Contributions to JPA		\$2,170,731		\$2,170,731
Purchased Water – Fixed Cost	\$5,898,775			
Purchased Water – Variable Cost	\$8,763,325			
Transfer to DERWA Replacement		\$1,094,688		\$1,094,688
Total Specific Allocation	\$14,662,100	\$3,265,419	\$776,311	\$18,703,830
Specific Allocation (%)	78.4%	17.5%	4.2%	100%

O&M Allocation

The O&M expenses consist of three functionalized categories: Salaries and Benefits, Central Services, and Operations. Raftelis reviewed the budget details related to the Operating Expenses to determine the most appropriate method for allocating the functional costs to cost causation components. Table 5-6 summarizes the

percent allocations for the District O&M Expenses, the costs (prior to offsets and adjustments) allocated to the cost components, and the resulting O&M Allocation (%). The O&M Allocation (%) will be used to allocate the Operating Requirement, including any revenue offsets or adjustments, from the revenue requirements (Table 5-1). Table 5-6 allocates the O&M expenses to each cost causation component. The estimated portion of Salaries and Benefits, Central Services, and Operations costs related to customer service and billing were allocated to the Customer Service cost component¹⁷. The remaining costs for Salaries and Benefits and Central Services were allocated to the Meter Capacity component and a portion was also allocated to the Base component based on discussion with District staff. The remaining costs for Operations were allocated based on Max Hour since the system was designed to meet max hour requirements¹⁸.

Table 5-6: O&M Allocation

Functionalized Expenses	Cost Components					Total
	Customer Service	Meter Capacity	Base	Max Day	Max Hour	
% Allocation						
Salaries and Benefits	14%	74%	13%			100%
Central Services	15%	74%	11%			100%
Operations	5%		39%	39%	16%	100%
\$ Allocation						
Salaries and Benefits	\$867,190	\$4,594,053	\$789,169			\$6,250,413
Central Services	\$356,309	\$1,698,336	\$256,017			\$2,310,661
Operations	\$170,590		\$1,262,198	\$1,262,198	\$504,879	\$3,199,864
Total O&M Expense	\$1,394,088	\$6,292,389	\$2,307,383	\$1,262,198	\$504,879	\$11,760,938
O&M Allocation (%)	11.9%	53.5%	19.6%	10.7%	4.3%	100%

Capital Allocation

Table 5-7 summarizes the percent allocation for the capital assets, the replacement cost less depreciation of the asset values by asset category as provided within the District’s detailed asset listing, allocated to the cost causation components, and the resulting total Capital Allocation (%). The Capital Allocation (%) will be used to allocate the Capital Requirement, including any revenue offsets or adjustments, from the revenue requirements (Table 5-1).

¹⁷ Estimates of costs associated with Customer Service were provided by the District.

¹⁸ The Base, Max Day, and Max Hour %’s shown for the Operations expense line item are different then what was shown in Table 5-4 because they first were reduced by the amount related to customer service. For example, Base % was determined by multiplying the remaining allocation (100%-5%=90%) by the Base % from Table 5-4 of 42% (90% x 42% = 39%)

Table 5-7: Capital Allocation

Capital Assets	Cost Components				Total
	Meter Capacity	Base	Max Day	Max Hour	
% Allocation					
Distribution	13%	36%	36%	15%	100%
Mains	13%	44%	44%		100%
Reservoirs		50%	50%		100%
Pump Stations		42%	42%	17%	100%
Admin	100%				100%
\$ Allocation					
Distribution	\$2,068,315	\$5,808,285	\$5,808,285	\$2,323,314	\$16,008,200
Mains	\$63,163,124	\$212,851,168	\$212,851,168		\$488,865,460
Reservoirs		\$4,910,562	\$4,910,562		\$9,821,125
Pump Stations		\$8,468,853	\$8,468,853	\$3,387,541	\$20,325,247
Admin	\$6,823,019				\$6,823,019
Total Capital Assets	\$72,054,459	\$232,038,868	\$232,038,868	\$5,710,855	\$541,843,051
Capital Allocation (%)	13.3%	42.8%	42.8%	1.1%	100%

The next step is to use the allocation percentages developed in the preceding section to allocate the Test Year revenue requirements to cost components. The Revenue Requirements (Table 5-1) were allocated to cost components as summarized in Table 5-8. Specific revenue requirements were allocated based on the Specific Allocation percent from Table 5-5. Operating revenue requirements were allocated based on the O&M Allocation percent from Table 5-6 and Capital revenue requirements were allocated based on the Capital Allocation percent from Table 5-7. The Zone 7 and Recycled Water cost components each have specific revenue offsets related to the revenues from contract customers, Limited Access and Alameda County Recycled Water, respectively. The detail on how these revenue offsets were calculated can be found in Appendix A – Exhibit A-4.

Table 5-8: Cost of Service Requirements

Revenue Requirement	Fixed (20%)		Variable (80%)					Total	
	Customer Service	Meter Capacity	Zone 7	Recycled Water	Base	Max Day	Max Hour		Pumping
Specific Allocation			\$14,662,100	\$3,265,419				\$776,311	\$18,703,830
Specific Revenue Offset			(\$330,193)	(\$53,645)					(\$388,838)
Operating	\$1,050,170	\$4,740,073		\$0	\$1,738,158	\$950,817	\$380,327		\$8,859,544
Capital		\$674,856		\$0	\$2,173,257	\$2,173,257	\$53,487		\$5,074,856
Cost of Service Requirement	\$1,050,170	\$5,414,929	\$14,331,907	\$3,211,774	\$3,911,414	\$3,124,073	\$433,814	\$776,311	\$32,254,393

Before we can allocate the net revenue requirements from Table 5-8 to customer class we first need to define the rate structure. Therefore, Step 4 will be discussed in Section 5.4.6.

5.4. RATE DESIGN

A key component of the Study includes evaluating the current rate structures and determining the most appropriate structures to model moving forward. In this step, we have some flexibility as Proposition 218 does not specify the type of rate structure so long as the rates are based on the cost of service (as developed in the preceding section).

The District's main rate objectives include implementing rates that are easy to understand, easy to implement, and equitable. A uniform rate structure meets the requirements of Proposition 218 and the District's rate objectives. Raftelis has revised the existing rate structure to include a bi-monthly fixed charge that varies by meter size, uniform commodity rates based on customer class and usage, and a pumping/power charge per unit of usage. In addition, the District wants to continue the automatic pass-through provision to mitigate the risks of increased purchased water costs from Zone 7.

The following subsections discuss the proposed rate structures and customer classes for the water utility. Similar to the District's current rate structure, the proposed rates will include a Bi-monthly Service Charge, Zone 7 variable rate with an automatic pass-through provision, District variable usage charge for potable and recycled water, and a pumping rate for customers in elevations that require additional pumping.

5.4.1. Residential Water Rate Structure

Single-Family Residential customers are currently charged a volumetric use charge on an inclining 3-tier rate structure, where price per unit increases with each tier. Raftelis recommends moving to a uniform rate structure for all residential customers. The proposed rate structure provides a straight-forward connection between the one available water supply (purchased water from Zone 7) and the cost per unit of water. As part of the water rate design restructuring, the net amount of available potable water is apportioned evenly to all potable water accounts.

5.4.2. Non-Residential Water Rate Structure

Raftelis recommends moving from a seasonal rate structure to a uniform rate for Non-Residential (Commercial, Institutional, Industrial) accounts. Although implementing uniform rates is recommended, it is important to note that the customer class is still paying its proportionate share of the costs of providing the service based on the demand and burdens the class places on the system and is not being subsidized by another customer class. A uniform rate provides the most appropriate and equitable rate structure between accounts within this customer class.

5.4.3. Potable Irrigation Water Rate Structure

Raftelis recommends maintaining a Potable Irrigation uniform rate

5.4.4. Recycled Water Rate Structure

Similar to Potable Irrigation, Raftelis recommends maintaining a Recycled uniform rate structure.

5.4.5. Usage Under Proposed Rate Structure

The proposed rate structure eliminates Tier 2 and Tier 3 for Single-Family Residential customers. For example, an SFR customer using 20 units under the current structure would be billed 10 units at the Tier 1 rate and 10 units at the Tier 2 rate. Under the proposed structure, the same customer using 20 units would be billed entirely at one rate. Table 5-9 shows the proposed tier structure, current usage by customer class, and projected usage by customer class under the new structure.

Table 5-9: Usage by Customer Class

Customer Class	Current Tier Structure	FYE 2020 Projected Tiered Usage (ccf)	Proposed Tier Structure	Projected Usage (ccf)
Single Family Residential				
Tier 1	0-10 ccf	1,233,697	Uniform	2,545,009
Tier 2	>10-34 ccf	1,090,574		N/A
Tier 3	>34 ccf	220,739		N/A
Non-Residential	Uniform	1,120,491	Uniform	1,120,491
Potable Irrigation	Uniform	463,070	Uniform	463,070
Subtotal Potable Water		4,128,570		4,128,570
Recycled Water	Uniform	1,184,092	Uniform	1,184,092
Total		5,312,661		5,312,661

5.4.6. Step 4 – Distribute Cost Components to Customer Classes

To allocate costs to different customer classes, unit costs of service need to be developed for each cost causation component. The unit costs of service are developed by dividing the total annual costs allocated to each parameter by the total annual service units of the respective component. The annual units of service for each cost component from Table 5-8 are derived below and have been rounded up to the nearest whole penny.

Customer Service Component

These costs are incurred at the same level regardless of the type of land use or the total amount of water that the utility delivers, therefore, the Customer Service component is based on the number of bills and does not fluctuate with increases in meter size. The number of bills can be determined by multiplying the number of accounts, 23,587 (23,148 Potable + 439 Recycled), times the number of billing periods, six (6), in a year. The total Customer Service revenue requirement from Table 5-8 of \$1,050,170 is divided by the number of bills to determine the unit cost of service shown in Table 5-10.

Table 5-10: Customer Service Component – Unit Rate

Customer Service Component	
Customer Service Revenue Requirements	\$1,050,170
÷ # of Bills (23,587 x 6)	141,520
Monthly Unit Rate	\$7.43

Meter Capacity Component

The Meter Capacity Component includes costs related to maintenance, capital costs, and a portion of the peaking costs. Raftelis allocated these cost components based on meter size. In order to create parity across the various meter sizes, each meter size is assigned a factor relative to a 5/8” meter, which is given a value of one (1). Larger meters have the potential to demand more capacity, or said differently, exert more peaking characteristics compared to smaller meters. The potential capacity demand (peaking) is proportional to the potential flow through each meter size. For the purposes of this study, the safe maximum operating capacity by meter type, as identified in the AWWA M1 Manual, 6th Edition, Table B-2, was used as a basis for calculating the equivalent meter ratio for both Potable and Recycled meters. As shown in Table 5-11, the safe maximum operating capacity for each meter was divided by the base meters safe operating capacity (20 gpm) to determine the equivalent meter ratio. The ratios represent the potential flow through each meter size compared to the flow through a 5/8” meter. Multiplying the number of meters by the AWWA Ratio results in the Equivalent Meter Units (EMUs).

Table 5-11: Equivalent Meter Units

Meter Size	AWWA Capacity (gpm) [A]	Capacity Ratio [B] (A ÷ 20)	Number of Accounts [C]	Equivalent Meter Units [D] (B x C)	Annual EMU [E] (D x 6)
5/8"	20	1.00	21,889	21,888	131,328
3/4"	30	1.50	119	178	1,068
1"	50	2.50	413	1,032	6,192
1-1/2"	100	5.00	588	2,940	17,640
2"	160	8.00	483	3,864	23,184
3"	435	21.75	79	1,717	10,302
4"	750	37.50	11	412	2,472
6"	1600	80.00	3	240	1,440
8"	2800	140.00	2	280	1,680
10"	4200	210.00	0	0	0
Total			23,587	32,551	195,306

Based on these ratios and taking into consideration the number of billing periods, the total annual equivalent meters equals 195,306 (see Table 5-11). Table 5-12 shows the Meter Capacity costs from Table 5-8 allocated over the total annual equivalent meters.

Table 5-12: Meter Capacity Component – Unit Rate

Meter Capacity Component	
Meter Capacity Revenue Requirements	\$5,414,929
÷ # of Bills (23,587 x 6)	195,306
Monthly Unit Rate	\$27.73

Zone 7 Variable Supply Component

The District recovers all Zone 7 purchased water costs (as shown in Table 5-5) through a variable rate from its potable water customers; therefore, the Zone 7 Supply cost is based on the total units of potable water sold (see Table 5-9) irrespective of customer class. Recycled water usage of 1,184,092 ccf was not included because recycled water usage does not contribute to the purchased water from Zone 7. Table 5-13 shows the Zone 7 costs from Table 5-8 allocated over the total projected units of potable water to determine the Zone 7 rate.

Table 5-13: Zone 7 Variable Component – Unit Rate

Zone 7 Variable Component	
Zone 7 Variable Revenue Requirements	\$14,331,907
÷ Total Projected Potable Water Sales (ccf)	4,128,570
Unit Rate (per ccf)	\$3.48

Recycled Water Component

The District partners with EBMUD and the City of Pleasanton to produce and distribute recycled water through the DERWA JPA. Since these costs are incurred specifically for the recycled customers, the costs have been allocated to only the recycled customers. In addition, the District plans to fund recycled capital investments of approximately \$1.1 million each year. Table 5-14 summarizes the determination of the unit rate for the Recycled Water Component.

Table 5-14: Recycled Water Component – Unit Rate

Recycled Water Component	
Recycled Water Revenue Requirements	\$3,211,774
÷ Total Projected Recycled Water Sales (ccf)	1,184,092
Unit Rate (per ccf)	\$2.72

Base/Delivery Component

Delivery costs are those operating and capital costs of the water system associated with delivering water to all customers at a constant average rate of use. Therefore, delivery costs are spread over all units of water, irrespective of customer class or tiers, to calculate a uniform rate. Table 5-15 summarizes the determination of the unit rate for the Base/Delivery Component.

Table 5-15: Base/Delivery Component – Unit Rate

Base/Delivery Component	
Base/Delivery Revenue Requirements	\$3,911,414
÷ All Water Sales (ccf)	5,312,661
Unit Rate (per ccf)	\$0.74

Peaking Component

Extra capacity or peaking costs represent those costs incurred to meet customer peak demands for water in excess of baseline usage. Total extra capacity costs are apportioned between maximum day and maximum hour demands based on the type of expense. The maximum day demand is the maximum amount of water used in a single day in a year. The maximum hour demand is the maximum usage in an hour on the maximum usage day. Different facilities are designed to meet different peaking characteristics. Therefore, extra capacity costs have been apportioned between base, maximum day, and maximum hour. Costs allocated to base are part of the delivery costs as defined above. The Peaking Revenue Requirements, \$3,557,887, was determined by adding the Max Day Requirements of \$3,124,073 and the Max Hour Requirements of \$433,814.

Costs associated with peaking are apportioned to each defined customer class based on its total demand (total water used, weighted by a peaking factor). Peaking was calculated for two customer classes with similar peaking demands: Potable Domestic and Dedicated Irrigation. The Potable Domestic customer class includes SFR and Non-Residential customers, and the Dedicated Irrigation customer class includes Potable Irrigation and Recycled Water customers. Peaking for these two customer classes is based on District consumption data, which ensures that accounts within each customer class will only recover the costs allocated to their respective customer class in proportion to the cost of providing service.

Table 5-16 provides the peak factor for each customer class by taking the max month usage compared to the average month usage. Table 5-17 shows the peaking costs allocated to each customer class as well as the derivation of the unit rate. The peaking cost allocated to each customer class is derived by weighting the peaking factor based on the total amount of water usage (Table 5-9) that is generating the peaking factor (product of Usage and Peaking Factor). The result is the weighted peaking factor and peak costs are apportioned based on the percentage of peak (Table 5-17).

Table 5-16: Customer Class Peaking Factors

Customer Class	Max Month Usage [A]	Average Month Usage [B]	Peaking Factor [A ÷ B]
Potable Domestic	686,919	558,713	1.23
Dedicated Irrigation	536,166	266,825	2.01

Table 5-17: Peaking Costs Allocated to Classes

Customer Class	Projected Usage (ccf) [A]	Peaking Factor [B]	Weighted Peaking Factor (A x B) = [C]	% Allocation (C ÷ 7,816,470) [D]	Revenue Requirements (\$3,557,887 x D) [E]	Unit Rate (E ÷ A) = [F]
Single Family Residential	2,545,009	1.23	3,129,005	40.0%	\$1,424,255	\$0.56
Non-Residential	1,120,491	1.23	1,377,607	17.6%	\$627,057	\$0.56
Potable Irrigation	463,070	2.01	930,507	11.9%	\$423,547	\$0.92
Recycled Water	1,184,092	2.01	2,379,350	30.4%	\$1,083,028	\$0.92
Total	5,312,661		7,816,470	100.0%	\$3,557,887	

Pumping Component

The pumping component recovers energy costs associated with pumping water to certain customers within the District. Therefore, pumping costs are spread equally over all units of water that are pumped to elevated areas. The pumping revenue requirement of \$776,311 from Table 5-8 is divided by the projected water pumped to elevated areas, 3,011,167 ccf, to determine the unit cost of service shown in Table 5-18.

