



**Dublin San Ramon
Services District**

Water, wastewater, recycled water

7051 Dublin Blvd., Dublin, CA 94568

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ending June 30, 2019





**Dublin San Ramon
Services District**

Water, wastewater, recycled water

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

Board of Directors

Madelyne Misheloff President
Edward (Ed) R. Duarte..... Vice President
Ann Marie Johnson..... Director
Rich Halket..... Director
Georgean Vonheeder-Leopold Director

General Manager Daniel McIntyre

Administrative Services Manager Carol Atwood

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**INTRO-
DUCTORY
SECTION**

December 17, 2019

To the Board of Directors and Dublin San Ramon Services District customers:

State law requires that every community services district publish audited financial statements within six months of the close of each fiscal year. The Dublin San Ramon Services District publishes this report to fulfill that requirement for the fiscal year that ended June 30, 2019.

The management of Dublin San Ramon Services District assumes full responsibility for the completeness and reliability of the information in these financial statements, based upon a comprehensive system of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Maze & Associates has issued an unmodified ("clean") opinion on the Dublin San Ramon Services District's financial statements for the year ended June 30, 2019. The independent auditor's report is located in the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The District meets the definition of a stand-alone government in accordance with standards established by the Governmental Accounting Standards Board's Statement No. 14, The Financial Reporting Entity. As of June 30, 2019, the District participates in two joint powers authorities (JPA): the Livermore-Amador Valley Water Management Agency (LAVWMA) and Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA).



Kaiser Permanente's new 220,000 square foot facility opened in May 2019 in eastern Dublin. The Dublin location houses medical offices and a cancer center. Landscaping around the facility is connected to recycled water irrigation delivered by DSRSD.

District Overview

The District was formed in 1953 as the Parks Community Service District. The name was changed to Valley Community Services District (VCSD) in the early 1960s. VCSD became the vehicle for delivering local services before city governments existed, including water and wastewater services, recreation and parks, garbage collection, and fire protection. The name of the District was changed again in 1977 to Dublin San Ramon Services District (DSRSD) to reflect its service areas. By 1988, the cities of Dublin and San Ramon had incorporated and assumed responsibility for many of the services originally provided by the District, which allowed DSRSD to focus on water and wastewater services. In 1999, the District began providing a third service, recycled water. DSRSD currently provides water, recycled water, and wastewater services to more than 188,000 residents in Dublin, southern San Ramon, the Dougherty Valley area of San Ramon, and Pleasanton.

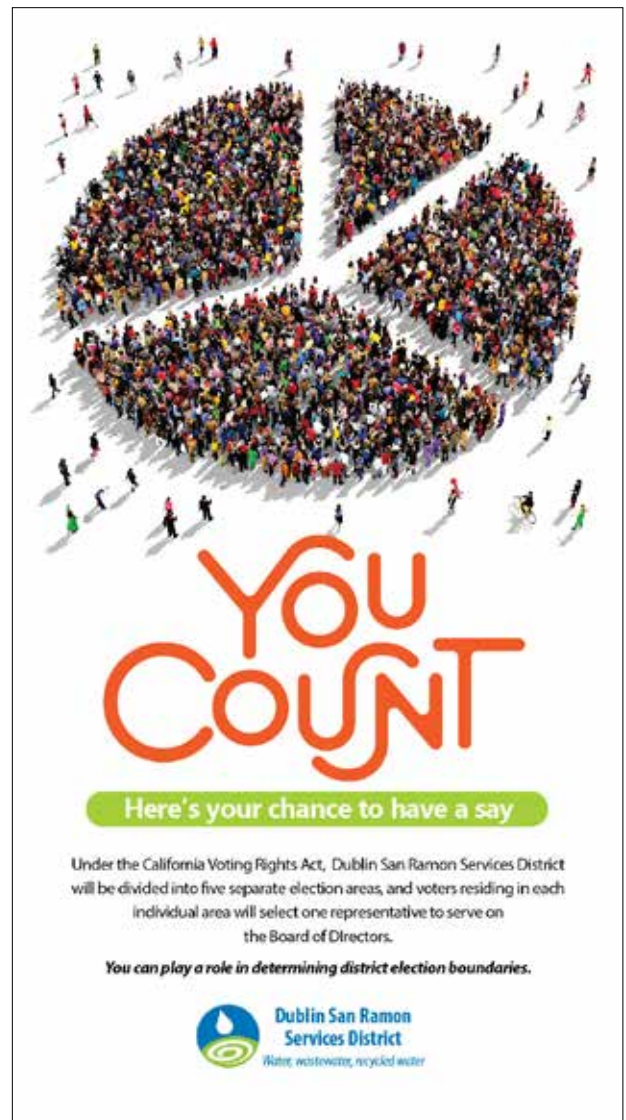
The District is governed by a Board of Directors that sets policy, adopts budgets, and appoints a general manager to run operations. Previously, all five members of the Board of Directors were chosen by constituents from the District's entire service area under the at-large election system. The District transitioned in May 2019 from at-large election to area-based elections. Five directors are elected to overlapping four-year terms, each director representing a different area.



Demographer Michael Wagaman speaks at a DSRSD Board of Directors meeting in 2019 explaining the different methods of dividing the District and the rationale behind area-based elections.

MISSION STATEMENT

Our mission is to protect public health and the environment by providing reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and fiscally responsible manner.



The front of a large postcard mailer sent to District residents encouraging their participation in the process of transitioning from at-large to by-division elections.

Economic Conditions

DSRSD's service area lies within the Tri-Valley, which is part of the East Bay region of the San Francisco Bay Area. The service area includes all of the City of Dublin, which is located approximately 35 miles east of San Francisco and 35 miles north of San Jose. The service area also includes portions of the City of San Ramon, which is located to the north of Dublin. In addition, the District provides wastewater treatment services to the City of Pleasanton under an agreement with the city. The area offers easy access to many transportation options, including Interstates 580 and 680, Bay Area Rapid Transit (BART), Altamont Commuter Express (ACE), and Livermore Amador Valley Transit Authority (LAVTA).

As of June 2019, unemployment rates for the Cities of Dublin and San Ramon are 2.6 percent and 2.7 percent respectively, lower than the statewide average (4.2 percent) or local counties (3.1 percent in Alameda and 3.2 percent in Contra Costa).¹ Unemployment rates were comparable to larger cities such as San Francisco (2.3 percent) and San Jose (2.8 percent). Despite a slowdown over last year, the East Bay region will continue to experience growth at

a healthy pace, as it has one of the lowest unemployment rates in the state. As reported by the East Bay Economic Development Alliance (EDA)², the East Bay's labor force grew by 18,000 jobs, or 1.4 percent, but trailed behind the Counties of San Francisco (2.9 percent) and Santa Clara (2.1 percent) over the same period. The major economic indicators point toward steady growth for the East Bay in the short term. With employment and wages on the rise, consumer confidence is expected to drive up further business activity.

According to the data from the U.S. Census Bureau,³ the estimated median household income is \$138,007 for Dublin and \$142,718 for San Ramon, an increase over the prior year of 7.4 percent and 6.4 percent, respectively. Household median incomes are significantly higher compared to both the Counties of Alameda (\$85,743) and Contra Costa (\$88,456). Personal income is on an upward trend in the East Bay, but so is the cost of living. The monthly owner costs, as a percentage of household income, is 35 percent in one-fourth of the housing units with a mortgage and one-third of occupied units rented in San Ramon; and only one-fifth of the housing units with a mortgage and one-fourth of occupied units rented in Dublin. Costs of rent, homeownership, util-

According to buildout projections, the overall population of Dublin and San Ramon will increase 30 percent by 2035

(Above) The Boulevard neighborhood development in Dublin is in full construction mode on the former Camp Parks site.

(Right) Construction Inspector I Josh Sanchez inspects a new recycled water irrigation box to ensure installation of a reclaimed water warning tag.

1. State of California Employment Development Department, Unemployment Rates (Labor Force), June 2019
2. East Bay EDA Economic Outlook, 2019-2020
3. United States Census Bureau, 2013-2017 American Community Survey 5-Year Estimates





Construction is underway at Carl Zeiss' U.S. headquarters on Dublin Blvd. The 13.5-acre site will house Zeiss Medical Technology group, the company's Industrial Quality & Research branch, and its Semiconductor Manufacturing Technology division.



The Tri-Valley's proximity to Silicon Valley and San Francisco continues to drive home sales.

ities, transportation, meals, and entertainment are on the rise, but the East Bay still maintains a lower cost of living compared to San Francisco and Santa Clara counties².

The housing market in the East Bay remains strong, with increases in both assessed property values and median home prices of existing single-family homes in Alameda County (5.13⁴ percent and 1.10⁵ percent, respectively) and Contra Costa County (5.30⁶ percent and 0.90⁵ percent). The East Bay's relative home affordability advantage compared to neighboring counties continues to drive local demand. Although residential permitting has increased for seven straight years, the Bay Area's failure to meet growing demand for diverse housing types for decades means that the shortage endures despite current construction activity, and increases in median home prices are expected to continue.²

The diversified commercial base of the District's service area produces greater economic stability and less volatility than more specialized economies such as San Jose (technology) or San Francisco (tourism and technology). Several large business parks are located in the Tri-Valley, supporting a healthy mix of large and small businesses. The East Bay performed well in terms of business activity, as evidenced by taxable sales reaching a record \$53.2 billion in 2018. This represents a 7.3 percent increase in spending. The gains were more pronounced in Alameda County and Contra Costa County, which grew 7.8 percent and 6.2 percent,

respectively. The cities of Dublin's and San Ramon's taxable sales increased 4.6 percent and 2.0 percent over last year. The building and construction category also posted strong growth, with a 7.6 percent increase in 2018. This reflects the rise in construction spending on residential and commercial units permitted in recent years. The outlook for new development in the DSRSD service area remains positive for the long term. Autos and transportation, as well as the restaurants and hotels categories had solid growth, as rising personal income enabled consumers to spend more on leisurely activities and durable goods purchases. Another vital sign trending in the right direction is East Bay tourism. Passenger traffic at Oakland International Airport (OAK) grew steadily over 2018, reaching 13.6 million passengers, a 4.0 percent increase. Business indicators reflect the healthy state of the East Bay economy.²

Both Dublin and San Ramon anticipate continued growth in the coming years. Dublin has an estimated population of 64,557, an increase of 2.11 percent over the previous year. San Ramon's population grew 0.9 percent to 83,957.⁷ According to buildout projections, by 2035 Dublin and San Ramon overall population will grow to 106,610, an increase of 30 percent.⁸ Over the past decade, the East Bay population has grown significantly. The East Bay region's population grew by 0.9 percent and outpaced California growth at 0.8 percent.

4. Alameda County 2019-20 Assessment Roll Report, July 9, 2019

5. California Association of Realtors, September 2019 County Sales and Price Activity

6. Contra Costa County 2019-2020 County Assessment Roll, July 01, 2019

7. State of California Department of Finance, E-1 Cities, Counties, and the State Population Estimates with Annual Percentage Change-January 1, 2018 and 2019, released May 1, 2019

8. Dublin San Ramon Services District 2015 Urban Water Management Plan, June 2016



The \$19 million Primary Sedimentation Expansion and Improvements project at the Regional Wastewater Treatment Facility in Pleasanton began work in April 2019. This is the largest capital project to be built by DSRSD since 2000. It is anticipated for completion in fall 2021.

Achievements & Community Outreach

Investing in the Future

Primary treatment process being expanded and improved

Construction is underway on DSRSD's largest capital improvement project since 2000. The Primary Sedimentation Expansion and Improvements project will increase primary treatment capacity by 33 percent. This \$19 million project broke ground in April 2019, and is anticipated to continue through fall 2021.

The work involves replacing and deepening one of the four primary sedimentation tanks, plus adding a fifth tank. This will allow the tanks to better separate solids and liquids, which will ease stress on the secondary treatment steps and also help the plant produce more biogas (a renewable fuel used to generate electricity to heat and power treatment the plant).

The project also includes adding a grit tank, which removes sand and gravel to protect equipment and prevent clogged pipes downstream at the treatment plant.

The expansion and improvements will provide needed primary treatment capacity for current and anticipated future wastewater flows per the general plans of the cities of Dublin, San Ramon, and Pleasanton.

Increasing Efficiency

Staff retrofits spare circuit breaker for cogeneration engines

The ingenuity of District staff helped save \$38,000 in equipment costs on a new spare circuit breaker for the cogeneration system at the Regional Wastewater Treatment Facility.

The treatment process for wastewater solids produces biogas, which helps fuel the three cogeneration engines, along with natural gas, to provide electricity and recapture heat for operating the plant and supporting infrastructure. This system helps provide about two-thirds of the annual average power used at the facility.

Following a power outage that caused issues with reconnecting a circuit breaker, staff decided having a spare breaker would be beneficial in case of unexpected circumstances such as power outages or in the event of another circuit breaker failure. A new 480-volt, 2,000 amp breaker, that connects the cogeneration units to the plant's power system, was estimated to cost \$40,000. Just as the District was prepared to purchase a new one, staff had the idea to instead retrofit another spare breaker.

In early 2019, staff in the Instrumentation, Controls, and Electrical Division were able to complete the project for \$2,000 (including parts and labor) by retrofitting the existing spare breaker to work for multiple locations.

Timing repairs for maximum recycled water delivery

In April 2019, the connection between the transformer and the motor control center at the Jeffrey G. Hansen Water Recycling Plant that supplies power to its sand filtration system failed, significantly reducing the ability to produce recycled water. To ensure the plant would be able to continue providing recycled water to customers, a generator was brought on site until repairs could be completed two or three months later.

DSRSD and the East Bay Municipal Utility District manage the San Ramon Valley Recycled Water Program, with the City of Pleasanton as a customer. For the repairs on the west side of the plant, the three agencies shared the \$329,000 repair costs, which included generator rental.

This incident on the west side of the plant caused staff to examine the transformer on the east side of the plant, which supplies power to distribution pumps and the microfiltration system. Staff determined the east transformer had a similar vulnerability, and if there was a failure, the water recycling plant would not be able to supply any recycled water since this side was not set up to connect to an emergency generator.

An inspection determined the east side transformer was in safe condition to operate through the high-demand hot weather season to make sure recycled water customers have full access. Repair costs for this transformer are estimated at \$213,000.



Electrician II Brian Johnson installs a power distribution circuit breaker into an energized 480V distribution switchgear.

Increasing Savings

Paperless billing saves printing and mailing costs

Paperless billing not only saves trees, but it also saves the District money on printing, envelopes, and postage. Out of more than 25,000 active accounts, 34 percent are receiving their bimonthly water bills via email.

Because more than 8,000 customers participate in paperless billing, the District saves about \$7,000 annually that would otherwise be spent on data processing, printing, envelopes, quality control, and postage.

DSRSD began offering a paperless billing option about 10 years ago. When new customers call to set up an account, Utility Billing and Customer Service staff offer them a paperless billing option as well as autopay.

All paper bills mailed to customers include an option to switch to paperless billing. Current customers can call (925) 828-8524 or sign up through the AquaHawk customer portal at www.dsrdsd.com.

Collaborating for bulk chemical buying

DSRSD reduces its expenses by teaming up with water and wastewater agencies throughout the Bay Area, plus Sacramento and the Central Valley, to cooperatively purchase chemicals used in various operations.

In 2010, the District took the lead in creating the Bay Area Chemical Consortium, a cooperative that seeks competitive bids for chemical contracts. These savings are passed on to water and wastewater customers.

There are currently about 60 participating agencies from the greater Bay Area. Some years have upward of 70 agencies participating, with the number fluctuating each year depending on agency needs.

Participating agencies save about 20 percent or more by coordinating to have chemicals delivered in bulk to individual regions. DSRSD alone has saved more than \$1 million on chemicals since the consortium's inception.

DSRSD has been administering the program on behalf of all the agencies. The District is transitioning program administration to the joint powers Bay Area Clean Water Agencies.

Community Outreach

The District works year-round to promote water conservation and pollution prevention. DSRSD distributes water conservation activity booklets to elementary school students and posts tips for saving water on the District's social media (Facebook, Twitter, and Nextdoor). Partnering with Zone 7 Water Agency, the District also held a Water-Wise Gardening in the Tri-Valley workshop in August 2018 at the Dublin Library.

DSRSD joined other agencies in promoting a "Wipes Clog Pipes" campaign on social media, which garnered positive comments from the public. Other pollution prevention messaging included information on disposal of medications and not putting fats, oils, and grease down the drain.

To help work flow smoother and prepare customers for traffic diversions, DSRSD uses the Nextdoor social media platform to notify residents in specific neighborhoods when crews will be performing work in their area.

The District was a sponsor for the Contra Costa Science & Engineering Fair's award for Excellence in Water, Wastewater & Recycled Water Research. A San Ramon middle school student earned a \$400 prize from the DSRSD Board of Directors.



Financial Planning and Policies

District management is responsible for establishing and maintaining an internal control structure that protects the assets of the District from loss, theft, or misuse. The District uses the full accrual method for financial reporting and employs enterprise funds to account for its activities. An enterprise fund is used to account for governmental activities that are similar to activities performed by a commercial enterprise. However, the purpose of an enterprise fund is not to maximize return, as it is in the private sector, but to provide a product or service to the public at a reasonable cost. Funds are used to track operations for internal budgeting and reporting. Each department budgets its operations among the enterprise funds. The 10-year capital improvement program and the 2-year operating budget are approved by the Board of Directors. The general manager is authorized to approve budget transfers within a fund with certain limitations.

Recognizing the critical importance of financial planning and controls, the District has developed comprehensive finance policies based on industry best practices. The policies guide long-term planning and ensure that financial decisions are analyzed and applied in a consistent manner. The Board of Directors reviews and approves all finance policies.

District policies are available online at www.dsrds.com/about-us/district-policies.

Financial policies include:

- Apportioning Planning Costs (P400-18-2)
- Auditor Selection and Services (P400-18-3)
- Budget Accountability (P400-18-1)
- Capital Financing and Debt Management (P400-17-3)
- Consolidated Water Enterprise Fund (P400-19-1)
- Debt Disclosure (P400-17-2)
- Financial Reserves (P400-15-1)
- Investment (P400-18-4)
- Project Cost Allocation (P400-17-5)
- Rate Policies and Guidelines (P400-16-1)
- Utility Billing Adjustments (P400-17-4)
- Water Expansion Fund Management (P400-14-1)

The District uses a long-term approach to financial planning that supports the Board's strategic objectives to manage public funds to provide financial stability, rate equity, long-term rate management, and maintenance of a strong AA+ credit rating. Meeting these goals ensures timely and reasonable access to credit markets when needed.

Fiscal Year Ended 2019

District policies are reviewed at least once every four years to ensure that the Board has the opportunity to be acquainted with all policies during their term of office. The following financial policies were reviewed and updated in FYE 2019:

- Auditor Selection and Services (P400-18-3) - In late FYE 2018, the District elected to become a participating agency of the Uniform Public Construction Cost Accounting Act (UPCCAA). In July 2018, the Auditor Selection and Services policy, which establishes guidelines for auditor selection and scope of services, was updated to conform to the UPCCAA and revised Purchasing policy (P500-18-1).
- Investment (P400-18-4) - Updated in July 2018 to include Money Market Mutual Funds as authorized investments.
- Consolidated Water Enterprise Fund (P400-19-1) - In April 2019, the Consolidated Water Enterprise Fund policy, which provides guidelines in the management of potable and recycled water enterprises, was updated to conform with new laws and regulations related to the establishment of water rates.

