

# AGENDA

## NOTICE OF REGULAR MEETING

**TIME:** 6 p.m.

**DATE:** Tuesday, December 1, 2020

**PLACE:** Teleconference

Pursuant to Governor Newsom’s Executive Orders N-25-20, N-29-20, and N-33-20, and local county health orders issued to address the COVID-19 pandemic, the Board meeting will be held via Teams Teleconference.

The District Boardroom will be closed to the public.

The public may observe and comment by electronic means as described on Page 4.

**See Page 4 of the Agenda Packet for Teams Teleconference Access Information**

**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.**

1. CALL TO ORDER

2. PLEDGE TO THE FLAG

3. ROLL CALL – Members: Duarte, Halket, Howard, Johnson, Vonheeder-Leopold

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES

- New Employee Introductions

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)

At this time those on the teleconference call are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight’s agenda. Comments should not exceed five minutes. The President of the Board will recognize each speaker, at which time the speaker should introduce him/herself, and then proceed with his/her comment. Written comments of five minutes or less and received by 5 p.m. on the day of the meeting will be read into the meeting record.

6. REPORTS

6.A. Reports by Staff

- Event Calendar
- Correspondence to and from the Board

6.B. Joint Powers Authority and Committee Reports

LAVWMA – November 18, 2020

DERWA – November 23, 2020

DSRSD/City of Dublin Liaison – November 30, 2020

6.C. Agenda Management (consider order of items)

7. CONSENT CALENDAR

Matters listed under this item are considered routine and will be enacted by one Motion, in the form listed below.

There will be no separate discussion of these items unless requested by a Member of the Board or the public prior to the time the Board votes on the Motion to adopt.

- 7.A. Approve Regular Meeting Minutes of November 17, 2020  
**Recommended Action:** Approve by Motion

8. BOARD BUSINESS

- 8.A. Approve Continuation of District's State of Emergency in Response to COVID-19 Pandemic by General Manager and Find that the Need for the District's State of Emergency Still Exists  
**Recommended Action:** Approve by Motion

- 8.B. Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 33-20  
**Recommended Action:** Adopt by Resolution

- 8.C. Accept the Annual Report on Rate Stabilization Funds and Approve Transfers from the Regional Wastewater Operations Fund (Fund 300) to the Regional Wastewater Rate Stabilization Fund (Fund 305), the Water Rate Stabilization Fund (Fund 605) to the Water Operations Fund (Fund 600), and the Local Wastewater Operations Fund (Fund 200) to the Local Wastewater Rate Stabilization Fund (Fund 205)  
**Recommended Action:** Accept and Approve by Motion

- 8.D. Accept Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 with Independent Auditor's Report and Memorandum on Internal Control and Required Communications for the Fiscal Year Ended June 30, 2020  
**Recommended Action:** Accept by Motion

- 8.E. Approve Proclamation Honoring Edward "Ed" Duarte upon His Departure  
**Recommended Action:** Approve by Motion

9. BOARD MEMBER ITEMS

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

10. CLOSED SESSION

The Board will convene its closed session on a separate teleconference line and return to the open teleconference call for Item 11 when the closed session is completed.

- 10.A. Conference with Labor Negotiators - Pursuant to Government Code 54957.6
- Agency Negotiators: Dan McIntyre, General Manager  
Jan Lee, Assistant General Manager  
Carol Atwood, Administrative Services Manager  
Michelle Gallardo, Human Resources & Risk Supervisor  
Samantha Koehler, Human Resources Analyst II
- Employee Organizations: 1. Stationary Engineers, Local 39  
2. Mid-Management Employees' Bargaining Unit  
3. Professional Employees' Bargaining Unit  
4. Confidential Employees' Bargaining Unit
- Additional Attendees: Doug Coty, General Counsel  
Katie Kaneko, Koff & Associates, Inc.  
Dania Torres Wong, Sloan Sakai Yeung & Wong LLP

11. REPORT FROM CLOSED SESSION
12. ADJOURNMENT

*All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection during business hours by calling the District Secretary at (925) 828-0515. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.*

## Teams Teleconference Access Information

### Dublin San Ramon Services District Regular Board Meeting Tuesday, December 1, 2020

If the public wishes to provide comments during Agenda Item 5 – Public Comment, or on any of the agenda items, please join the meeting using the teleconference instructions below, or email written comments to the Board of Directors at [board@dsrcsd.com](mailto:board@dsrcsd.com) by 5 p.m. Tuesday, December 1, 2020. Written comments, of five minutes or less, will be read into the meeting record during the public comment portion of the agenda or during discussion of the subject of the comment.

#### To Join by Computer or Device:

1. Click [Join Meeting](#).
2. Select how you want to join the Teams meeting.
3. Click **“Join now.”** You can personalize your video and audio preferences before or after joining.
4. Public participants would wait for the meeting host to admit you.
5. You must unmute yourself when you wish to speak by clicking the microphone icon, which is also used to mute yourself when you finish speaking.

#### To Join by Phone Only:

1. Dial **(831) 256-7773** USA Toll from any telephone.
2. Enter Conference ID **716 000 86#** when prompted. DO NOT PRESS \*.
3. Wait for the meeting host to admit you. If you are unsuccessful in joining, hang up and dial in again.
4. You must unmute yourself when you wish to speak by pressing \*6, which is also used to mute yourself when you finish speaking.

#### Video Teleconference Meeting Instructions and Information:

- Stay muted unless speaking.
- Listen for prompts to know when public comments are solicited.
- You must unmute yourself when you wish to speak during Public Comment or during discussion of a particular agenda item. The meeting host can mute but cannot unmute participants.
- Announce yourself and speak slowly and clearly when commenting.
- Call (925) 875-2224 if you experience any technical difficulties.

Boardmembers and staff will be attending the meeting via teleconference. The Board will convene any Closed Sessions on a separate teleconference line and return to the open teleconference meeting for the next agenda item when the Closed Session is completed. The open teleconference meeting will be muted during this time and will resume for the Closed Session report and meeting adjournment.

The Boardroom is closed to the public.

All votes during the meeting will be taken by roll call vote.

**From:** [Georgean Vonheeder-Leopold](#)  
**To:** [Dan McIntyre](#)  
**Cc:** [Ed Duarte](#); [Jan Lee](#)  
**Subject:** Re: Today's Presentation  
**Date:** Wednesday, November 18, 2020 1:19:55 PM

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**[EXTERNAL – check for red flags]**

Could you forward to the whole board.

Ed beat me to it and is much more eloquent than I. I echo all that he said and more. I was very proud of both of you and DSRSD as a whole.

Thanks for the work. I have 2 more pictures you may want to add. I'll try to send them.

Georgean

On Wed, Nov 18, 2020 at 1:03 PM Dan McIntyre <[mcintyre@dsrsd.com](mailto:mcintyre@dsrsd.com)> wrote:

Hi Ed – Thanks! We appreciate you showing up to this AC-CSDA meeting to see our “host presentation”.