Table 5-18: Pumping Component – Unit Rate

Base/Delivery Component	
Base/Delivery Revenue Requirements	\$776,311
÷ Total Projected Potable Water Sales (ccf)	3,011,167
Unit Rate (per ccf)	\$0.26

5.5. PROPOSED WATER RATES

5.5.1. Fixed Charges

Currently, the District’s fixed bi-monthly water charges generate approximately 23% of total rate revenues. The new rate structure will recover approximately 20% of rate revenues on the fixed bi-monthly charges. Table 5-19 summarizes the Bi-monthly Service Charges by meter size based on the unit rates developed in the Rate Design section. The Bi-monthly Service Charges apply to both potable and recycled customers/accounts.

Table 5-19: FYE 2020 Proposed Bi-Monthly Meter Service Charge (\$/Meter)

Meter Size	Capacity Ratio	Customer Service [A]	Meter Capacity [B]	FYE 2020 Proposed Service Charge (A + B) = [C]
5/8"	1.00	\$7.43	\$27.73	\$35.16
3/4"	1.50	\$7.43	\$41.60	\$49.03
1"	2.50	\$7.43	\$69.33	\$76.76
1-1/2"	5.00	\$7.43	\$138.65	\$146.08
2"	8.00	\$7.43	\$221.84	\$229.27
3"	21.75	\$7.43	\$603.13	\$610.56
4"	37.5	\$7.43	\$1,039.88	\$1,047.31
6"	80.00	\$7.43	\$2,218.40	\$2,225.83
8"	140.00	\$7.43	\$3,882.20	\$3,889.63
10"	210.00	\$7.43	\$5,823.30	\$5,830.73

As shown in the table above, the Customer Service Components do not vary based on meter size whereas Meter Capacity increase as the size of the meter increases. The Meter Capacity rate is determined by multiplying the unit costs of \$27.47 (Table 5-12) by the appropriate capacity ratios.

5.5.2. Variable Rates

The components of the variable rate are added together to produce rates for each customer class. Table 5-20 shows each component rate and the final proposed FYE 2020 commodity rates. The Zone 7 commodity rate and the Recycled Water commodity rate for the Study Period were based on the unit rates developed in the Rate Design section (Table 5-13 and Table 5-14). Rate adjustments beginning FYE 2021 will be based on CPI adjustments. Any increases in the purchased water costs above what was projected in this study will be passed along to customers at the time of the increase and will be in addition to the Zone 7 Rate shown in Table 5-20. The Zone 7 component only applies to potable water customers and the Recycled Water component only applies to recycled water customers. The proposed pumping/power charge rate is applicable only to customers in elevated areas.

Table 5-20: FYE 2020 Proposed Bi-Monthly Commodity Rates (\$/ccf)

Customer Class	Zone 7 Component	Recycled Water Component	Base Component	Peaking Component	Proposed FYE 2020 Commodity Rates
Single Family Residential	\$3.48		\$0.74	\$0.56	\$4.78
Non-Residential	\$3.48		\$0.74	\$0.56	\$4.78
Potable Irrigation	\$3.48		\$0.74	\$0.92	\$5.14
Recycled Water		\$2.72	\$0.74	\$0.92	\$4.38
Pumping Zone					\$0.26

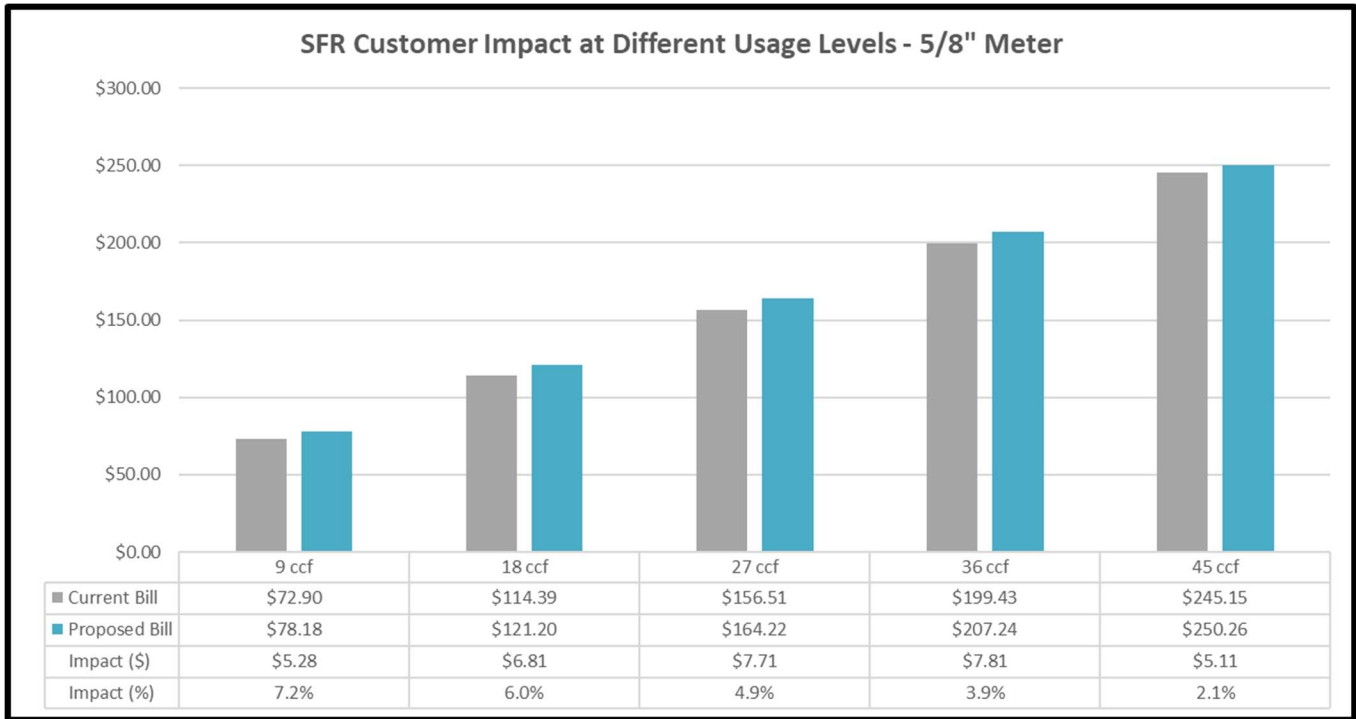
6. Customer Impacts

The following figures provide sample impacts to customers at various levels of usage. The grey bars represent the projected bills at current rates and the blue bars represent projected bills at proposed 2020 rates.

6.1. SINGLE-FAMILY RESIDENTIAL BILL IMPACTS

Figure 6-1 reflects the single-family residential (SFR) bill impacts at various usage levels for customers with a 5/8” meter not located within a pumping zone

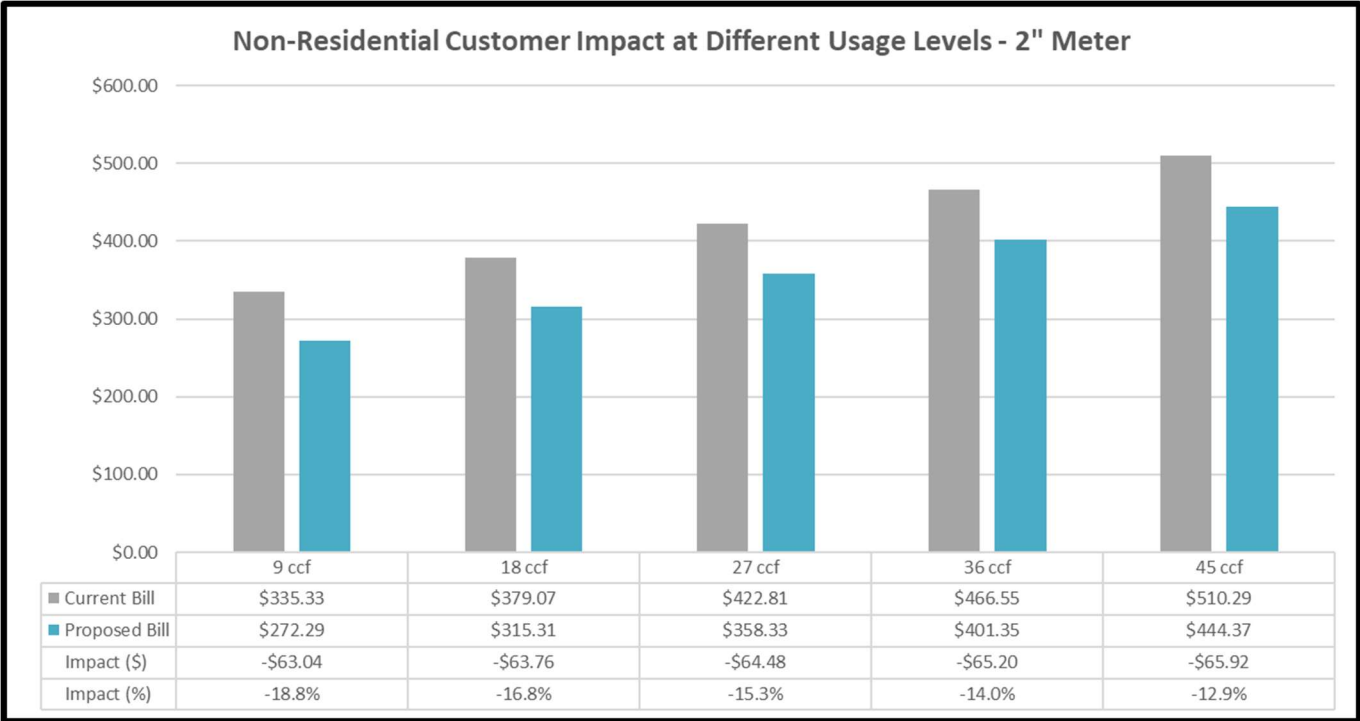
Figure 6-1: SFR Bill Impact



6.2. NON-RESIDENTIAL BILL IMPACTS

Figure 6-2 reflects the Non-Residential impacts at various usage levels for customers with a 2” meter not located within a pumping zone. The impact chart compares the former Summer commodity rate to the proposed FYE 2020 commodity rate.

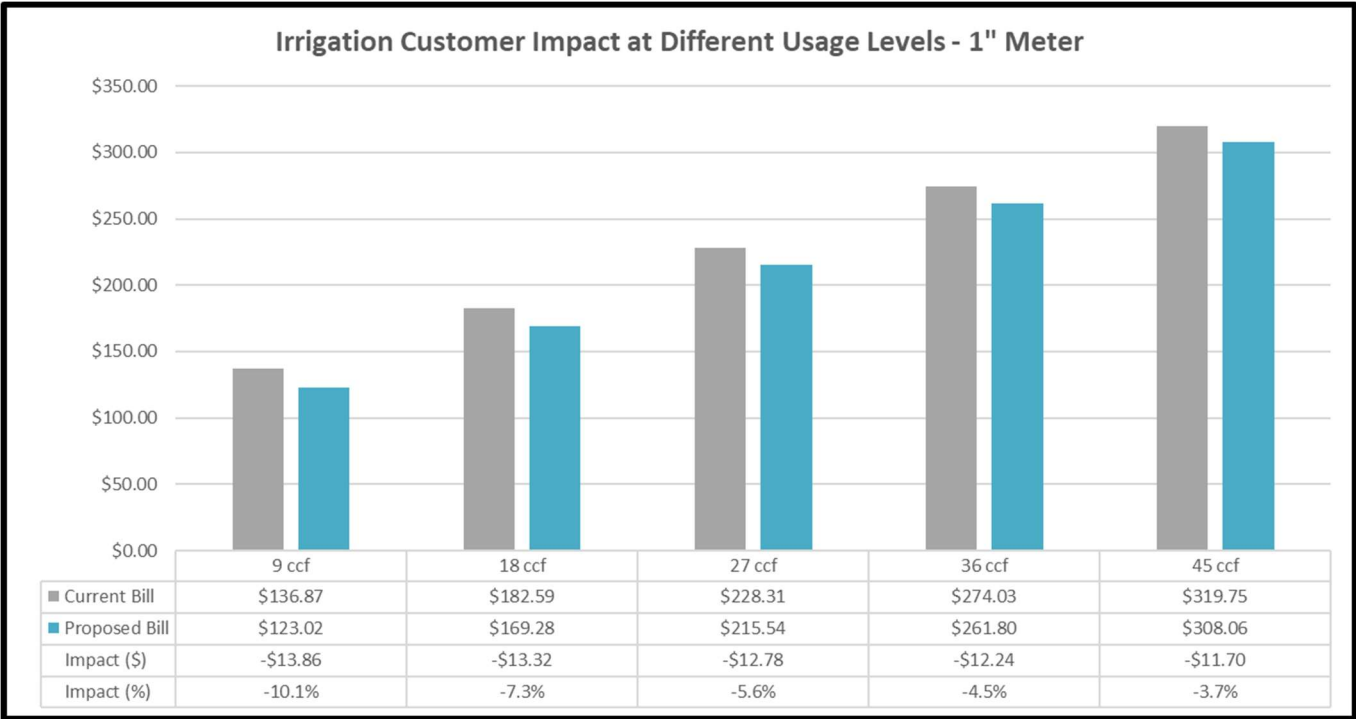
Figure 6-2: Non-Residential Bill Impact



6.3. POTABLE IRRIGATION BILL IMPACTS

Figure 6-3 reflects the potable irrigation impacts at various usage levels for customers with a 1” meter not located within a pumping zone.

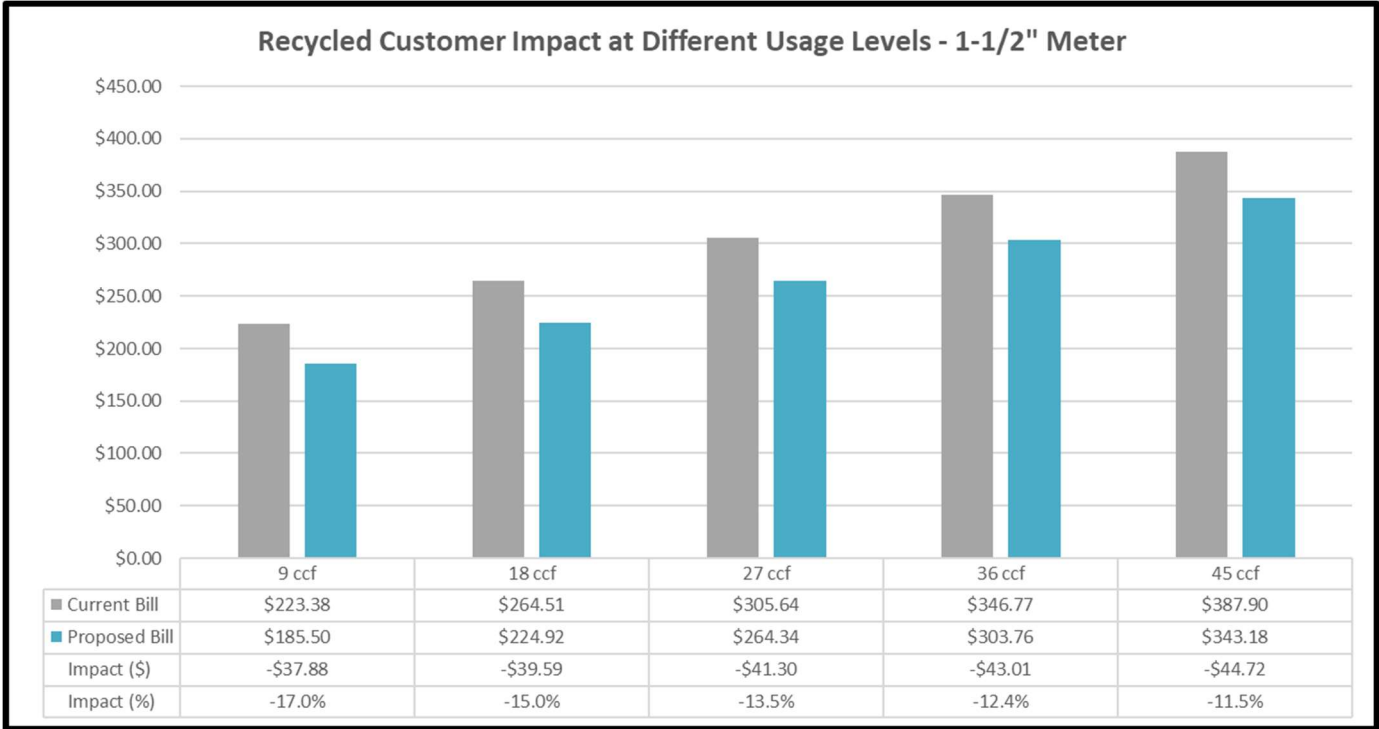
Figure 6-3: Irrigation Bill Impact



6.4. RECYCLED WATER BILL IMPACTS

Figure 6-4 reflects the recycled water impacts at various usage levels for customers with a 1 1/2” meter not located within a pumping zone.