The District prepares various budgets, plans, and studies for Board adoption to ensure financial sufficiency to meet operation and maintenance (O&M) and capital costs, achieve policy reserve fund targets, realign rates/fees to more closely reflect costs incurred, and adequately recover revenue requirements. The Board adopts 2-year operating and capital budgets, a 10-year Capital Improvement Program (CIP) plan, a 10-year financial model, and a 5-year strategic plan. In addition, the District conducts rate and fee studies approximately every five years. For FYE 2019, the Board adopted the following items:

- December 2018 - Established Local and Regional Wastewater Capacity Reserve Fees
- May 2019 - Adopted FYE 2019-2024 Strategic Plan
- June 2019 - Established Water Rates
- July 2019 - Adopted Operating Budget for FYE 2020 and FYE 2021
- July 2019 - Adopted Capital Budget for FYE 2020 and FYE 2021
- July -2019 - Adopted FYE 2020-2029 CIP Plan

The rate studies, budgets, and plans may be found on the District website at www.dsrds.com/about-us/library/financial-information.

For a detailed discussion and analysis of the District's operations during fiscal year ending June 30, 2019, please read the Management's Discussion and Analysis (MD&A) in the Financial Section of this report. Financial Trends, in the Statistical Section of this report, summarizes the historical fluctuations in revenues sources and operating expenses the District has experienced over the past 10 years.



Recognizing the critical importance of financial planning and controls, the District has developed comprehensive financial policies based on industry best practices.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Dublin San Ramon Services District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the 18th consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the hard work and dedication of the entire staff in Financial Services and Public Affairs. We also want to express our appreciation to the staff members throughout the District who assisted and contributed to the information presented in this report. Finally, we would like to acknowledge the support of the DSRSD Board of Directors for its dedication to serving customers well by maintaining strong financial standards.

Respectfully submitted,



Daniel McIntyre
General Manager



Carol Atwood
Administrative Services Manager/Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Dublin San Ramon Services District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Board of Directors

as of June 30, 2019



**Madelyne (Maddi)
Misheloff**
President



Edward R. (Ed) Duarte
Vice President



Ann Marie Johnson
Director



Richard Halket
Director



**Georgean
Vonheeder-Leopold**
Director

Senior Managers

as of June 30, 2019



Daniel McIntyre
General Manager



Carol Atwood
Administrative Services
Manager/Treasurer



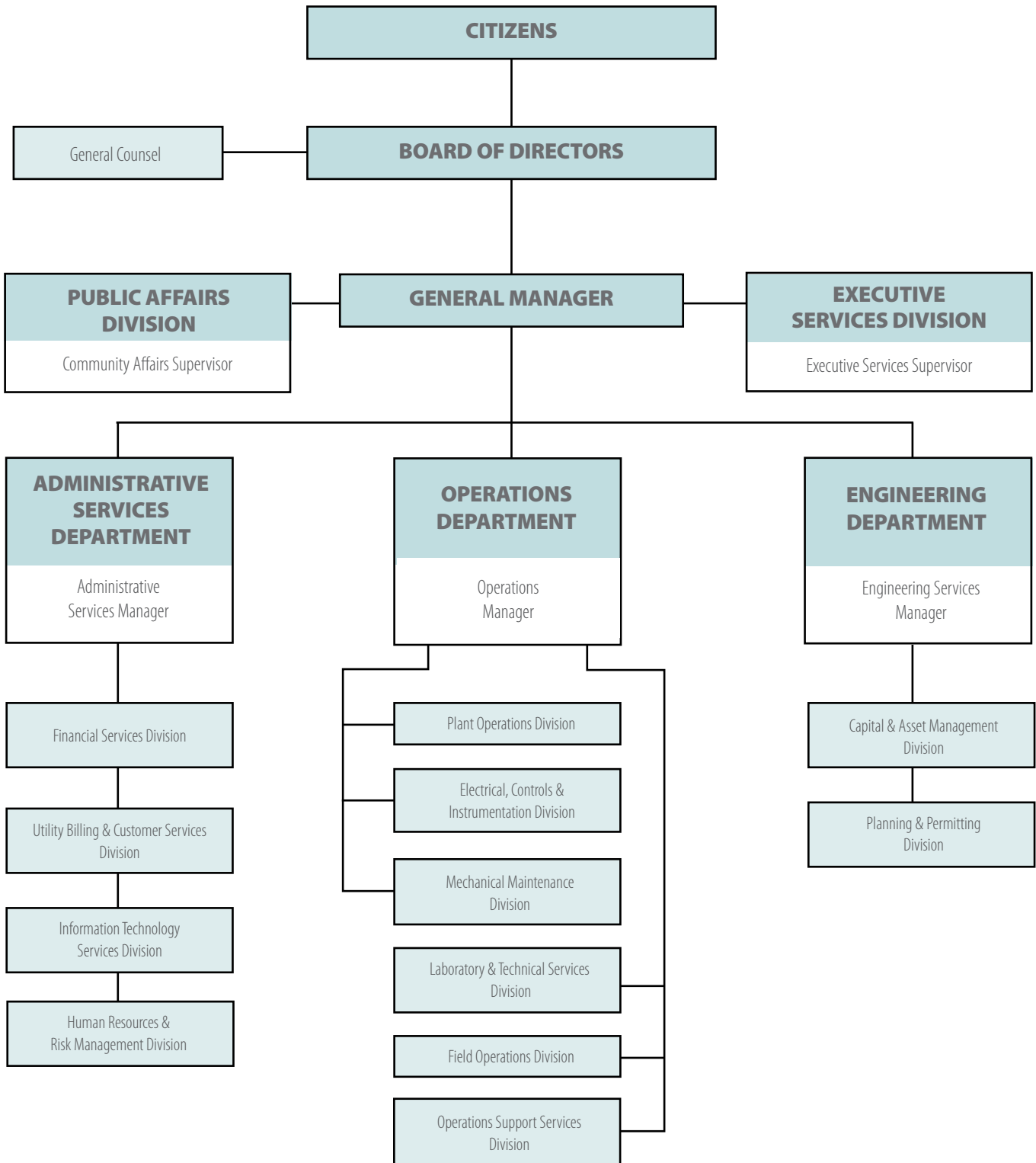
Jeff Carson
Operations Manager



Judy Zavadil
Engineering Services Manager

Organizational Chart

as of June 30, 2019



An aerial photograph of a residential neighborhood built on a hillside. In the foreground, a large, white, cylindrical water storage tank sits on a grassy slope. Behind it, a cluster of houses with light-colored roofs is visible. The hillside is covered in dry, brownish vegetation. In the background, a vast valley stretches out under a clear blue sky, showing a dense urban area with many buildings and roads. The text "FINANCIAL SECTION" is overlaid in the upper right corner, flanked by two orange L-shaped brackets.

**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dublin San Ramon Services District
Dublin, California

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Dublin San Ramon Services District (District), California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
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w mazeassociates.com

Emphasis of Matter

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which became effective during the year ended June 30, 2019 as discussed in Note 1N to the financial statements. This Statement had no material effect on the financial statements.

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

Other Matters

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 26, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section and Supplementary Information listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Maze + Associates

Pleasant Hill, California
November 15, 2019

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2019 and 2018

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the Dublin San Ramon Services District's basic financial statements. The District's basic financial statements consists of the Statements of Net Position, Statements of Revenues and Expenses and Changes in Fund Net Position, Statements of Cash Flows, and Notes to Financial Statements. The notes to the financial statements provide narrative explanations or additional data as needed for full disclosure.

- The Statements of Net Position presents financial information on all of the Districts assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statements of Revenues and Expenses and Changes in Fund Net Position measures the success of District operations for the year and determines cost recovery through user fees and other charges, profitability, and credit worthiness.
- The Statements of Cash Flows provides information about District cash receipts and disbursements and net changes in cash that result from operating activities, non-capital financing activities, capital financing activities and investing activities. Thus, the Statements of Cash Flows shows sources and uses of cash.

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

The District is governed by a Board of Directors, which sets policy, adopts budgets and appoints a General Manager to direct operations. Currently, there are five Directors elected at-large to overlapping four-year terms. Effective June 20, 2019, starting with the 2020 election, Directors will serve "by-division," which means they represent all customers residing within a division of the District's service area.

Financial Highlights for Fiscal Year 2019

- ✓ The District's net position increased \$24.6 million or 5.7% from \$433.9 million to \$458.5 million
- ✓ Service charge revenues increased \$0.9 million or 1.6% from \$54.1 million to \$55.0 million
- ✓ Capacity reserve fees decreased \$2.2 million or 7.6% from \$29.9 million to \$27.7 million
- ✓ Operating expenses (excluding depreciation) increased \$2.5 million or 4.2% from \$59.5 million to \$62.0 million

Changes in Net Position

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

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2019 and 2018

TABLE 1

Condensed Statements of Net Position

Period ended June 30	2019	2018	Change in 2019		2017	Change in 2018	
			\$	%		\$	%
			Change	Change		Change	Change
Current and restricted assets	\$214,416,088	\$199,324,179	\$15,091,909	7.6%	\$179,307,868	\$20,016,311	11.2%
Capital assets	331,410,571	329,813,739	1,596,832	0.5%	322,140,100	7,673,639	2.4%
Other assets	193,449	240,167	(46,718)	-19.5%	12,709,271	(12,469,104)	-98.1%
Total assets	<u>546,020,108</u>	<u>529,378,085</u>	<u>16,642,023</u>	<u>3.1%</u>	<u>514,157,239</u>	<u>15,220,846</u>	<u>3.0%</u>
Deferred outflow of resources	12,449,741	16,208,976	(3,759,235)	-23.2%	14,988,358	1,220,618	8.1%
Current and restricted liabilities	13,062,798	19,327,972	(6,265,174)	-32.4%	12,699,726	6,628,246	52.2%
Long-term liabilities	79,379,596	82,408,331	(3,028,735)	-3.7%	86,051,153	(3,642,822)	-4.2%
Total liabilities	<u>92,442,394</u>	<u>101,736,303</u>	<u>(9,293,909)</u>	<u>-9.1%</u>	<u>98,750,879</u>	<u>2,985,424</u>	<u>3.0%</u>
Deferred inflow of resources	7,522,059	9,901,882	(2,379,823)	-24.0%	5,249,385	4,652,497	88.6%
Net Position							
Net investment in capital assets	267,681,575	264,019,715	3,661,860	1.4%	253,840,783	10,178,932	4.0%
Restricted for expansion	85,940,024	79,460,455	6,479,569	8.2%	75,641,904	3,818,551	5.0%
Restricted for debt service	-	14,061	(14,061)		-	14,061	
Restricted for assessment district	906,235	1,097,340	(191,105)	-17.4%	752,674	344,666	45.8%
Unrestricted	103,977,562	89,357,305	14,620,257	16.4%	94,909,972	(5,552,667)	-5.9%
Total net position	<u>\$458,505,396</u>	<u>\$433,948,876</u>	<u>\$24,556,520</u>	<u>5.7%</u>	<u>\$425,145,333</u>	<u>\$8,803,543</u>	<u>2.1%</u>

During the fiscal year ended June 30, 2019 (FYE 2019), total assets increased 3.1% or \$16.6 million from June 30, 2018 (FYE 2018) compared to an increase of 3.0% or \$15.2 million over June 30, 2017 (FYE 2017). The increases are primarily due to a positive fair market adjustment to investment and higher investment income from a strong economic market. For a more detailed look at the cash flows, see Statements of Cash Flows on page 25.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2019 and 2018

Total liabilities decreased \$9.3 million or 9.1% during the FYE 2019 compared to an increase of \$3.0 million or 3.0% during the FYE2018. The FYE2019 decrease was due to lower account payables for wastewater capital improvement projects and Zone 7 Water Agency remittances connection fees.

Changes to the deferred inflows/outflows of resources are related to the District's pension and other post-employment benefits (OPEB) plans with the California Public Employees' Retirement System (CalPERS), for additional information see Financial Statement Note #10 – Pension Plan and Note #11 – Post Employment Health Care Benefits.

As a result of the change in assets and liabilities above, the District's total net position increased \$24.6 million or 5.7% during FYE 2019 and \$8.8 million or 2.1% during FYE2018. FYE2018 reflects \$13.2 million prior period adjustment due to implementation of GASB 75.

TABLE 2

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

Period ended June 30			Change in 2019				Change in 2018	
	2019	2018	\$	%	2017	\$	%	
			Change	Change		Change	Change	
Operating revenues	\$54,992,657	\$54,130,075	\$862,582	1.6%	\$49,239,970	\$4,890,105	9.9%	
Other revenues	7,397,494	8,783,035	(1,385,541)	-15.8%	10,368,926	(1,585,891)	-15.3%	
Investment income	7,136,641	695,673	6,440,968	925.9%	354,329	341,344	96.3%	
Capacity reserve fees	27,667,384	29,944,208	(2,276,824)	-7.6%	20,330,328	9,613,880	47.3%	
Contributions	2,360,000	982,000	1,378,000	140.3%	4,485,119	(3,503,119)	-78.1%	
Total revenues	99,554,176	94,534,991	5,019,185	5.3%	84,778,672	9,756,319	11.5%	
Operating expenses	61,988,760	59,485,722	2,503,038	4.2%	57,665,770	1,819,952	3.2%	
Depreciation	11,541,721	11,293,079	248,642	2.2%	11,404,287	(111,208)	-1.0%	
Non-operating expenses	1,467,175	1,711,942	(244,767)	-14.3%	1,954,717	(242,775)	-12.4%	
Total expenses	74,997,656	72,490,743	2,506,913	3.5%	71,024,774	1,465,969	2.1%	
Changes in net position	24,556,520	22,044,248	2,512,272	11.4%	13,753,898	8,290,350	60.3%	
Beginning net position	433,948,876	425,145,333	8,803,543	2.1%	411,391,435	13,753,898	3.3%	
Prior period adjustment	-	(13,240,705)	13,240,705	0.0%	-	(13,240,705)	0.0%	
Beginning net position, as restated	433,948,876	411,904,628	22,044,248	5.4%	411,391,435	513,193	0.1%	
Ending net position	\$458,505,396	\$433,948,876	\$24,556,520	5.7%	\$425,145,333	\$8,803,543	2.1%	

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2019 and 2018

In FYE 2019, the District had an increase in total revenues of 5.3% or \$5.0 million compared to FYE 2018, while FYE 2018 total revenues were 11.5% or \$9.8 million higher than FYE2017. Declining capacity reserve fees revenue from slightly slowing development was partially offset by increased investment income due to a strong economic market. Service charge revenues increased 1.6% or \$0.9 million over FYE 2018 primarily due to continued rebounding of water sales as a result of the state lifting water use restrictions implemented during the drought.

Total expenses increased by 3.5% or \$2.5 million during FYE 2019 compared to a 2.1% or \$1.5 million increase during FYE2018. The increase in FYE2019 was primarily due to a \$3.6 million payment to EBDA Joint Powers Authority for the payoff of capacity purchase, which is offset by decrease in contract services for DERWA Joint Powers Authority capital improvement expenditures.

Capital Assets and Debt

During FYE 2019, the District purchased, had contributed, or transferred from construction in progress the following assets:

Contributed sub-surface lines	\$2,360,000
Wastewater treatment plant improvements	100,321
Wastewater facilities improvements	13,744,579
Vehicles and equipment	178,236
SCADA Equipment	105,828
Wastewater line improvements	7,289,673
	\$23,778,637

In FYE 2019, the District had 11,518 linear feet of potable water line and 10,665 linear feet of sewer line contributed by developers valued at \$1,366,000. Wastewater treatment plant improvements of \$100,321 included replacement of equipment such as pumps, spectrometer, and coolers that had reached the end of their useful life. The District completed Anaerobic Digester #4, Dublin Trunk Sewer Rehabilitation, and Facilities Relocation – Dublin Boulevard Widening projects, also replaced four vehicles that were over ten years old. For additional information on capital assets see Financial Statement Note 4 – Capital Assets.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2019 and 2018

In FYE 2019 the District had the following additions to construction in progress:

Construction in Progress

Primary Sedimentation Expansion/Improvements	\$2,433,461
Foul Air-line rehabilitation	1,132,131
Wastewater system expansion and improvements	5,346,126
Water system expansion and improvements	1,670,608
	\$10,582,326

The additions to construction in progress (CIP) reflect the cost of major projects such as the Primary Sedimentation Expansion and Foul Air-Line Rehabilitation. Water system expansion and improvement projects include improvements to the Field Operation Facility, and wastewater system expansion and improvements includes the improvements to the Facultative Sludge Lagoon (FSL) Piping.

During FYE 2019, the District issued \$33,590,000 of 2017 Water Revenue Refunding Bonds with proceeds used to advance refund the outstanding portion of the 2011 Water Revenue Refunding Bonds. Below is a recap of the Districts current outstanding debt payable. For additional information on the District’s debt obligations, see Financial Statement Note 7 – Long-term debt.