We had actually held an “All District staff meeting” last Wednesday, November 11 –on the 2<sup>nd</sup> anniversary of the Great Flood. We used the November 11 staff meeting to celebrate Veterans’ Day (and showed the four short video clips about our 4 veterans\_. And then we did a “recap” on some of the emergencies that we’ve experienced over the last 2 years: starting with the Great Flood event on its second anniversary. In the presentation to staff last week, we probably used about 75% of the same slides we used for the CSDA presentation, but focusing on the Great Flood, Public Safety Power Shutoff, and COVID. In the “All Staff” meeting we skipped the generic DSRSD stuff and the California Voting Rights Act stuff, because staff had already been briefed on that in earlier meetings. Thus, November 11 was a focused celebration of Veterans Day and “reminiscing” about the 2<sup>nd</sup> Anniversary of the Great Flood, and subsequent disasters (and recoveries).

Back story: Most of the content for this AC-CSDA presentation was actually suggested/requested by the AC-CSDA Executive Committee. They had heard about some of DSRSD’s disasters apparently, and wanted to hear about our recovery efforts. Georgean passed along the suggestions, and then was able to secure a longer than normal “presentation slot” so that we could “fit it all in”. Special thanks to Georgean for getting us enough time to present.

I agree that the DSRSD staff do a great job staying resilient in the face of emergencies. Sometimes the Board has said I do a great job helping people recover in some of our emergencies. But the truth is that DSRSD’s resilience and “can do approach” in the face of dire emergencies existed at DSRSD long before I came here. It is part of DSRSD’s DNA - an inherent part of what DSRSD is - and its greatest strength.

Again, thanks for attending, and observing our fun summary of our challenges and successes. We had fun putting it together.

*. Dan Mc.*

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**From:** Ed Duarte [REDACTED]  
**Sent:** Wednesday, November 18, 2020 10:29 AM  
**To:** Dan McIntyre <[mcintyre@dsrsd.com](mailto:mcintyre@dsrsd.com)>; Jan Lee <[jlee@dsrsd.com](mailto:jlee@dsrsd.com)>  
**Cc:** Georgan Vonheeder-Leopold [REDACTED]  
**Subject:** Today's Presentation

**[EXTERNAL – check for red flags]**

Dan & Jan (sounds like a '50's surf group.. lol)

I just wanted to thank and commend you for this morning's excellent roadshow!

We have all tried to keep a smiley face in spite of the problems the District faced in the last two years, but this recap really showed what staff and the district employees are made of.

I could tell the other members of ACSDA were impressed, I certainly was. You made Georgan & I very proud.

I was wondering if this PP could be sent to the entire workforce as it shows just how much they all stepped up to the plate.

I know it's a little long, but somehow they need to see it. Just a thought....

My thanks again,

Ed

**DUBLIN SAN RAMON SERVICES DISTRICT  
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS**

**November 17, 2020**

Pursuant to Governor Newsom’s Executive Orders N-25-20, N-29-20, and N-33-20, and local county health orders issued to address the COVID-19 pandemic, this Board meeting was held via Teams teleconference. The District Boardroom is closed to the public; however, the public may observe and comment by calling in to the teleconference meeting per the instructions provided on page 3 of the agenda. As required by the Brown Act, all votes were taken by roll call vote due to the attending Directors participating via teleconference.

1. CALL TO ORDER

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

President Duarte reported that a regular DSRSD Financing Corporation meeting was held immediately before the Board meeting, attended by President Duarte, Vice President Johnson, and Directors Halket and Vonheeder-Leopold. In accordance with DSRSD’s Day of Service policy, no Director will receive any compensation or stipend for participating in more than one meeting on this date.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting:

President Edward R. Duarte, Vice President Ann Marie Johnson, Director Richard M. Halket, Director Georgean M. Vonheeder-Leopold, and Director Dwight L. (Pat) Howard.

District staff present: Dan McIntyre, General Manager; Jan Lee, Assistant General Manager; Carol Atwood, Administrative Services Manager/Treasurer; Judy Zavadil, Engineering Services Manager/District Engineer; Jeff Carson, Operations Manager; Douglas E. Coty, General Counsel; and Vivian Chiu, Administrative Analyst I.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – General Manager McIntyre shared four short video clips of veterans hired by DSRSD, in honor of Veterans Day last week. He noted the clips will be used as promotional material for recruitments as veterans make great employees for the District.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:12 p.m. No public comment was received.

6. REPORTS

6.A. Reports by Staff

- Event Calendar – General Manager McIntyre reported on the following:
  - o The California Special Districts Association Alameda County Chapter meeting will be held tomorrow, November 18, at 8 a.m. DSRSD is hosting the virtual meeting.



- o The regular LAVWMA Board meeting will be held tomorrow, November 18. Staff is having an Ad Hoc Committee meeting with the District's two LAVWMA representatives immediately following tonight's Board meeting.

- Correspondence to and from the Board on an Item not on the Agenda – None

6.B. Joint Powers Authority and Committee Reports – None

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

7. CONSENT CALENDAR

Director Vonheeder-Leopold MOVED for approval of the items on the Consent Calendar.  
Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

7.A. Approve Regular Meeting Minutes of November 3, 2020 – Approved

7.B. Authorize Execution of Grant of Easement to City of Pleasanton for Johnson Drive and Stoneridge Drive Roadway Improvements – Approved

8. BOARD BUSINESS

8.A. Approve Continuation of District's State of Emergency in Response to COVID-19 Pandemic by General Manager and Find that the Need for the District's State of Emergency Still Exists

Director Howard MOVED to Approve Continuation of District's State of Emergency in Response to COVID-19 Pandemic by General Manager and Find that the Need for the District's State of Emergency Still Exists. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

8.B. Second Reading: Adoption of Ordinance Revising District Code Chapter 5.20 Regarding Wastewater Discharge and Pretreatment Regulations

President Duarte read the title of the Ordinance: An Ordinance of Dublin San Ramon Services District Amending Chapter 5.20 of the District Code to Revise Provisions that Govern Wastewater Discharge Regulations.

President Duarte solicited a Motion to Waive Reading of the Ordinance.

Director Halket MOVED to Waive Reading of the Ordinance. Director Howard SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

General Manager McIntyre commented the Board scheduled adoption of the Ordinance for this evening after the Board's questions and concerns were addressed at the last Board meeting.

There was no public comment received. The Board had no comments.

Director Vonheeder-Leopold MOVED to Adopt Ordinance No. 348, Amending Chapter 5.20 of the District Code to Revise Provisions that Govern Wastewater Discharge Regulations. Vice President Johnson SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

8.C. Accept Regular and Recurring Report: Warrant List and Provide Direction

Financial Services Supervisor Chen, prior to reviewing the item for the Board, reported the quarterly financial reports were not included in this agenda packet as shown in the attachment to this item due to a last-minute delay. They will be presented in the December 1 agenda.

Mr. Chen explained this routine item is normally placed on the Consent Calendar, but staff is seeking Board direction regarding placement of the warrant lists on the District website instead of the Board packets in an effort to reduce the size of the agenda packets and improve transparency and accessibility. He showed the web page where the current warrant list is posted.