Figure 6-4: Recycled Bill Impact



7. Water Shortage Condition Rates

Water supply shortages and periods of reduced consumption can have significant impacts on an agency’s financial stability, staffing, and planning. Depending upon water supply, fixed and variable costs, and other revenue sources, water sales reductions can have a major effect on a water service provider.

In periods of reduced demand, less water is purchased, however, the District still incurs fixed purchased water costs, nearly all the District’s O&M costs, as well as routine capital and debt service costs. These costs which represent approximately 89% of the District’s costs are unavoidable. This means that the District is sensitive to reductions in water sales with significant effects on rate revenues. Proactively adopting temporary shortage rates is part of a cohesive and fiscally sound plan to respond to local water shortages, drought, water supply interruptions from natural disasters, or other emergencies. Temporary rates are a mechanism to maintain revenue stability in the short term. The remainder of this section details the assumptions and calculations used to develop the proposed shortage rates.

7.1. SHORTAGE CONDITION RATE CALCULATIONS

Raftelis utilized the District’s existing shortage (usage reduction goals) for each of the 4 shortage stages. Table 7-1 shows the projected usage by customer class.

Table 7-1: Projected Shortage Usage (ccf)

Customer Class	Normal Conditions	Stage 1	Stage 2	Stage 3	Stage 4
Target Reduction Goal	0%	10%	20%	35%	50%
Single Family Residential	2,545,009 ccf	2,290,508 ccf	2,036,007 ccf	1,654,256 ccf	1,272,504 ccf
Commercial	1,120,491 ccf	1,008,442 ccf	896,393 ccf	728,319 ccf	560,246 ccf
Potable Irrigation	463,070 ccf	416,763 ccf	370,456 ccf	300,996 ccf	231,535 ccf
Pumping	3,011,167 ccf	2,710,050 ccf	2,408,933 ccf	1,957,258 ccf	1,505,583 ccf

The FYE 2020 projected commodity revenues by customer class represent the revenue requirements (amount to be recovered at each stage). The FYE 2020 commodity revenues was calculated by multiplying the proposed rates by the projected usage under normal conditions. In order to determine the shortage condition rates, the FYE 2020 revenue requirement by class was divided by the projected usage from Table 7-1. The proposed shortage rates are shown in Table 7-2.

Table 7-2: FYE 2020 Proposed Shortage Commodity Rates (\$/ccf)

Customer Class	Revenue Requirements	Normal Conditions	Stage 1	Stage 2	Stage 3	Stage 4
Target Reduction Goal		0%	10%	20%	35%	50%
Single Family Residential	\$3,308,511	\$1.30	\$1.45	\$1.63	\$2.00	\$2.60
Commercial	\$1,456,638	\$1.30	\$1.45	\$1.63	\$2.00	\$2.60
Potable Irrigation	\$768,697	\$1.66	\$1.85	\$2.08	\$2.56	\$3.32
Pumping	\$782,903	\$0.26	\$0.29	\$0.33	\$0.40	\$0.52

Appendix A

Exhibit A-1 – Detailed Capital Improvement Plan

Scenario 1 - Base CIP

Source: CIP Board-Adopted Budget-Water Replacement Fund 610.pdf

Water Replacement - Fund 610	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
General											
Board Meeting Audio/Video Improvements	\$11,250	\$33,750	\$65,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporation Yard and Administrative Facilities	\$137,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Office Improvements	\$18,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Pavement Rehabilitation	\$256,000	\$200,000	\$160,000	\$32,000	\$160,000	\$0	\$160,000	\$0	\$0	\$0	\$0
Wide Area Network Communications Phase 2	\$110,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Field Operations Facility Security Systems Improvements	\$27,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Street Overlay Modification PROGRAM	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Fleet Replacement PROGRAM	\$0	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Facilities Asset Replacement PROGRAM	\$0	\$0	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600	\$137,600
Computing Infrastructure Replacement	\$0	\$0	\$0	\$0	\$60,800	\$45,600	\$0	\$0	\$0	\$0	\$0
Network Infrastructure and Security	\$0	\$0	\$0	\$0	\$0	\$0	\$95,000	\$95,000	\$0	\$190,000	\$0
Electric Vehicle Charging Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38,000	\$0
Resource Recovery Facilities											
WWTP Industrial Control Network Security Essentials	\$92,500	\$37,000	\$18,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Management PROGRAM	\$18,750	\$18,750	\$62,500	\$62,500	\$87,500	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater Collection											
Facilities Relocation for Dublin Blvd Widening - Sierra Court to Dublin C	\$92,219	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water System											
Water and Recycled Water SCADA Improvements	\$1,470,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dougherty Road Utilities	\$61,385	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Distribution System Water Quality Improvements	\$359,419	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Facilities Security Project - Phase 2	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potable Water Supply Reliability Planning	\$214,903	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potable Water Pump Station Standby Generators / Emergency Respons	\$375,000	\$2,665,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reservoir 2 Recoating	\$490,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Improvements to Increase Water Supply PROGRAM - Phase 2	\$750,000	\$3,000,000	\$2,250,000	\$7,500,000	\$7,500,000	\$9,000,000	\$0	\$0	\$0	\$0	\$0
Water System Replacement and Rehabilitation PROGRAM	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Reservoir 1B Recoating	\$0	\$430,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Lines Replacement - Wineberry Area	\$0	\$2,207,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MCC Improvements - PS1A and PS3A	\$0	\$79,350	\$188,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electrical Service to Reservoirs 10A and 200B	\$0	\$0	\$545,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Main - Seville Ave to 12th St	\$0	\$0	\$444,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Lines Replacement - Tamarack Drive - Village Pkway to Firethorr	\$0	\$0	\$1,101,780	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Lines Replacement - Canterbury Lane and Cardigan Street	\$0	\$0	\$1,190,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Line Replacement Phase 2 - Canterbury Lane	\$0	\$0	\$1,208,770	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA Field Wireless	\$0	\$0	\$19,610	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Improvement to Increase Water Supply PROGRAM - Phase 1	\$0	\$0	\$330,000	\$330,000	\$330,000	\$176,220	\$0	\$0	\$0	\$0	\$0
Camp Parks Water Main - Mitchell Drive, Powell to 8th Streets	\$0	\$0	\$0	\$170,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Camp Parks Cromwell Avenue and 12th Street Main Replacement	\$0	\$0	\$0	\$513,610	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reservoir 20A Recoating	\$0	\$0	\$0	\$0	\$0	\$1,350,000	\$0	\$0	\$0	\$0	\$0
Water Line Replacement - Ironwood Drive	\$0	\$0	\$0	\$0	\$0	\$0	\$1,210,260	\$0	\$0	\$0	\$0
Microfiltration Rack and Membrane Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$997,500	\$0	\$0
Reservoir Recoating PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000
Camp Parks Water Mains - Loring Street and Monroe Avenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$355,100	\$0
Total Water Replacement - Fund 610	\$4,909,926	\$9,051,550	\$8,252,310	\$9,276,610	\$8,805,900	\$11,239,420	\$2,132,860	\$762,600	\$2,165,100	\$1,750,700	\$1,167,600

Exhibit A-2 – Detailed Financial Plan

Rate Revenue + Adjustments		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Rate Revenue											
<i>All Rate Revenues except Pass-Through</i>		\$17,886,970	\$18,055,137	\$18,309,446	\$18,519,527	\$18,835,227	\$18,952,062	\$19,046,580	\$19,145,162	\$19,263,779	\$19,383,407
Additional Revenue Required:											
Fiscal Year	Revenue Adjustment	Effective Month									
FYE 2020	0.0%	July	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FYE 2021	3.0%	January		\$270,827	\$549,283	\$555,586	\$565,057	\$568,562	\$571,397	\$574,355	\$577,913
FYE 2022	3.0%	January			\$282,881	\$572,253	\$582,009	\$585,619	\$588,539	\$591,585	\$595,251
FYE 2023	3.0%	January				\$294,710	\$599,469	\$603,187	\$606,196	\$609,333	\$613,108
FYE 2024	3.0%	January					\$308,726	\$621,283	\$624,381	\$627,613	\$631,502
FYE 2025	3.0%	January						\$319,961	\$643,113	\$646,441	\$650,447
FYE 2026	3.0%	January							\$331,203	\$665,835	\$669,960
FYE 2027	3.0%	January								\$342,905	\$690,059
FYE 2028	3.0%	January									\$715,174
FYE 2029	3.0%	January									\$368,315
Total Additional Revenue			\$0	\$270,827	\$832,164	\$1,422,550	\$2,055,260	\$2,698,611	\$3,364,830	\$4,058,067	\$4,783,620
Revenue			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Rate Revenue + Adjustments			\$17,886,970	\$18,325,964	\$19,141,610	\$19,942,077	\$20,890,487	\$21,650,674	\$22,411,410	\$23,203,229	\$24,047,398
Zone 7 Revenues <i>(pass-through)</i>			\$14,367,423	\$14,697,427	\$15,191,068	\$15,656,073	\$16,392,444	\$16,599,719	\$16,761,994	\$16,899,722	\$17,075,633
Other Revenue											
Limited Access Revenue	<i>(contract rates)</i>		\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265	\$416,265
Alameda County Recycled Water Revenue	<i>(contract rates)</i>		\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548	\$78,548
Fire Protection			\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850	\$231,850
Plan Check / Inspection Fees			\$343	\$350	\$357	\$364	\$371	\$378	\$386	\$394	\$410
Interest			\$107,238	\$81,505	\$61,158	\$43,437	\$30,169	\$24,162	\$24,644	\$26,827	\$28,942
Fees			\$10,695	\$10,909	\$11,128	\$11,350	\$11,577	\$11,809	\$12,045	\$12,286	\$12,531
Miscellaneous Revenue			\$376,332	\$383,859	\$391,536	\$399,367	\$407,354	\$415,501	\$423,811	\$432,287	\$440,933
Total Other Revenue			\$1,221,271	\$1,203,286	\$1,190,841	\$1,181,181	\$1,176,134	\$1,178,513	\$1,187,549	\$1,198,457	\$1,209,471
Total Revenue			\$33,475,664	\$34,226,677	\$35,523,519	\$36,779,331	\$38,459,066	\$39,428,906	\$40,360,953	\$41,301,409	\$42,332,503
Expenditures			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Operating Expenditures											
Utilities			\$776,311	\$833,429	\$903,846	\$977,471	\$1,073,621	\$1,141,275	\$1,209,825	\$1,280,552	\$1,358,307
Purchased Water - Fixed Cost	<i>(pass-through)</i>		\$5,898,775	\$6,075,738	\$6,258,010	\$6,445,751	\$6,639,123	\$6,838,297	\$7,043,446	\$7,254,749	\$7,472,392
Purchased Water - Variable Cost	<i>(pass-through)</i>		\$8,763,325	\$8,975,209	\$9,292,160	\$9,590,725	\$10,063,525	\$10,196,610	\$10,300,801	\$10,389,232	\$10,502,179
Salaries and Benefits			\$6,250,413	\$6,471,026	\$6,699,914	\$6,937,405	\$7,183,846	\$7,439,596	\$7,705,031	\$7,980,540	\$8,266,533
Central Services			\$2,310,661	\$2,374,689	\$2,440,491	\$2,508,117	\$2,577,617	\$2,649,042	\$2,722,447	\$2,797,886	\$2,875,415
Operations			\$3,199,864	\$3,101,751	\$3,005,443	\$2,910,347	\$2,817,575	\$2,724,280	\$2,800,387	\$2,878,524	\$2,958,995
Recycled Water			\$2,170,731	\$2,230,882	\$2,292,699	\$2,356,230	\$2,421,521	\$2,488,621	\$2,557,580	\$2,628,450	\$2,701,284
Total Expenditures			\$29,370,079	\$30,062,724	\$30,892,564	\$31,726,046	\$32,776,827	\$33,477,720	\$34,339,516	\$35,209,934	\$36,135,105
Debt Service											
DSRSD 2017 Water Revenue Refunding Bonds			\$674,856	\$674,856	\$674,830	\$673,663	\$673,888	\$673,663	\$672,990	\$827,573	\$928,235
Total Debt Service			\$674,856	\$674,856	\$674,830	\$673,663	\$673,888	\$673,663	\$672,990	\$827,573	\$928,235
Total Expenses			\$30,044,936	\$30,737,581	\$31,567,394	\$32,399,709	\$33,450,715	\$34,151,383	\$35,012,506	\$36,037,507	\$37,063,341
Net Cashflow			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Net Cashflow (before transfers)			\$3,430,728	\$3,489,096	\$3,956,126	\$4,379,622	\$5,008,351	\$5,277,523	\$5,348,447	\$5,263,902	\$5,269,162
Transfers											
Transfers to/from Water Rate Stabilization 605											
Transfers to/from Water Replacement Fund 210			(\$4,400,000)	(\$4,400,000)	(\$4,400,000)	(\$4,400,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)
Transfers to/from DERWA Recycled Replacement Fund 610			(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)	(\$1,094,688)
Total Transfers			(\$5,494,688)	(\$5,494,688)	(\$5,494,688)	(\$5,494,688)	(\$5,094,688)	(\$5,094,688)	(\$5,094,688)	(\$5,094,688)	(\$5,094,688)
Net Cashflow (after transfers)			(\$2,063,960)	(\$2,005,592)	(\$1,538,562)	(\$1,115,066)	(\$86,337)	\$182,835	\$253,759	\$169,214	\$174,474

Detailed Financial Plan Continued

Water Enterprise Fund (600)			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Balance			\$9,182,522	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609	\$11,159,240	\$11,446,505	\$11,736,645	\$12,045,035
Net Cashflow		<i>(after direct transfers)</i>	(\$2,063,960)	(\$2,005,592)	(\$1,511,848)	(\$1,065,854)	(\$18,860)	\$264,332	\$339,692	\$255,678	\$261,275	\$377,205
Subtotal (before transfers)			\$7,118,562	\$7,784,434	\$8,509,061	\$9,231,668	\$10,556,489	\$11,189,941	\$11,498,932	\$11,702,183	\$11,997,920	\$12,365,549
Transfers (to)/from Rate Stabilization Fund (605)			\$2,671,464	\$2,236,474	\$1,788,461	\$1,343,681	\$369,120	(\$30,701)	(\$52,427)	\$34,462	\$47,115	\$0
Ending Balance			\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609	\$11,159,240	\$11,446,505	\$11,736,645	\$12,045,035	\$12,365,549
Operating Reserve Minimum	2	<i>months of operating expenses</i>	\$4,895,013	\$5,010,454	\$5,148,761	\$5,287,674	\$5,462,805	\$5,579,620	\$5,723,253	\$5,868,322	\$6,022,518	\$6,182,775
Operating Reserve Target	4	<i>months of operating expenses</i>	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609	\$11,159,240	\$11,446,505	\$11,736,645	\$12,045,035	\$12,365,549
Rate Stabilization Fund (605)			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Beginning Balance			\$16,920,166	\$15,094,345	\$13,730,956	\$12,810,978	\$12,335,900	\$12,840,222	\$13,753,945	\$14,709,062	\$15,601,381	\$16,505,854
Fund Revenues		<i>(from Revenue Tab)</i>	\$905,418	\$934,516	\$931,616	\$933,485	\$940,123	\$951,550	\$973,117	\$999,159	\$1,025,973	\$1,052,505
Fund Expenditures		<i>(from Expenditure Tab)</i>	(\$59,775)	(\$61,431)	(\$63,133)	(\$64,883)	(\$66,681)	(\$68,528)	(\$70,427)	(\$72,379)	(\$74,384)	(\$76,446)
Subtotal (before transfers)			\$17,765,809	\$15,967,429	\$14,599,439	\$13,679,581	\$13,209,342	\$13,723,243	\$14,656,635	\$15,635,842	\$16,552,969	\$17,538,604
Transfers (to)/from Water Enterprise Fund (600)			(\$2,671,464)	(\$2,236,474)	(\$1,788,461)	(\$1,343,681)	(\$369,120)	\$30,701	\$52,427	(\$34,462)	(\$47,115)	\$0
Ending Balance			\$15,094,345	\$13,730,956	\$12,810,978	\$12,335,900	\$12,840,222	\$13,753,945	\$14,709,062	\$15,601,381	\$16,505,854	\$17,538,604
Selected Target		Rate Stabilization Reserve Target	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609	\$11,159,240	\$11,446,505	\$11,736,645	\$12,045,035	\$12,365,549
Rate Stabilization Reserve Minimum	2	<i>months of operating expenses</i>	\$4,895,013	\$5,010,454	\$5,148,761	\$5,287,674	\$5,462,805	\$5,579,620	\$5,723,253	\$5,868,322	\$6,022,518	\$6,182,775
Rate Stabilization Reserve Target	4	<i>months of operating expenses</i>	\$9,790,026	\$10,020,908	\$10,297,521	\$10,575,349	\$10,925,609	\$11,159,240	\$11,446,505	\$11,736,645	\$12,045,035	\$12,365,549
Rate Stabilization Reserve Maximum	12	<i>months of operating expenses</i>	\$29,370,079	\$30,062,724	\$30,892,564	\$31,726,046	\$32,776,827	\$33,477,720	\$34,339,516	\$35,209,934	\$36,135,105	\$37,096,648