Debt Payable	Balance at 6/30/2018	Additions	Principal Payments	Balance at 6/30/2019
2011 LAVWMA Obligation	\$32,204,024		\$1,655,029	\$30,548,995
2017 Water Revenue Refunding Bonds	33,590,000		410,000	33,180,000
	\$65,794,024	\$0	\$2,065,029	\$63,728,995

Rates and Other Economic Factors

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

Contacting the District

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

DUBLIN SAN RAMON SERVICES DISTRICT
 COMPARATIVE STATEMENTS OF NET POSITION
 JUNE 30, 2019
 WITH SUMMARIZED TOTALS AS OF JUNE 30, 2018

	2019			2018
	Wastewater	Water	Totals	
ASSETS				
Current assets:				
Pooled cash	\$3,624,512	\$2,562,181	\$6,186,693	\$15,506,692
Pooled investments	109,895,727	83,986,479	193,882,206	168,659,501
Restricted cash - debt service	-	-	-	14,061
Restricted investments	-	111,906	111,906	984,244
Accounts receivable	6,914,379	7,271,749	14,186,128	13,477,790
Interest receivable	-	-	-	608,162
Employee notes receivable	-	-	-	2,640
Deferred capacity reserve fees receivable	45,375	-	45,375	67,154
Prepaid expenses	2,353	1,427	3,780	3,935
Total current assets	120,482,346	93,933,742	214,416,088	199,324,179
Non-current assets:				
Capital assets:				
Property, plant and equipment	273,753,859	196,570,009	470,323,868	446,576,588
Less accumulated depreciation	109,840,128	64,169,682	174,009,810	162,499,447
Net property, plant and equipment	163,913,731	132,400,327	296,314,058	284,077,141
Land and construction in progress	12,874,427	22,222,086	35,096,513	45,736,598
Total capital assets	176,788,158	154,622,413	331,410,571	329,813,739
Other assets:				
Deferred capacity reserve fees receivable - long term	193,449	-	193,449	240,167
Total other assets	193,449	-	193,449	240,167
Total non-current assets	176,981,607	154,622,413	331,604,020	330,053,906
Total assets	297,463,953	248,556,155	546,020,108	529,378,085
Deferred outflows of resources				
Deferred outflows pension related amounts	4,267,564	2,722,113	6,989,677	10,242,356
Deferred employer pension contributions	1,157,103	702,059	1,859,162	1,504,792
Deferred outflows OPEB related amounts	1,462,061	887,009	2,349,070	3,249,096
Deferred employer OPEB contributions	779,140	472,692	1,251,832	1,212,732
Total deferred outflows of resources	\$7,665,868	\$4,783,873	\$12,449,741	\$16,208,976

DUBLIN SAN RAMON SERVICES DISTRICT
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2019
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2018

	2019			2018
	Wastewater	Water	Totals	
LIABILITIES				
Current liabilities:				
Accounts payable	\$2,804,959	\$3,464,371	\$6,269,330	\$13,334,879
Contractor bonds and deposits	1,219,572	672,059	1,891,631	1,234,903
Accrued expenses	416,509	-	416,509	330,461
Accrued compensated absences	836,879	465,850	1,302,729	1,315,507
Interest payable	-	611,172	611,172	614,588
Current portion of long-term debt	1,740,600	420,000	2,160,600	2,065,028
Unearned revenue and other liabilities	410,827	-	410,827	432,606
Total current liabilities	7,429,346	5,633,452	13,062,798	19,327,972
Long term liabilities:				
Long-term debt				
less current portion	28,808,396	32,760,000	61,568,396	63,728,996
Net pension liability	6,483,673	3,401,239	9,884,912	10,384,742
Net OPEB liability	847,610	514,232	1,361,842	1,730,541
DLD remediation reserve	1,726,226	-	1,726,226	1,678,756
Unearned revenue and other liabilities	193,449	4,644,771	4,838,220	4,885,296
Total long term liabilities	38,059,354	41,320,242	79,379,596	82,408,331
Total liabilities	45,488,700	46,953,694	92,442,394	101,736,303
Deferred inflows of resources				
Deferred inflows of resources - Pension	3,022,618	1,764,042	4,786,660	6,538,200
Deferred inflows of resources - OPEB	1,702,512	1,032,887	2,735,399	3,363,682
Total deferred inflows of resources	4,725,130	2,796,929	7,522,059	9,901,882
NET POSITION				
Net investment in capital assets	146,239,162	121,442,413	267,681,575	264,019,715
Restricted for:				
Expansion	62,027,124	23,912,900	85,940,024	79,460,455
Debt service	-	-	-	14,061
Assessment district	-	906,235	906,235	1,097,340
Unrestricted	46,649,705	57,327,857	103,977,562	89,357,305
Total net position	\$254,915,991	\$203,589,405	\$458,505,396	\$433,948,876

See accompanying notes to basic financial statements

DUBLIN SAN RAMON SERVICES DISTRICT
 COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019
 WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Wastewater	Water	Total	
OPERATING REVENUES				
Wastewater service charges	\$24,540,413	\$ -	\$24,540,413	\$23,478,551
Water sales	-	30,452,244	30,452,244	30,651,524
Other revenues	2,566,526	4,825,235	7,391,761	8,131,165
Total operating revenues	27,106,939	35,277,479	62,384,418	62,261,240
OPERATING EXPENSES				
Personnel	13,313,036	8,337,734	21,650,770	20,754,356
Materials	2,943,787	15,476,064	18,419,851	18,414,001
Contractual services	12,472,227	9,068,014	21,540,241	19,910,203
Other	153,317	224,581	377,898	407,162
Depreciation	7,210,146	4,331,575	11,541,721	11,293,079
Total operating expenses	36,092,513	37,437,968	73,530,481	70,778,801
OPERATING INCOME (LOSS)	(8,985,574)	(2,160,489)	(11,146,063)	(8,517,561)
NONOPERATING REVENUES (EXPENSE)				
Investment income	4,064,404	3,072,237	7,136,641	695,673
Gain (loss) on sale of assets	3,440	2,293	5,733	26,870
Gain (loss) on debt refinane	-	-	-	625,000
Interest expense	-	(1,467,175)	(1,467,175)	(1,711,942)
Total non-operating revenues (expense), net	4,067,844	1,607,355	5,675,199	(364,399)
(LOSS) BEFORE CONTRIBUTIONS	(4,917,730)	(553,134)	(5,470,864)	(8,881,960)
Non-cash contributions	994,000	1,366,000	2,360,000	982,000
Capital contributions - capacity reserve fees	14,873,104	12,794,280	27,667,384	29,944,208
Transfers in	11,206,492	6,414,578	17,621,070	8,345,241
Transfers (out)	(12,345,070)	(5,276,000)	(17,621,070)	(8,345,241)
Changes in net position	9,810,796	14,745,724	24,556,520	22,044,248
TOTAL NET POSITION, BEGINNING OF YEAR	245,105,195	188,843,681	433,948,876	425,145,333
Prior period adjustment	-	-	-	(13,240,705)
TOTAL NET POSITION, BEGINNING OF YEAR AS RESTATED	-	-	-	411,904,628
TOTAL NET POSITION, END OF YEAR	\$254,915,991	\$203,589,405	\$458,505,396	\$433,948,876

See accompanying notes to basic financial statements

DUBLIN SAN RAMON SERVICES DISTRICT
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Wastewater	Water	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers, users and joint powers authorities	\$25,803,265	\$35,872,970	\$61,676,235	\$61,991,386
Payments for services and supplies	(16,576,862)	(30,036,431)	(46,613,293)	(32,089,335)
Payments to or on behalf of employees	(12,974,643)	(8,175,382)	(21,150,025)	(5,708,425)
Net Cash Provided (Used) by Operating Activities	<u>(3,748,240)</u>	<u>(2,338,843)</u>	<u>(6,087,083)</u>	<u>24,193,626</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Net proceeds from issuance of debt	-	-	-	33,398,475
Payment to bond escrow agent	-	-	-	(34,520,000)
Principal paid on long-term debt	(1,655,028)	(410,000)	(2,065,028)	(2,505,293)
Interest paid on long-term debt	-	(1,470,591)	(1,470,591)	(1,895,549)
Acquisition and construction of capital assets	(10,022,021)	(3,110,799)	(13,132,820)	(18,966,718)
Capacity reserve fees collected	14,736,110	12,793,922	27,530,032	29,690,071
Net Cash Provided (Used) by Financing Activities	<u>3,059,061</u>	<u>7,802,532</u>	<u>10,861,593</u>	<u>5,200,986</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,738,427	1,327,582	3,066,009	1,907,389
Purchase of investment securities	(39,517,065)	(30,177,935)	(69,695,000)	(57,500,000)
Redemptions of investment securities	27,641,250	21,108,750	48,750,000	46,750,000
Proceeds (purchases) of other investments	4,561,130	(1,970,205)	2,590,925	(10,525,574)
Proceeds (purchases) of LAIF investments	676,747	516,810	1,193,557	(700,451)
Net Cash Provided (Used) by Investing Activities	<u>(4,899,511)</u>	<u>(9,194,998)</u>	<u>(14,094,509)</u>	<u>(20,068,636)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(5,588,690)</u>	<u>(3,731,309)</u>	<u>(9,319,999)</u>	<u>9,325,976</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>9,213,202</u>	<u>6,293,490</u>	<u>15,506,692</u>	<u>6,180,716</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$3,624,512</u></u>	<u><u>\$2,562,181</u></u>	<u><u>\$6,186,693</u></u>	<u><u>\$15,506,692</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	(\$8,985,574)	(\$2,160,489)	(\$11,146,063)	(\$8,517,561)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	7,210,146	4,331,575	11,541,721	11,293,079
Decrease (increase) in accounts receivable	(1,303,774)	595,436	(708,338)	(275,494)
(Increase) decrease in employees notes receivable	2,640	-	2,640	2,651
(Increase) in prepaid expenses	100	55	155	5,640
(Increase) in net OPEB asset	-	-	-	12,401,603
Decrease (increase) in deferred outflows of resources - employer contributions - pension	(205,202)	(149,168)	(354,370)	4,896,503
Decrease (increase) in deferred outflows of resources - employer contributions - OPEB	(23,002)	(16,098)	(39,100)	(1,212,732)
(Increase) in deferred outflows of resources - pension related amounts	2,024,856	1,227,823	3,252,679	(1,655,293)
(Increase) in deferred outflows of resources - other OPEB amounts	563,750	336,276	900,026	(3,249,096)
Increase (decrease) in accounts payable	(1,711,421)	(5,354,128)	(7,065,549)	6,791,728
(Decrease) increase in contractor bonds and deposits payable	570,372	86,356	656,728	175,057
(Decrease) increase in accrued expenses	86,048	-	86,048	(365,633)
Increase in compensated absences	3,119	(15,897)	(12,778)	52,337
Increase in DLD remediation reserve	47,470	-	47,470	40,879
Increase (decrease) in net pension liability	(311,094)	(188,736)	(499,830)	(2,573,080)
Increase (decrease) in net OPEB liability	(231,382)	(137,317)	(368,699)	1,730,541
Increase (decrease) in deferred inflows of resources - pension related amounts	(1,090,548)	(660,992)	(1,751,540)	1,288,815
Increase (decrease) in deferred inflows of resources - OPEB related amounts	(394,744)	(233,539)	(628,283)	3,363,682
Total adjustments	<u>5,237,334</u>	<u>(178,354)</u>	<u>5,058,980</u>	<u>32,711,187</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>(\$3,748,240)</u></u>	<u><u>(\$2,338,843)</u></u>	<u><u>(\$6,087,083)</u></u>	<u><u>\$24,193,626</u></u>
NON CASH TRANSACTIONS:				
Fair market value adjustment increase	\$1,738,427	\$1,327,582	\$3,066,009	\$1,907,389
Contributed assets	994,000	1,366,000	2,360,000	982,000
Gain on sale of capital assets	3,440	2,293	-	-

See accompanying notes to basic financial statements

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DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

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

B. Basis of Accounting

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

A Major fund is a fund whose revenues, expenditures/ expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all enterprise funds and at least 5 percent of the aggregate amount for all enterprise funds.

The District reports the following major Proprietary Funds:

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

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

C. Measurement Focus

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Reporting Entity

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

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

E. Capital Assets

Capital assets, which include property, plant, and equipment are recorded at historical costs or estimated historical cost, if actual cost is not available. Contributed assets are recorded at estimated fair value on the date of contribution. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

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

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

Land Improvements	15-25 years
Buildings	10-50 years
Equipment	3-25 years
Sub-surface lines	25-50 years
Intangibles - Reclaimed Water Rights	41 years
Intangibles – Sewer Capacity Rights	20 years

F. Cash Flows Defined

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

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accounts Receivable

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

H. Accrued Compensated Absences

The liability for vested vacation pay is calculated and accrued on an annual basis. The amount is computed using current employee accumulated leave hours (excluding sick leave which does not vest) at current pay rates. Full-time employees accrue sick leave at the rate of eight (8) hours per month credited in hour increments per pay period.

I. Estimates

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

J. Deferred Outflows/Inflows of Resources

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

K. Prior Year Summarized Information

The financial statements for the prior year are included for comparative purposes only.

L. Pension

The purposes of measuring the net pension liability and deferred outflows/ inflows of resources related to pensions, and pension expense/ information about the fiduciary net position of the District’s California Public Employees’ Retirement System (CalPERS) plan (Plan) and additions to/ deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Post-Employment Health Care Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. New GASB Pronouncement

In fiscal year 2019, the District implemented GASB Statement No. 88 which required the District to make relevant disclosures. See Note 7 for relevant disclosures.

NOTE 2 - CASH AND INVESTMENTS

A. Policies

California Law generally requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution. As of June 30, 2019, the District's cash in bank was insured or collateralized as discussed above.

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

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

B. Classification

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

Cash and cash equivalents	\$6,186,693
Investments	193,882,206
Restricted investments	<u>111,906</u>
Total cash and investments	<u>\$200,180,805</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

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

The table below identifies those investments authorized by the Board of Directors in the District's investment policy, which was last adopted July 17, 2018. Maturities on investments are limited to five years except that up to 10% of the portfolio is deemed the "long-term" portfolio and may be invested up to seven years.

Limit	Minimum Rating	Minimum Credit Quality	Authorized Investment Type
None	None	5 years	Bonds issued by the District
None	None	5 years	U.S. Treasury Notes, Bills, or Certificates of Indebtness
None	None	5 years	Registered state warrants or treasury notes or bonds of this state
None	None	5 years	Registered treasury notes or bonds of the other 49 United States
None	None	5 years	Bonds , notes, warrants or evidences of indebttness of a local agency within the state
30%	None	5 years	Negotiable Certificates of Deposit by nationally or state chartered bank or a savings association or federal association or a state or general credit union or by a state licenses branch of a foreign bank
30%	A	5 years	Medium-term notes, defined as all corporate and depository institution debt securities
None	None	5 years	Deposits with bank and savings and loan associations, including certificates of deposits, where deposits are insured by FDIC
Maximum Allowed by LAIF	None	N/A	The State of California Local Agency Investment Fund
None	None	N/A	Shares in California Asset Management Program (CAMP)
None	None	5 years	Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments.
None	None	N/A	Money Market Funds

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2 - CASH AND INVESTMENTS (Continued)

D. Interest Rate Risk

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

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

Investment Type	12 Months or less	13 - 24 Months	25 - 60 Months	Total
Securities of U.S. Government Agencies				
Callable	\$9,941,900	\$34,299,029	\$43,141,273	\$87,382,202
Corporate Bonds	7,768,600		16,725,824	24,494,424
State of California Securities	7,082,920		11,339,337	18,422,257
<i>Not rated</i>				
California Asset Management Program	27,385,830			27,385,830
California Local Agency Investment Fund	27,110,671			27,110,671
Money Market Mutual Funds	3,050			3,050
Negotiable Certificates of Deposit	2,508,382	1,007,040	5,568,350	9,083,772
<i>Total Unrestricted Investments</i>	\$81,801,353	\$35,306,069	\$76,774,784	\$193,882,206

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2019, these investments matured in an average of 173 days.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 2 - CASH AND INVESTMENTS (Continued)

The District is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the “Act”) for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool’s investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2019, the fair value approximated is the District’s cost. At June 30, 2019, these investments have an average maturity of 54 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District’s Investment Policy gives guidance on how the District manages its custodial credit risk. Presented below is the actual rating as of June 30, 2019 for each investment type as provided by Standard and Poor’s.

Investment Type	AAA	AA+	AA	AA-	A+	Total
Corporate Bond	\$7,981,377	\$6,884,955	\$2,996,466	\$3,038,544	\$3,593,082	\$24,494,424
Callable	4,957,778	82,424,424				87,382,202
State of California Securities	1,080,006		12,290,421		5,051,830	18,422,257
<i>Not rated</i>						
California Local Agency Investment Fund	27,110,671					27,110,671
California Asset Management Program	27,385,830					27,385,830
Money Market Mutual Funds	3,050					3,050
Negotiable Certificates of Deposit	9,083,772					9,083,772
Total Unrestricted Investments	\$77,602,484	\$89,309,379	\$15,286,887	\$3,038,544	\$8,644,912	\$193,882,206

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 2 - CASH AND INVESTMENTS (Continued)

F. Concentration Risk

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

Reporting Unit	Issuer	Investment Type	Reported Amount
District-Wide			
	Federal Home Loan Mortgage Corporation	Federal Agency Securities	\$31,916,310
	Federal Farm Credit Bank	Federal Agency Securities	25,481,195
	Federal National Mortgage Association	Federal Agency Securities	19,925,176

G. Investment Valuation

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2019 are described below.

	Level 2	Total
Investments by Fair Value		
Corporate Bonds	\$24,494,424	
U.S. Agency Securities	87,382,202	
State of California Securities	18,422,257	
Negotiable Certificates of Deposit	9,083,772	
	<u>\$139,382,655</u>	\$139,382,655
Investments Measured at Net Asset Value Per Share:		
California Asset Management Program		27,385,830
Money Market Mutual Funds		3,050
External Investment Pool (Exempt):		
California Local Agency Investment Fund		27,110,671
Cash in Banks and On Hand		<u>6,298,599</u>
Total Cash and Investments		<u>\$200,180,805</u>

Federal Agency Securities, Corporate Notes, State Securities, and Negotiable Certificates of Deposits categorized as Level 2 are valued based on matrix pricing which uses observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 4 - CAPITAL ASSETS

Changes in capital assets accounts are summarized below:

	Balance at June 30, 2018	Additions	Retirements	Transfers	Balance at June 30, 2019
Capital assets being depreciated:					
Land Improvements	\$9,562,400			\$13,826,910	\$23,389,310
Buildings	131,397,444				131,397,444
Equipment	83,997,241	\$196,227	(\$31,358)	105,828	84,267,938
Sub-surface lines	156,643,623	2,360,000		7,289,673	166,293,296
Intangibles	64,975,880				64,975,880
Total capital assets being depreciated:	446,576,588	2,556,227	(31,358)	21,222,411	470,323,868
Less accumulated depreciation for:					
Land Improvements	(5,793,946)	(301,543)			(6,095,489)
Buildings	(45,162,760)	(2,994,918)			(48,157,678)
Equipment	(43,173,352)	(2,324,936)	31,358		(45,466,930)
Sub-surface lines	(50,662,094)	(3,286,184)			(53,948,278)
Intangibles	(17,707,295)	(2,634,140)			(20,341,435)
Total accumulated depreciation	(162,499,447)	(11,541,721)	31,358		(174,009,810)
Net capital assets being depreciated	284,077,141	(8,985,494)		21,222,411	296,314,058
Capital assets not being depreciated:					
Land	7,712,945				7,712,945
Construction in progress	38,023,653	10,582,326		(21,222,411)	27,383,568
Total capital assets not being depreciated	45,736,598	10,582,326		(21,222,411)	35,096,513
Total capital assets, net	\$329,813,739	\$1,596,832			\$331,410,571

The District has included as intangible assets in the above table \$24,000,786 for DERWA capacity rights (see Note 6B) and \$40,975,094 for LAVWMA transmission rights (see Note 6A).

The District had outstanding construction commitments on capital projects totaling \$17,104,308 at June 30, 2019.

Depreciation expense for the District for June 30, 2019 and June 30, 2018 are as follows:

	June 30, 2019	June 30, 2018
Water Fund	\$4,331,575	\$4,314,272
Wastewater Fund	7,210,146	6,978,807
Total Depreciation expense	\$11,541,721	\$11,293,079

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 5 - DEFERRED CAPACITY RESERVE FEES RECEIVABLE

In fiscal year ended June 30, 1997, the District implemented a deferred payment program for regional sewer capacity reserve fees as a means to attract new business to the area. The program was modified in subsequent years and is now designed for commercial and affordable housing with regional sewer capacity reserve fees owed between \$25,000 and \$100,000. Loans bear an interest rate of 5%. Customers make a 20% down payment of regional sewer capacity reserve fees owed and enter into an agreement with the District to pay the balance over a maximum of ten years. The capacity reserve fee revenue is recognized as it is received. The portions outstanding are recorded as deferred capacity reserve fees receivable, which amounted to \$238,824 at June 30, 2019, of which \$45,375 is the current portion.

NOTE 6 - JOINT POWERS AUTHORITIES

A. LAVWMA

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

The District contracts with the City of Pleasanton (“City”) to provide wastewater treatment. The District establishes user charges for these wastewater services. The City then establishes those same charges in its service area and remits the charges they collect to the District upon receipt. A portion of the user charge is for the services provided by LAVWMA. LAVWMA bills the District for both the District’s and Pleasanton’s share of these costs (which includes both operations and debt service). Financial statements for LAVWMA may be obtained from DSRSD, 7051 Dublin Boulevard, Dublin, California 94568 or LAVWMA’s website at lavwma.com.

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

Effective October 17, 2016, the LAVWMA Board entered into an agreement to retain the District’s Administrative Services Manager as LAVWMA’s Treasurer.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 6 - JOINT POWERS AUTHORITIES (Continued)

A. LAVWMA (Continued)

Financial information for LAVWMA summarized below is as of and for the year ended June 30, 2019:

Total assets	\$129,209,965
Total liabilities	85,533,407
Total net position	43,676,558
Total operating revenue	16,070,959
Total operating expenses	(6,653,044)
Total non-operating revenue	494,626
Total non-operating expenses	<u>(3,244,720)</u>
Net gain	<u><u>6,667,821</u></u>

B. DERWA

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

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

Financial statements may be obtained from DERWA, P.O. Box 24055 Oakland, California 94623 or DERWA's website at www.srvrwp.org.