The Board and staff discussed convenience between digital and paper copies, and confidentiality and privacy concerns. General Counsel Coty remarked public processes are matters of public records and public employees can expect to lose some privacy in comparison to someone working for a private employer. He suggested staff investigate redaction of sensitive information on the warrant lists which are made public. Staff confirmed the warrant lists do not show employee names for wage garnishment payments.

The Board inquired about information to be included in the staff reports going forward. Staff commented the monthly staff report will continue to provide a summary of the warrant list and will include a link to the web page where the list is posted.

Vice President Johnson MOVED to Accept the Regular and Recurring Report: Warrant List and Approve Placing Future Warrant Lists on the District Website on a Rolling 12-month Basis Starting December 1 and Providing a Link to the Warrant Lists in the Staff Report in Lieu of Including the Lists in the Board Agenda Packets. Director Howard SECONDED the MOTION, which CARRIED with FOUR AYES and ONE NO (Vonheeder-Leopold) per roll call vote.

8.D. Receive Report on Recycled Water Funding and Provide Direction

Financial Services Supervisor Chen reviewed the item for the Board. After describing the District's recycled water costs for operations and maintenance, replacement and expansion capital projects, and state loans, he sought Board guidance on funding the DERWA expansion costs. He presented two options for Board consideration – to fund the costs through recycled water rates or to fund the costs through water capacity reserve fees.

The Board and staff discussed debt funding through recycled water connections. Staff commented debt costs have been historically funded out of connections and spread over all remaining dwelling unit equivalents.

Director Halket MOVED to Direct Staff to Proceed with Option #2 to Include Recycled Water Expansion and Improvement Capital Costs in the Water Capacity Reserve Fee Program. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FIVE AYES per roll call vote.

8.E. Discussion and Direction on Water Enterprise Finances

Financial Services Supervisor Chen reviewed the item for the Board and presented slides of the two figures included in the staff report, showing a 10-year financial planning model and stress test for the working capital of Water Enterprise Funds 600 and 605. He explained the key assumptions and their fiscal impact on reserves and working capital. Mr. Chen noted the stress test is aggressive and assumes no mitigation measures. Staff is working on the next generation of the financial planning model to provide greater accuracy for budget development in the spring.

The Board and staff discussed various assumptions including timing of the California Public Employees' Retirement System (CalPERS) Unfunded Accrued Liability payments, replacement allocations, and rate increases. The Board was pleased with the presentation and did not have any directions for staff.

9. BOARDMEMBER ITEMS

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

Director Vonheeder-Leopold submitted a written report to Administrative Analyst I Chiu. She reported that she attended the California Association of Sanitation Agencies Board of Directors virtual meeting on Thursday, November 12. She summarized the activities and discussions at the meeting.

President Duarte submitted a written report to Administrative Analyst I Chiu. He reported that he attended the California Special Districts Association Contra Costa County Chapter virtual meeting on Monday, November 16. He summarized the activities and discussions at the meeting.

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

10. ADJOURNMENT

President Duarte adjourned the meeting at 7:14 p.m.

Submitted by,

Vivian Chiu, MMC  
Administrative Analyst I

FOR: Nicole Genzale, CMC  
Executive Services Supervisor/District Secretary



**TITLE:** Approve Continuation of District's State of Emergency in Response to COVID-19 Pandemic by General Manager and Find that the Need for the District's State of Emergency Still Exists

**RECOMMENDATION:**

Staff recommends the Board of Directors receive a verbal update on the COVID-19 emergency and approve, by Motion, a continuation of the State of Emergency response to the COVID-19 pandemic, as declared by the General Manager and confirmed and ratified by Resolution No. 26-20, and find that there exists a need for continuing the District's COVID-19 emergency which the Board last confirmed on November 17, 2020.

**SUMMARY:**

On March 25, 2020, the Board of Directors approved Resolution No. 26-20, which confirmed the District's State of Emergency in response to the COVID-19 pandemic and directed the General Manager to provide regular progress reports to the Board until the State of Emergency is terminated. There have been no substantial changes to the District's COVID-19 response since the Board was last updated. The District continues to operate under COVID-19 emergency restrictions and comply with all state and local public health orders. To assure proper staffing and support of critical operational functions, staff is requesting the Board find that there still exists a need to continue the State of Emergency.

**BACKGROUND:**

On March 4, 2020, Governor Gavin Newsom of California proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19, a coronavirus. On March 13, 2020, President Donald Trump declared a National Emergency as a result of the threat of COVID-19.

On March 16, 2020, the public health officers of Alameda and Contra Costa Counties issued a legal order directing their respective residents to shelter in place (SIP) and limiting activity, travel, and business functions to the most essential needs. The SIP order provided an exception for the operations and maintenance of "Essential Infrastructure," which includes, but is not limited to, water, wastewater, and recycled water service. Since most District facilities are located within Alameda County, emergency response plans have been based on the Alameda County SIP order. The Alameda County public health officer has issued updated SIP orders on March 31, April 29, May 18, June 5, June 18, July 15, August 21, September 2, October 1, and October 21 in response to changing conditions. The Alameda County SIP order requires employers to implement physical distancing and other safety measures to limit the spread of COVID-19 in the workplace. The latest SIP order has no specified termination date and will continue to be updated periodically.

On March 16, 2020, the General Manager, as the District's Emergency Manager per the Emergency Response Plan policy (P300-16-2), declared a District State of Emergency to allow for essential operations to continue, and to ensure operational flexibility in meeting the challenges of COVID-19, while providing vital water and sewer services that are needed to protect public health and the environment.

On March 19, 2020, the State public health officer issued an order requiring most Californians to stay at home, with certain exceptions for critical services and other essential needs. This stay-at-home order has no specified termination date.

On March 25, 2020, the Board of Directors approved Resolution No. 26-20, which confirmed the continuation of the District State of Emergency, and directed the General Manager to report on progress at least at every regularly scheduled meeting until the State of Emergency is terminated.

<b>Originating Department:</b> Office of the General Manager	<b>Contact:</b> J. Lee	<b>Legal Review:</b> Not Required
<b>Financial Review:</b> Not Required	<b>Cost and Funding Source:</b> \$0	
<b>Attachments:</b> <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	12 of 149	

On May 4, 2020, Governor Newsom issued Executive Order N-60-20, allowing for the gradual relaxing of the stay-at-home order and reopening of industry sectors under a four-stage roadmap. However, due to a surge in positive COVID-19 cases during the summer, the State began putting counties on a state watch list and requiring them to scale back reopenings.

On August 28, 2020, the State announced a new color-coded, four-tier “Blueprint for a Safer Economy” which loosens and tightens restrictions on activities based on risk level. This new color-coded system (Purple, Red, Orange, and Yellow) replaces the earlier roadmap and outlines a more gradual process for reopening the economy than the first attempt. The State assesses each county weekly and assigns them a tier based on the rate of positive cases and percentage of positive tests. These metrics will be used to determine how quickly a county can move through the tiers or whether a county needs to take a step back if COVID-19 cases surge again. At a minimum, counties must remain in a tier for at least three weeks and meet the next tier’s criteria for two consecutive weeks before moving forward. Both Alameda and Contra Costa Counties were initially assigned to the Purple Tier (Tier 1), which represents widespread community transmission.