Exhibit A-3 – Detail of Rate Stabilization Fund Revenues & Expenses

Revenue Detail														
Summary Category	Revenue Description	Inflationary Factor	Include?	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	
Rate Stabilization Fund														
Fund 605 - Rate Stabilization	Miscellaneous Revenue	Non-Rate Revenues	Yes	\$105,725	\$107,840	\$109,996	\$112,196	\$114,440	\$116,729	\$119,064	\$121,445	\$123,874	\$126,351	
Fund 605 - Rate Stabilization	Property Taxes	Non-Rate Revenues	Yes	\$640,437	\$653,246	\$666,311	\$679,637	\$693,230	\$707,095	\$721,236	\$735,661	\$750,374	\$765,382	
Fund 605 - Rate Stabilization	Pooled Interest	Interest Income	Yes	\$159,256	\$173,430	\$182,024	\$190,865	\$199,930	\$209,224	\$218,751	\$228,517	\$238,526	\$248,784	
Fund 605 - Rate Stabilization	TIC Repayment (Transfer from Water Expansion)	Non-Inflated	Yes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
				\$905,418	\$934,516	\$958,331	\$982,698	\$1,007,600	\$1,033,047	\$1,059,051	\$1,085,623	\$1,112,774	\$1,140,517	
O&M Expense Detail														
Summary Category	Expenditure Description	Fixed/Variable	Inflationary Factor	Include?	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Rate Stabilization Fund														
Fund 605 - Rate Stabilization	Low Income Credit (UB)	Fixed	General	Yes	\$59,775	\$61,431	\$63,133	\$64,883	\$66,681	\$68,528	\$70,427	\$72,379	\$74,384	\$76,446
Fund 605 - Rate Stabilization	Transfers Out - RSF	Fixed	General	No	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund 605 - Rate Stabilization	Transfers Out - Other	Fixed	General	No	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Rate Stabilization Fund					\$59,775	\$61,431	\$63,133	\$64,883	\$66,681	\$68,528	\$70,427	\$72,379	\$74,384	\$76,446

Exhibit A-4 – Specific Revenue Offsets

Zone 7 Variable Revenue Offset

Customer	Zone 7 Usage (ccf) [A]	Zone 7 Rate [B]	Zone 7 Revenue (A x B = [C])
Limited Access	93,882	\$3.48	\$326,709
Fire Protection	1,001	\$3.48	\$3,483
Total	94,883		\$330,193*

*Total rounded to the nearest dollar.

Recycled Water Revenue Offset

Customer	Contribution to JPA [A]	Recycled Water Usage (ccf) [B]	Recycled Water Rate (\$/ccf) (A ÷ B = [C])
All Recycled Water Customers	\$2,170,731	1,214,061	\$1.79*

*Rounded to the nearest cent.

Customer	Recycled Water Usage (ccf) [A]	Recycled Water Rate [B]	Recycled Water Revenue (A x B = [C])
Alameda County Recycled Water	29,969	\$1.79	\$53,645*

*Total rounded to the nearest dollar.

Notice of Public Hearing

Proposed Changes to Water Rates

The Dublin San Ramon Services District's (DSRSD) core mission is to provide reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and environmentally responsible manner.

On Tuesday, June 18, 2019, the DSRSD Board of Directors will hold a public hearing during its regularly scheduled meeting to consider proposed changes to water rates. The meeting begins at 6 p.m. at DSRSD's temporary boardroom in Ambrose Hall, Shannon Community Center, 11600 Shannon Ave., Dublin, CA 94568.

DSRSD retained Raftelis Financial Consultants, Inc. (Raftelis), to conduct a *2019 Comprehensive Water Cost of Service Study* to update the cost of providing services and realign water rates. Visit www.dsrdsd.com/your-account/rates-fees/water-rates for more information on Proposition 218 and a link to the study.

If the proposed rates are adopted, some customer bills will increase, and some will decrease. Please refer to the *Customer Impact* section for an example of the bill impact of the proposed changes to an average single-family residential customer. Only billing periods that begin after the proposed effective date will be charged based on the proposed rate.

How Can I Learn More?

For additional information, you can:

- Contact Administrative Services Manager, Carol Atwood, at (925) 875-2270 or atwood@dsrdsd.com
- Contact Financial Services Supervisor, Herman Chen, at (925) 875-2271 or chen@dsrdsd.com
- Attend the public hearing on June 18, 2019 at 6 p.m. at Ambrose Hall, Shannon Community Center, 11600 Shannon Avenue, Dublin

How Do I Comment/Protest?

DSRSD and its Board of Directors welcomes and will consider input from the community on the proposed changes to rates at any time, including during the public hearing. However, in accordance with Proposition 218, only valid written protests received by the deadline below will be counted as formal protests.

Protests submitted by mail, fax, or email must be received by 5 p.m. on June 18, 2019. Hand-delivered protests must be received before the close of the public hearing on June 18, 2019.

Any property owner of record or tenant-customer of a parcel receiving water service may submit a written protest. Only one protest will be counted per parcel served by DSRSD.

The written protest must identify the affected property by assessor's parcel number, street address or DSRSD account number; identify the property owner of record or tenant-customer; clearly state that the transmittal is a protest to the proposed charges; identify which proposed charges are being protested;

and bear the original signature of the property owner of record or tenant-customer. In the case of electronically delivered documents, a scanned signature will be accepted, subject to verification.

There are many ways to let us know what you think. All comments/protests should be addressed to DSRSD Secretary Nicole Genzale. Please note on the envelope (or in the subject line of a fax or an email), "Protest of Proposed Changes to Water Rates."

- *Mail* to 7051 Dublin Blvd, Dublin, CA 94568
- *Hand-deliver* to 7035 Commerce Circle, Pleasanton, CA 94588
- *Email* a pdf document, attached to an email to Board@dsrsd.com
- *Fax* to (925) 829-1180

For more information visit www.dsrsd.com/your-account/rates-fees/water-rates

Why are Rates Changing?

DSRSD typically conducts water rate studies every five years to ensure there is sufficient revenue to fund operation, maintenance, and capital replacement needs of the water and recycled water treatment plants; achieve or maintain reserve targets per Board policy; and realign rates to reflect costs. The last water rate study was completed in 2013. Since the last study, DSRSD limited annual (2014-2018) water rate adjustments to inflation (typically 2-3%) based on the Consumer Price Index and did not adjust rates in 2019. Staff is also recommending to forego a rate adjustment in 2020.

Raftelis reviewed DSRSD's current rate structure and recommended a number changes to realign rates in compliance with the requirements Proposition 218, recent court rulings, and industry cost of service principles. Due to residential customers representing the largest customer class in DSRSD (45% of total water demand), the recommendation with the highest customer impact was the consolidation of DSRSD's various potable rates to a uniform rate. This recommendation charges all domestic potable usage (residential, commercial, industrial, and institutional) equally and reallocates costs more proportionately among customer classes.

DSRSD is not proposing changes to generate more revenue. The proposed changes will generate approximately the same amount of total revenue as current rates. As a public agency, DSRSD cannot collect more revenue than is necessary to recover the costs of providing our services.

What are the Proposed Changes?

DSRSD water rates are comprised of a fixed service charge and four variable charges: consumption, potable irrigation, recycled water irrigation, and power. DSRSD typically bills water customers every other month, six times per year. Water customer are billed both a fixed service charge and a consumption charge. Commercial, industrial, and institutional customers who establish separate irrigation accounts are billed either a potable irrigation or recycled irrigation water charge. All customers that require water to be pumped to their location due to higher elevation are billed a power charge. In

addition, all potable water customers pay a pass-through “Zone 7 Cost of Water” charge based on consumption.

If approved, the proposed rates below will be effective July 1, 2019. To minimize the impact to residential customers, the Water Rate Study proposes forgoing a rate adjustment in 2020 and limiting future increases to inflation. Water rates are proposed to be adjusted annually based on the annual change in the August Consumer Price Index (All Urban Consumers for San Francisco-Oakland-Hayward, CA) beginning in January 1, 2021 through January 1, 2024.

The proposed 2019 adjustments to DSRSD’s water rates are as follows:

Fixed Service Charge

The bimonthly fixed service charge is based on the size of each meter serving a property. For a typical residential customer with a 5/8” meter, the service charge is proposed to decrease \$1.29 from \$36.45 to \$35.16.

Meter Size (bimonthly)	Current	Proposed Eff. 7/1/2019
5/8"	\$36.45	\$35.16
3/4"	\$54.70	\$49.03
1"	\$91.15	\$76.76
1-1/2"	\$182.25	\$146.08
2"	\$291.59	\$229.27
3"	\$637.91	\$610.56
4"	\$1,822.50	\$1,047.31
6"	\$3,644.99	\$2,225.83
8"	\$6,378.73	\$3,889.63
10"	\$10,023.72	\$5,830.73

Consumption Charge

The consumption charge is based on the number of units used during a two-month billing period. One unit is equal to 100 cubic feet or 748 gallons of water. The proposed consumption charge consolidates tier rates (single-family residential) and seasonal (commercial, industrial, institutional, multi-family residential) rates into a single uniform potable water rate.

Variable Charge (\$/Unit)	Current	Proposed Eff. 7/1/2019
Single-family Residential-Tier 1 (1-10 units)	\$0.57	\$1.30
Single-family Residential-Tier 2 (11-34 units)	\$1.20	
Single-family Residential-Tier 3 (over 34 units)	\$1.60	
Commercial-Winter (Nov-Apr)	\$1.15	
Commercial-Summer (May-Oct)	\$1.30	

Irrigation Charges

Irrigation charge applies only to customers with either a separate dedicated potable or recycled irrigation meter (commercial, industrial, and institutional). The potable irrigation charge is proposed to increase \$0.06 from \$1.60 to \$1.66 per unit. The recycled water charge is proposed to decrease \$0.19 from \$4.57 to \$4.38 per unit.

Variable Charge (\$/Unit)	Current	Proposed Eff. 7/1/2019
Potable Irrigation	\$1.60	\$1.66
Recycled Water	\$4.57	\$4.38

Power Charge

The power charge applies only to service locations where water must be pumped due to elevation. The power charge is proposed to decrease \$0.02 from \$0.28 to \$0.26 per unit.

Variable Charge (\$/Unit)	Current	Proposed Eff. 7/1/2019
Pumping Charge	\$0.28	\$0.26

Zone 7 Cost of Water (wholesale pass-through)

The Zone 7 Water Agency (Zone 7) is the Tri-Valley's wholesale water supplier, and DSRSD is the water retailer for the City of Dublin and the Dougherty Valley area of the City of San Ramon. DSRSD purchases all of its potable water supplies from Zone 7. Similarly to DSRSD's water rates, Zone 7's wholesale water rates are comprised of fixed and variable charges and are typically adjusted January 1 of each year by

Zone 7’s Board of Directors. Currently, DSRSD blends the fixed and variable wholesale water rates to develop the “Zone 7 Cost of Water” charge, and is not proposing any changes to this methodology.

As provided for in state law, DSRSD passes through any future adjustments to wholesale water costs to water customers. Customers will receive a message on their water bills a minimum of 30 days prior to any adjustment to the “Zone 7 Cost of Water” charge notifying the actual change to the charge and the effective date.

Variable Charge (\$/Unit)	Current
Zone 7 Cost of Water	\$3.48

Water Shortage Condition Charges

Water shortage condition rates are also proposed to ensure that DSRSD generates sufficient revenue to cover the cost of providing water service during water shortage emergencies. These contingency rates are only implemented during water shortage emergencies, and require a declaration from the DSRSD Board of Directors. In response to statewide drought, the DSRSD Board last declared a water emergency and implemented water shortage condition charges in 2014.

Water Shortage Condition Charges - \$/Unit (748 gallons/unit)										
	NORMAL		STAGE ONE		STAGE TWO		STAGE THREE		STAGE FOUR	
Water Reduction Goal	0%		10%		20%		35%		50%	
Customer Class	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Single-family Residential - Tier 1	\$0.57	\$1.30	\$0.61	\$1.45	\$0.72	\$1.63	\$1.00	\$2.00	\$1.47	\$2.60
Single-family Residential - Tier 2	\$1.20		\$1.44		\$1.87		\$2.41		\$3.91	
Single-family Residential - Tier 3	\$1.60		\$1.99		\$3.14		\$4.49		\$6.19	
Commercial - Winter	\$1.15	\$1.30	\$1.19	\$1.45	\$1.38	\$1.63	\$1.74	\$2.00	\$2.19	\$2.60
Commercial - Summer	\$1.38		\$1.53		\$1.92		\$2.42		\$3.45	
Potable Irrigation	\$1.60	\$1.66	\$1.99	\$1.85	\$3.14	\$2.08	\$4.49	\$2.56	\$6.19	\$3.32
Power Charge	\$0.28	\$0.26	\$0.28	\$0.29	\$0.28	\$0.33	\$0.28	\$0.40	\$0.28	\$0.52

Customer Impact

The bimonthly water bill for an average single-family residential customer using 18 units of water will increase by \$6.81 per bill, as illustrated below:

Single-family Residential (18 units bimonthly)	Current	Proposed Eff. 7/1/2019
Service Charge (5/8")	\$36.45	\$35.16
Zone 7 Cost of Water	\$62.64	\$62.64
Tier 1 (1-10 units)	\$5.70	\$23.40
Tier 2 (11-34 units)	\$9.60	
Total Bimonthly Bill	\$114.39	\$121.20

Dougherty Valley Incremental Pass-through (DOUGHERTY VALLEY CUSTOMERS IN SAN RAMON ONLY)

DSRSD receives all its potable water from Zone 7, which over 80 percent of its potable water from the State Water Project. Zone 7 recovers State Water Project costs through wholesale water charges to Tri-Valley retailers and property taxes via the Alameda County property tax roll. The Dougherty Valley Standby Charge District was established in 2000 to provide potable water service to the developing Dougherty Valley in the City of San Ramon. Since Zone 7 does not have authority to recover State Water Project costs through the Contra Costa County property tax roll, charges are levied by DSRSD and placed on Contra Costa County property tax bills on Zone 7's behalf. This levy represents Dougherty Valley's proportionate share of State Water Projects costs and is collected by DSRSD to be remitted to Zone 7.

The current annual charge is \$170.75 for a single-family home or dwelling unit equivalent and is identified on the Contra Costa property tax bill as DSRSD-DRTY VLY01-1. The agreement that established the Dougherty Valley Standby Charge District placed a limit on total collected charges to \$1.56 million. This limit is projected to be exceeded as State Water Project costs increase, requiring a Proposition 218 notice to recover the incremental costs above the Dougherty Valley Standby Charge District limit.

The table below shows estimated bimonthly incremental pass-through charges based on dwelling unit equivalent. Actual pass-through will be determined by an annual Dougherty Valley Standby Charge District Engineer's Report.

Estimated (bimonthly)	FY2020	FY2021	FY2022	FY2023	FY2024
Dougherty Valley Standby Charge District	\$2.55	\$6.20	\$10.22	\$14.65	\$19.51

Estimated (bimonthly)	FY2020	FY2021	FY2022	FY2023	FY2024
Incremental Pass-through					

How is DSRSD Minimizing the Impact of Rate Changes to Customers?

To minimize the impact of these rate changes on our customers, DSRSD will do the following:

- Forego CPI (inflation increases) for two years (2019 and 2020), and limit increases to CPI only from 2021 to 2024
- Revise fixed and variable allocations of the water rate. Higher fixed charges provide greater revenue stability for DSRSD, but also impact customers who use less water because it represents a greater portion of their overall water bill. DSRSD originally targeted a 30/70 allocation between fixed and variable charges in 2013. The Water Rate Study revises this allocation to 20/80, resulting in decreases to fixed charges and increases to variable charges
- Transfer less money to the Water Replacement Fund (\$4.4 million instead of \$4.6 million). Staff forecasts there will be sufficient reserves to finance replacement capital improvement projects such as an alternative water supply project
- Use DSRSD's Water Rate Stabilization Fund and Water Enterprise Fund reserves. Based on estimated water demand, account growth, and operating expenses, DSRSD is projected to be in a strong financial position during the next five years. The water rate study projects DSRSD will be able to draw down \$6.8 million from the reserve fund over the next five years (\$1.4 million per year) while maintaining reserves above the Board policy targets



TITLE: Adopt Revised Consolidated Water Enterprise Fund Policy and Rescind Resolution No. 36-16

RECOMMENDATION:

Staff recommends the Board of Directors adopt, by Resolution, a revised Consolidated Water Enterprise Fund policy and rescind Resolution No. 36-16.