DERWA has outstanding state loans totaling \$10,448,011. The District's share of the total debt is 49.23% or \$5,143,556.

Financial information for DERWA summarized below is as of and for the year ended June 30, 2019:

Total assets	\$79,748,117
Total liabilities	10,659,025
Total net position	69,089,092
Total operating revenue	7,273,778
Total operating expenses	(5,185,320)
Total non-operating expenses	<u>(274,509)</u>
Net gain	<u><u>1,813,949</u></u>

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 7 - LONG-TERM DEBT

	Original Issue Amount	Balance June 30, 2018	Retirements	Balance June 30, 2019	Amount due within one year
2011 LAVWMA Obligation 2% - 5%, due 8/1/2031	\$40,975,094	\$32,204,024	\$1,655,028	\$30,548,996	\$1,740,600
2017 Water Revenue Refunding Bonds 2%-5%, due 8/1/2041	33,590,000	<u>33,590,000</u>	<u>410,000</u>	<u>33,180,000</u>	<u>420,000</u>
Total long-term debt		<u>\$65,794,024</u>	<u>\$2,065,028</u>	<u>\$63,728,996</u>	<u>\$2,160,600</u>

A. 2011 LAVWMA Obligations

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 7 - LONG-TERM DEBT (Continued)

Rate Stabilization Fund/Regional Expansion Fund

Maximum Annual Debt Payments payable from the Rate Stabilization Fund:

2011 LAVWMA Bonds	\$4,332,552
	<u>\$4,332,552</u>

Target Level of Rate Stabilization Fund (2X)	<u>\$8,665,104</u>
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Working Capital at June 30, 2019	<u>\$51,850,309</u>
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Actual Debt Paid from the Rate Stabilization Fund:

LAVWMA 2011 Bonds	\$4,312,442
	<u>\$4,312,442</u>

If the Working Capital balance exceeds the Target Level, all debt paid from the Rate Stabilization Fund is considered a draw and is excluded from the coverage requirement shown below.

Coverage Calculation (Total Sewer):

Sewer Operating Revenues	\$27,106,939
Sewer Non-Operating Revenues	4,067,844
Capacity Reserve Fees	14,873,104
Less Regional Expansion Capacity Reserve Fees	<u>(10,722,405)</u>
Total Available Revenues	<u>35,325,482</u>

Sewer Operating Expenses	36,092,513
Less Regional Expansion Costs for:	
Debt Payments to LAVWMA	(4,312,442)
Other Operating Costs	(7,147,983)
Less Depreciation	<u>(7,210,146)</u>
Operations & Maintenance Costs	<u>17,421,942</u>

Net Available Revenue	<u>\$17,903,540</u>
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Rate Covenant Debt Service:

LAVWMA 2011 Bonds (repair portion)	\$1,464,003
	<u>\$1,464,003</u>

Coverage on Rate Covenant Debt Service	<u>12.2</u>
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DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 7 - LONG-TERM DEBT (Continued)

B. 2017 Water Revenue Refunding Bonds

The District issued \$33,590,000 of 2017 Water Revenue Refunding Bonds on December 1, 2017. Proceeds of the issuance were used to refund the outstanding portion of the 2011 Water Revenue Refunding Bonds and pay costs of issuance. Interest rates range from 2% to 4%. The aggregate difference in debt service between the refunding debt and the refunded debt was \$2,745,178. Principal payments are due annually beginning August 1, 2018 through August 1, 2041.

The issuance is payable from a pledge of fees, charges and other amounts received from the available Net Revenue of the water enterprise. The pledge of future Water Fund Revenues ends upon repayment of the \$53,905,035 in remaining debt service on the bonds that is scheduled to occur in 2041.

The District’s bond covenants contain events of default that require the net revenue of the District to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the District to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the District; or if any court or competent jurisdiction shall assume custody or control of the District.

The District is subject to certain revenue bond covenants, the most restrictive of which requires the setting of rates and charges to yield net revenue (as defined) equal to at least 120% of the current annual debt service requirements of the water revenue bonds. In accordance with the revenue bond covenants, if pledged revenues during the year are less than 120% of maximum annual debt service coverage due at the end of the fiscal year, the outstanding amounts of the bonds and notes become immediately due. For fiscal year 2019, operating revenues, investment income, and capital grants and contributions amounted to \$48,730,702 and operating costs including operating expenses, but not interest, amounted to \$31,301,599. Net Revenues available for debt service amounts to \$17,429,103 which represents coverage of 927% over the \$1,880,913 in debt service for the bonds. This coverage calculation is shown on the next page.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 7 - LONG-TERM DEBT (Continued)

WATER REVENUES:

Water Sales	\$30,452,244
Other Revenues (1)	4,825,235
Interest Income	3,072,237
Capacity Reserve Fees	12,794,280
Less Assessment District (2)	(1,576,112)
Less Tax Revenues	(727,849)
Less Cell Tower Lease Revenue	(109,333)
TOTAL WATER REVENUES	\$48,730,702

WATER OPERATION & MAINTENANCE COSTS:

Operating Expense	\$37,437,968
Less Depreciation	(4,331,575)
Less Assessment District (2)	(1,804,794)

TOTAL WATER OPERATION & MAINTENANCE COSTS 31,301,599

NET WATER REVENUES \$17,429,103

DEBT SERVICE:

2017 Water Bonds	\$1,880,913
TOTAL DEBT SERVICE	\$1,880,913

DEBT SERVICE COVERAGE 9.27

(1) Includes Tax Revenues and Cell Tower Lease Revenue.

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

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 7 - LONG-TERM DEBT (Continued)

C. Segment Reporting

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

	Wastewater Expansion	Water
Condensed Statement of Net Position		
Assets:		
Current	\$53,856,201	\$92,731,475
Capital	26,429,038	154,622,413
Other non current	142,630	
Total assets	<u>80,427,869</u>	<u>247,353,888</u>
Deferred outflows of resources	<u>42,620</u>	<u>3,424,172</u>
Liabilities:		
Current liabilities	2,005,892	5,348,711
Long term liabilities	<u>23,720,557</u>	<u>40,806,010</u>
Total liabilities	<u>25,726,449</u>	<u>46,154,721</u>
Deferred inflows of resources	<u>19,737</u>	<u>1,764,042</u>
Net position:		
Net investment in capital assets	1,463,738	121,442,413
Restricted	53,260,565	23,912,900
Unrestricted	<u>57,503,984</u>	<u>57,503,984</u>
Total net position	<u>\$54,724,303</u>	<u>\$202,859,297</u>
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Operating revenue	\$43,063	\$32,999,795
Operating expenses	<u>(8,822,225)</u>	<u>(34,982,306)</u>
Operating loss (gain)	<u>(8,779,162)</u>	<u>(1,982,511)</u>
Nonoperating revenues (expenses):		
Interest income	1,868,246	3,031,878
Gain on sale of assets		2,293
Interest expense		(1,467,175)
Non-cash contributions		1,366,000
Capital contributions - capacity reserve fees	10,722,405	12,794,280
Residual equity transfer	(10,002,941)	
Transfers in	800,271	6,414,578
Transfers out		<u>(5,276,000)</u>
Change in net position	<u>(5,391,181)</u>	<u>14,883,343</u>
Beginning net position	<u>60,115,484</u>	<u>187,975,954</u>
Ending net position	<u>\$54,724,303</u>	<u>\$202,859,297</u>
Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	(\$11,049,048)	(\$6,547,296)
Noncapital financing activities	6,024,315	1,369,798
Capital financing activities	1,041,181	14,073,940
Investing activities	<u>1,206,864</u>	<u>(12,444,972)</u>
Net cash flows	<u>(2,776,688)</u>	<u>(3,548,530)</u>
Beginning cash and cash equivalents	<u>4,600,668</u>	<u>6,164,299</u>
Ending cash and cash equivalents	<u>\$1,823,980</u>	<u>\$2,615,769</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 7 - LONG-TERM DEBT (Continued)

D. LAVWMA Pledge Obligation

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

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

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

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

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

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 7 - LONG-TERM DEBT (Continued)

E. Repayment Schedule

Shown below are maturities for the District’s debt issues:

For The Year Ending June 30	Principal	Interest	Total
2020	\$2,160,600	\$2,833,779	\$4,994,379
2021	2,265,061	2,729,512	4,994,573
2022	2,376,467	2,615,649	4,992,116
2023	2,495,652	2,493,846	4,989,498
2024	2,623,727	2,381,789	5,005,516
2025-2029	17,016,417	9,781,326	26,797,743
2030-2034	17,021,072	5,210,764	22,231,836
2035-2039	10,490,000	2,304,283	12,794,283
2040-2042	7,280,000	345,782	7,625,782
Total payments due	<u>\$63,728,996</u>	<u>\$30,696,730</u>	<u>\$94,425,726</u>

NOTE 8 - UNEARNED REVENUE AND OTHER LIABILITIES

Total unearned revenue and other liabilities for the year ended June 30, 2019 totaled \$5,249,047.

As of June 30, 2019, the Wastewater Fund recorded \$365,453 from developers for future capacity reserve fee credits. When utilized in the future, 100% of the cost of the current capacity reserve fee will be paid for with the credit and the revenue will be recorded at that time.

Wastewater Fund deferred revenue for the Deferred Capacity Reserve Fee Program was also recorded in the amount of \$238,824 (see Note 5). The current portion of this balance at June 30, 2019 is \$45,375.

As of June 30, 2019, the Water Fund recorded \$4,644,771 from developers for future capacity reserve fee credits. When utilized in the future, 50% of the cost of the current capacity reserve fee will be paid for with the credit and the revenue will be recorded at that time.

NOTE 9 - COMPENSATED ABSENCES

As of June 30, 2019, accrued compensated absences are as follows:

	Business Type Activities		Total
	Sewer	Water	
Summary of activity:			
Beginning balance	\$833,760	\$481,747	\$1,315,507
Additions	1,002,055	590,869	1,592,924
Payments	<u>(998,936)</u>	<u>(606,766)</u>	<u>(1,605,702)</u>
Ending balance - due within one year	<u>\$836,879</u>	<u>\$465,850</u>	<u>\$1,302,729</u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 10 - PENSION PLAN

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan (the Plan) administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan is applied as specified by the Public Employees' Retirement Law.

Active plan members in the Miscellaneous Plan (Tier 1 for members hired before January 1, 2013 and Tier 2 for members hired on or after January 1, 2013) are required to contribute 8% and 6.25%, respectively, of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

For Tier 1 members, on November 16, 2004, the Board of Directors approved a resolution authorizing an amendment to the contract between CalPERS and the Dublin San Ramon Services District. Prior to the amendment, the Retirement Plan formula was 2.0% at 55. The new formula of 2.7% at 55 provides local miscellaneous members 2.7% of pay at age 55 for each year of service credited with the employer. The formula is based on the member's final one year compensation. If retirement is earlier than 55, the percentage of final compensation decreases for each quarter of age to 2% at age 50. Former District employees' service credit will not be affected by this change and the change became effective in November 2004.

The District has agreed to cost sharing with employees to implement the new retirement formula. The increased cost on an annual basis to implement the program is approximately 7% and is spread over the next 10 years, which is the period over which CalPERS allows an agency to satisfy the increased liability.

The cost sharing was negotiated with all employee bargaining groups and continues the employer-employee partnership of jointly funding retirement benefits.

For Tier 2 members, the formula is 2% at age 62, based on the member's final three years' compensation.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 10 - PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<u>Miscellaneous</u>	
	Prior To	On or After
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	12.212%	6.842%

Starting in fiscal year 2016, the required employer contribution rate was separated into an Employer Normal Cost Rate and a fixed dollar payment of the unfunded liability. For fiscal year 2019, the District paid \$475,355 towards the unfunded liability.

C. Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as deferred outflows for the Plan, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2019 were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$1,859,162

D. Pension Liabilities, Pension Expenses and Deferred Outflows/ Inflows of Resources Related to Pensions

As of June 30, 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	<u>\$9,884,912</u>
Total Net Pension Liability	<u><u>\$9,884,912</u></u>

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 10 - PENSION PLAN (Continued)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability of the CalPERS pooled plans. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on the District's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018	0.2634%
Proportion - June 30, 2019	0.2623%
Change - Increase (Decrease)	-0.0011%

For the year ended June 30, 2019, the District recognized pension expense of \$2,506,102. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$1,859,162	
Differences between actual and expected experience	379,267	(\$129,061)
Changes of assumptions	1,126,908	(276,184)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	2,223,572	(1,551,721)
Net differences between projected and actual earnings on plan investments	48,868	
Change's in employer's proportion	3,211,062	(2,829,694)
Total	<u>\$8,848,839</u>	<u>(\$4,786,660)</u>

\$1,859,162, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 10 - PENSION PLAN (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows (Inflows) of Resources
2020	\$1,223,984
2021	888,682
2022	179,260
2023	(88,909)
Total	<u>\$2,203,017</u>

E. Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Payroll Growth	3.00%
Investment Rate of Return	7.375% ¹
Mortality	Derived by CalPERS Membership Data for all funds ²

(1) Net of pension plan investment expenses, including inflation
 (2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

F. Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 10 - PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class ¹	Assumed asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(1) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 10 - PENSION PLAN (Continued)

G. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Miscellaneous - All Tiers Plan's Net Pension Liability/(Asset)		
1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
\$24,044,576	\$9,884,912	(\$1,803,666)

H. Pension Plan Fiduciary Net Position - Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2019, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

NOTE 11 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description and Benefits Provided

The District provides medical and dental benefits for employees, hired before July 1, 2014; that retire from the District and their families under third-party insurance plans under a single employer plan. Employees hired after July 1, 2014 will no longer be eligible for retiree dental benefits. While the District participates in the CalPERS medical plan, it is required to pay the same amounts for retiree medical insurance as it does for active employees. The Board sets the benefit amounts by resolution each year for each bargaining group and in accordance with current employee contracts.

Prior to 2004, the District paid these benefits regardless of the employee’s length of service. Currently, all new employees are automatically enrolled in a medical vesting program where they are eligible for benefits based upon amounts set by CalPERS and length of service. Employees under the vesting program are not eligible to receive any medical benefits without accumulating at least ten years of CalPERS service with at least five of those years as a District employee.

As of June 30, 2019, 93 retirees are receiving medical benefits, and 84 are receiving dental benefits, and there are 116 active participants eligible for future benefits.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

B. Net OPEB Liability

Actuarial Methods and Assumptions

The District's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability based on the following actuarial methods and assumptions: (a) 6.5% investment rate of return, (b) 3.25% projected annual salary increase, (c) 2.75% inflation rate, and (d) 5.50% health inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biennially as results are compared to past expectations and new estimates are made about the future. The District's OPEB liability is being amortized as a level percentage of projected payrolls using a 30 year closed amortization period.

In accordance with the District's budget, the OPEB plan is to be funded throughout the year as a percentage of payroll. The District Board passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of the District Board. This Trust is not considered a component unit by the District and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Asset Class	Target Allocation	Long-term expected real rate of return	Long-Term Expected Rate of Return (with the effect of inflation)
Global Equity	59%	4.80%	5.98%
Fixed Income	25%	1.10%	2.62%
TIPS	5%	0.25%	1.46%
Commodities	3%	1.50%	2.87%
REITs	8%	3.20%	5.00%
Total	100%		
Assumed Long-Term Rate of Inflation		2.00%	
Discount Rate		6.50%	

The Expected Long-Term Rate of Return is provided by CalPERS' Strategic Asset Allocation Overview in August 2014 – Strategy 1.

C. Changes in Net OPEB Liability

The changes in the Net OPEB Liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at 6/30/2017 (Valuation Date)	\$25,091,049	\$23,360,508	\$1,730,541
Changes Recognized for the Measurement Period:			
Service Cost	1,020,504		1,020,504
Interest on the total OPEB liability	1,661,164		1,661,164
Difference between expected and actual experience			
Changes of assumptions			
Contributions from the employer		1,212,732	(1,212,732)
Net investment income		1,880,973	(1,880,973)
Administrative expenses		(12,442)	12,442
Other Expenses		(30,896)	30,896
Benefit payments and refunds	(1,110,367)	(1,110,367)	
Net Changes during fiscal year 2018	1,571,301	1,940,000	(368,699)
Balance at 6/30/2018 (Measurement Date)	\$26,662,350	\$25,300,508	\$1,361,842

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds include implied subsidy benefit payments in the amount of \$292,688.

Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate is always recognized over 5 years. The five-year period is a GASB 75 requirement.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

D. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1% (5.5%)	Current Discount Rate (6.5%)	Discount Rate +1% (7.5%)
\$4,894,699	\$1,361,842	(\$1,552,282)

E. Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (4 percent) or 1-percentage-point higher (6 percent) than the current healthcare cost trend rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1% (6.5%)	Health Care Cost Trend Rates (7.5%)	Discount Rate +1% (8.5%)
(\$2,150,294)	\$1,361,842	\$5,905,801

F. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB Expense of \$1,115,776. As of fiscal year ended June 30, 2019, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$2,349,070	
Differences between expected and actual experience		(\$2,030,714)
Net difference between projected and actual earnings on OPEB plan investments		(704,685)
Employer contributions made subsequent to the measurement date	1,251,832	
Total	<u>\$3,600,902</u>	<u>(\$2,735,399)</u>

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life for the June 30, 2018 measurement period is 4.61 years for deferred resources arising in the fiscal year. Specifically, liability changes due to (1) plan experience that differs from what was assumed in the prior year and (2) assumption changes during the year are recognized over the EARSL period.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

\$1,251,832 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2020	(\$88,879)
2021	(88,879)
2022	(136,445)
2023	(72,126)
	(\$386,329)

G. Payable to the OPEB Plan

At June 30, 2019, the District reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District joined together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 54 member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays annual premiums to CSRMA for its general, liability, property damage and workers compensation insurance.

CSRMA is governed by a Board comprised of one representative from each member agency. The Board controls the operations of CSRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

In addition to the primary insurance types provided for through CSRMA listed above, the District also maintains commercial fidelity bonds, public employee dishonesty and public official bonds, to protect against employee theft or defalcation. Settled claims for CSRMA or commercial fidelity bonds have not exceeded coverage in any of the past three fiscal years.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 12 - RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies carried by the District as of June 30, 2019:

Company Names	Insurance Program Type of Coverage	Limits	Deductibles
Great American Excess & Surplus Company	Excess liability	\$10,000,000	None
Alliant Property Insurance Program (APIP)	Special form property	179,925,291	\$25,000
Illinois Union Insurance Company (APIP)	Public entity pollution liability (claims made & reported)	25,000,000	None
Lloyd's of London Beazley Syndicate	Cyber liability coverage	2,000,000	None
Travelers Property and Casualty	Public official bond	100,000	None
National Union Fire Insurance Co.	ACIP CSRMA master crime policy	2,000,000	2,500
Safety National Casualty Corporation	Excess workers' compensation employers' liability	Statutory	None
Travelers Insurance Company	ID fraud master policy identify theft	25,000	None
Lloyd's of London Beazley	Deadly Weapons response	500,000	None
<u>Pooled Insurance Program</u>			
CSRMA Pooled Liability			
Munich American Reinsurance Co.	Errors & omissions and employment practices liability	15,500,000	100,000
CSRMA Pooled Workers' Compensation	Workers' compensation employers' liability	750,000	None

Prior to July 1, 1994, the District was self-insured for workers' compensation and will continue to be responsible for any claims existing as of that date.

Claims and judgments, including provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the District has coverage for such claims, but it had retained the risk for the deductible or uninsured portion of these claims.