On September 30, 2020, the State announced a new health equity metric which will be used (along with the other metrics) to determine a county’s tier. This metric requires the test positivity rates in the most disadvantaged neighborhoods to fall within the same range as the county’s overall test positivity rates. The equity metric took effect on October 6, 2020.

#### **DISCUSSION:**

The Bay Area is now seeing a rapid increase in COVID-19 cases and hospitalization rates. On November 16, 2020, the State moved Alameda County backwards from the Orange Tier (Tier 3) to the Purple Tier (Tier 1) under the State’s Blueprint for a Safer Economy. Contra Costa County was moved backwards from the Red Tier (Tier 2) to the Purple Tier. There are now 41 counties in the State that are in the Purple Tier, which represents widespread risk of community transmission. Due to this change in tier status, both Alameda and Contra Costa Counties have reimposed certain restrictions on activities and businesses.

On Thursday, November 19, the Governor issued a limited stay-at-home order generally requiring that non-essential work, movement, and gatherings stop between 10 p.m. and 5 a.m. in counties in the Purple Tier. The order took effect at 10 p.m. November 21, and remains in effect until 5 a.m. December 21, although it may be extended or revised. As essential workers, DSRSD employees and contractors can continue to work scheduled swing/graveyard shifts and conduct emergency operations during the curfew hours.

District emergency plans have been aggressively implemented since the General Manager first declared a District State of Emergency in March 2020. In compliance with State and local public health orders, half of the District’s staff are fully or partially working from home and the remaining staff are reporting to District facilities, with staggered schedules and other measures implemented to comply with social distancing requirements. A few operational activities are still suspended or delayed while the District’s Environmental Health and Safety Team evaluates how to resume these activities in a manner that complies with the District’s COVID-19 safety protocols. The recent tightening of State and local COVID-19 restrictions has not materially affected the District’s COVID response protocols and procedures. Significant changes to the District’s COVID-19 response plans are unlikely to occur until Alameda County reaches and remains in the Yellow Tier (Tier 4) under the State’s color-coded system and the Alameda County SIP order restrictions for office settings are relaxed. None of these changes are anticipated before the end of 2020.

The COVID-19 emergency continues in the District’s service area. To assure proper staffing and support of critical operational functions, staff is requesting the Board find that there still exists a need to continue the State of Emergency reflected by Resolution No. 26-20.



**TITLE:** Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 33-20

**RECOMMENDATION:**

Staff recommends the Board of Directors adopt, by Resolution, the District Pay Schedule in accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and rescind Resolution No. 33-20.

**DISCUSSION:**

Per Resolution No. 33-20, the Board of Directors adopted the publicly available pay schedule in accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule.

The pay schedule has been updated with the corresponding base salary increase and effective date for the District salary range following the application of the cost-of-living-adjustment salary increase (2.75%) negotiated in District Memoranda of Understanding (MOUs) for the Stationary Engineers, Local 39 (Local 39), Professional Employees’ Bargaining Unit (PEBU), Confidential Employees’ Bargaining Unit (CEBU), and Mid-Management Employees’ Bargaining Unit (MEBU).

Additionally, the pay schedule has been updated with the corresponding base salary increase and effective date following the application of the cost-of-living-adjustment salary increase (2.75%) per the Personal Services Agreements (PSAs) for the Administrative Services Manager, Engineering Services Manager, and Operations Manager. The pay schedule shall also reflect the corresponding base salary increase and effective date following the application of the cost-of-living-adjustment salary increase (2.75%) and merit increase (5%) per the Personal Services Agreement (PSA) for the Assistant General Manager approved by the Board on February 4, 2020.

While the Personal Services Agreement (PSA) for the General Manager states eligibility for a cost-of-living-adjustment salary increase (2.75%), the General Manager has declined the salary increase and will remain at the calendar year 2020 salary level.

All salary increases are reflected in the biennial operating budget approved by the Board of Directors in 2019 for fiscal year ending 2021.

The regulation specifies that compensation earnable is defined in statute and further clarified by California Code of Regulations, Title 2, Section 570.5, and that salaries shall be “duly approved and adopted by the employer’s governing body in accordance with requirements of applicable public meetings laws.” Therefore, only those pay amounts that meet the definition of compensation earnable can be used when calculating retirement benefits. This regulation applies to all employers reporting compensation to the California Public Employees’ Retirement System (CalPERS). This pay schedule shall reflect salaries in place effective on December 14, 2020 and previously agreed to by the District in accordance with the various MOUs and PSAs.

As required by Government Code Section 54953, an oral report will be presented for this item, prior to taking final action, for the base salary increases for the Administrative Services Manager, Assistant General Manager, Engineering Services Manager, and Operations Manager.

<b>Originating Department: Administrative Services</b>	<b>Contact: M. Gallardo</b>	<b>Legal Review: Not Required</b>
<b>Financial Review: Not Required</b>	<b>Cost and Funding Source: N/A</b>	
<b>Attachments:</b> <input type="checkbox"/> None <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	14 of 149	

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ADOPTING A PAY SCHEDULE IN ACCORDANCE WITH CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5, AND RESCINDING RESOLUTION NO. 33-20

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WHEREAS, the California Code of Regulations, Title 2, Section 570.5 requires the District's Board of Directors approve and adopt all pay schedules; and

WHEREAS, by Resolution No. 33-20, the Board-adopted pay schedule was approved on June 2, 2020; and

WHEREAS, the Stationary Engineers, Local 39 (Local 39), the Professional Employees' Bargaining Unit (PEBU), and the Mid-Management Employees' Bargaining Unit (MEBU) have met in good faith and agreed to labor contracts effective December 18, 2017 through December 12, 2021; and

WHEREAS, the Confidential Employees' Bargaining Unit (CEBU) have met in good faith and agreed to labor contracts effective December 18, 2017 through April 30, 2022; and

WHEREAS, the Administrative Services Manager has a Personal Services Agreement in place effective September 26, 2016 and amended on November 7, 2017; and

WHEREAS, the Engineering Services Manager has a Personal Services Agreement in place effective July 20, 2016 and amended on November 7, 2017; and

WHEREAS, the Operations Manager has a Personal Services Agreement in place effective December 5, 2016 and amended on November 7, 2017; and

WHEREAS, the Assistant General Manager has a Personal Services Agreement in place effective March 2, 2020; and

WHEREAS, the specific language of these labor contracts and personal services agreements establishes new base salaries effective the first day of the first pay period of Calendar Year 2021.

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

1. That the pay schedule titled DSRSD Pay Schedule, set forth in Exhibit "A" and attached hereto and incorporated herein by reference, is hereby approved and adopted, and Resolution No. 33-20, attached as Exhibit "B", is hereby rescinded.
2. The pay schedule approved and adopted by this resolution shall be periodically updated by the Board of Directors, in accordance with the California Code of Regulations requirements.

Res. No. \_\_\_\_\_

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 1st day of December, 2020, and passed by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Edward R. Duarte, President

ATTEST: \_\_\_\_\_  
Nicole Genzale, District Secretary



DSRSD Pay Schedule  
Pursuant to CCR Title 2 570.5

Exhibit A

In accordance with Board-approved resolutions and the District's established payroll procedures (26 pay periods per year, 14 days per pay period).  
Time base for each pay rate: Full time employee (1.0 FTE), 40 hours per work week.