SUMMARY:

In November 1997, the Board of Directors adopted a policy to consolidate the accounting for the potable and recycled water enterprises. The Board last reviewed the policy in 2016, at which time it reaffirmed its commitment to maintaining a consolidated water enterprise. The key reasons for consolidating the water enterprises are:

- Recognizes that the District has fully integrated the planning of potable and recycled water resources (supply and demand) and facilities;
- Allows the establishment of a uniform connection fee so as not to penalize either the potable or recycled water customer for the value that the recycled water operation brings to the community;
- Provides for better financial management of the water enterprise as a whole; and
- Spreads the benefit of the recycled water enterprise and the increased reliability it creates for the potable water system to the entire community.

The proposed policy changes are to conform to new laws and regulations imposed on our industry in conjunction with the San Juan Capistrano water rate ruling, which requires District rates to be set based on the actual cost of providing the service.

Originating Department: Administrative Services	Contact: C. Atwood	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment: 1 – Marked-up version of Consolidated Water Enterprise Fund policy	



Policy

Policy No.: P400-16-2	Type of Policy: Finance
Policy Title: Consolidated Water Enterprise Fund	
Policy Description: Potable Water and Recycled Water to be Managed as Consolidated Funds for Operations, Replacement and Expansion	
Approval Date: 6/7/2016 4/16/2019	Last Review Date: 2016 2019
Approval Resolution No.: 36-16	Next Review Date: 2020 2023
Rescinded Resolution No.: 45-1236-16	Rescinded Resolution Date: 11/6/2012 6/7/2016

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

~~P~~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 Mission¹, 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 ~~No. P300-15-1~~](#). 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.

¹ The District’s Mission is to ~~provide reliable and sustainable water and wastewater services to the communities we serve in a safe, efficient, and environmentally responsible manner. (Strategic Plan FY 2016 – 2020)~~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)

Policy No.: ~~P400-16-2~~

Policy Title: Consolidated Water Enterprise Fund

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** ~~quantity~~ charges for water and recycled water usage. ~~The quantity charges for recycled water may be established by the Board to be less than the quantity charges for potable water so as to provide an incentive for recycled water use, provided that in setting the recycled water rate the Board shall not establish a rate that is less than the cost of potable water that the District purchases from Zone 7. Fixed (meter) charges may be established by the Board and shall be the same for potable and recycled water for a given meter size 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.~~

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE CONSOLIDATED WATER ENTERPRISE FUND POLICY AND RESCINDING RESOLUTION NO. 36-16

WHEREAS, the mission of Dublin San Ramon Services District (“District”) is to provide reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and environmentally responsible manner; and

WHEREAS, in support of this mission, 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; and

WHEREAS, 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”); and

WHEREAS, recycled water is fully integrated into the District’s total water supply management planning; and

WHEREAS, it is more efficient and effective to maintain a consolidated and coordinated fund structure for the District’s water enterprise.

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 Consolidated Water Enterprise Fund policy attached as Exhibit “A,” is hereby adopted; and R
2. Resolution No. 36-16 is hereby rescinded and attached as Exhibit “B,” is hereby rescinded.

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 16th day of April, 2019, and passed by the following vote:

AYES:

NOES:

ABSENT:

Madelyne A. Misheloff, President

Attest: _____
Nicole Genzale, District Secretary



Policy

Policy No.: Click here to enter text.	Type of Policy: Finance
Policy Title: Consolidated Water Enterprise Fund	
Policy Description: Potable Water and Recycled Water to be Managed as Consolidated Funds for Operations, Replacement and Expansion	
Approval Date: 4/16/2019	Last Review Date: 2019
Approval Resolution No.: Click here to enter text.	Next Review Date: 2023
Rescinded Resolution No.: 36-16	Rescinded Resolution Date: 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 Mission¹, 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 service.

Accordingly, it is the policy of the District:

¹ 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)

Policy No.: Click here to enter text.	Policy Title: Consolidated Water Enterprise Fund
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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.

RESOLUTION NO. 36-16RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ADOPTING THE REVISED CONSOLIDATED WATER ENTERPRISE FUND POLICY AND RESCINDING RESOLUTION NO. 45-12

WHEREAS, the mission of Dublin San Ramon Services District (“District”) is to provide reliable water and wastewater services in a safe, efficient, and environmentally responsible manner; and

WHEREAS, in support of this mission, 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; and

WHEREAS, 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”); and

WHEREAS, the District commenced deliveries of recycled water to its service area in 1999 and has commenced operation of the DERWA recycled water facilities in 2006; and

WHEREAS, recycled water is fully integrated into the District’s total water supply management planning; and

WHEREAS, it is more efficient and effective to maintain a consolidated and coordinated fund structure for the District’s water enterprise; and

WHEREAS, this Board has previously acted via Resolution No. 45-12 reaffirming its decision to consolidate potable water and recycled water planning, budgeting and accounting; and

WHEREAS, that policy has served the District well since its adoption; and

WHEREAS, the District periodically reviews all its policies and as a result desires to reaffirm and revise its policy related to the consolidation of the water enterprise.

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, that the revised Consolidated Water Enterprise Fund policy is hereby

Res. No. 36-16

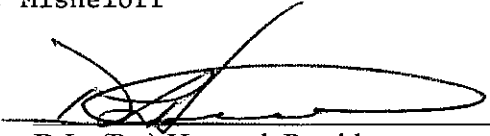
adopted and attached as Exhibit "A," and Resolution No. 45-12 is hereby rescinded and attached as Exhibit "B."

Adopted by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 7th day of June 2016, and passed by the following vote:

AYES: 4 - Directors Richard M. Halket, Georgean M. Vonheeder-Leopold, Edward R. Duarte, D.L. (Pat) Howard

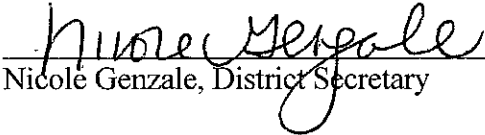
NOES: 0

ABSENT: 1 - Director Madelyne A. Misheloff



D.L. (Pat) Howard, President

Attest:



Nicole Genzale, District Secretary



TITLE: Receive Presentation and Support the Proposed Livermore-Amador Valley Water Management Authority Operations and Maintenance Budgets for Fiscal Year 2019-2020 and Fiscal Year 2020-2021

RECOMMENDATION:

Staff recommends the Board of Directors receive a presentation and support the proposed Livermore-Amador Valley Water Management Authority (LAVWMA) fiscal year 2019-2020 and fiscal year 2020-2021 budgets for the operation and maintenance (O&M) of the LAVWMA facilities.

SUMMARY:

Dublin San Ramon Services District (DSRSD) is the contract operator of the facilities for LAVWMA, which is a joint powers agency formed by the City of Pleasanton, City of Livermore, and DSRSD. As the contract operator for LAVWMA, DSRSD prepares and submits to LAVWMA the operations and maintenance (O&M) budget proposals for a two-year term, as follows:

- The proposed FY 2019-2020 O&M budget of \$2,517,127 for the conveyance and disposal of treated effluent at a cost of \$615 per million gallons with an estimated flow of 4,094 million gallons.
- The proposed FY 2020-2021 O&M budget of \$2,618,772 for the conveyance and disposal of treated effluent at a cost of \$650 per million gallons with an estimated flow of 4,028 million gallons.

The attached letter to Chuck Weir, LAVWMA General Manager, explains the assumptions used in the preparation of the proposed budgets.

The proposed budget increase is larger than the previous year’s due to preventative maintenance replacement items, increased special sampling due to East Bay Discharge Authority requests, increased regulatory monitoring parameters, and underground service alert administrative changes.

The LAVWMA Board is anticipated to meet on May 15 to approve the two-year LAVWMA budget. DSRSD’s contribution towards LAVWMA operating costs will be reflected in DSRSD’s upcoming operating budget, which the DSRSD Board is anticipated to consider on May 21.

Originating Department: Operations	Contact: J. Carson	Legal Review: Not Required
Cost: \$0	Funding Source: Regional Enterprise (Fund 300)	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – April 2, 2019 letter to LAVWMA General Manager, with proposed O&M Budgets	
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Regional Wastewater Treatment Facility
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April 2, 2019

Mr. Chuck Weir
LAVWMA General Manager
7501 Dublin Blvd
Dublin, CA 94568

Subject: Proposed LAVWMA FY 2019-2020 and FY 2020-2021 Operations & Maintenance Budgets

Dear Chuck:

Attached is the proposed budgets for the operation and maintenance (O&M) of the LAVWMA facilities during FY 2019-2020 and FY 2020-2021 to coincide with the District's two-year budget cycle.

The total proposed budget for FY 2019-2020 is \$2,517,127 including labor, utilities, materials, supplies, laboratory analysis, contractual services and non-routine expenditures. This amount will convey treated wastewater to the discharge point in San Francisco Bay for Livermore, Pleasanton, Dublin, and San Ramon customers at a rate of approximately \$615 per million gallons (MG) based on an estimated export flow of 4,094 MG.

Attachment 1 shows the proposed FY 2019-2020 O&M budget in detail. For your convenience, the expenses are separated by pumping costs (\$2,131,339 or \$521/MG) and pipeline maintenance costs (\$385,789 or \$94/MG). The total proposed budget shows a 14% increase from FYE 2019 approved budget.

These are "not-to-exceed" budgets submitted in accordance with the Maintenance Agreement, and the total budget for each fiscal year cannot be increased without the approval of the LAVWMA Board. However, per the terms of the Maintenance Agreement, the "not-to-exceed" amount applies only to District labor, materials and supplies; but does not apply to utilities, laboratory analysis, and contractual services (Article 3, paragraph F). Utility rates and costs, in particular, are essentially beyond the control of the District, and could vary substantially depending on utility rate initiatives and higher than normal flows resulting from above normal wet weather conditions.

Not included in the proposed O&M budget amount are EBDA charges, permit fees, insurance, debt service, Director's fees and expenditures for the LAVWMA General Manager, Treasurer, Counsel, Auditor, and administrative staff.

Attachment 2 shows a comparison of the current year FY 2018-2019 budget (with actual expenditures as of December 31, 2019 and projected fiscal year-end expenses through June 30, 2019) to the proposed FY 2019-2020 and FY 2020-2021 budgets. The table also shows a history of budgeted versus actual expenses for the previous two fiscal years.

April 2, 2019

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Attachment 3 provides detail on the 5,881 labor hours that were used for the proposed FY 2019-2020 and FY 2020-2021 budgets. It shows a 4% increase in labor hours (0.11 FTE) from the current FYE19 budget. Labor costs are based on DSRSD's burden labor rates, which are adjusted annually. DSRSD labor costs are expected to increase by 2.75% in FY 2019-2020 and also by 2.75% in FY 2020-2021.

Attachment 4 shows the proposed second year FY 2020-2021 budget of \$2,618,772 in detail. This amount will convey treated wastewater to the discharge point in San Francisco Bay for Livermore, Pleasanton, Dublin, and San Ramon customers at a rate of approximately \$650 per million gallons (MG) based on an estimated export flow of 4,028 MG. For your convenience, the expenses are separated by pumping costs (\$2,224,495 or \$552/MG) and pipeline maintenance costs (\$394,277 or \$98/MG). The proposed second year budget shows a 4% increase from the proposed first year budget.

Figure 1 shows the projected flow for FY 2019-2020 compared to the amount of recycled water for Pleasanton, EBMUD, and DSRSD.

Figure 2 shows a five-year historic variation in LAVWMA export flows from 2014 to 2018.

DSRSD staff is available at your convenience to discuss the proposed operating and maintenance budgets.

Sincerely,



Jeff Carson
Operations Manager

/gl

Enclosures: 1

cc: Dan McIntyre, DSRSD General Manager
Judy Zavadil, DSRSD District Engineer/Engineering Services Manager
Carol Atwood, DSRSD Administrative Services Manager
Levi Fuller, DSRSD Wastewater Treatment Plant Operations Supervisor
Maurice Atendido, DSRSD Electrical & Instrumentation Supervisor
Shawn Quinlan, DSRSD Maintenance Supervisor
Diane Griffin, DSRSD Laboratory Supervisor
Dan Marin, DSRSD Field Operations Supervisor

FY 2019-2020 LAVWMA OPERATION & MAINTENANCE BUDGET

SUMMARY:			
	Total	Pumping	Pipeline
DSRSD Labor	\$983,447	\$696,589	\$286,859
Materials & Supplies	\$62,700	\$44,500	\$18,200
Laboratory Analysis	\$30,300	\$9,300	\$21,000
Contractual Services	\$76,900	\$28,350	\$48,550
Utilities	\$1,355,280	\$1,344,600	\$10,680
Non-Routine	\$8,500	\$8,000	\$500
Total	\$2,517,127	\$2,131,339	\$385,789

Assumptions:	Total	Pumping	Pipeline
Days of operation =	365		
Annual acre feet =	12,565		
Annual million gallons =	4,094		
Unit Costs:			
Cost/AF =	\$200	\$170	\$31
Cost/MG=	\$615	\$521	\$94

Detailed Breakdown:

LABOR	Hours	Rate	Labor	Pumping	Pipeline
DIVISION 51 - Field Operations					
Water-Wastewater Sys OP IV	64	\$158	\$10,125	\$0	\$10,125
Supervisor	8	\$271	\$2,167	\$0	\$2,167
Subtotal	72		\$12,292	\$0	\$12,292
DIVISION 52 - WWTP					
Process Lead Operator V	200	\$179	\$35,846	\$35,846	\$0
Senior WWTP Operator III	2,746	\$163	\$446,376	\$446,376	\$0
Operator II	0	\$148	\$0	\$0	\$0
Supervisor	50	\$271	\$13,546	\$6,773	\$6,773
Subtotal	2,996		\$495,767	\$488,995	\$6,773
DIVISION 53 - Mechanical					
Senior Mechanic-Crane Cert	380	\$182	\$69,017	\$34,508	\$34,508
Senior Mechanic	82	\$177	\$14,528	\$1,453	\$13,075
Mechanic II	1,229	\$161	\$197,961	\$47,511	\$150,450
Supervisor	50	\$211	\$10,561	\$5,281	\$5,281
Subtotal	1,741		\$292,067	\$88,753	\$203,315
DIVISION 54 - Electrical					
Senior Instrument/Controls Tech	12	\$196	\$2,357	\$1,178	\$1,178
Instrument Tech	480	\$167	\$80,289	\$40,145	\$40,145
OPS Control Sys Spec	144	\$179	\$25,704	\$19,278	\$6,426
Senior Electrician	36	\$180	\$6,479	\$6,479	\$0
Electrician II	240	\$164	\$39,266	\$39,266	\$0
Supervisor	12	\$202	\$2,420	\$1,210	\$1,210
Subtotal	924		\$156,515	\$107,556	\$48,959
DIVISION 56 - Safety					
Safety Officer	48	\$117	\$5,632	\$2,816	\$2,816
Subtotal	48		\$5,632	\$2,816	\$2,816
DIVISION 40 - Engineering					
Senior Civil Engineer-SME	100	\$212	\$21,174	\$8,470	\$12,705
Subtotal	100		\$21,174	\$8,470	\$12,705
Total Labor	5,881		\$983,447	\$696,589	\$286,859
FTE's	2.8				

Note: FYE 2020 (July 2019 - June 2020) estimated labor rates are from DSRSD calendar year 2019 billing rates factored with the 2.75% CPI increase effective January 1, 2020.