The District's liability for uninsured claims is limited to workers' compensation and general liability claims, as discussed above, and was estimated by a third party claims administrator based on prior years claims experience as follows:

	2019	2018
Balance at July 1	\$330,461	\$325,225
Net change in liability for claims and claims incurred but not reported	672,863	466,660
Claims paid	(586,815)	(461,424)
Balance at June 30	\$416,509	\$330,461

The District has not exceeded its insurance coverage limits in any of the last three years. The District liability is included in accrued expenses on the financial statements.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES

The District purchases water from the Alameda County Flood Control and Water Conservation District (Zone 7) under a thirty-year contract, which expires August 23, 2024. Under the terms of the contract, subject to various exceptions, the District is required to purchase all of its water from Zone 7. During fiscal year ended June 30, 2019, the District’s water purchases from Zone 7 amounted to \$13,679,135.

The District is a defendant in a number of lawsuits, which have arisen in the normal course of business. In the opinion of the District, these actions when finally adjudicated will not have a material adverse effect on the financial position of the District.

The District operates a Dedicated Land Disposal site upon which the District processes biosolids produced by the District’s wastewater treatment plant. On August 8, 2007, the San Francisco Bay Regional Water Quality Control Board issued Waste Discharge Requirements, which require the District to perform corrective actions for known and reasonably foreseeable releases from the Dedicated Land Disposal site. At this time, the Regional Board and the District expect that the most likely corrective action, if any is needed, would be related to the potential impact to groundwater quality and resulting closure and post-closure activities. The District prepared an analysis in December 2007 to determine the estimated costs of these corrective actions which comprise drilling two extraction wells and constructing a conveyance pipeline for discharge of potentially impacted ground water into the District’s collection system. The Study also included estimated costs of operation, maintenance and monitoring of the above facilities for a ten year period after closure of the site which is expected to occur within thirty to fifty years. Actual closure and post-closure care costs may be higher, lower, or even not required due to inflation variances, changes in technology, or changes in State or Federal regulations.

The present value of these closure and post closure costs, discounted at 5 percent amounted to \$1,726,226 as of June 30, 2019. The District is required by State and federal laws and regulations to make annual funding contributions to finance closure and post-closure care. The District is in compliance with these requirements for the year ended June 30, 2019 with the establishment of the fully-funded liability for this purpose.

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DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2019

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – COST SHARING MULTIPLE EMPLOYER PLAN

Measurement Date	2018	2017	2016	2015
Proportion of the net pension liability	0.262289%	0.263435%	0.149748%	0.185007%
Proportionate share of the net pension liability	\$9,884,912	\$10,384,742	\$12,957,811	\$12,698,750
Covered payroll	13,051,223	12,592,116	12,033,906	12,009,479
Proportionate Share of the net pension liability as percentage of covered payroll	75.74%	82.47%	107.68%	105.74%
Plan's Fiduciary net position	94,791,258	90,325,711	76,197,801	72,030,535
Plan Fiduciary net position as a percentage of the total pension liability	90.56%	89.69%	74.06%	78.40%

Notes to schedule:

Benefits changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies to for voluntary benefit changes as well as any offers of two years additional service credit (a.k.a Golden Handshakes).

Changes in assumptions. The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

SCHEDULE OF CONTRIBUTIONS (PENSION)

	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$1,859,162	\$1,504,792	\$1,401,296	\$2,120,252	\$1,716,224
Contribution in relation to the actuarially determined contributions	1,859,162	1,504,792	6,401,296	7,120,252	6,716,224
Contributions deficiency (excess)	\$0	\$0	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Covered payroll	\$14,277,527	\$13,051,223	\$12,592,116	\$12,033,906	\$12,009,479
Contributions as a percentage of covered-employee payroll	13.02%	11.53%	50.84%	59.17%	55.92%

Notes to Schedule

Valuation date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	(1)
Investment rate of return	7.375% (2)
Mortality	Derived using CalPERS Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2019

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SINGLE EMPLOYER PLAN
Last 10 years*

Measurement Date	6/30/17	6/30/18
Total OPEB Liability		
Service Cost	\$848,840	\$1,020,504
Interest	1,701,163	1,661,164
Differences between expected and actual experience	(3,586,818)	-
Changes in assumptions	4,149,122	-
Benefit payments	(1,080,081)	(1,110,367)
Changes in benefits	-	-
Net change in total OPEB liability	2,032,226	1,571,301
Total OPEB liability - beginning	23,058,823	25,091,049
Total OPEB liability - ending (a)	\$25,091,049	\$26,662,350
OPEB fiduciary net position		
Contributions - employer	\$1,080,081	\$1,212,732
Net investment income	2,232,198	1,880,973
Administrative expense	(11,330)	(12,442)
Other Expenses	-	(30,896)
Benefit payments, including refunds of employee contributions	(1,080,081)	(1,110,367)
Net change in plan fiduciary net position	2,220,868	1,940,000
Plan fiduciary net position - beginning	21,139,640	23,360,508
Plan fiduciary net position - ending (b)	\$23,360,508	\$25,300,508
 Net OPEB liability - ending (a)-(b)	 \$1,730,541	 \$1,361,842
 Plan fiduciary net position as a percentage of the total OPEB liability	 93%	 95%
 Covered payroll	 \$12,531,924	 \$13,112,995
 Net OPEB liability as a percentage of covered payroll	 13.81%	 10.39%

Notes to schedule:

* - Fiscal year 2018 was the first year of implementation.

DUBLIN SAN RAMON SERVICES DISTRICT

**Required Supplementary Information
For the year ended June 30, 2019**

SCHEDULE OF CONTRIBUTIONS

Last 10 years*

Fiscal Year Ended June 30,	2018	2019
Actuarially determined contribution	\$1,212,732	\$1,251,832
Contributions in relation to the actuarially determined contributions	<u>1,212,732</u>	<u>1,251,832</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>
Covered payroll	<u>\$13,112,995</u>	<u>\$14,287,090</u>
Contributions as a percentage of covered payroll	9.25%	8.76%

Notes to Schedule

Valuation date: 7/1/2017

Methods and assumptions used to determine contribution rates:

Actuarial Date	July 1, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	30 Years Closed
Asset Valuation Method	Market value of Assets
Inflation	2.75% per year
Payroll Growth	3.25% per year
Investment Rate of Return	6.5%
Healthcare cost-trend rates	7.5% in 2019, stepping down 0.5% to 5.0% in 2024
Retirement Age	From 50 to 75
Mortality	MacLeod Watts Scale 2017 applied generationally

* - Fiscal year 2018 was the first year of implementation.

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Supplementary Information

DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
ASSETS					
Current assets:					
Pooled cash	\$3,374,660	\$385,636	(\$154,396)	\$18,612	\$3,624,512
Pooled investments	98,201,959	11,693,768	-	-	109,895,727
Accounts receivable	6,027,733	265,263	621,383	-	6,914,379
Interest receivable	-	-	-	-	-
Deferred capacity reserve fees receivable	45,375	-	-	-	45,375
Prepaid expense	-	-	2,353	-	2,353
Total current assets	107,649,727	12,344,667	469,340	18,612	120,482,346
Non-current assets:					
Capital assets:					
Property, plant and equipment	207,289,465	66,464,394	-	-	273,753,859
Less accumulated depreciation	83,163,154	26,676,974	-	-	109,840,128
Net property, plant and equipment	124,126,311	39,787,420	-	-	163,913,731
Construction in progress	9,809,049	3,065,378	-	-	12,874,427
Total capital assets	133,935,360	42,852,798	-	-	176,788,158
Other assets:					
Deferred capacity reserves receivable - long term	193,449	-	-	-	193,449
Total other assets	193,449	-	-	-	193,449
Total non-current assets	134,128,809	42,852,798	-	-	176,981,607
Total assets	241,778,536	55,197,465	469,340	18,612	297,463,953
Deferred outflows of resources					
Deferred outflows pension related amounts	3,822,847	444,717	-	-	4,267,564
Deferred employer pension contributions	895,124	261,979	-	-	1,157,103
Deferred outflows OPEB related amounts	-	-	-	1,462,061	1,462,061
Deferred employer OPEB contributions	-	-	-	779,140	779,140
Total deferred outflows of resources	\$4,717,971	\$706,696	-	\$2,241,201	\$7,665,868

DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$2,401,540	\$161,442	\$241,977	\$ -	\$2,804,959
Contractor bonds and deposits	1,219,572	-	-	-	1,219,572
Accrued expenses	416,509	-	-	-	416,509
Accrued compensated absences	499,841	109,675	227,363	-	836,879
Current portion of long-term debt	1,740,600	-	-	-	1,740,600
Unearned revenue	45,375	365,452	-	-	410,827
Total current liabilities	6,323,437	636,569	469,340	-	7,429,346
Long term liabilities:					
Long-term debt					
less current portion	28,808,396	-	-	-	28,808,396
Net pension liability	5,067,969	1,415,704	-	-	6,483,673
Net OPEB liability	-	-	-	847,610	847,610
DLD remediation reserve	1,726,226	-	-	-	1,726,226
Unearned revenue	193,449	-	-	-	193,449
Total long term liabilities	35,796,040	1,415,704	-	847,610	38,059,354
Total liabilities	42,119,477	2,052,273	469,340	847,610	45,488,700
Deferred inflows of resources					
Deferred inflows of resources - Pension	2,548,656	473,962	-	-	3,022,618
Deferred inflows of resources - OPEB	-	-	-	1,702,512	1,702,512
Total deferred inflows of resources	2,548,656	473,962	-	1,702,512	4,725,130
NET POSITION					
Net investment in capital assets	103,386,364	42,852,798	-	-	146,239,162
Restricted for:					
Expansion	53,260,565	8,766,559	-	-	62,027,124
Unrestricted	45,181,445	1,758,569	-	(290,309)	46,649,705
Total net position	\$201,828,374	\$53,377,926	-	(\$290,309)	\$254,915,991

DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
OPERATING REVENUES					
Wastewater service charges	\$21,457,679	\$3,082,734	\$ -	\$ -	\$24,540,413
Other revenues	1,009,869	400,252	1,156,405	-	2,566,526
Total operating revenues	<u>22,467,548</u>	<u>3,482,986</u>	<u>1,156,405</u>	<u>-</u>	<u>27,106,939</u>
OPERATING EXPENSES					
Personnel	7,580,682	2,292,675	3,525,031	(85,352)	13,313,036
Materials	2,704,492	129,267	110,028	-	2,943,787
Contractual services	11,427,239	334,637	710,351	-	12,472,227
Other	87,267	22,002	44,048	-	153,317
Overhead Charges	2,437,776	795,277	(3,233,053)	-	-
Depreciation	5,969,456	1,240,690	-	-	7,210,146
Total operating expenses	<u>30,206,912</u>	<u>4,814,548</u>	<u>1,156,405</u>	<u>(85,352)</u>	<u>36,092,513</u>
OPERATING INCOME (LOSS)	<u>(7,739,364)</u>	<u>(1,331,562)</u>	<u>-</u>	<u>85,352</u>	<u>(8,985,574)</u>
NONOPERATING REVENUES (EXPENSE)					
Investment income	3,624,488	435,327	-	4,589	4,064,404
Gain (Loss) on sale of assets	1,720	1,720	-	-	3,440
Total non-operating revenues (expense), net	<u>3,626,208</u>	<u>437,047</u>	<u>-</u>	<u>4,589</u>	<u>4,067,844</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(4,113,156)</u>	<u>(894,515)</u>	<u>-</u>	<u>89,941</u>	<u>(4,917,730)</u>
Non-cash contributions	-	994,000	-	-	994,000
Capital contributions - capacity reserve fees	13,352,592	1,520,512	-	-	14,873,104
Transfers in	9,773,360	1,433,132	-	-	11,206,492
Transfers (out)	(10,911,938)	(1,433,132)	-	-	(12,345,070)
Changes in net position	8,100,858	1,619,997	-	89,941	9,810,796
TOTAL NET POSITION, BEGINNING OF YEAR	<u>193,727,516</u>	<u>51,757,929</u>	<u>-</u>	<u>(380,250)</u>	<u>245,105,195</u>
TOTAL NET POSITION, END OF YEAR	<u>\$201,828,374</u>	<u>\$53,377,926</u>	<u>-</u>	<u>(\$290,309)</u>	<u>\$254,915,991</u>

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DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
ASSETS					
Current assets:					
Pooled cash	\$253,299	\$273,517	\$1,023,864	\$1,823,980	\$3,374,660
Pooled investments	7,303,654	8,679,698	30,829,891	51,388,716	98,201,959
Accounts receivable	5,200,350	-	217,333	610,050	6,027,733
Interest receivable	-	-	-	-	-
Deferred capacity reserve fees receivable	-	-	11,920	33,455	45,375
Total current assets	12,757,303	8,953,215	32,083,008	53,856,201	107,649,727
Non-current assets:					
Capital assets:					
Property, plant and equipment	173,803,731	-	-	33,485,734	207,289,465
Less accumulated depreciation	70,606,336	-	-	12,556,818	83,163,154
Net property, plant and equipment	103,197,395	-	-	20,928,916	124,126,311
Land and construction in progress	56,014	-	4,252,913	5,500,122	9,809,049
Total capital assets	103,253,409	-	4,252,913	26,429,038	133,935,360
Other assets:					
Deferred capacity reserves receivable - long term	-	-	50,819	142,630	193,449
Total other assets	-	-	50,819	142,630	193,449
Total non-current assets	103,253,409	-	4,303,732	26,571,668	134,128,809
Total assets	116,010,712	8,953,215	36,386,740	80,427,869	241,778,536
Deferred outflows of resources					
Deferred outflows pension related amounts	3,786,606	-	-	36,241	3,822,847
Deferred employer pension contributions	888,745	-	-	6,379	895,124
Total deferred outflows of resources	\$4,675,351	-	-	\$42,620	\$4,717,971

DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$1,417,607	\$ -	\$485,026	\$498,907	\$2,401,540
Contractor bonds and deposits	1,170,846	-	-	48,726	1,219,572
Accrued expenses	416,509	-	-	-	416,509
Accrued compensated absences	497,493	-	-	2,348	499,841
Current portion of long-term debt	318,144	-	-	1,422,456	1,740,600
Unearned revenue	-	-	11,920	33,455	45,375
Total current liabilities	<u>3,820,599</u>	<u>-</u>	<u>496,946</u>	<u>2,005,892</u>	<u>6,323,437</u>
Long term liabilities:					
Long-term debt					
less current portion	5,265,552	-	-	23,542,844	28,808,396
Net pension liability	5,032,886	-	-	35,083	5,067,969
DLD remediation reserve	1,726,226	-	-	-	1,726,226
Unearned revenue	-	-	50,819	142,630	193,449
Total long term liabilities	<u>12,024,664</u>	<u>-</u>	<u>50,819</u>	<u>23,720,557</u>	<u>35,796,040</u>
Total liabilities	<u>15,845,263</u>	<u>-</u>	<u>547,765</u>	<u>25,726,449</u>	<u>42,119,477</u>
Deferred inflows of resources					
Deferred inflows of resources - Pension	2,528,919	-	-	19,737	2,548,656
Total deferred inflows of resources	<u>2,528,919</u>	<u>-</u>	<u>-</u>	<u>19,737</u>	<u>2,548,656</u>
NET POSITION					
Net investment in capital assets	97,669,713	-	4,252,913	1,463,738	103,386,364
Restricted for:					
Expansion	-	-	-	53,260,565	53,260,565
Unrestricted	4,642,168	\$8,953,215	31,586,062	-	45,181,445
Total net position	<u>\$102,311,881</u>	<u>\$8,953,215</u>	<u>\$35,838,975</u>	<u>\$54,724,303</u>	<u>\$201,828,374</u>

DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
OPERATING REVENUES					
Wastewater service charges	\$21,457,679	\$ -	\$ -	\$ -	\$21,457,679
Other revenues	963,536	-	3,270	43,063	1,009,869
Total operating revenues	22,421,215	-	3,270	43,063	22,467,548
OPERATING EXPENSES					
Personnel	7,534,882	-	-	45,800	7,580,682
Materials	2,656,299	-	47,916	277	2,704,492
Contractual services	3,954,160	-	396,626	7,076,453	11,427,239
Other	200,004	-	(112,737)	-	87,267
Overhead Charges	2,412,323	-	-	25,453	2,437,776
Depreciation	4,295,214	-	-	1,674,242	5,969,456
Total operating expenses	21,052,882	-	331,805	8,822,225	30,206,912
OPERATING INCOME (LOSS)	1,368,333	-	(328,535)	(8,779,162)	(7,739,364)
NONOPERATING REVENUES (EXPENSE)					
Investment income	420,152	297,004	1,039,086	1,868,246	3,624,488
Gain(Loss) on sale of assets	1,720	-	-	-	1,720
Total non-operating revenues	421,872	297,004	1,039,086	1,868,246	3,626,208
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,790,205	297,004	710,551	(6,910,916)	(4,113,156)
Capital contributions - capacity reserve fees	-	-	2,630,187	10,722,405	13,352,592
Residual equity transfer	12,030,612	-	(2,027,671)	(10,002,941)	-
Transfers in	-	3,403,186	5,569,903	800,271	9,773,360
Transfers (out)	(8,262,035)	(2,649,903)	-	-	(10,911,938)
Changes in net position	5,558,782	1,050,287	6,882,970	(5,391,181)	8,100,858
TOTAL NET POSITION, BEGINNING OF YEAR	96,753,099	7,902,928	28,956,005	60,115,484	193,727,516
TOTAL NET POSITION, END OF YEAR	\$102,311,881	\$8,953,215	\$35,838,975	\$54,724,303	\$201,828,374

DUBLIN SAN RAMON SERVICES DISTRICT
 LOCAL WASTEWATER OPERATIONS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2019

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Total
ASSETS					
Current assets:					
Pooled cash	\$29,278	\$ -	\$193,214	\$163,144	\$385,636
Pooled investments	885,680	-	5,865,174	4,942,914	11,693,768
Accounts receivable	265,263	-	-	-	265,263
Due from Other Funds - Current	-	-	-	833,333	833,333
Total current assets	<u>1,180,221</u>	<u>-</u>	<u>6,058,388</u>	<u>5,939,391</u>	<u>13,178,000</u>
Non-current assets:					
Capital assets:					
Property, plant and equipment	66,464,394	-	-	-	66,464,394
Less accumulated depreciation	26,676,974	-	-	-	26,676,974
Net property, plant and equipment	39,787,420	-	-	-	39,787,420
Land and construction in progress	850,893	-	1,363,833	850,652	3,065,378
Total capital assets	<u>40,638,313</u>	<u>-</u>	<u>1,363,833</u>	<u>850,652</u>	<u>42,852,798</u>
Other assets:					
Due from Other Funds - Long term	-	-	-	3,333,334	3,333,334
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,333,334</u>	<u>3,333,334</u>
Total non-current assets	<u>40,638,313</u>	<u>-</u>	<u>1,363,833</u>	<u>4,183,986</u>	<u>42,852,798</u>
Total assets	<u>41,818,534</u>	<u>-</u>	<u>7,422,221</u>	<u>10,123,377</u>	<u>56,030,798</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	272,328	-	-	172,389	444,717
Deferred employer pension contributions	217,359	-	-	44,620	261,979
Total deferred outflows of resources	<u>489,687</u>	<u>-</u>	<u>-</u>	<u>217,009</u>	<u>706,696</u>
LIABILITIES					
Current liabilities:					
Accounts payable	131,275	-	13,716	16,451	161,442
Accrued compensated absences	97,692	-	-	11,983	109,675
Due to Other Funds - Current	-	-	833,333	-	833,333
Unearned revenue	-	-	-	365,452	365,452
Total current liabilities	<u>228,967</u>	<u>-</u>	<u>847,049</u>	<u>393,886</u>	<u>1,469,902</u>
Long term liabilities:					
Due to Other Funds - Long term	-	-	3,333,334	-	3,333,334
Net pension liability	1,204,661	-	-	211,043	1,415,704
Total long term liabilities	<u>1,204,661</u>	<u>-</u>	<u>3,333,334</u>	<u>211,043</u>	<u>4,749,038</u>
Total liabilities	<u>1,433,628</u>	<u>-</u>	<u>4,180,383</u>	<u>604,929</u>	<u>6,218,940</u>
Deferred inflows of resources					
Deferred inflows pension related amounts	355,716	-	-	118,246	473,962
Total deferred inflows of resources	<u>355,716</u>	<u>-</u>	<u>-</u>	<u>118,246</u>	<u>473,962</u>
NET POSITION					
Net investment in capital assets	40,638,313	-	1,363,833	850,652	42,852,798
Restricted for:					
Expansion	-	-	-	8,766,559	8,766,559
Unrestricted	(119,436)	-	1,878,005	-	1,758,569
Total net position	<u>\$40,518,877</u>	<u>-</u>	<u>\$3,241,838</u>	<u>\$9,617,211</u>	<u>\$53,377,926</u>