Non-Exempt, Hourly Classifications	Exempt	Code	Effective Date	Resolution #	Monthly Salary					Hourly Pay Rate				
					Step A	Step B	Step C	Step D	Step E	Step A	Step B	Step C	Step D	Step E
ACCOUNT CLERK I	H	cacck1	12/14/2020	59-17	5,298	5,565	5,840	6,135	6,440	30.5654	32.1058	33.6923	35.3942	37.1538
ACCOUNT CLERK II	H	cacck2	12/14/2020	59-17	5,829	6,120	6,427	6,748	7,088	33.6288	35.3077	37.0788	38.9308	40.8923
ACCOUNTANT I	H	pacct1	12/14/2020	51-17	8,117	8,523	8,951	9,398	9,866	46.8288	49.1712	51.6404	54.2192	56.9192
ACCOUNTING TECHNICIAN I	H	cactc1	12/14/2020	59-17	6,462	6,788	7,129	7,484	7,857	37.2808	39.1615	41.1288	43.1769	45.3288
ACCOUNTING TECHNICIAN II	H	cactc2	12/14/2020	59-17	7,108	7,463	7,838	8,230	8,641	41.0077	43.0558	45.2192	47.4808	49.8519
ADMIN ASSISTANT I - CONFIDENTIAL	H	hadas1	12/14/2020	53-17	6,155	6,461	6,786	7,127	7,480	35.5096	37.2750	39.1500	41.1173	43.1538
ADMIN ASSISTANT II - CONFIDENTIAL	H	hadas2	12/14/2020	53-17	6,766	7,104	7,460	7,835	8,226	39.0346	40.9846	43.0385	45.2019	47.4577
ADMINISTRATIVE ANALYST I	H	padan1	12/14/2020	51-17	8,886	9,332	9,799	10,289	10,804	51.2654	53.8385	56.5327	59.3596	62.3308
ADMINISTRATIVE ASSISTANT I	H	cadasc1	12/14/2020	59-17	5,359	5,626	5,910	6,204	6,512	30.9173	32.4577	34.0962	35.7923	37.5692
ADMINISTRATIVE ASSISTANT II	H	cadasc2	12/14/2020	59-17	5,895	6,193	6,500	6,826	7,168	34.0096	35.7288	37.5000	39.3808	41.3538
ADMINISTRATIVE TECHNICIAN	H	cadmtc	12/14/2020	59-17	6,925	7,273	7,636	8,019	8,419	39.9519	41.9596	44.0538	46.2635	48.5712
ADMINISTRATIVE TECHNICIAN-CONFIDENTIAL	H	hadmtc	12/14/2020	53-17	7,214	7,574	7,951	8,349	8,768	41.6192	43.6962	45.8712	48.1673	50.5846
CO-GENERATION SPECIALIST	H	ccogsp	12/14/2020	59-17	9,297	9,765	10,251	10,766	11,300	53.6365	56.3365	59.1404	62.1115	65.1923
COMMUNICATIONS SPECIALIST I	H	pcoms1	12/14/2020	51-17	8,518	8,945	9,393	9,861	10,353	49.1423	51.6058	54.1904	56.8904	59.7288
CONSTRUCTION INSPECTOR I	H	ccoin1	12/14/2020	59-17	7,958	8,355	8,772	9,213	9,670	45.9115	48.2019	50.6077	53.1519	55.7885
CONSTRUCTION INSPECTOR II	H	ccoin2	12/14/2020	59-17	8,751	9,188	9,651	10,131	10,637	50.4865	53.0077	55.6788	58.4481	61.3673
CUSTOMER FIELD REPRESENTATIVE I	H	ccfdr1	12/14/2020	59-17	6,027	6,329	6,648	6,979	7,327	34.7712	36.5135	38.3538	40.2635	42.2712
CUSTOMER FIELD REPRESENTATIVE II	H	ccfdr2	12/14/2020	59-17	6,628	6,960	7,311	7,675	8,060	38.2385	40.1538	42.1788	44.2788	46.5000
CUSTOMER SERVICES REPRESENTATIVE I	H	ccsrp1	12/14/2020	59-17	5,265	5,528	5,804	6,096	6,400	30.3750	31.8923	33.4846	35.1692	36.9231
CUSTOMER SERVICES REPRESENTATIVE II	H	ccsrp2	12/14/2020	59-17	5,793	6,084	6,386	6,702	7,038	33.4212	35.1000	36.8423	38.6654	40.6038
ELECTRICIAN I	H	celec1	12/14/2020	59-17	7,775	8,163	8,570	9,000	9,451	44.8558	47.0942	49.4423	51.9231	54.5250
ELECTRICIAN II	H	celec2	12/14/2020	59-17	8,554	8,980	9,431	9,901	10,396	49.3500	51.8077	54.4096	57.1212	59.9769
ENGINEERING TECHNICIAN / GIS SPECIALIST I	H	centc1	12/14/2020	59-17	7,285	7,651	8,033	8,435	8,855	42.0288	44.1404	46.3442	48.6635	51.0865
ENGINEERING TECHNICIAN / GIS SPECIALIST II	H	centc2	12/14/2020	59-17	8,013	8,412	8,834	9,276	9,740	46.2288	48.5308	50.9654	53.5154	56.1923
ENVIRONMENTAL CHEMIST I	H	pench1	12/14/2020	51-17	8,367	8,786	9,224	9,688	10,170	48.2712	50.6885	53.2154	55.8923	58.6731
ENVIRONMENTAL COMPLIANCE INSPECTOR I-CLEAN WATER	H	cecic1	12/14/2020	59-17	7,699	8,080	8,486	8,914	9,357	44.4173	46.6154	48.9577	51.4269	53.9827
ENVIRONMENTAL COMPLIANCE INSPECTOR II-CLEAN WATER	H	cecic2	12/14/2020	59-17	8,473	8,892	9,337	9,805	10,292	48.8827	51.3000	53.8673	56.5673	59.3769
ENVIRONMENTAL COMPLIANCE INSPECTOR I-PRETREATMENT	H	cecip1	12/14/2020	59-17	7,699	8,080	8,486	8,914	9,357	44.4173	46.6154	48.9577	51.4269	53.9827
ENVIRONMENTAL COMPLIANCE INSPECTOR II-PRETREATMENT	H	cecip2	12/14/2020	59-17	8,473	8,892	9,337	9,805	10,292	48.8827	51.3000	53.8673	56.5673	59.3769
FACILITIES AND SAFETY TECHNICIAN	H	cfastc	12/14/2020	32-20	7,322	7,688	8,070	8,476	8,899	42.2423	44.3538	46.5577	48.9000	51.3404
FLEET MECHANIC	H	cfmech	12/14/2020	59-17	7,619	8,000	8,401	8,821	9,261	43.9558	46.1538	48.4673	50.8904	53.4288
GIS ANALYST I	H	pgisa1	12/14/2020	51-17	9,384	9,854	10,347	10,864	11,405	54.1385	56.8500	59.6942	62.6769	65.7981
HUMAN RESOURCES ANALYST I	H	hhran1	12/14/2020	53-17	8,961	9,409	9,878	10,374	10,893	51.6981	54.2827	56.9885	59.8500	62.8442
HUMAN RESOURCES TECHNICIAN	H	hhrtc	12/14/2020	53-17	7,214	7,574	7,951	8,349	8,768	41.6192	43.6962	45.8712	48.1673	50.5846
INFORMATION SYSTEMS TECHNICIAN I	H	cistc1	12/14/2020	59-17	6,944	7,290	7,656	8,038	8,442	40.0615	42.0577	44.1692	46.3731	48.7038
INFORMATION SYSTEMS TECHNICIAN II	H	cistc2	12/14/2020	59-17	7,636	8,019	8,419	8,842	9,286	44.0538	46.2635	48.5712	51.0115	53.5731
INFORMATION TECHNOLOGY ANALYST I	H	pitan1	12/14/2020	51-17	9,580	10,056	10,560	11,088	11,642	55.2692	58.0154	60.9231	63.9692	67.1654
INSTRUMENTATION TECHNICIAN	H	cinstrc	12/14/2020	59-17	8,743	9,182	9,638	10,123	10,628	50.4404	52.9731	55.6038	58.4019	61.3154
JUNIOR ENGINEER	H	pjreng	12/14/2020	51-17	8,899	9,341	9,811	10,298	10,814	51.3404	53.8904	56.6019	59.4115	62.3885
JUNIOR PLANNER	H	pjrpln	12/14/2020	51-17	8,379	8,797	9,236	9,700	10,183	48.3404	50.7519	53.2846	55.9615	58.7481
LABORATORY TECHNICIAN	H	clabtc	12/14/2020	59-17	7,322	7,688	8,070	8,476	8,899	42.2423	44.3538	46.5577	48.9000	51.3404
LABORER - TEMPORARY/RA	H	tlabor	6/5/2018	28-18	0	0	3,987	4,160	4,334	0.0000	0.0000	23.0000	24.0000	25.0000
MAINTENANCE WORKER I	H	cmtwk1	12/14/2020	59-17	6,198	6,506	6,833	7,174	7,534	35.7577	37.5346	39.4212	41.3885	43.4654
MAINTENANCE WORKER II	H	cmtwk2	12/14/2020	59-17	6,815	7,157	7,516	7,891	8,284	39.3173	41.2904	43.3615	45.5250	47.7923
MECHANIC I	H	cmech1	12/14/2020	59-17	7,148	7,505	7,882	8,277	8,691	41.2385	43.2981	45.4731	47.7519	50.1404
MECHANIC II	H	cmech2	12/14/2020	59-17	7,862	8,256	8,669	9,105	9,558	45.3577	47.6308	50.0135	52.5288	55.1423
MECHANIC II-CRANE CERTIFIED	H	cmeccc	12/14/2020	59-17	8,061	8,465	8,886	9,332	9,799	46.5058	48.8365	51.2654	53.8970	56.6407