Attachment 1

FY 2019-2020 LAVWMA OPERATION & MAINTENANCE BUDGET

	<u>Expense</u>	<u>Pumping</u>	<u>Pipeline</u>
<u>MATERIALS & SUPPLIES</u>			
Operations Supplies			
Calcium Thiosulfate	\$12,000	\$6,000	\$6,000
Supplies/Expenses (misc)	\$200	\$100	\$100
Subtotal	\$12,200	\$6,100	\$6,100
Mechanical Supplies			
Materials and supplies	\$10,000	\$9,000	\$1,000
Pump & equip repair parts	\$7,500	\$7,500	\$0
Air relief valve parts	\$5,000	\$0	\$5,000
Oils, lubricants	\$2,500	\$2,500	\$0
Subtotal	\$25,000	\$19,000	\$6,000
Electrical Supplies			
Instrument parts	\$3,200	\$1,600	\$1,600
Analyzer parts	\$12,100	\$8,800	\$3,300
MCC equipment/parts	\$3,200	\$3,200	\$0
SCADA parts	\$5,400	\$4,200	\$1,200
Soft-starter parts and repairs	\$1,600	\$1,600	\$0
Motor repairs	\$0	\$0	\$0
Replacement Actuators	\$0	\$0	\$0
Subtotal	\$25,500	\$19,400	\$6,100
Total Materials & Supplies	\$62,700	\$44,500	\$18,200
<u>LABORATORY ANALYSIS</u>			
Compliance Testing	\$11,300	\$9,300	\$2,000
Operational Support Testing	\$4,000	\$0	\$4,000
Special Sampling	\$15,000	\$0	\$15,000
Total Laboratory Analysis	\$30,300	\$9,300	\$21,000
<u>CONTRACTUAL SERVICES</u>			
Sub-surface Repairs	\$5,000	\$0	\$5,000
Street Sweeping	\$5,000	\$5,000	\$0
Cathodic Protection Survey and Repairs	\$30,000	\$0	\$30,000
Underground Service Alert	\$3,800	\$0	\$3,800
SCADA software maintenance contract	\$10,000	\$7,500	\$2,500
Rectifier monitoring 5-yr contract (FY22, \$40k)	\$0	\$0	\$0
Med voltage switchgear 3-yr PM (FY22, \$18k)	\$0	\$0	\$0
Arc Flash Study 5-yr (FY24, \$20k)	\$0	\$0	\$0
Motor rehab	\$0	\$0	\$0
HVAC Maintenance/Repairs	\$750	\$500	\$250
Termite/Pest Control	\$900	\$900	\$0
Landscape/weed maintenance	\$8,000	\$6,000	\$2,000
Janitorial Service	\$3,000	\$3,000	\$0
Fire Extinguisher Maint	\$200	\$200	\$0
Postage/Shipping Charges	\$250	\$250	\$0
Professional Services, misc	\$10,000	\$5,000	\$5,000
Total Contractual Services	\$76,900	\$28,350	\$48,550
<u>UTILITIES</u>			
Electricity (PG&E)	\$1,346,400	\$1,338,800	\$7,600
Water & Sewer (Pleasanton)	\$1,000	\$1,000	\$0
Water (EBMUD)	\$880	\$0	\$880
Telephone/communications/T-1	\$4,500	\$2,300	\$2,200
WW Treatment (DSRSD)	\$2,500	\$2,500	\$0
Total Utilities	\$1,355,280	\$1,344,600	\$10,680
<u>NON-ROUTINE</u>			
Pump Efficiency Testing	\$0	\$0	\$0
Corrosion Studies/Inspections	\$500	\$0	\$500
Med voltage switchgear 3-yr PM (FY22, \$18k)	\$0	\$0	\$0
Time delay switches for electrical switchgear	\$8,000	\$8,000	\$0
LAVWMA PS PLC Upgrade (placeholder, \$160k)	\$0	\$0	\$0
Total Non-Routine	\$8,500	\$8,000	\$500
TOTAL O&M BUDGET (LABOR, MATERIALS & SERVICES)	\$2,517,127	\$2,131,339	\$385,789

Attachment 2

HISOTRY OF BUDGETS COMPARED TO ACTUAL EXPENSES

	PREVIOUS TWO YEARS BUDGET HISTORY				CURRENT YEAR PROJECTED EXPENSES			PROPOSED 2-YEAR	
	Approved	Actual	Approved	Actual	Approved	YTD (6 mos)	Projected	Proposed	Proposed
	Budget	Expenses	Budget	Expenses	Budget	Expenses	Expenses	Budget	Budget
	FY 2016-17	FY 2016-17	FY 2017-18	FY 2017-18	FY 2018-19	FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21
Labor									
Staff	\$796,410	\$632,100	\$784,903	\$628,595	\$864,466	\$388,644	\$777,289	\$983,447	\$1,010,492
Subtotal	\$796,410	\$632,100	\$784,903	\$628,595	\$864,466	\$388,644	\$777,289	\$983,447	\$1,010,492
Materials & Supplies									
Operations supplies	\$200	\$3,144	\$13,200	\$14,501	\$14,200	\$68	\$2,000	\$12,200	\$12,200
Mechanical supplies	\$25,000	\$20,187	\$32,000	\$36,083	\$25,000	\$379	\$18,000	\$25,000	\$25,000
Electrical supplies	\$20,000	\$24,314	\$20,000	\$99,565	\$24,500	\$16,295	\$24,295	\$25,500	\$25,500
Subtotal	\$45,200	\$47,645	\$65,200	\$150,148	\$63,700	\$16,742	\$44,295	\$62,700	\$62,700
Laboratory analysis									
Compliance	\$18,000	\$17,678	\$18,000	\$8,851	\$18,000	\$4,628	\$9,256	\$11,300	\$11,300
Operational	\$3,000	\$3,696	\$3,700	\$3,696	\$3,700	\$1,980	\$3,960	\$4,000	\$4,000
Special Sampling	\$2,500	\$1,392	\$5,000	\$15,061	\$5,000	\$7,514	\$15,028	\$15,000	\$15,000
Subtotal	\$23,500	\$22,766	\$26,700	\$27,608	\$26,700	\$14,122	\$28,244	\$30,300	\$30,300
Contractual Services									
Sub-surface Repairs	\$5,000	\$0	\$5,000	\$0	\$5,000	\$0	\$0	\$5,000	\$5,000
Street Sweeping	\$5,000	\$2,860	\$5,000	\$2,805	\$5,000	\$1,265	\$2,530	\$5,000	\$5,000
Cathodic Protection Survey and Repairs	\$16,000	\$24,000	\$16,000	\$0	\$26,000	\$0	\$0	\$30,000	\$30,000
Underground Service Alert	\$550	\$1,141	\$1,140	\$2,806	\$1,140	\$3,782	\$3,782	\$3,800	\$3,800
SCADA software maintenance contract	\$10,000	\$43,585	\$10,000	\$7,209	\$10,000	\$9,646	\$9,646	\$10,000	\$10,000
Motor rehab								\$0	\$0
HVAC Maintenance/Repairs	\$750	\$0	\$750	\$0	\$750	\$405	\$750	\$750	\$750
Termite/Pest Control	\$850	\$888	\$900	\$890	\$900	\$380	\$900	\$900	\$900
Landscape/weed maintenance	\$12,500	\$8,346	\$8,500	\$5,404	\$8,500	\$5,881	\$8,500	\$8,000	\$8,000
Janitorial Services					\$0	\$1,650	\$3,300	\$3,000	\$3,000
Fire Extinguisher Maint	\$200	\$202	\$200	\$166	\$200	\$0	\$0	\$200	\$200
Postage/Shipping Charges	\$250	\$0	\$250	\$0	\$250	\$0	\$0	\$250	\$250
Professional Services, misc	\$10,000	-\$17,939	\$10,000	\$32,567	\$10,000	\$16,945	\$16,945	\$10,000	\$10,000
Subtotal	\$61,100	\$63,083	\$57,740	\$53,042	\$67,740	\$39,954	\$46,353	\$76,900	\$76,900
Utilities									
Electricity (PG&E)	\$1,046,498	\$1,302,546	\$1,135,605	\$1,068,326	\$1,157,313	\$531,814	\$1,358,898	\$1,346,400	\$1,421,000
Water & Sewer (Pleasanton)	\$1,000	\$710	\$1,000	\$1,034	\$1,000	\$305	\$611	\$1,000	\$1,000
Water (EBMUD)	\$700	\$737	\$880	\$933	\$880	\$352	\$703	\$880	\$880
Telephone/communications/T-1	\$4,500	\$5,368	\$4,500	\$4,779	\$4,500	\$1,684	\$3,368	\$4,500	\$4,500
WW Treatment (DSRSD)	\$2,500	\$959	\$2,500	\$0	\$2,500	\$0	\$0	\$2,500	\$2,500
Subtotal	\$1,055,198	\$1,310,319	\$1,144,485	\$1,075,073	\$1,166,193	\$534,155	\$1,363,580	\$1,355,280	\$1,429,880
Non-Routine									
Pump Efficiency Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corrosion Studies/Inspections	\$5,000	\$0	\$0	\$297	\$5,000	\$0	\$0	\$500	\$500
Med voltage switchgear 3-yr PM (FY22, \$18k)	\$0	\$0	\$0	\$0	\$10,900	\$0	\$0	\$0	\$0
Time delay switches for electrical switchgear								\$8,000	\$8,000
LAVWMA PS PLC Upgrade (placeholder, \$160k)								\$0	\$0
Subtotal	\$5,000	\$0	\$0	\$297	\$15,900	\$0	\$0	\$8,500	\$8,500
Grand Total	\$1,986,408	\$2,075,913	\$2,079,028	\$1,934,763	\$2,204,698	\$993,617	\$2,259,760	\$2,517,127	\$2,618,772
Export Flow (AF)	11,577	12,482	12,516	12,163	12,322	5,214	12,992	12,565	12,363
Export Flow (MG)	3,772	4,067	4,078	3,963	4,015	1,699	4,233	4,094	4,028
Cost (\$/AF)	\$172	\$166	\$166	\$159	\$179	\$191	\$174	\$200	\$212
Cost (\$/MG)	\$527	\$510	\$510	\$488	\$549	\$585	\$534	\$615	\$650

Attachment 3

LAVWMA LABOR ESTIMATING

FYE 2020

PERSONNEL

Division 51 - Field Operations (Distribution)		72
Water-Wastewater Sys OP IV	TV inspection of export pipe, 1/2 day/year, 2 Operators	16
Water-Wastewater Sys OP IV	Traffic control for vault entries, misc	16
Water-Wastewater Sys OP IV	Vacuum cleaning assistance at basins	32
Supervisor	Inspections/coordination/direction of staff and related activities	8
Division 52 - Treatment Plant Operations		2996
Process Lead Operator V	Pump efficiency testing and SOP's, planning, inspections	200
Senior WWTP Operator III	Spot checks on off-shifts and weekends + hours for storms	590
Senior WWTP Operator III	Daily pump station operation/monitoring, 3 hrs/day 5 days per week	1000
Senior WWTP Operator III	San Leandro Sample Station checks, pipeline inspections, flapper valve testing	1156
Supervisor	Inspections/direction of staff and activities, 2 hours/week	50
Division 53 - Mechanical Maintenance		1741
Senior Mechanic-Crane Cert	Regular maintenance, 4 hrs/day, 2 days per week	380
Senior Mechanic (USA)	USA Marking, when other trained employees are not available	82
Mechanic II	PM's and misc repairs, as needed	200
Mechanic II Crane Cert	PM's and misc repairs, as needed	200
Mechanic II (USA)	USA Marking, 1 hour per day, 5 days per week	269
Mechanic II	Confined space entries, 4 weeks/year, 2 employees	560
Supervisor	Inspections/direction of staff and activities, 1 hour/week	50
Division 54 - Electrical & Instrumentation Maintenance		924
Senior Instrument/Controls Tech	Instrument replacement/SCADA troubleshooting, 1 hr/month	12
Instrument Tech	Instrument checks/calibration 40 hrs/month	480
OPS Control Sys Spec	SCADA system repairs/programming, 12 hrs/month	144
Senior Electrician	Switchgear & electrical inspections and repair 3 hrs/month	36
Electrician	Switchgear & electrical inspection/repairs, 20 hrs/month	240
Supervisor	Inspections/direction of staff and activities, 1 hr/month	12
Division 56 - Safety		48
Safety Officer	Special safety inspections of LAVWMA facilities	48
Division 40 - Engineering		100
Senior Civil Engineer-SME	Assistance with engineering, maintenance, and bidding issues	100
TOTAL BILLABLE LABOR HOURS		5881
FTE's		2.83

FY 2020-2021 LAVWMA OPERATION & MAINTENANCE BUDGET

SUMMARY:			
	Total	Pumping	Pipeline
DSRSD Labor	\$1,010,492	\$715,745	\$294,747
Materials & Supplies	\$62,700	\$44,500	\$18,200
Laboratory Analysis	\$30,300	\$9,300	\$21,000
Contractual Services	\$76,900	\$28,350	\$48,550
Utilities	\$1,429,880	\$1,418,600	\$11,280
Non-Routine	\$8,500	\$8,000	\$500
Total	\$2,618,772	\$2,224,495	\$394,277

Assumptions:	Total	Pumping	Pipeline
Days of operation =	365		
Annual acre feet =	12,363		
Annual million gallons =	4,028		
Unit Costs:			
Cost/AF =	\$212	\$180	\$32
Cost/MG=	\$650	\$552	\$98

Detailed Breakdown:

LABOR	Hours	Rate	Labor	Pumping	Pipeline
DIVISION 51 - Field Operations					
Water-Wastewater Sys OP IV	64	\$163	\$10,403	\$0	\$10,403
Supervisor	8	\$278	\$2,227	\$0	\$2,227
Subtotal	72		\$12,630	\$0	\$12,630
DIVISION 52 - WWTP					
Process Lead Operator V	200	\$184	\$36,832	\$36,832	\$0
Senior WWTP Operator III	2,746	\$167	\$458,651	\$458,651	\$0
Operator II	0	\$152	\$0	\$0	\$0
Supervisor	50	\$278	\$13,918	\$6,959	\$6,959
Subtotal	2,996		\$509,401	\$502,442	\$6,959
DIVISION 53 - Mechanical					
Senior Mechanic-Crane Cert	380	\$187	\$70,915	\$35,457	\$35,457
Senior Mechanic	82	\$182	\$14,928	\$1,493	\$13,435
Mechanic II	1,229	\$166	\$203,405	\$48,817	\$154,588
Supervisor	50	\$217	\$10,852	\$5,426	\$5,426
Subtotal	1,741		\$300,099	\$91,193	\$208,906
DIVISION 54 - Electrical					
Senior Instrument/Controls Tech	12	\$202	\$2,421	\$1,211	\$1,211
Instrument Tech	480	\$172	\$82,497	\$41,248	\$41,248
OPS Control Sys Spec	144	\$183	\$26,411	\$19,808	\$6,603
Senior Electrician	36	\$185	\$6,657	\$6,657	\$0
Electrician II	240	\$168	\$40,346	\$40,346	\$0
Supervisor	12	\$207	\$2,486	\$1,243	\$1,243
Subtotal	924		\$160,819	\$110,514	\$50,305
DIVISION 56 - Safety					
Safety Officer	48	\$121	\$5,787	\$2,893	\$2,893
Subtotal	48		\$5,787	\$2,893	\$2,893
DIVISION 40 - Engineering					
Senior Civil Engineer-SME	100	\$218	\$21,756	\$8,703	\$13,054
Subtotal	100		\$21,756	\$8,703	\$13,054
Total Labor	5,881		\$1,010,492	\$715,745	\$294,747
FTE's	2.8				

Note: FYE 2021 estimated labor rates includes 2.75% CPI increase effective January 1 of each 2020 and 2021 calendar years per DSRSD Bargaining MOU