DUBLIN SAN RAMON SERVICES DISTRICT
 LOCAL WASTEWATER OPERATIONS
 COMBINING STATEMENT OF REVENUES AND EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Total
OPERATING REVENUES					
Wastewater service charges	\$3,082,734	\$ -	\$ -	\$ -	\$3,082,734
Other revenues	4,900	-	-	395,352	400,252
Total operating revenues	3,087,634	-	-	395,352	3,482,986
OPERATING EXPENSES					
Personnel	1,785,472	-	-	507,203	2,292,675
Materials	114,739	-	12,839	1,689	129,267
Contractual services	176,924	-	60,832	96,881	334,637
Other	22,002	-	-	-	22,002
Overhead charges	662,817	-	-	132,460	795,277
Depreciation	1,240,690	-	-	-	1,240,690
Total operating expenses	4,002,644	-	73,671	738,233	4,814,548
OPERATING INCOME (LOSS)	(915,010)	-	(73,671)	(342,881)	(1,331,562)
NONOPERATING REVENUES					
Investment income	(2,222)	16,981	261,275	159,293	435,327
Gain(Loss) on sale of assets	1,720	-	-	-	1,720
Total non-operating revenues	(502)	16,981	261,275	159,293	437,047
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS					
	(915,512)	16,981	187,604	(183,588)	(894,515)
Non-cash contributions	994,000	-	-	-	994,000
Capital contributions - capacity reserve fees	-	-	1,091,368	429,144	1,520,512
Residual equity transfer	8,655,944	-	(8,655,944)	-	-
Transfers in	462,199	-	-	970,933	1,433,132
Transfers (out)	-	(462,199)	(970,933)	-	(1,433,132)
Changes in net position	9,196,631	(445,218)	(8,347,905)	1,216,489	1,619,997
TOTAL NET POSITION, BEGINNING OF YEAR	31,322,246	445,218	11,589,743	8,400,722	51,757,929
TOTAL NET POSITION, END OF YEAR	\$40,518,877	-	\$3,241,838	\$9,617,211	\$53,377,926

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DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
ASSETS					
Current assets:					
Pooled cash	\$2,615,769	\$28,790	(\$93,669)	\$11,291	\$2,562,181
Pooled investments	83,109,034	877,445	-	-	83,986,479
Restricted Investments	111,906	-	-	-	111,906
Accounts receivable	6,894,766	-	376,983	-	7,271,749
Interest receivable	-	-	-	-	-
Prepaid expenses	-	-	1,427	-	1,427
Total current assets	92,731,475	906,235	284,741	11,291	93,933,742
Non-current assets:					
Capital assets:					
Property, plant and equipment	196,570,009	-	-	-	196,570,009
Less accumulated depreciation	64,169,682	-	-	-	64,169,682
Net property, plant and equipment	132,400,327	-	-	-	132,400,327
Land and construction in progress	22,222,086	-	-	-	22,222,086
Total capital assets	154,622,413	-	-	-	154,622,413
Total non-current assets	154,622,413	-	-	-	154,622,413
Total assets	247,353,888	906,235	284,741	11,291	248,556,155
Deferred outflows of resources					
Deferred outflows pension related amounts	2,722,113	-	-	-	2,722,113
Deferred employer pension contributions	702,059	-	-	-	702,059
Deferred outflows OPEB related amounts	-	-	-	887,009	887,009
Deferred employer OPEB contributions	-	-	-	472,692	472,692
Total deferred outflows of resources	\$3,424,172	-	-	\$1,359,701	\$4,783,873

DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$3,317,568	\$ -	\$146,803	\$ -	\$3,464,371
Contractor bonds and deposits	672,059	-	-	-	672,059
Accrued compensated absences	327,912	-	137,938	-	465,850
Interest payable	611,172	-	-	-	611,172
Bonds payable - current portion	420,000	-	-	-	420,000
Total current liabilities	5,348,711	-	284,741	-	5,633,452
Long term liabilities:					
Bonds payable - less current portion	32,760,000	-	-	-	32,760,000
Net pension liability	3,401,239	-	-	-	3,401,239
Net OPEB liability	-	-	-	514,232	514,232
Unearned revenue	4,644,771	-	-	-	4,644,771
Total long term liabilities	40,806,010	-	-	514,232	41,320,242
Total liabilities	46,154,721	-	284,741	514,232	46,953,694
Deferred inflows of resources					
Deferred inflows of resources - Pension	1,764,042	-	-	-	1,764,042
Deferred inflows of resources - OPEB	-	-	-	1,032,887	1,032,887
Total deferred inflows of resources	1,764,042	-	-	1,032,887	2,796,929
NET POSITION					
Net investment in capital assets	121,442,413	-	-	-	121,442,413
Restricted for:					
Expansion	23,912,900	-	-	-	23,912,900
Assessment district	-	906,235	-	-	906,235
Unrestricted	57,503,984	-	-	(176,127)	57,327,857
Total net position	\$202,859,297	\$906,235	-	(\$176,127)	\$203,589,405

DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
OPERATING REVENUES					
Water sales	\$30,452,244	\$ -	\$ -	\$ -	\$30,452,244
Other revenues	2,547,551	1,576,112	701,572	-	4,825,235
Total operating revenues	32,999,795	1,576,112	701,572	-	35,277,479
OPERATING EXPENSES					
Personnel	6,249,859	-	2,138,579	(50,704)	8,337,734
Materials	15,409,311	-	66,753	-	15,476,064
Contractual services	6,832,261	1,804,794	430,959	-	9,068,014
Other	197,858	-	26,723	-	224,581
Overhead charges	1,961,442	-	(1,961,442)	-	-
Depreciation	4,331,575	-	-	-	4,331,575
Total operating expenses	34,982,306	1,804,794	701,572	(50,704)	37,437,968
OPERATING INCOME (LOSS)	(1,982,511)	(228,682)	-	50,704	(2,160,489)
NONOPERATING REVENUES (EXPENSE)					
Investment income	3,031,878	37,577	-	2,782	3,072,237
Gain on sale of assets	2,293	-	-	-	2,293
Interest (expense)	(1,467,175)	-	-	-	(1,467,175)
Total non-operating revenues (expenses), net	1,566,996	37,577	-	2,782	1,607,355
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(415,515)	(191,105)	-	53,486	(553,134)
Non-cash contributions	1,366,000	-	-	-	1,366,000
Capital contributions - capacity reserve fees	12,794,280	-	-	-	12,794,280
Transfers in	6,414,578	-	-	-	6,414,578
Transfers (out)	(5,276,000)	-	-	-	(5,276,000)
Changes in net position	14,883,343	(191,105)	-	53,486	14,745,724
TOTAL NET POSITION, BEGINNING OF YEAR	187,975,954	1,097,340	-	(229,613)	188,843,681
NET POSITION, END OF YEAR	\$202,859,297	\$906,235	\$ -	(\$176,127)	\$203,589,405

DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
ASSET					
Current assets:					
Pooled cash	\$327,228	\$477,916	\$1,012,132	\$798,493	\$2,615,769
Pooled investments	9,910,420	14,495,228	30,685,462	28,017,924	83,109,034
Cash in Escrow	-	-	-	111,906	111,906
Accounts receivable	6,740,127	2,701	-	151,938	6,894,766
Interest receivable	-	-	-	-	-
Total current assets	<u>16,977,775</u>	<u>14,975,845</u>	<u>31,697,594</u>	<u>29,080,261</u>	<u>92,731,475</u>
Non-current assets:					
Capital assets:					
Property, plant and equipment	172,569,223	-	-	24,000,786	196,570,009
Less accumulated depreciation	59,193,909	-	-	4,975,773	64,169,682
Net property, plant and equipment	113,375,314	-	-	19,025,013	132,400,327
Land and construction in progress	6,806,038	-	12,288,966	3,127,082	22,222,086
Total capital assets	<u>120,181,352</u>	<u>-</u>	<u>12,288,966</u>	<u>22,152,095</u>	<u>154,622,413</u>
Total non-current assets	<u>120,181,352</u>	<u>-</u>	<u>12,288,966</u>	<u>22,152,095</u>	<u>154,622,413</u>
Total assets	<u>137,159,127</u>	<u>14,975,845</u>	<u>43,986,560</u>	<u>51,232,356</u>	<u>247,353,888</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	2,426,995	-	-	295,118	2,722,113
Deferred employer pension contributions	640,139	-	-	61,920	702,059
Total deferred outflows of resources	<u>3,067,134</u>	<u>-</u>	<u>-</u>	<u>357,038</u>	<u>3,424,172</u>
LIABILITIES					
Current liabilities:					
Accounts payable	3,526,480	-	66,653	(275,565)	3,317,568
Contractor bonds and deposits	672,059	-	-	-	672,059
Accrued compensated absences	314,277	-	-	13,635	327,912
Interest Payable	-	-	-	611,172	611,172
Bonds payable - current portion	-	-	-	420,000	420,000
Total current liabilities	<u>4,512,816</u>	<u>-</u>	<u>66,653</u>	<u>769,242</u>	<u>5,348,711</u>
Long term liabilities:					
Bonds payable - less current portion	-	-	-	32,760,000	32,760,000
Net pension liability	3,060,147	-	-	341,092	3,401,239
Unearned revenue	-	-	-	4,644,771	4,644,771
Total long term liabilities	<u>3,060,147</u>	<u>-</u>	<u>-</u>	<u>37,745,863</u>	<u>40,806,010</u>
Total liabilities	<u>7,572,963</u>	<u>-</u>	<u>66,653</u>	<u>38,515,105</u>	<u>46,154,721</u>
Deferred inflows of resources					
Deferred inflows of resources - Pension	1,574,748	-	-	189,294	1,764,042
Total deferred inflows of resources	<u>1,574,748</u>	<u>-</u>	<u>-</u>	<u>189,294</u>	<u>1,764,042</u>
NET POSITION					
Net investment in capital assets	120,181,352	-	12,288,966	(11,027,905)	121,442,413
Restricted for:					
Expansion	-	-	-	23,912,900	23,912,900
Unrestricted	10,897,198	14,975,845	31,630,941	-	57,503,984
Total net position	<u>\$131,078,550</u>	<u>\$14,975,845</u>	<u>\$43,919,907</u>	<u>\$12,884,995</u>	<u>\$202,859,297</u>

DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
OPERATING REVENUES					
Water sales	\$30,452,244	\$ -	\$ -	\$ -	\$30,452,244
Other revenues	670,751	811,258	9,782	1,055,760	2,547,551
Total operating revenues	<u>31,122,995</u>	<u>811,258</u>	<u>9,782</u>	<u>1,055,760</u>	<u>32,999,795</u>
OPERATING EXPENSES					
Personnel	5,591,211	-	-	658,648	6,249,859
Materials	14,993,898	-	(12,347)	427,760	15,409,311
Contractual services	3,997,277	-	194,146	2,640,838	6,832,261
Other	149,894	46,214	-	1,750	197,858
Overhead Charges	1,775,998	-	-	185,444	1,961,442
Depreciation	3,746,190	-	-	585,385	4,331,575
Total operating expenses	<u>30,254,468</u>	<u>46,214</u>	<u>181,799</u>	<u>4,499,825</u>	<u>34,982,306</u>
OPERATING INCOME (LOSS)	<u>868,527</u>	<u>765,044</u>	<u>(172,017)</u>	<u>(3,444,065)</u>	<u>(1,982,511)</u>
NONOPERATING REVENUES (EXPENSE)					
Investment income	369,708	534,734	1,093,962	1,033,474	3,031,878
Gain on sale of assets	2,293	-	-	-	2,293
Interest Expense	-	-	-	(1,467,175)	(1,467,175)
Total non-operating revenues (expenses)	<u>372,001</u>	<u>534,734</u>	<u>1,093,962</u>	<u>(433,701)</u>	<u>1,566,996</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS					
	1,240,528	1,299,778	921,945	(3,877,766)	(415,515)
Non-cash contributions	1,366,000	-	-	-	1,366,000
Capital contributions - capacity reserve fees	-	-	3,920,991	8,873,289	12,794,280
Residual equity transfer	732,081	-	(679,161)	(52,920)	
Transfers in	1,138,578	-	4,601,000	675,000	6,414,578
Transfers (out)	(5,276,000)	-	-	-	(5,276,000)
Changes in net position	(798,813)	1,299,778	8,764,775	5,617,603	14,883,343
TOTAL NET POSITION, BEGINNING OF YEAR	<u>131,877,363</u>	<u>13,676,067</u>	<u>35,155,132</u>	<u>7,267,392</u>	<u>187,975,954</u>
TOTAL NET POSITION, END OF YEAR	<u>\$131,078,550</u>	<u>\$14,975,845</u>	<u>\$43,919,907</u>	<u>\$12,884,995</u>	<u>\$202,859,297</u>

DUBLIN SAN RAMON SERVICES DISTRICT
 ALLOCATIONS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2019

	Administrative Cost Center	OPEB Fund	Total
ASSETS			
Current assets:			
Pooled cash	(\$248,065)	\$29,903	(\$218,162)
Accounts receivable	998,366	-	998,366
Prepaid expense	3,780	-	3,780
	754,081	29,903	783,984
Total current assets			
	754,081	29,903	783,984
Deferred outflows of resources			
Deferred outflows OPEB related amounts	-	2,349,070	2,349,070
Deferred employer OPEB contributions	-	1,251,832	1,251,832
Total deferred outflows of resources	-	3,600,902	3,600,902
LIABILITIES			
Current liabilities:			
Accounts payable	388,780	-	388,780
Accrued compensated absences	365,301	-	365,301
	754,081	-	754,081
Total current liabilities			
Long term liabilities:			
Net OPEB liability	-	1,361,842	1,361,842
	-	1,361,842	1,361,842
Total long term liabilities			
	-	1,361,842	1,361,842
Total liabilities	754,081	1,361,842	2,115,923
Deferred inflows of resources			
Deferred inflows of resources - OPEB	-	2,735,399	2,735,399
Total deferred inflows of resources	-	2,735,399	2,735,399
NET POSITION			
Unrestricted	-	(466,436)	(466,436)
	-	(466,436)	(466,436)
Total net position	-	(\$466,436)	(\$466,436)

DUBLIN SAN RAMON SERVICES DISTRICT
 ALLOCATIONS
 COMBINING STATEMENT OF REVENUES AND EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019

	Administrative Cost Center	OPEB Fund	Total
OPERATING REVENUES			
Other revenues	\$1,857,978	\$ -	\$1,857,978
Total operating revenues	<u>1,857,978</u>	<u>-</u>	<u>1,857,978</u>
OPERATING EXPENSES			
Personnel	5,663,610	(136,056)	5,527,554
Materials	176,781	-	176,781
Contractual services	1,141,310	-	1,141,310
Other	70,771	-	70,771
Overhead charges	(5,194,494)	-	(5,194,494)
Total operating expenses	<u>1,857,978</u>	<u>(136,056)</u>	<u>1,721,922</u>
OPERATING INCOME	<u>-</u>	<u>136,056</u>	<u>136,056</u>
NONOPERATING REVENUES			
Investment income	-	7,371	7,371
Total non-operating revenues	<u>-</u>	<u>7,371</u>	<u>7,371</u>
Changes in net position	<u>-</u>	<u>143,427</u>	<u>143,427</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>-</u>	<u>(609,863)</u>	<u>(609,863)</u>
TOTAL NET POSITION, END OF YEAR	<u>-</u>	<u>(\$466,436)</u>	<u>(\$466,436)</u>



**STATISTICAL
SECTION**

Statistical Overview

The statistics in this section provide context to help readers understand what the financial statements, note disclosures, and required supplementary information reveal about the District's overall financial health. In contrast to the Financial Section, information in the Statistical Section is not subject to an independent audit.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place.

1. City of Dublin principal employers
2. Demographic and economic indicators

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

1. Changes in net position
2. Total revenue sources
3. Total expense sources
4. Net position by component

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources.

1. Water by type of customer
2. Principal customers
3. Water and wastewater rates

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's outstanding debt and its ability to issue additional debt in the future.

1. Pledged revenue coverage
2. Outstanding debt by type

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and activities it performs.

1. Wastewater average daily effluent flow
2. Water consumption and connections
3. Authorized full-time equivalent District employees by function/program
4. Capital assets by function/program

Sources: Unless otherwise noted, the information in these schedules is derived from the "Comprehensive Annual Financial Report" for the relevant year.



CITY OF DUBLIN PRINCIPAL EMPLOYERS

Fiscal Year 2018 and Nine Years Prior

Employer	2009		2018 ¹	
	Employees	Rank	Employees	Rank
United States Government AND Federal Correctional Institution	2,100	1	2,100	1
Dublin Unified School District	580	4	1,007	2
Ross Store Headquarters			950	3
County of Alameda	480	6	870	4
Zeiss Meditec	830	2	465	5
City of Dublin	217	8	433	6
Callidus Cloud			410	7
TriNet			343	8
Target	180	10	325	9
De Silva Gates Construction	650	3	300	10
Safeway	400	7		
Micro Dental	200	8		
Avaya	180	10		
Franklin Templeton Investments	200	9		
Micro Dental	550	5		

1. As of October 23, 2019, information for 2019 is not yet available at the time this report was prepared.
 Source: City of Dublin, *Comprehensive Annual Financial Report, Fiscal Year ended June 30, 2018*.

Note: Information regarding principal employers for the portions of the City of San Ramon within District boundaries is not readily available. The largest known employer within District boundaries is the San Ramon Valley Unified School District, with full time staffing of 955 (Source: California Department of Education, DataQuest 2017-18, as of October 23, 2019).