DSRSD Pay Schedule  
Pursuant to CCR Title 2 570.5

Exhibit A

HUMAN RESOURCES ANALYST II	S	hhran2	12/14/2020	53-17	9,791	10,281	10,794	11,332	11,902	4518.92	4745.08	4981.85	5230.15	5493.23
HUMAN RESOURCES AND RISK SUPERVISOR	S	mhrsup	12/14/2020	52-17	12,792	13,433	14,103	14,808	15,549	5904.00	6199.85	6509.08	6834.46	7176.46
INFORMATION SERVICES SUPERVISOR	S	missup	12/14/2020	52-17	13,756	14,442	15,165	15,926	16,723	6348.92	6665.54	6999.23	7350.46	7718.31
INFORMATION TECHNOLOGY ANALYST II	S	pitan2	12/14/2020	51-17	10,469	10,992	11,542	12,119	12,725	4831.85	5073.23	5327.08	5593.38	5873.08
LABORATORY SUPERVISOR	S	mlbsup	12/14/2020	52-17	11,880	12,473	13,098	13,751	14,440	5483.08	5756.77	6045.23	6346.62	6664.62
MECHANICAL SUPERVISOR	S	mmsesup	12/14/2020	52-17	10,312	10,827	11,369	11,940	12,533	4759.38	4997.08	5247.23	5510.77	5784.46
OPERATIONS COMPLIANCE SUPERVISOR	S	mocsup	12/14/2020	6-20	13,764	14,453	15,175	15,934	16,731	6352.62	6670.62	7003.85	7354.15	7722.00
OPERATIONS MANAGER	S	om	12/14/2020	55-17	0	0	0	0	20,153	0.0000	0.0000	0.0000	0.0000	9301.38
PRINCIPAL ENGINEER-SUBJECT MATTER EXPERT (SME)	S	ppesme	12/14/2020	51-17	13,258	13,920	14,618	15,349	16,115	6119.08	6424.62	6746.77	7084.15	7437.69
PRINCIPAL ENGINEER-SUPERVISORY	S	mpreng	12/14/2020	52-17	14,277	14,989	15,738	16,526	17,353	6589.38	6918.00	7263.69	7627.38	8009.08
SENIOR CIVIL ENGINEER-SUBJECT MATTER EXPERT (SME)	S	psesme	12/14/2020	51-17	12,114	12,718	13,354	14,021	14,724	5591.08	5869.85	6163.38	6471.23	6795.69
SENIOR ELECTRICAL ENGINEER-SUPERVISORY	S	msrees	12/14/2020	52-17	12,976	13,627	14,309	15,023	15,772	5988.92	6289.38	6604.15	6933.69	7279.38
SENIOR ENGINEER-SUPERVISORY	S	msengs	12/14/2020	52-17	12,976	13,627	14,309	15,023	15,772	5988.92	6289.38	6604.15	6933.69	7279.38
SENIOR ENVIRONMENTAL CHEMIST	S	psrech	12/14/2020	51-17	9,981	10,482	11,003	11,554	12,129	4606.62	4837.85	5078.31	5332.62	5598.00
SENIOR MECHANICAL ENGINEER-SUPERVISORY	S	msrmes	12/14/2020	52-17	12,976	13,627	14,309	15,023	15,772	5988.92	6289.38	6604.15	6933.69	7279.38
SENIOR PLANNER	S	psrpln	12/14/2020	51-17	10,928	11,476	12,048	12,651	13,284	5043.69	5296.62	5560.62	5838.92	6131.08
UTILITY BILLING AND CUSTOMER SERVICES SUPERVISOR	S	mcssup	12/14/2020	52-17	10,658	11,189	11,748	12,337	12,954	4919.08	5164.15	5422.15	5694.00	5978.77
WASTEWATER TREATMENT PLANT OPERATIONS SUPERVISOR	S	mwtpos	12/14/2020	52-17	14,135	14,840	15,582	16,361	17,181	6523.85	6849.23	7191.69	7551.23	7929.69
WATER/WASTEWATER SYSTEMS OPERATIONS & MAINTENANCE SUPERVISOR	S	mwwsom	12/14/2020	52-17	14,135	14,840	15,582	16,361	17,181	6523.85	6849.23	7191.69	7551.23	7929.69