Attachment 4

FY 2020-2021 LAVWMA OPERATION & MAINTENANCE BUDGET

	<u>Expense</u>	<u>Pumping</u>	<u>Pipeline</u>
<u>MATERIALS & SUPPLIES</u>			
Operations Supplies			
Calcium Thiosulfate	\$12,000	\$6,000	\$6,000
Supplies/Expenses (misc)	\$200	\$100	\$100
Subtotal	\$12,200	\$6,100	\$6,100
Mechanical Supplies			
Materials and supplies	\$10,000	\$9,000	\$1,000
Pump & equip repair parts	\$7,500	\$7,500	\$0
Air relief valve parts	\$5,000	\$0	\$5,000
Oils, lubricants	\$2,500	\$2,500	\$0
Subtotal	\$25,000	\$19,000	\$6,000
Electrical Supplies			
Instrument parts	\$3,200	\$1,600	\$1,600
Analyzer parts	\$12,100	\$8,800	\$3,300
MCC equipment/parts	\$3,200	\$3,200	\$0
SCADA parts	\$5,400	\$4,200	\$1,200
Soft-starter parts and repairs	\$1,600	\$1,600	\$0
Motor repairs	\$0	\$0	\$0
Replacement Actuators	\$0	\$0	\$0
Subtotal	\$25,500	\$19,400	\$6,100
Total Materials & Supplies	\$62,700	\$44,500	\$18,200
<u>LABORATORY ANALYSIS</u>			
Compliance Testing	\$11,300	\$9,300	\$2,000
Operational Support Testing	\$4,000	\$0	\$4,000
Special Sampling	\$15,000	\$0	\$15,000
Total Laboratory Analysis	\$30,300	\$9,300	\$21,000
<u>CONTRACTUAL SERVICES</u>			
Sub-surface Repairs	\$5,000	\$0	\$5,000
Street Sweeping	\$5,000	\$5,000	\$0
Cathodic Protection Survey and Repairs	\$30,000	\$0	\$30,000
Underground Service Alert	\$3,800	\$0	\$3,800
SCADA software maintenance contract	\$10,000	\$7,500	\$2,500
Rectifier monitoring 5-yr contract (FY22, \$40k)	\$0	\$0	\$0
Med voltage switchgear 3-yr PM (FY22, \$18k)	\$0	\$0	\$0
Arc Flash Study 5-yr (FY24, \$20k)	\$0	\$0	\$0
Motor rehab	\$0	\$0	\$0
HVAC Maintenance/Repairs	\$750	\$500	\$250
Termite/Pest Control	\$900	\$900	\$0
Landscape/weed maintenance	\$8,000	\$6,000	\$2,000
Janitorial Service	\$3,000	\$3,000	\$0
Fire Extinguisher Maint	\$200	\$200	\$0
Postage/Shipping Charges	\$250	\$250	\$0
Professional Services, misc	\$10,000	\$5,000	\$5,000
Total Contractual Services	\$76,900	\$28,350	\$48,550
<u>UTILITIES</u>			
Electricity (PG&E)	\$1,421,000	\$1,412,800	\$8,200
Water & Sewer (Pleasanton)	\$1,000	\$1,000	\$0
Water (EBMUD)	\$880	\$0	\$880
Telephone/communications/T-1	\$4,500	\$2,300	\$2,200
WW Treatment (DSRSD)	\$2,500	\$2,500	\$0
Total Utilities	\$1,429,880	\$1,418,600	\$11,280
<u>NON-ROUTINE</u>			
Pump Efficiency Testing	\$0	\$0	\$0
Corrosion Studies/Inspections	\$500	\$0	\$500
Med voltage switchgear 3-yr PM (FY22, \$18k)	\$0	\$0	\$0
Time delay switches for electrical switchgear	\$8,000	\$8,000	\$0
LAVWMA PS PLC Upgrade (placeholder, \$160k)	\$0	\$0	\$0
Total Non-Routine	\$8,500	\$8,000	\$500
TOTAL O&M BUDGET (LABOR, MATERIALS & SERVICES)	\$2,618,772	\$2,224,495	\$394,277

Figure 1
FY 2019-2020 Flow Projections

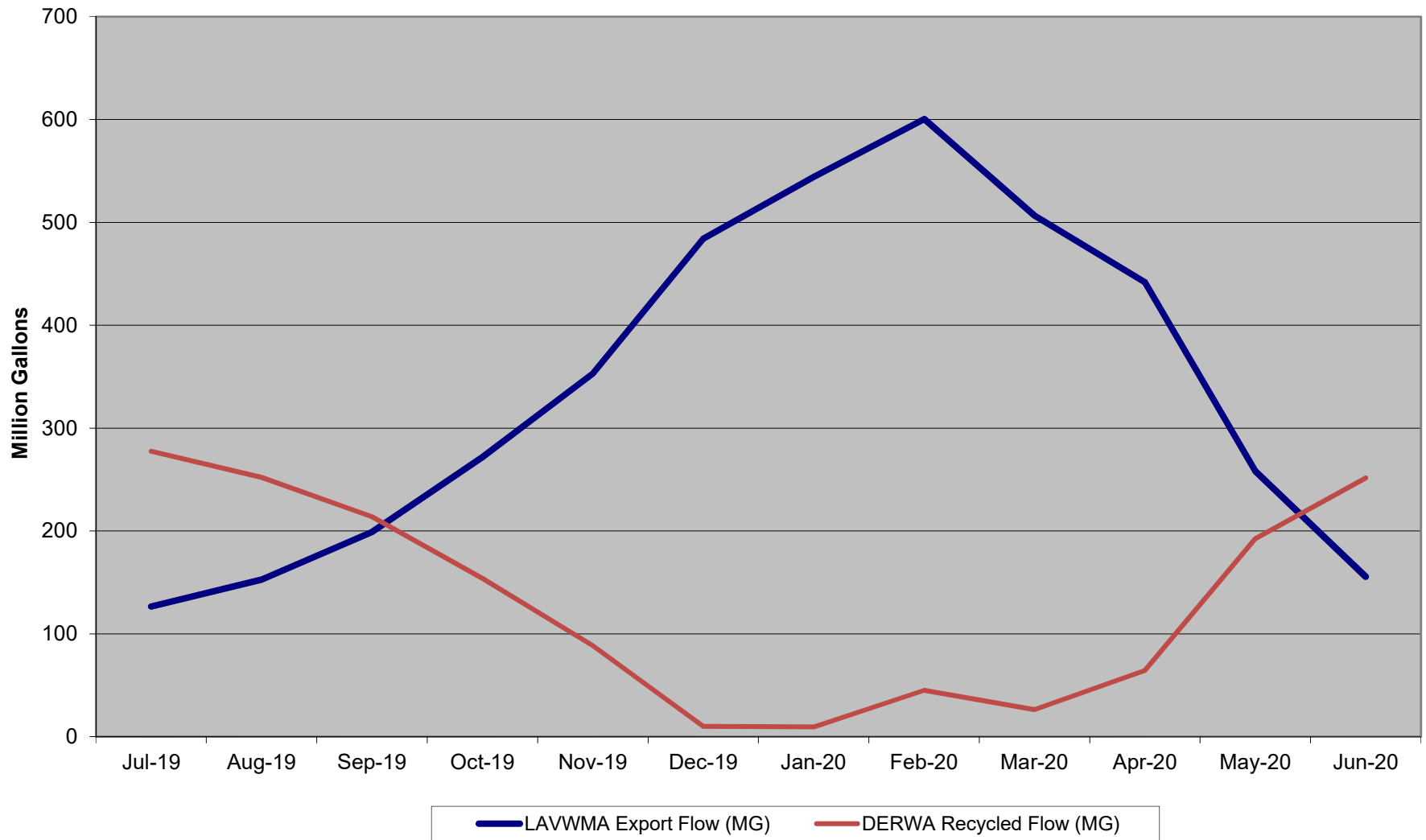
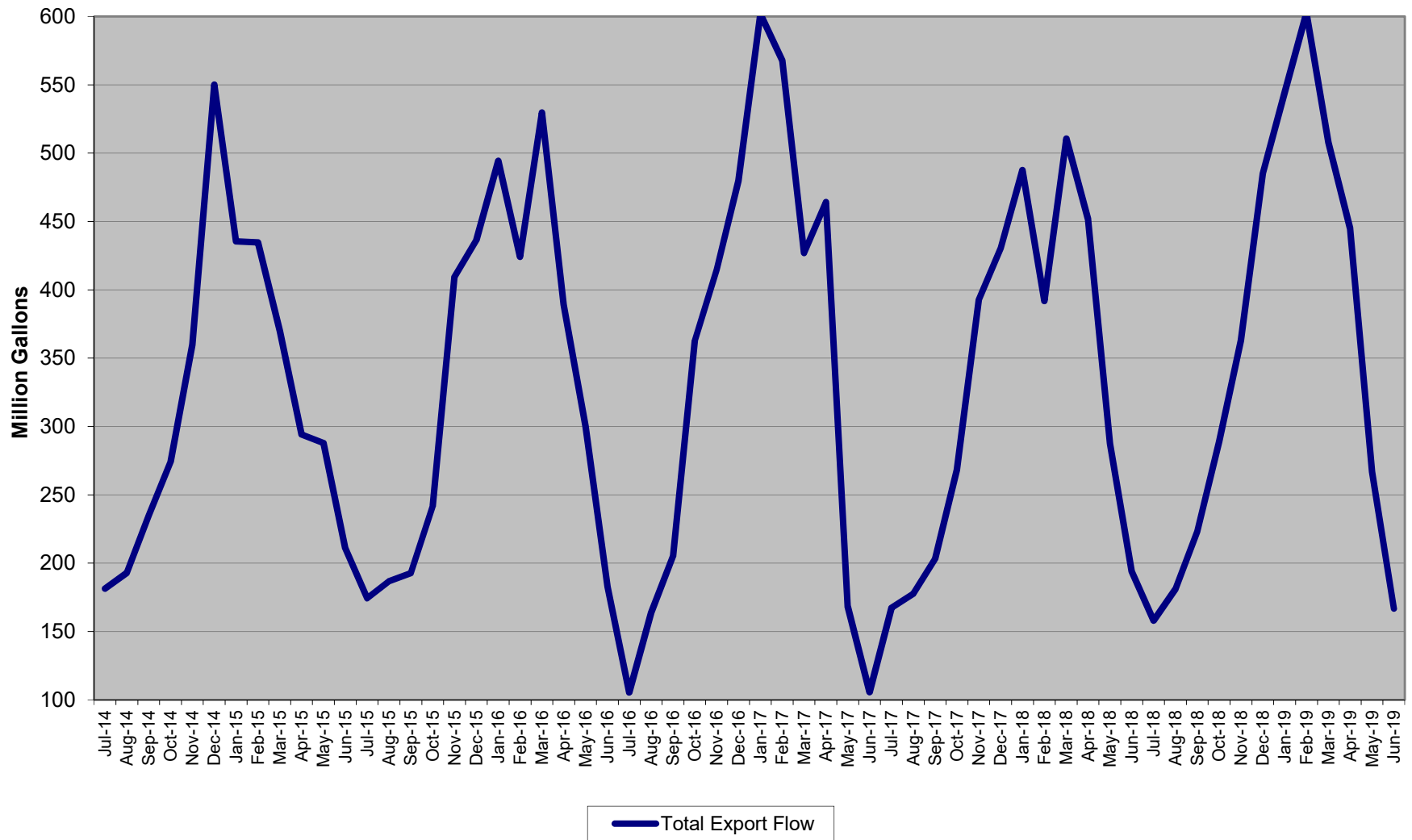


Figure 2
LAVWMA Monthly Export Flow 5-Year History





TITLE: Receive Update on DSRSD Staffing Changes

RECOMMENDATION:

Staff recommends the Board of Directors receive a brief update on the District’s current staffing.

SUMMARY:

Although the District has 123 authorized full-time positions, including one limited-term position, there has been a lot of staff turnover. The vacancy rate has been running approximately 10% for some time. Staff will give a brief update on the current staffing situation.

Originating Department: Office of the General Manager		Contact: D. McIntyre	Legal Review: Not Required
Cost: \$0		Funding Source: N/A	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		160 of 172	



TITLE: Receive Presentation on Legislative and Regulatory 2018 Report and 2019 Platform and Provide Direction

RECOMMENDATION:

Staff recommends the Board of Directors receive a presentation on the legislative and regulatory 2018 report and, by Motion, provide direction to staff on proceeding with legislative and regulatory advocacy as noted in the attached staff report under "2019 Legislative and Regulatory Platform."

SUMMARY:

Per the District's Legislative and Regulatory Advocacy policy, staff takes advantage of the District's membership in several organizations to become aware of issues that may be applicable to the District and participates by sending letters of support or opposition, and sometimes testifying at appropriate committee meetings.

The main purpose of this item is to present the Board with legislative and regulatory issues the District may want to take positions on in 2019. These begin on page three of the staff report under the subheading, "2019 Legislative & Regulatory Platform."

In addition, the staff report includes information on the various organizations that track legislative and regulatory issues on behalf of the District. It includes a brief summary of legislative activities in 2018 and 2019 (to date). It also includes a detailed description of what implementation of SB 998 means to the District: it could extend the length of time a customer can go without paying the water bill.

Originating Department: Office of the General Manager	Contact: S. Stephenson	Legal Review: Not Required
Cost: \$0	Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Staff Report <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	161 of 172	

STAFF REPORT



District Board of Directors
April 2, 2019

Receive Presentation on Legislative and Regulatory 2018 Report and 2019 Platform and Provide Direction

BACKGROUND

DSRSD activity on legislative and regulatory issues is determined by the District's *Legislative and Regulatory Advocacy* policy (Attachment 1). In order of priority, the first three criteria that guide whether or not staff advocates on an issue are:

1. Does the legislation have a direct bearing on the District's policies?
2. Is the legislation considered as part of the District's annual legislative platform?
3. Is the legislation consistent with the District's adopted budgets?

A fourth criteria that guides staff advocacy is if an organization, in which the District is a member, asks the District to advocate, consistent with the organization's position.

DSRSD belongs to many organizations that track legislative and regulatory issues and alert District staff when they determine support, oppose, or comment letters are needed to pass, alter, or defeat specific bills or regulations. These organizations also solicit ideas to create, improve, or eliminate a law or regulation that may affect the District: Association of California Water Agencies (ACWA), Bay Area Clean Water Agencies (BACWA), California Association of Sanitation Agencies (CASA), California Product Stewardship Council (CPSC), California Special Districts Association (CSDA), WateReuse California (WRCA), and Zone 7 Water Agency (Zone 7). Attachment 2, *Organizations that Track Legislative and Regulatory Issues of Interest to DSRSD*, provides a brief description of these organizations, their reach, and their 2018 activities.

2018 Legislative Activities

During the second year of the California 2017-18 Legislative Session, legislators introduced nearly 2,200 bills, enacting 157 new laws. DSRSD advocated for some and opposed others.

While the organizations to which DSRSD belongs track hundreds of bills, DSRSD only acts on those that have the greatest potential to impact the District. Copies of DSRSD comment letters regarding legislative and regulatory issues are attached to the weekly General Manager Report to Board. During 2018 calendar year, DSRSD sent one letter to state regulators and 14 letters to elected officials in Sacramento regarding six different issues noted below:

- One letter was a comment letter spearheaded by ACWA and sent to the State Water Resources Control Board (SWRCB) regarding regulations prohibiting wasteful water use practices;
- One letter opposed SB 831 – This bill would eliminate the ability for public agencies to charge impact fees (aka, capacity fees) for new construction of an accessory dwelling unit. This bill died in committee;
- One letter opposed AB 2065 – Spearheaded by CSDA, this bill would require special districts to offer their land for development before leasing it. This bill died in committee;
- One letter supported SB 212 – Spearheaded by CPSC, this bill became law and establishes a statewide take-back system for sharps and medications;

- Two letters were in opposition to attempts to pass a statewide water tax (SB 623 and SB 845) – Spearheaded by ACWA, both these bills died, one on the last day of the two-year session; and,
- Two letters opposed SB 998 – One was sent to the legislators and the other was sent to the Governor, imploring him to veto the bill. However, the Governor signed the bill on September 28, 2018. This new law creates a one-size-fits-all statewide program for water service shut-offs that do the following: prevents service disconnection for at least 60 days for delinquent customers; creates a cap on reconnection fees for low-income customers that may or may not cover the actual cost to physically reconnect service; and, expands the authority to both the State Water Resources Control Board and the attorney general to enforce provisions of the bill. A more detailed description of the numerous operational burdens of implementing this new law is included in Attachment 3.

2018 Regulatory Issues

- ACWA worked with regulators to implement the Sustainable Groundwater Management Act and to disperse Proposition 1 funding for large storage projects, including Los Vaqueros expansion and Sites Reservoir, two projects in which Zone 7 is considering participating in the future.
- Per WaterReuse, DSRSD provided input to their comment letters regarding the Recycled Water Policy Amendment and the State Revolving Fund Policy Update.
- WaterReuse was working to make the impact of recycled water use regulations less onerous (e.g., monthly self-monitoring reports from site supervisors using recycled water for irrigation reduced to annual reports).

2019 Legislative Activities to Date

In the first year of the 2019-2020 State Legislative Session, 2,750 bills were introduced by the February 22, 2019 deadline. DSRSD actions taken this year are as follows:

- Sent support letters to Senator Glazer and Assemblymember Bauer-Kahan regarding SB 669 (Caballero) Safe Drinking Water Trust to provide durable funding to help community water systems in disadvantaged communities provide their customers with access to safe drinking water. The Safe Drinking Water Trust is a better option than a statewide tax on water.
- Sent comments and recommendations on the recently proposed organics reduction regulatory language developed by CalRecycle for the implementation of SB 1383 which was signed into law in 2016. Titled, *Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reductions*, this law establishes methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants.
- Sent an oppose letter regarding SB 332 (Hertzbert & Wiener) which would require wastewater treatment agencies that discharge treated effluent to saline waters, oceans, bays and estuaries to reduce their discharges by 50% by January 1, 2030 and by 95% by January 1, 2040. While the District applauds the goal of increasing water recycling in California, this mandate on every ocean and bay discharger in the state is simply unworkable.
- Sent a letter to Congressman DeSaulnier to consider co-sponsoring HR 1764 (Garamendi) which would extend the National Pollutant Discharge Elimination System (NPDES) permit from five to ten years.
- Sent a support letter regarding AB 1672 (Quirk) which would establish labeling requirements and performance standards for wet wipes so Californian's will know whether or not a product can safely be discarded into the toilet.