DEMOGRAPHIC AND ECONOMIC INDICATORS

Last 10 Calendar Years

Calendar Year	City of Dublin Population ^{2,4}	Alameda County Personal Income ¹	Alameda County Per Capita Personal Income ¹	City of Dublin Unemployment Rate ³
2010	46,036	\$70,374,092	46,494	7.00%
2011	46,207	75,973,983	49,575	6.40%
2012	46,730	80,530,232	51,746	5.50%
2013	49,932	85,173,987	53,798	4.60%
2014	53,462	90,631,392	56,261	3.70%
2015	55,844	101,370,460	61,879	2.90%
2016	57,349	111,354,955	67,356	2.60%
2017	59,686	118,554,685	71,282	2.70%
2018	63,241	n-a ⁴	n-a ⁴	2.50%
2019	64,577	n-a ⁴	n-a ⁴	2.10%

Calendar Year	City of San Ramon Population ²	Contra Costa County Personal Income ¹	Contra Costa County Per Capita Personal Income ¹	City of San Ramon Unemployment Rate ³
2010	72,148	\$56,111,631	53,293	7.50%
2011	73,111	60,709,126	56,919	7.00%
2012	74,753	66,153,748	61,290	6.10%
2013	76,429	66,728,681	60,885	5.00%
2014	77,270	70,849,779	63,752	4.10%
2015	77,470	74,756,916	66,348	3.30%
2016	78,363	82,204,425	67,356	2.90%
2017	80,550	87,810,279	76,527	3.00%
2018	82,643	n-a ⁴	n-a ⁴	2.50%
2019	83,957	n-a ⁴	n-a ⁴	2.20%

Source

1. U.S. Department of Commerce, Bureau of Economic Analysis, "CAINC1 Personal Income Summary" midyear population estimates
Last updated: March 6, 2019 with revised estimates for 1969-2000
2. State of California, Department of Finance, "E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2011-2019, with 2010 Benchmark"
Released: May 2019
3. State of California, Employment Development Department, Unemployment Rates (Labor Force) (one-year lag)
Last updated: October 2018
4. As of October 23, 2019, data for 2018 and 2019 not yet available

CHANGES IN NET POSITION

Last 10 Fiscal Years

(Accrual basis of accounting, amounts expressed in thousands)

	2010	2011	2012	2013	2014
Operating Revenues					
Water	\$23,320	\$25,644	\$26,239	\$28,557	\$30,576
Wastewater	19,379	19,305	21,073	22,699	22,904
Total operating revenues	\$42,699	\$44,949	\$47,312	\$51,256	\$53,480
Operating Expenses					
Water	23,831	23,017	26,979	26,857	30,994
Wastewater	24,023	24,160	29,657	28,338	28,800
Total operating expenses	\$47,854	\$47,177	\$56,636	\$55,195	\$59,794
Net Operating Revenues (Expenses)	(\$5,155)	(\$2,228)	(\$9,324)	(\$3,939)	(\$6,314)
Non-Operating Revenues (Expenses)					
Interest earnings	408	488	625	149	1,376
Interest expenses	(2,110)	(2,044)	(2,637)	(2,555)	(2,470)
Non-operating revenues (expenses)	(8)	1	0	0	0
Non-cash contributions	6,982	2,525	2,262	1,294	4,735
Capital contributions	10,373	28,393	18,752	18,786	13,094
Total non-operating revenues (expenses)	\$15,645	\$29,363	\$19,002	\$17,674	\$16,735
Change in Net Position	\$10,490	\$27,135	\$9,678	\$13,735	\$10,421

Source: Dublin San Ramon Services District audited financial statements

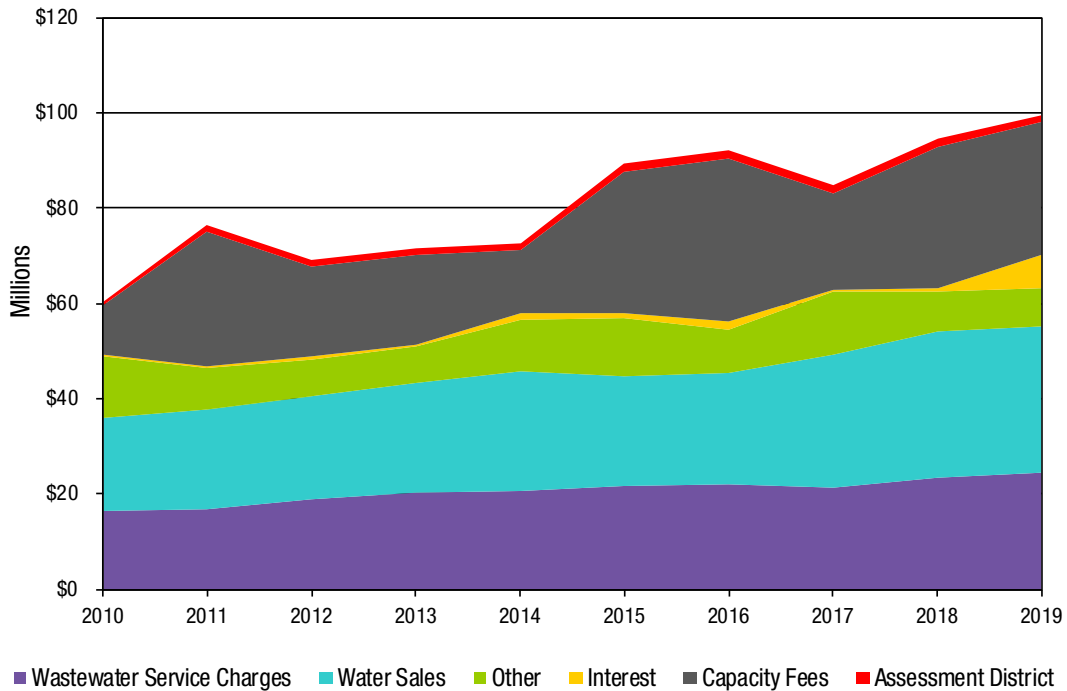
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	2015	2016	2017	2018	2019
Operating Revenues					
Water	\$29,043	\$29,627	\$35,293	\$36,063	\$35,277
Wastewater	24,333	24,804	24,316	26,199	27,107
Total operating revenues	\$53,376	\$54,431	\$59,609	\$62,261	\$62,384
Operating Expenses					
Water	27,486	26,147	37,635	39,012	37,438
Wastewater	28,754	29,609	31,435	31,767	36,093
Total operating expenses	\$56,240	\$55,756	\$69,070	\$70,779	\$73,530
Net Operating Revenues (Expenses)	(\$2,864)	(\$1,325)	(\$9,461)	(\$8,518)	(\$11,146)
Non-Operating Revenues (Expenses)					
Interest earnings	958	1,639	354	696	7,137
Interest expenses	(2,362)	(1,929)	(1,918)	(1,712)	(1,467)
Non-operating revenues (expenses)	0	48	(37)	652	6
Non-cash contributions	4,983	1,461	4,485	982	2,360
Capital contributions	29,905	34,462	20,330	29,944	27,667
Total non operating revenues (expenses)	\$33,484	\$35,681	\$23,215	\$30,562	\$35,703
Change in Net Position	\$30,620	\$34,356	\$13,754	\$22,044	\$24,557

TOTAL REVENUE SOURCES

Last 10 Fiscal Years



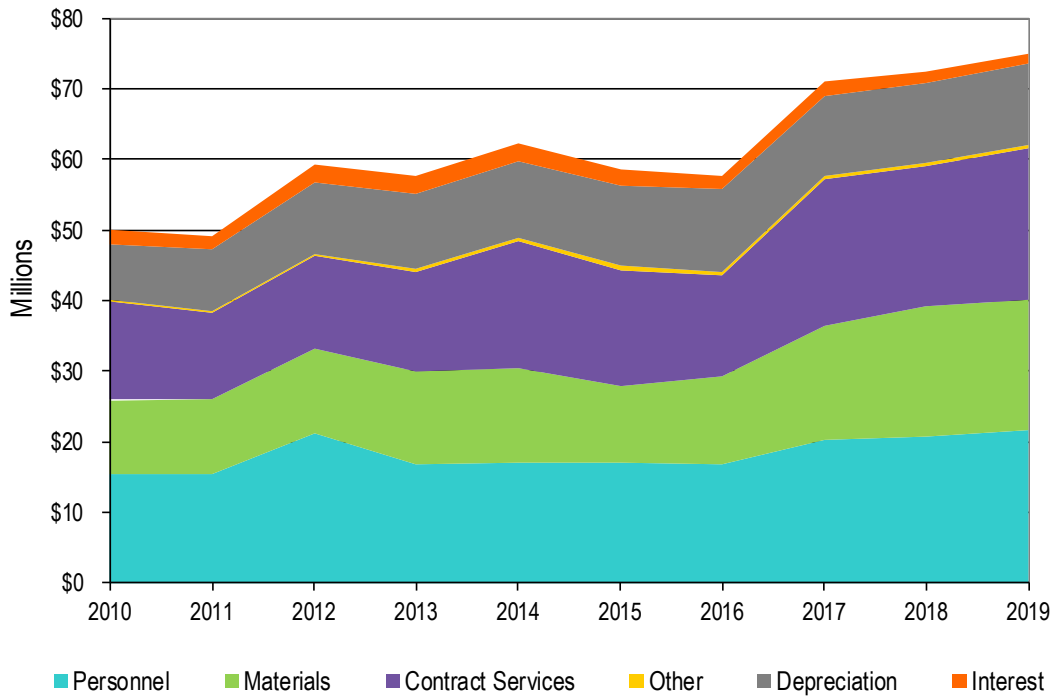
REVENUE SOURCES FOR FISCAL YEARS 2010 THROUGH 2019

Fiscal Year Ending	Total	Waste-water Service Charges	Water Sales	Other	Interest	Capacity Fees	Assessment District
2010	\$60,462,212	\$16,408,731	\$19,611,829	\$12,756,898	\$408,371	\$10,373,084	\$903,299
2011	76,356,032	16,884,902	20,891,831	8,516,871	488,302	28,393,312	1,180,814
2012	68,952,117	18,969,087	21,640,712	7,576,565	625,049	18,752,586	1,388,118
2013	71,486,077	20,112,373	23,255,332	7,718,153	149,815	18,786,036	1,464,368
2014	72,685,508	20,772,099	24,992,374	10,945,880	1,376,221	13,093,842	1,505,092
2015	89,223,380	21,547,608	23,186,190	12,083,855	958,042	29,905,253	1,542,432
2016	92,041,190	22,092,217	23,280,944	9,019,081	1,639,420	34,462,453	1,547,074
2017	84,741,940	21,408,029	27,831,941	13,255,892	354,329	20,330,328	1,561,421
2018	94,534,991	23,478,551	30,651,524	8,186,244	695,673	29,944,208	1,578,791
2019	99,554,176	24,540,413	30,452,244	8,143,805	7,136,641	27,667,384	1,613,689

Source: Dublin San Ramon Services District audited financial statements

TOTAL EXPENSE SOURCES

Last 10 Fiscal Years



EXPENSES FOR FISCAL YEARS 2010 THROUGH 2019

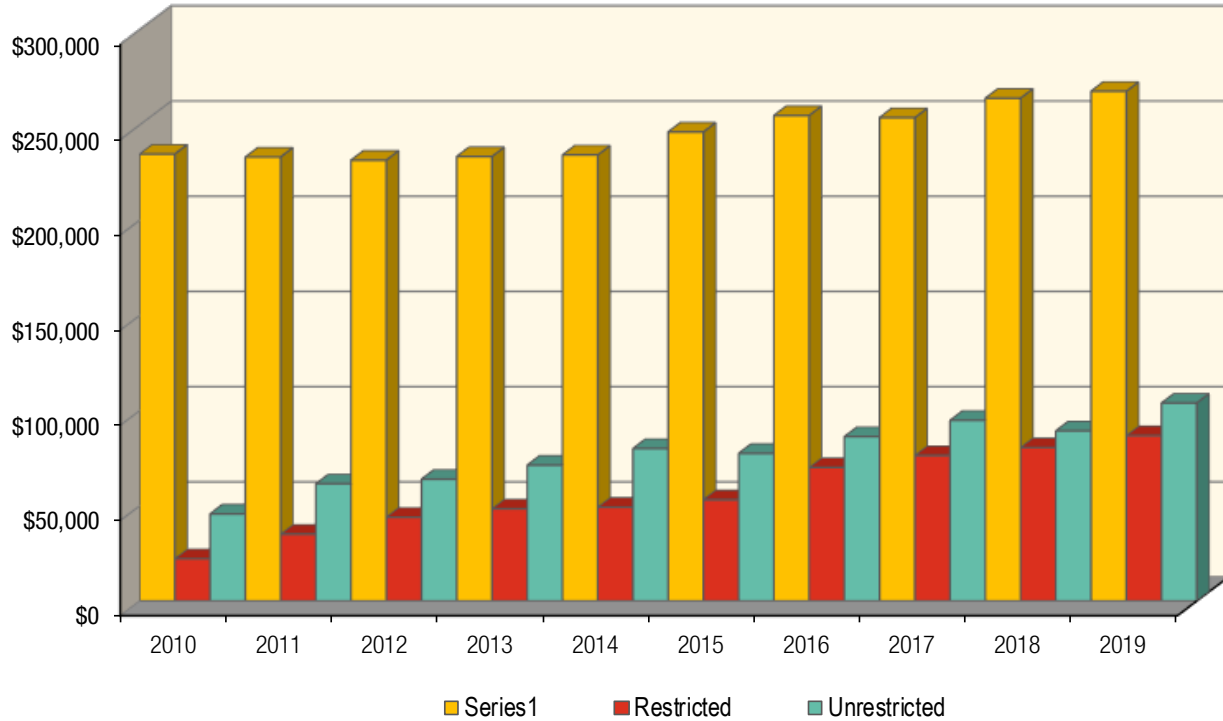
Fiscal Year Ending	Total	Personnel	Materials	Contract Services	Other	Depreciation	Interest
2010	\$49,972,096	\$15,369,761	\$10,551,281	\$13,985,129	\$192,824	\$7,762,616	\$2,110,485
2011	49,221,233	15,378,331	10,748,308	12,196,360	213,390	8,640,393	2,044,451
2012	59,273,573	21,076,414	12,169,667	13,108,236	337,681	9,944,178	2,637,397
2013	57,750,624	16,751,956	13,249,757	14,132,427	301,282	10,760,074	2,555,128
2014	62,264,504	16,929,786	13,532,408	17,983,580	448,169	10,900,456	2,470,105
2015	58,603,008	16,979,110	11,017,393	16,312,937	650,624	11,280,429	2,362,515
2016	57,685,170	16,894,081	12,404,304	14,363,125	487,478	11,607,463	1,928,719
2017	70,988,042	20,186,984	16,271,615	20,729,632	477,539	11,404,287	1,917,985
2018	72,490,743	20,754,356	18,414,001	19,910,203	407,162	11,293,079	1,711,942
2019	74,997,656	21,650,770	18,419,851	21,540,241	377,898	11,541,721	1,467,175

Source: Dublin San Ramon Services District audited financial statements

NET POSITION BY COMPONENT

Last 10 Fiscal Years

(Accrual basis of accounting, amounts expressed in thousands)

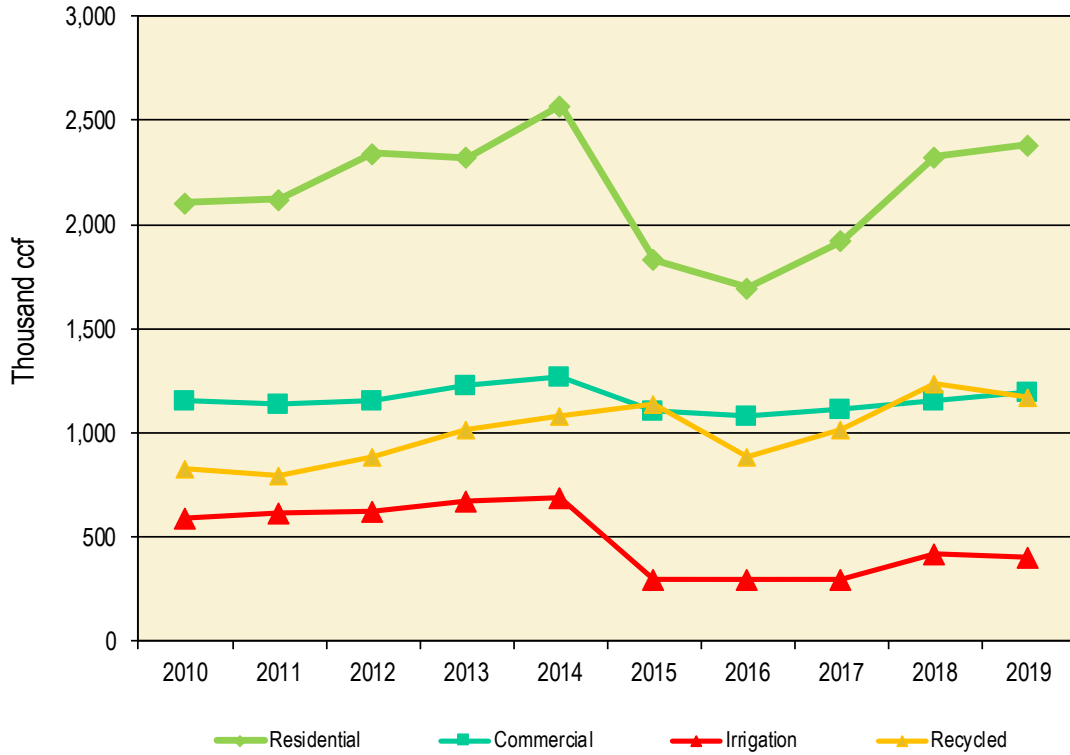


Business-Type Activities	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net investment in capital assets	\$234,708	\$233,124	\$231,488	\$233,439	\$234,213	\$246,295	\$254,961	\$253,841	\$264,020	\$267,682
Restricted	22,193	35,089	43,991	48,384	49,300	53,210	70,100	76,395	80,572	86,846
Unrestricted	45,731	61,554	63,967	71,358	80,089	77,530	86,331	94,910	89,357	103,978
Total net position	\$302,632	\$329,767	\$339,446	\$353,181	\$363,602	\$377,035	\$411,392	\$425,145	\$433,949	\$458,505

Source: Dublin San Ramon Services District audited financial statements

WATER BY TYPE OF CUSTOMER

Last 10 Fiscal Years (amounts in thousand ccf)



Fiscal Year Ending	Type of Customer				Total
	Residential	Commercial	Irrigation	Recycled	
2009	2,221	1,394	668	775	5,059
2010	2,106	1,158	590	825	4,679
2011	2,121	1,138	614	793	4,666
2012	2,342	1,158	622	888	5,009
2013	2,320	1,231	672	1,018	5,241
2014	2,569	1,267	689	1,082	5,607
2015	1,831	1,106	295	1,136	4,368
2016	1,695	1,080	294	886	3,955
2017	1,921	1,118	298	1,018	4,355
2018	2,327	1,156	424	1,235	5,142
2019	2,384	1,197	400	1,170	5,151