RESOLUTION NO. 33-20

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ADOPTING A PAY SCHEDULE IN ACCORDANCE WITH THE CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5 AND RESCINDING RESOLUTION NO. 13-20

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WHEREAS, the California Code of Regulations, Title 2, Section 570.5 requires the District's Board of Directors approve and adopt all pay schedules; and

WHEREAS, the Regulations require that the pay schedule be made public without reference to another document in disclosure of the pay rate; and

WHEREAS, by Resolution No. 13-20, the Board-adopted pay schedule was approved on February 4, 2020; and

WHEREAS, the Board adopted the new salary range for the Facilities & Safety Technician job classification represented by the Stationary Engineers, Local 39 bargaining unit earlier this evening in this regularly scheduled meeting; and

WHEREAS, the pay schedule has been updated to include the new Facilities & Safety Technician job classification and salary range; and

WHEREAS, the pay schedule has been updated to reflect the new title for the Utility Billing & Customer Services Supervisor; and

WHEREAS, the pay schedule has been updated to remove the salary range for the abolished Safety Technician.

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

1. That the pay schedule titled DSRSD Pay Schedule, set forth in Exhibit "A" and attached hereto and incorporated herein by reference, is hereby approved and adopted, and Resolution No. 13-20 attached as Exhibit "B" is hereby rescinded.

2. The pay schedule approved and adopted by this resolution shall be periodically updated by the Board of Directors, in accordance with the California Code of Regulations requirements.

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ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 2nd day of June, 2020, and passed by the following vote:

AYES: 4 – Directors Richard M. Halket, Ann Marie Johnson, Georgan M. Vonheeder-Leopold,  
Edward R. Duarte

NOES: 0

ABSENT: 0



\_\_\_\_\_  
Edward R. Duarte, President

ATTEST:   
\_\_\_\_\_  
Nicole Genzale, District Secretary



**TITLE:** Accept the Annual Report on Rate Stabilization Funds and Approve Transfers from the Regional Wastewater Operations Fund (Fund 300) to the Regional Wastewater Rate Stabilization Fund (Fund 305), the Water Rate Stabilization Fund (Fund 605) to the Water Operations Fund (Fund 600), and the Local Wastewater Operations Fund (Fund 200) to the Local Wastewater Rate Stabilization Fund (Fund 205)

**RECOMMENDATION:**

Staff recommends the Board of Directors accept, by Motion, the Annual Report on Rate Stabilization Funds (RSF) and approve the following fund transfers:

1. Transfer \$458,842 from the Regional Wastewater Operations Fund (Fund 300) to the Regional Wastewater Rate Stabilization Fund (Fund 305)
2. Transfer \$1,182,516 from the Water Rate Stabilization Fund (Fund 605) to the Water Operations Fund (Fund 600)
3. Transfer \$2,067 from the Local Wastewater Operations Fund (Fund 200) to the Local Wastewater Rate Stabilization Fund (Fund 205)

**SUMMARY:**

Each year, at the completion of the audit of the District’s financial statements, the Board receives a report on the Rate Stabilization Funds and any proposed transfers to comply with thresholds set forth in the Financial Reserves policy (P400-15-1). This year, several programs were reclassified from the Replacement and Expansion Funds to the Enterprise Funds to create a more explicit segregation of the District’s permitting and inspection program costs from capital expansion costs, and thus simplifying the annual AB 1600 report on Expansion Funds. This results in an increase in the baseline expenditures of the three Enterprise Funds. As expenditures increase, so do calculated reserve levels. Even though these reserve goals have now increased, the combined Enterprise and RSF fund level for Local Wastewater has improved and is now above minimum level at 4.67 months. The Regional Wastewater combined funds continuing to be above target levels at 11.55 months. Lastly, the Water Funds, absorbing most of the AB 1600 shift, are now above target levels at 9.41 months.

**BACKGROUND:**

The District maintains four funds (Operations, Rate Stabilization, Replacement, and Expansion) for each of its three enterprises (Local Wastewater Collection, Regional Wastewater Treatment, and Water). The Board’s adopted Financial Reserves policy provides fund reserve guidance for all enterprises and was last reviewed in 2015 and will be scheduled for another review by the Board in early 2021. The quadrennial review was delayed because of low staffing levels over the last two years.

The Financial Reserves policy requires the General Manager to report annually the results of an assessment of fund reserves. The assessment is presented to the Board of Directors as the Annual Report on RSF. The Annual Report on RSF and the Financial Reserves policy outline the calculation used to determine when funds should be transferred between the Operations Fund and the RSF for each of the District’s enterprises.

The purpose of Operations Fund reserves is to ensure adequate cash is available when needed to pay the District’s normal and recurring operating costs. For each Operations Fund, a “minimum reserve,” a “target reserve,” and a “maximum reserve” are established. The various reserve amounts are calculated based on the adopted operating expense budget for each respective Operations Fund. The reserve levels are determined as follows:

<b>Originating Department:</b> Administrative Services	<b>Contact:</b> H. Chen	<b>Legal Review:</b> Not Required
<b>Financial Review:</b> Yes	<b>Cost and Funding Source:</b> \$0	
<b>Attachments:</b> <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	<b>Attachment 1 – Financial Reserves policy</b>	
		22 of 149

- Minimum operations reserve: Working capital is equal to two months of budgeted operating expenses
- Target operations reserve: Working capital is equal to four months of budgeted operating expenses
- Maximum operations reserve: Working capital is equal to six months of budgeted operating expenses

The purpose of Rate Stabilization Fund (RSF) reserves is to manage public funds to assure financial stability, including stability of revenues and the rates and charges related to each enterprise. For each RSF, a “minimum reserve,” a “target reserve,” and a “maximum reserve” are established. The various reserve amounts are calculated based on the adopted operating expense budget for each respective Operations Fund. The reserve levels are determined as follows:

- Minimum RSF reserve: Working capital is equal to two months of budgeted operating expenses
- Target RSF reserve: Working capital is equal to four months of budgeted operating expenses
- Maximum RSF reserve: The combined working capital for the operations fund and the RSF is equal to twelve months of budgeted operating expenses

**DISCUSSION:**

The District’s capital funds have historically been comprised of both operating expenses and capital expenditures. In addition, various miscellaneous fees such as plan check and inspection fees associated with new development were budgeted in expansion capital funds to fund their respective operating expenses. At the June 16, 2020 Board meeting, staff recommended the consolidation of operating revenues/expenses associated with plan checking and inspection into Operations Funds. For fiscal year ending (FYE) 2020, approximately \$2.0M in operating revenues and \$2.7M in operating expenses were proposed to be reclassified from capital funds to Operations Funds. For FYE 2021, approximately \$2.1M in operating revenues and \$2.8M in operating expenses were proposed to be consolidated. These adjustments resulted in permanent increases to the expenditure baselines in all three Enterprise Funds and increased the reserve requirements in each fund accordingly. The recommended transfers reflect this increase in reserves.