- Sent a support letter regarding AB 1180 (Friedman) which would require the SWRCB to update the state’s non-potable recycled water regulations by 2023.
- Sent an oppose-unless-amended letter regarding AB 1486 (Ting) which would require the District to offer the right of refusal to affordable housing developers, schools, and parks before selling, leasing, or otherwise conveying the land (Gleason property).

DISCUSSION

2019 Legislative & Regulatory Platform

Staff proposes DSRSD take positions on the following legislative and regulatory issues, as recommended by our associations:

Safe Drinking Water for Disadvantaged Communities v. Water Tax – Oppose a water tax and support SB 669 (Caballero), *Safe Drinking Water Trust* which would create the trust at the State Treasury to provide a durable funding source to help community water systems in disadvantaged communities provide their customers with access to safe drinking water. This Trust is a better approach than a statewide water tax. In addition, ACWA will continue to distinguish between access to “safe” drinking water and access to “affordable” drinking water, under the state’s Human Right to Water policy. (ACWA)

Headwaters and Forest Management Policies – At the federal level, advocate for funding to implement new watershed protection authorities within the Farm Bill and for forest management programs to prevent wildfires and increase the pace and scale of forest restoration. At the state level, support SB 487 (Caballero) regarding aerial snowpack surveys of Trinity Alps and Sierra Nevada Mountains (hydrologic areas that drain or supply water to certain major reservoirs and lakes) to produce runoff forecasts, critical information water managers need to make daily decisions about how to operate our water infrastructure. (ACWA)

Bay-Delta Flows and Conveyance Solutions – Update the Bay-Delta Water Quality Control Plan, supporting collaborative processes and advocating against proposals that would restrict water availability for the public, agriculture and business. (ACWA)

Groundwater Sustainability and Replenishment – Support state funding for Sustainable Groundwater Management Act (SGMA); and, support AB 557 (Wood) which establishes the *Atmospheric Rivers: Research, Mitigation, and Climate Forecasting* program in the Department of Water Resources to research climate forecasting and the causes and impacts climate change has on atmospheric rivers, to operate reservoirs in a manner that improves flood protection, and to reoperate flood control and water storage facilities to capture water generated by atmospheric rivers. (ACWA)

Water Storage – At the federal level, advocate for federal funding for storage. At the state level, support AB 441 (Eggman) which would revise existing law which provides for the reversion of water rights when the person fails to beneficially use the water for a period of five years. This bill would revise the law such that forfeiture of water rights not apply to water being beneficially used in the aquifer or being held in storage for later beneficial use. (ACWA)

Energy Issues that Impact the Water Community – No specific legislation to date, but ACWA will advocate for reasonable and effective actions in the area of greenhouse gas emissions reductions and renewable energy. (ACWA)

Long-Term Water Use Efficiency Measures – ACWA will advocate for reasonable implementation of the new state water use efficiency laws, “Rain or Shine, Water Conservation is a California Lifestyle.” (ACWA)

Constituents of Emerging Concern – Support AB 1204 (Rubio) to establish a compliance period for water systems (up to five years) for any new maximum contaminant level adopted by the State Water Resources Control Board. Other issues that may come to the fore in this area include Public Health Goals for trihalomethanes, PFOA’s and PFOS’s, and microplastics in water. (ACWA)

California Water Plan Update 2018 – ACWA is reviewing the state’s comprehensive strategic plan for managing and developing sustainable water resources and may submit additional comments to the draft of the state’s document. (ACWA)

Fees for Accessory Dwelling Units (ADUs) – Three bills in legislature related to ADUs. ACWA and CASA are working to ensure that water and wastewater agencies maintain their authority to charge necessary fees related to the creation of ADUs. (ACWA & CASA)

Local Water Reliability Act – Oppose SB 332 (Hertzberg & Wiener) which promotes the development of local water supplies by requiring that wastewater treatment facilities reduce the volume of treated wastewater discharged into the ocean annually by 50 percent in 2030 and 95 percent by 2040. For comparison, DSRSD recycles 40 percent of its wastewater throughout the year and we have a very robust water recycling program. While it’s good to support the development of recycled water, the proposed timeline is too accelerated for many agencies to comply, including DSRSD. (CASA and WateReuse)

Non-Flushable Products – A top priority for CASA, this bill would prohibit the sale or advertisement of any nonwoven disposable product labeled as “flushable” or “sewer and septic safe” if that product fails to meet specific performance standards. This bill may be AB 1672 (Bloom). (CASA)

Recycled Water: Raw Water and Groundwater Augmentation – Support AB 292 (Quirk) which replaces “indirect potable reuse for groundwater recharge” with “groundwater augmentation.” (CASA)

Tax Exemptions on Water Treatment Chemicals – Support AB 405 (Rubio) *The Sales and Use Tax* law taxes retailers’ gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of tangible personal property. This bill would exempt from that tax chemicals used to treat water, recycled water, or wastewater regardless of whether those chemicals or other agents become a component part thereof and regardless of whether the treatment takes place before or after the delivery to consumers. (CASA)

Extend NPDES Permit Terms to 10 Years – Support legislation to extend NPDES permit terms from five to ten years. (CASA)

Open Meetings, Local Agencies, Social Media – Support AB 992 (Mullin) a bill that would provide that the Ralph M. Brown Act does not apply to the posting, commenting, liking, interaction with, or participation in, internet-based social media platforms that are ephemeral, live, or static, by a majority of the members of the legislative body, provided a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency. (CASA)

Local Agencies: Surplus Land – Watch AB 1486 (Ting) a bill that would expand the definition of “local agency” to include water and wastewater utilities and require those entities to comply with requirements for disposal of surplus land, i.e., essentially offer it to the buyer that proposes to provide the greatest number of housing units that meet the requirements. Because DSRSD owns property on Gleason, we may eventually want to take a position on this bill. (CASA and CSDA)

Public Records Disclosure – Support SB 615 (Hueso) to reduce the number of serial lawsuits associated with the California Public Records Act (CPRA) by requiring potential litigants to meet-and-confer with public agencies (increasingly becoming the targets of serial litigants) regarding their CPRA request denials prior to filing litigation. (CSDA)

Video Monitoring Records Retention Modernization – Support AB 510 (Cooley) which allows special districts, cities, and counties to adopt record retention policies for routine video monitoring, radio, and telephone recordings that differ from the current standard of one year for video recordings and 100 days for radio and telephone recordings to save money on unnecessary data storage costs. (CSDA)

Update 19-Year-Old Purple Pipe Regulations – Support AB 1180 (Friedman) which requires the SWRCB to update Title 22 for non-potable uses by 2023 and requires that a change-over device (e.g., swivel ell) be incorporated into the Title 17 update currently underway. (WateReuse)

Additionally, as new legislative issues arise, staff will return with an update on emerging legislative and regulatory items.

RECOMMENDATION

Staff recommends the Board of Directors receive a presentation on the legislative and regulatory 2018 report and, by Motion, provide direction to staff on proceeding with legislative and regulatory advocacy as noted in the attached staff report under “2019 Legislative and Regulatory Platform.”

ATTACHMENTS:

1. Legislative and Regulatory Advocacy Policy
2. Organizations that Track Legislation and Regulatory Issues
3. What Implementation of SB 998 Means to DSRSD



**Dublin San Ramon
Services District**
Water, wastewater, recycled water

Policy

Policy No.: P100-18-3	Type of Policy: Board Business
Policy Title: Legislative and Regulatory Advocacy	
Policy Description: Taking positions on local, regional, state, and federal legislation and regulations	
Approval Date: 12/18/2018	Last Review Date: 2018
Approval Resolution No.: 59-18	Next Review Date: 2022
Rescinded Resolution No.: 48-14	Rescinded Resolution Date: 8/19/2014

It is the policy of the Board of Directors of Dublin San Ramon Services District to take positions on legislative and regulatory issues that affect the District and to engage in the public policy process when time and resources allow. If legislative or regulatory issues do not affect the District, then the District will take no action unless a member of the Board requests a Board discussion of an issue. To guide staff in these efforts, the Board developed this policy.

Staff takes advantage of the District's membership in various trade organizations. These organizations track legislative and regulatory issues, take positions, and draft comment letters, making it easy for staff to also engage on issues of importance to the District.

Such organizations include, but are not limited to, the following:

- Association of California Water Agencies (ACWA)
- American Water Works Association (AWWA)
- California Association of Sanitation Agencies (CASA)
- California Product Stewardship Council (CPSC)
- California Special Districts Association (CSDA)
- WateReuse
- Water Education Foundation (WEF)

Staff will use other resources and sources of information to become aware of legislation and regulations which may impact the District.

To determine whether or not to advocate on an issue, staff uses the following criteria, in order of priority.

1. **DSRSD Policies** – If the DSRSD Board of Directors adopts formal policies which have a direct bearing on the legislative and/or regulatory issue, then staff may advocate consistent with those adopted policies.

Policy No.: P100-18-3	Policy Title: Legislative and Regulatory Advocacy
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- 2. **DSRSD’s Legislative & Regulatory Platform** – If the DSRSD Board of Directors adopts an annual legislative platform which has a direct bearing on the legislative and/or regulatory issue, then staff may advocate consistent with the annual legislative platform.
- 3. **DSRSD Budget** – If the DSRSD Board of Directors adopts a budget which has a direct bearing on the legislative and/or regulatory issue, then staff may advocate consistent with the budget.
- 4. **Member Associations** – If one of the organizations, in which the District is a member, asks the District to advocate consistent with the organization’s position, staff may do so.

If the General Manager deems a legislative or regulatory issue of importance and it is not encompassed by the above categories, the General Manager may bring it to the attention of the President of the Board of Directors and the President will decide if the issue rises to the level of requiring Board consideration. If the Board President determines that an issue does not warrant Board consideration, then the General Manager may advocate on the issue in the interest of the District.

If a legislative or regulatory item does not comply with any of the above criteria, a member of the Board may ask at a Board meeting that the issue be agendaized for discussion at the next Board meeting, to discuss and determine whether or not the District should advocate on the matter.

Organizations that Track Legislative and Regulatory Issues Of Interest to DSRSD

DSRSD belongs to many organizations that track legislative and regulatory issues and alert District staff when they determine support, oppose, or comment letters are needed to pass, alter, or defeat specific bills or regulations. These organizations also solicit ideas to create, improve, or eliminate a law or regulation that may affect the District.

The District takes advantage of its membership in the following organizations to become aware of legislative and regulatory issues and the need for advocacy when these issues may impact the District.

Reach	Organization	Description	2018 Activity
Regional	Bay Area Biosolids (BAB)	Coalition of 19 San Francisco Bay Area agencies, seeking sustainable solutions to manage biosolids	No BAB lobbyists for a couple years. Most issues are handled via CASA
Regional	Bay Area Clean Water Agencies (BACWA)	The 18 member agencies of BACWA provide sanitary sewer services to more than 6.5 million people in the S.F. Bay Area .	Regulatory issues only
Regional	Zone 7 Water Agency	The Tri-Valley’s water wholesaler, Zone 7 provides drinking water to four major retailers, serving 220,000 people and providing flood protection to 425 sq miles of E. Alameda Co.	Tracked 72 pieces of legislation, but did not act on any of them. Per their historical practice, they do not take positions on legislative issues.
Statewide	Association of California Water Agencies (ACWA)	The largest statewide coalition in the U.S. with 430 public water agency members.	ACWA thwarted 3 attempts to tax water; influenced implementation of Prop 1 funding; tracked 152 water-related bills.
National	ACWA	ACWA also has an office in Washington D.C. and lobbies on water infrastructure and funding issues at the federal level.	Achieved wildfire budget fix for Forest Service
Statewide	California Association of Sanitation Agencies (CASA)	Representing 100 public agencies that collect, treat, or dispose of wastewater, recover resources, or recycle water, CASA is a leading voice on regulatory & legislative issues.	CASA tracked 96 bills, including spot bills. (Measures introduced without substance, essentially, placeholder bills.)
National	CASA	CASA also has a legislative and regulatory advocate in Washington D.C.	

Statewide	California Product Stewardship Council (CPSC)	CPSC supports a more sustainable and toxic free environment through product stewardship. DSRSD is especially interested in their efforts to encourage proper disposal of batteries, sharps, and pharmaceuticals.	
Statewide	California Special Districts Association(CSDA)	CSDA has nearly 1,200 members and promotes good governance and improved core local services.	
Statewide	WateReuse California (WRCA)	WateReuse advances laws, regulations, policy, funding, and public acceptance for water recycling. Currently working to update the state's 2009 Recycled Water Policy.	Tracked nine pieces of legislation; signed into law SB 966, to establish uniform statewide recycling criteria for varying types of use of recycled water where the use involves protection of public health and SB 606 and AB 1668, Water Efficiency/Drought Planning
National	WateReuse	<i>WateReuse</i> represents more than 200 communities and 60 million U.S. utility customers	DSRSD was one of many signatures on a 10.29.18 letter supporting Title XVI WIIN reauthorization funding for recycled water

What Implementation of SB 998 Means to DSRSD

In spite of opposition, SB 998 became law, creating a one-size-fits-all statewide program for water service shut-offs that prevents service disconnection for at least 60 days for delinquent customers, creates a cap on reconnection fees for low-income customers that may or may not cover the actual cost to physically reconnect service, and expands the authority to both the State Water Resources Control Board and the attorney general to enforce provisions of the bill.

Title 6, Sections 60370-60375.5 of the Government Code, sets the requirements for timing and communication prior to utility shut off. Currently, DSRSD’s shut-off process is as follows:

Timing	DSRSD Action	Customers Affected
Day 1	Bill Received	
Day 21	Payment due date	90-93% customers pay on time
Day 30	Past due notice mailed	7-10% of customers receive past due notices
Day 45	Lock-off notice hand delivered to property	4% of customers receive lock-off notices
Day 47	Service disconnected	Typically less than five properties are without service

Working with our community, the District is able to keep shut-offs low. When appropriate, we encouraged customers to take advantage of our Low Income Assistance program which pays the fixed fee each billing period. Our focus has been to get the customer current, or on a payment schedule, before the next bill so we keep the debt from increasing. When a customer entered into an acceptable payment arrangement, their water service stayed on.

The current law enables delinquencies to go on for much longer periods and to accrue much greater debts. The new law forces utilities to become lending institutions, requiring service continue without payment for seven months or more, allowing debt to accumulate beyond burdensome for the customer.

The new law *“requires water agencies to have written and published policy on how to deal with shutoffs which includes a plan for deferred payments, alternative payment schedules, an appeals process, and opportunities for direct contact to discuss payment problems.”* DSRSD’s Code, which is posted on our website, outlines the timing of events for collections and shutoffs. We offer payment arrangements to avoid shut offs. Customers have an option of direct contact, in person, or through various electronic methods.

The new law *“prohibits a shutoff for at least 60 days, following the delinquency and requires direct contact with an adult in the household three days prior to shut off with a copy of the policy. Contact is requisite prior to shut off.”* Since DSRSD bills every 60 days, these customers would have three months of consumption before the District could take any action. Privacy and Fair Debt laws require we only discuss the delinquency with the customer names on the bill so we couldn’t just speak to any adult at residing at the property. Also, this law allows residents to avoid service disconnect by simply not talking to us.

The new law *“prohibits shutoff until a local health agency determines whether there is any threat to the resident’s health and safety to be reassessed every 90 days.”* This law assumes that health and safety officials are going to be available to do these assessments on a timely basis. Again, the customer’s debt will continue to grow. In the last eleven years, DSRSD has had one situation where the customer claimed to have a sick family member and that they could not pay their water bill. They were advised that if they provided verification from their attending physician, the District would not disconnect service. The customer did not provide verification and paid their bill.

The new law *“prohibits a shut off for households with an infant, a severely disabled child, or an elderly resident receiving in-home care, hospice care, or suffering from a life threatening medical condition.”* This broad expectation associates age with financial need and ignores the fact that a person can be receiving end-of-life care or be severely disabled at any age.

The new law *“requires that ratepayers be informed on how to restore water service and waives reconnection fees for families within 200% of the federal poverty guidelines, limits interest charges on unpaid bills and reconnection fees for other customers.”* DSRSD residents are notified how to reconnect service. Because the District does not have access to customers’ state or federal tax returns, it is unclear how the District would determine whether or not a customer is within 200% of the federal poverty guidelines. The disconnect/reconnect fee the District charges is based on our costs to do so and are only charged to customers who require this service. It violates District Code to have many ratepayers subsidize the few who are delinquent paying their water bills, yet the new law limits how much a water agency can charge to disconnect/reconnect, so that is what will happen. The District does not charge interest on any debt and the *Past Due* penalties charged are limited by law to ten percent of the balance due, followed by one percent on subsequent penalties for that balance.

The new law *“requires that water agencies report disconnects on the website.”* This is the equivalent of making citizens with debt sit in stockades in the town square. It is shameful and distasteful.

Should the District require deposits from all new customers? Should we set up a process to place liens on properties? These are actions utilities take to mitigate bad debt that we have been able to avoid up until now.