Source: Dublin San Ramon Services District

PRINCIPAL CUSTOMERS

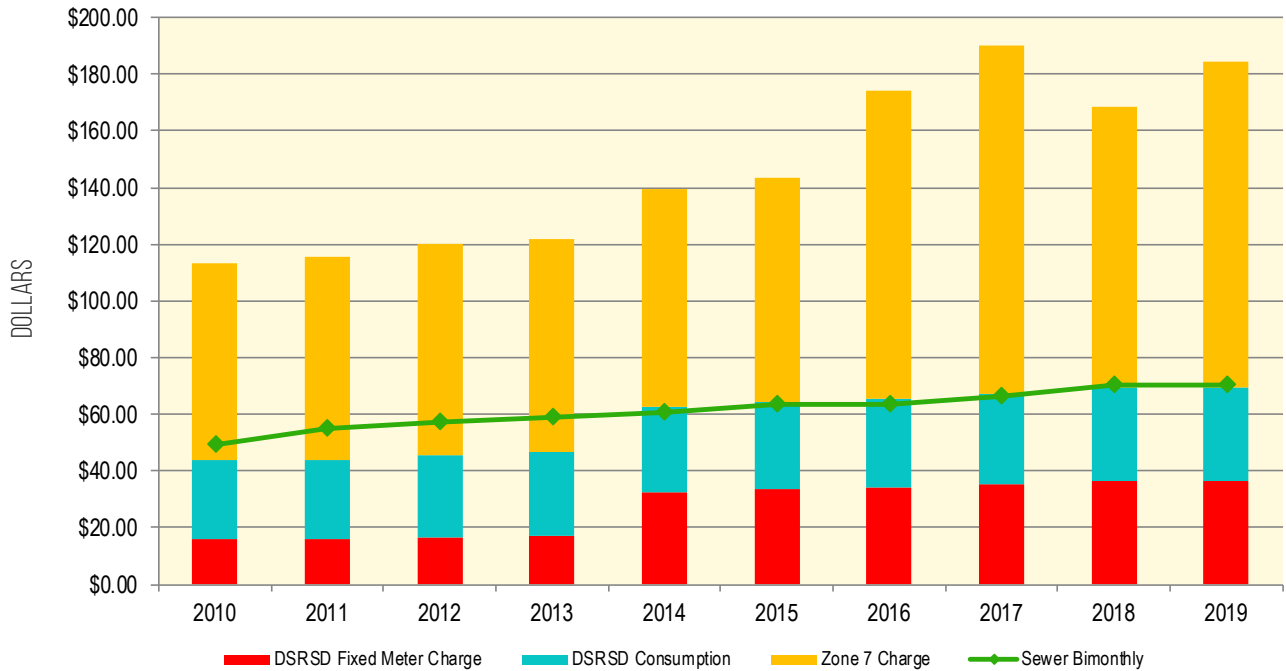
Last 10 Fiscal Years

Customer	2010			2019		
	Annual Billing	Rank	Percent of Total Annual Billings	Annual Billing	Rank	Percent of Total Annual Billings
City of Pleasanton	\$6,992,711	1	19.4%	\$10,151,237	1	18.5%
County of Alameda (Santa Rita Jail)	1,639,519	2	4.6%	1,376,166	2	2.5%
Federal Correction Facility	1,460,040	3	4.1%	1,424,157	3	2.6%
City of San Ramon	687,300	4	1.9%	1,819,661	4	3.3%
City of Dublin	525,252	5	1.5%	1,385,655	5	2.5%
USAG CSTC	490,340	6	1.4%	422,592	6	0.8%
Dublin Ranch Golf Course	489,079	7	1.4%	509,407	7	0.9%
Dublin Unified School District	320,735	8	0.9%	588,210	8	1.1%
San Ramon Valley School District	249,342	9	0.7%	401,074	9	0.7%
Amador Lakes Apartments	232,084	10	0.6%			
Avalon Bay Communities Inc				267,617	10	0.5%
All Others	22,934,158 ¹		63.7%	36,646,882 ¹		66.6%
Total	\$36,020,560		100.0%	\$54,992,658		100.0%

1. Customers included in "All Others" when listed individually make up less than 0.5% of total annual billings

WATER AND WASTEWATER RATES

Last 10 Fiscal Years



Fiscal Year Ending	Water Bimonthly ¹					Wastewater Bimonthly
	DSRSD Fixed Meter Charge	DSRSD Consumption Charge	Zone 7 Charge	33 CCF*	Total Water	Base Rate
2010	\$16.03	\$27.62	\$69.63	\$97.25	\$113.28	\$49.07
2011	16.18	27.95	71.28	99.23	115.41	54.80
2012	16.66	28.74	74.91	103.65	120.31	57.51
2013	17.12	29.73	74.91	104.64	121.76	59.24
2014	32.56	29.94	76.89	106.83	139.39	60.42
2015	33.54	30.83	79.20	110.03	143.57	63.73
2016	34.31	31.39	108.57 ¹	139.96	174.27	63.73
2017	35.23	32.18	122.76 ²	154.94	190.17	66.23
2018	36.45	33.30	98.67 ³	131.97	168.42	70.58
2019	36.45	33.30	114.84	148.14	184.59	70.58

- Notes:** Water rates are based on a 5/8-inch meter, which is the standard size for residences
 The average water usage for residential customers varies year to year; 33 ccf is used for historical comparisons only.
 Bills are calculated based on normal conditions
1. In calendar year 2016, Zone 7 changed from four tier rate to single tier rate and added \$0.57/ccf Temporary Conservation Surcharge
 2. In calendar year 2017, Zone 7 restructured rates to include a fixed charge and a volume-based rate and maintained the \$0.57/ccf Temporary Conservation Surcharge.
 3. In calendar year 2018, Zone 7 rates included a fixed charge and a volume-based rate and removed the \$0.57/ccf Temporary Conservation Surcharge.

Source: Dublin San Ramon Services District

PLEGGED REVENUE COVERAGE

Last 10 Fiscal Years

Fiscal Year Ending	1997 Revenue Refunding Bonds	2009 Sewer Refunding Bonds	2011 Water Bond	2017 Water Refunding Bonds ¹	2011 LAVWMA Obligation
2010	9.93%	8.75%			
2011		7.54	13.46%		
2012		6.80	2.64		3.39%
2013		7.80	3.95		5.21
2014		7.40	3.33		5.51
2015			4.83		7.23
2016			7.20		7.50
2017			4.48		7.00
2018				9.50% ²	9.20
2019				9.27	12.20

Note: Details regarding current outstanding debt can be found in the notes to the financial statements

1. Net revenues include capacity reserve fees

2. Updated to reflect fiscal year ending 2018 actual instead of estimates from final Official Statement dated December 13, 2017

OUTSTANDING DEBT BY TYPE

Last 10 Fiscal Years

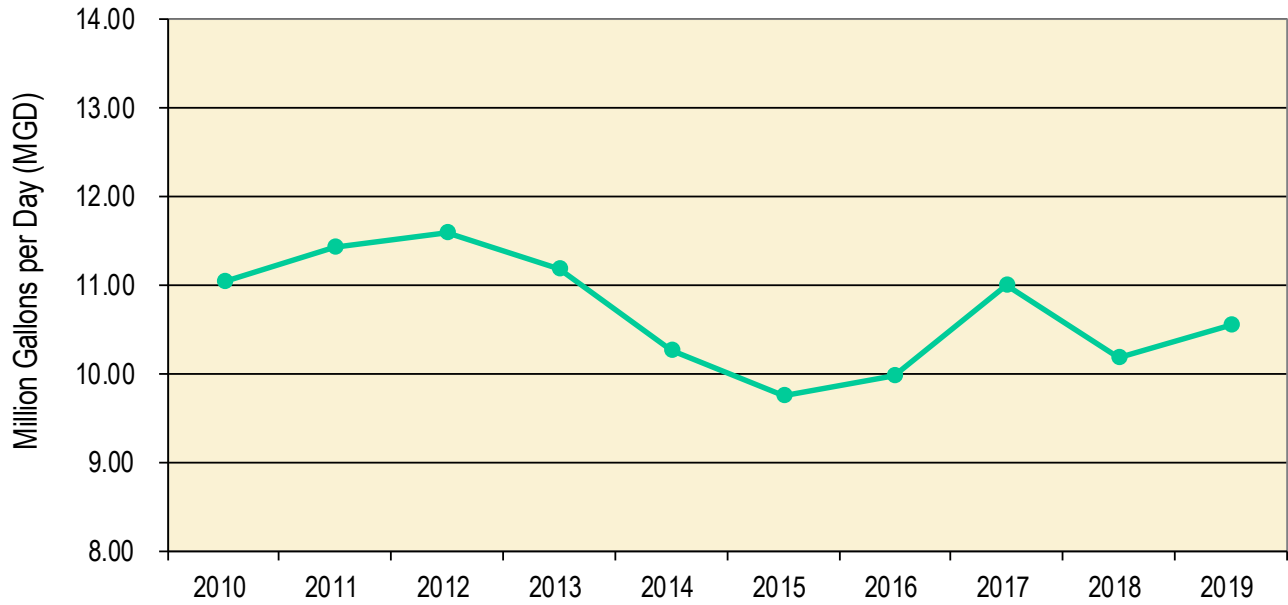
Fiscal Year Ending	Business-Type Activities					Total	Estimated Population Served	Debt per Capita
	WaterReuse Revenue Bonds	Sewer Refunding Bonds	2011 Water Bonds	Water Refunding Bonds	2011 LAVWMA Obligation			
2010	\$12,390,000	\$17,720,457				\$30,110,457	156,015	193
2011		16,179,635	\$35,620,000			51,799,635	156,515	331
2012		14,570,586	35,620,000		\$40,975,094	91,165,680	157,000	581
2013		12,890,289	35,620,000		39,343,403	87,853,692	157,000	560
2014		11,135,590	35,360,000		38,055,942	84,551,532	159,000	532
2015			35,090,000		36,700,412	71,790,412	171,000	420
2016			34,810,000		35,276,816	70,086,816	173,000	405
2017			34,520,000		33,779,317	68,299,317	178,000	384
2018				\$33,590,000	32,204,024	65,794,024	186,000	354
2019				33,180,000	30,548,995	63,728,995	188,000	339

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts

Source: Dublin San Ramon Services District audited financial statements

WASTEWATER AVERAGE DAILY EFFLUENT FLOW

Last 10 Fiscal Years

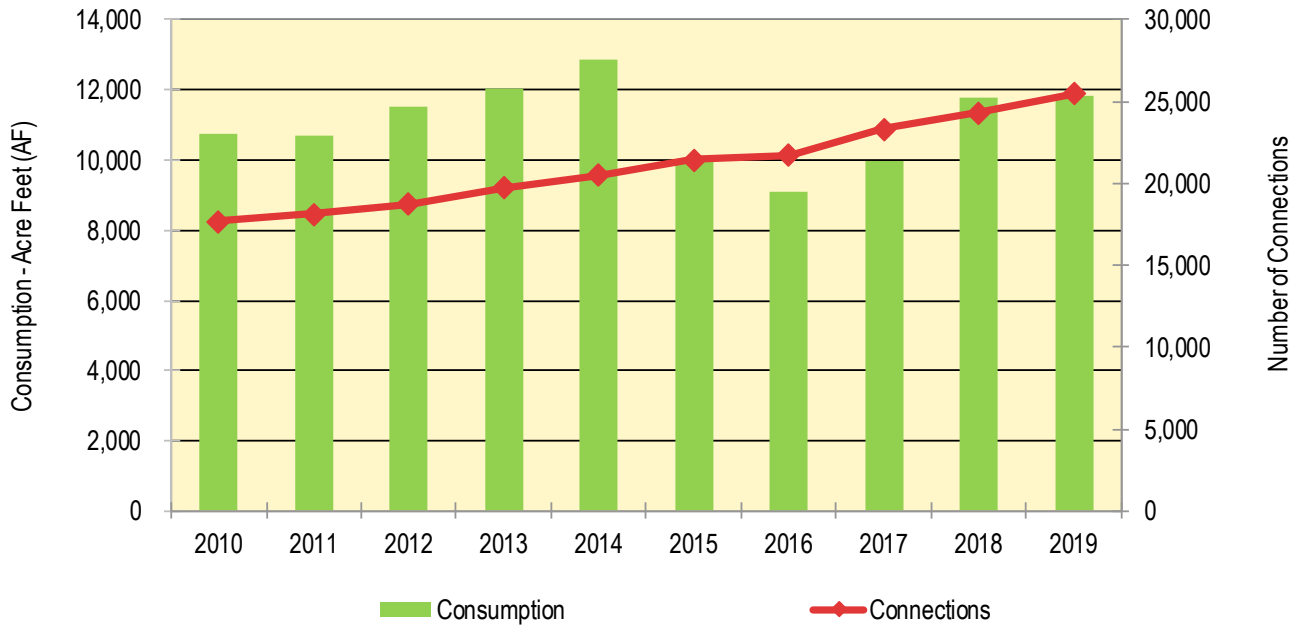


Fiscal Year Ending	Wastewater Avg. Daily Flow (MGD)	Wastewater Total Annual Flow (MG)
2010	11.04	4,039
2011	11.43	4,182
2012	11.60	4,245
2013	11.19	4,083
2014	10.26	3,745
2015	9.75	3,547
2016	9.99	3,646
2017	11.01	4,019
2018	10.19	3,719
2019	10.55	3,852

Source: Dublin San Ramon Services District Comprehensive Annual Financial Report

WATER CONSUMPTION AND CONNECTIONS

Last 10 Fiscal Years



Source: Dublin San Ramon Services District

Fiscal Year Ending	Water Consumption (AF)	Number of Connections
2010	10,741	17,681
2011	10,713	18,119
2012	11,500	18,777
2013	12,031	19,754
2014	12,873	20,532
2015	10,027	21,434
2016	9,079	21,722
2017	9,998	23,324
2018	11,804	24,324
2019	11,825	25,521

Source: Dublin San Ramon Services District (includes potable and recycled water).

**AUTHORIZED FULL-TIME EQUIVALENT DISTRICT EMPLOYEES
BY FUNCTION/PROGRAM**

Last 10 Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Office of the General Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Services	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Administrative Services Admin						2.00	1.50	1.50	1.50	1.00
Organizational Services	1.00	1.00	1.50	1.50	2.00					
Human Resources & Risk Mgmt.	6.00	5.00	4.00	4.00	4.50	6.50	4.50	4.50	4.50	4.50
Public Affairs	4.50	4.50	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.50
Safety	2.00	2.00	1.00	1.00	2.00					
Financial Services	7.00	6.25	6.25	6.25	5.00	5.00	4.00	4.00	4.00	5.00
Utility Billing & Customer Services	7.00	7.75	7.75	7.75	8.00	8.00	8.00	8.00	8.00	8.00
Information Technology Services	4.00	4.00	4.25	4.50	5.00	6.00	6.00	6.00	6.00	6.00
Engineering Services Admin	2.00	2.00	2.00	2.00	3.00	2.00	2.50	2.50	2.50	2.00
Capital & Asset Mgmt	6.00	6.00	6.00	6.00	6.00	8.00	5.00	5.00	7.00	10.00
Asset Management	2.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00		
Planning & Permitting	8.00	8.00	8.00	8.00	8.00	9.00	9.00	10.00	11.00	11.00
Operations Administration	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	1.00	1.00
Field Operations	11.00	11.00	11.00	11.00	11.00	11.00	12.00	12.00	16.00	16.00
Plant Operations	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00
Mechanical Maintenance	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.00	15.00	16.00
Instrumentation, Controls & Electrical	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	10.00	10.00
Laboratory & Technical Services	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	7.00	7.00
Operations Support Services							5.00	4.00	7.00	3.00
Environmental Services	2.00	2.00	2.00	2.00	2.00					
Total	111.50	110.50	108.75	109.00	112.00	113.00	113.00	113.00	121.00	122.00
Retirees ¹	58.00	61.00	63.00	66.00	67.00	69.00	74.00	74.00	84.00	93.00

1. Source: Audited Financial Statement FYE2019. Retirees with medical or dental benefit coverage.

Source: Dublin San Ramon Services District Operating Budget

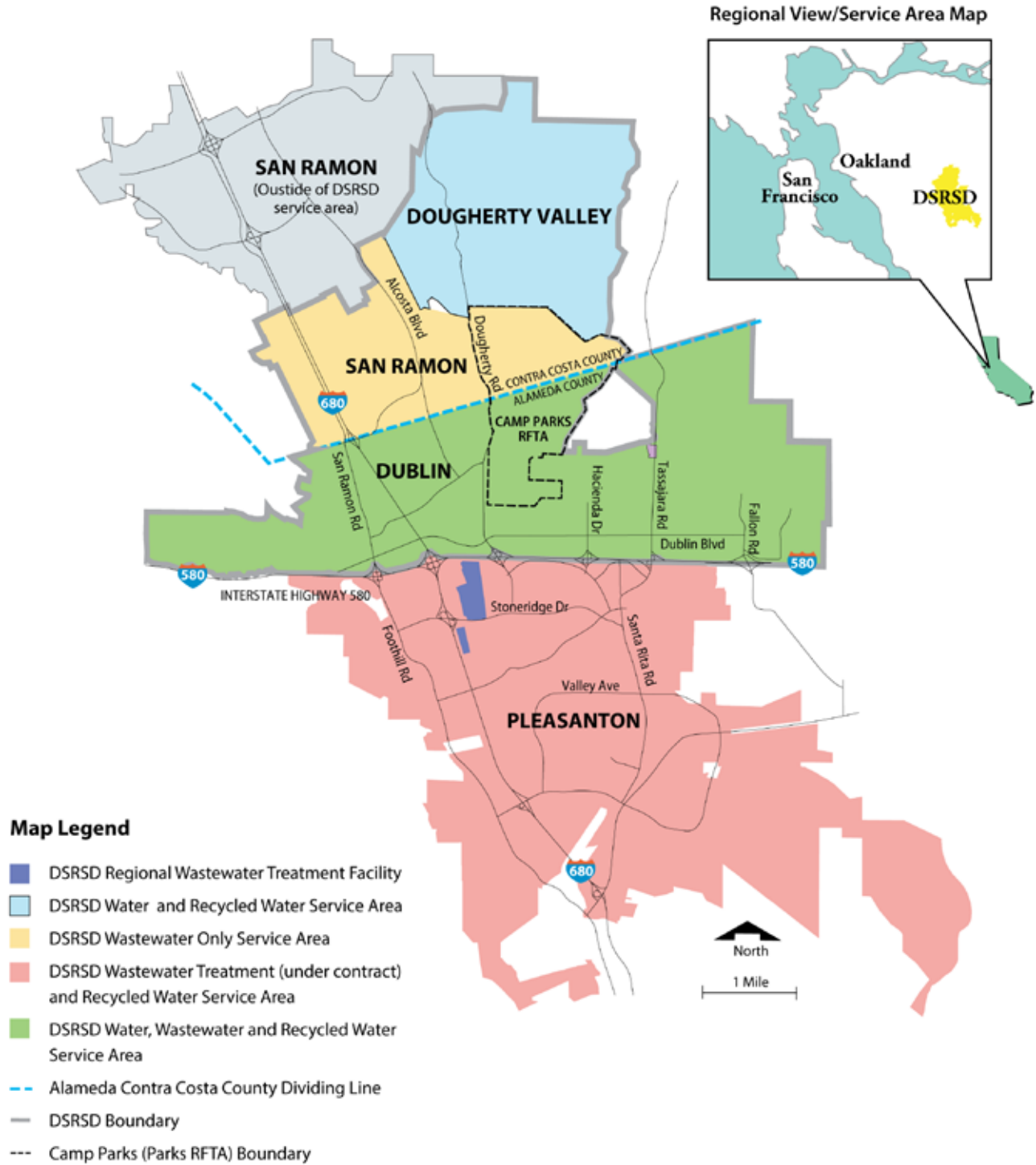
CAPITAL ASSETS BY FUNCTION/PROGRAM

Last 10 Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water										
Miles of potable water mains	281.0	282.0	290.3	298.9	305.1	307.0	307.8	319.0	321.0	331.0
Miles of recycled water mains	55.0	55.0	55.6	60.1	61.1	62.0	63.7	66.7	68.0	69.0
Number of potable water reservoirs	14	14	14	14	14	14	14	14	14	14
Storage capacity potable water (million gallons)	25.4	25.4	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1
Number of recycled water reservoirs	2	2	2	2	2	2	2	2	2	2
Storage capacity recycled water (million gallons)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Wastewater										
Miles of sanitary sewers	186.0	188.0	188.4	200.9	205.0	205.0	206.0	207.0	207.0	219.0
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Treatment capacity (million gallons per day)	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0

Source: Dublin San Ramon Services District

District Service Area Map



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