Based on the Rate Stabilization Fund Analysis below, staff recommends the following transfers authorized by the Financial Reserves Policy:

**1. Transfer \$458,842 from the Regional Wastewater Operations Fund (Fund 300) to the Regional Rate Stabilization Fund (Fund 305)**

The FYE 2020 ending working capital for the Regional Operations Fund (\$10,978,338) is above the policy maximum of six months. In accordance with the Financial Reserves policy, staff recommends a transfer of the excess above six months (\$458,842) to the Regional RSF, increasing the Regional RSF reserve to 5.55 months, significantly above target and near maximum.

**2. Transfer \$1,182,516 from the Water Rate Stabilization Fund (Fund 605) to the Water Operations Fund (Fund 600)**

The FYE 2020 ending working capital for the Water Operations Fund (\$10,026,866) is below the policy target of four months. Approximately \$500,000 of this target level is attributable to the adjustments from AB 1600. The Financial Reserves policy allows for no more than one-quarter of the RSF balance to be transferred to bring the Operations Fund balance to the policy target. The recommended transfer (\$1,182,516) is below the one-quarter RSF threshold (\$4,084,397). As a result, the Water RSF reserve will be at policy target of 4.00 months.

In January 2019, the Board approved consolidation of the working capital in the Local Wastewater RSF (Fund 205) into the Local Wastewater Operations Fund (Fund 200) to maintain fiscal stability of the Local Wastewater enterprise. The consolidation resulted in Fund 205 to be below the policy minimum of two months (at \$0). As of June 30, 2020, Fund 205 has a small negative working capital balance due to a few operating expenses incurred in FYE 2020. Based on the Rate Stabilization Fund Analysis below, staff recommends the following transfer to resolve a negative balance in the Local Wastewater RSF. This transfer is not authorized in the Financial Reserves policy and requires specific Board consideration and direction.

**1. Transfer \$2,067 from the Local Wastewater Operations Fund (Fund 200) to the Local Wastewater Rate Stabilization Fund (Fund 205)**

The FYE 2020 ending working capital in the Local Wastewater RSF is negative. Staff recommends a small transfer (\$2,067) to clear the negative balance. The proposed transfer does not have a significant impact to the fiscal strength of the affected funds. The Local Wastewater Operations Fund would remain above the policy target of four months and the Local Wastewater RSF would remain below the policy minimum of two months.

The District's Rate Policies and Guidelines policy (P400-16-1) directs consideration of a rate increase when Operations Fund reserves go below the policy minimum of two months. Local Wastewater rates were reduced in 2008, with minimum increases through 2016. This trend resulted in proposals to increase Local Wastewater service charges substantially over the 2018–2022 time period. In June 2017, the Board established higher Local Wastewater rates to bring Local Wastewater Operations Fund reserves to the policy target in incremental steps over the ensuing five years. The next Local Wastewater rate study is anticipated in FYE 2022.

### Rate Stabilization Fund Analysis June 30, 2020

Enterprise Funds – Before Transfers	Local Wastewater	Regional Wastewater	Water
Operating Expense Budget (FYE 2021)	\$4,487,323	\$21,038,991	\$33,628,145
Target (four months)	1,495,774	7,012,997	11,209,382
Target + Two Months (six months)	\$2,243,662	\$10,519,496	\$16,814,073
<b>From Audited Financials:</b>			
Current Assets	\$1,862,308	\$15,161,433	\$14,690,778
Less: Current Liabilities	113,240	4,183,095	4,663,912
Working Capital	\$1,749,068	\$10,978,338	\$10,026,866
<b>Months of Working Capital (if between 4-6, no action)</b>	<b>4.67</b>	<b>6.26</b>	<b>3.58</b>

Surplus to Transfer (excess of target + two months)	-	\$458,842	-
Funding Needed (if working capital is below 4)	None	None	1,182,516

Rate Stabilization Funds – After Transfers	Local Wastewater	Regional Wastewater	Water
Current Balance in RSF	\$(2,067)	\$9,269,008	\$16,337,589
Amount to Add/Adjustment	2,067	458,842	-
Amount to Subtract	-	-	1,182,516
New Balance in RSF	\$0	\$9,727,850	\$15,155,073
<b>Amount Over Six Months Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Between Enterprise and RSF	4.67	11.55	9.41

Operations Funds – After Transfers	Local Wastewater	Regional Wastewater	Water
Working Capital (pre-RSF transfer)	\$1,749,068	\$10,978,338	\$10,026,866
RSF Transfer	-	(458,842)	1,182,516
Adjusting Entries	(2,067)	-	-
Working Capital (post-RSF transfer)	\$1,747,001	\$10,519,496	\$11,209,382
<b>Months of Working Capital</b>	<b>4.67</b>	<b>6.00</b>	<b>4.00</b>





# Policy

<b>Policy No.:</b> P400-15-1	<b>Type of Policy:</b> Finance
<b>Policy Title:</b> Financial Reserves	
<b>Policy Description:</b> Provides guidance for the prudent accumulation and management of designated reserves.	
<b>Approval Date:</b> 6/2/2015	<b>Last Review Date:</b> 2015
<b>Approval Resolution No.:</b> 40-15	<b>Next Review Date:</b> 2019
<b>Rescinded Resolution No.:</b> 73-14	<b>Rescinded Resolution Date:</b> 11/18/2014

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

To designate financial reserves in order to protect the District's investment in its various assets, satisfy its commitments under its numerous financial, regulatory and contractual obligations and to stabilize long-term rates for its customers.

Designated reserves are earmarked by the Board of Directors for purposes such as funding new capital facilities, construction, repair, replacement or refurbishment of existing facilities, rate stabilization, emergency and operating reserves. These funds can be utilized at the discretion of the District. The Board can change fund designations at any time. Designated reserves are different than restricted funds, which are used strictly to meet requirements established by creditors, grant agencies or law. Reserves held by a third-party as bond reserves or for pension obligations are examples of restricted reserves; the District has no discretion as to the use of these funds.

If the District is contractually obligated to hold additional reserves, the more stringent requirement takes precedence. In addition, if there is a declared emergency, the General Manager may utilize any unrestricted funds in accordance with the emergency purchasing policy.

To accomplish these objectives, the District shall adhere to the following:

## Operating Reserves

**Purpose:** The purpose of Operating reserves (referred to as working capital) is to ensure adequate cash is available when needed to pay the District's normal and recurring operating costs.

**Use of Funds:** Funds are utilized throughout the year in order to meet the District's operating obligations.

<b>Policy No.:</b> P400-15-1	<b>Policy Title:</b> Financial Reserves
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**Target:** Working capital equal to four months of budgeted operating expenses in each Operating Fund.

**Minimum:** Two months of budgeted operating expenses in each operating Fund. If reserves fall below this level, the District’s Rate Policies and Guidelines outline additional steps that shall be followed.

**Maximum:** Six months of budgeted operating expenses in each Operating Fund. If reserves are above this level at fiscal year end, the excess funds shall be moved into the Enterprise’s Rate Stabilization Fund.

**Reporting:** Working capital for each of the Enterprise’s Operating Funds shall be reported in the District’s monthly financial reports.

**Rate Stabilization Fund Reserves**

**Purpose:** The purpose of Rate Stabilization Fund (RSF) Reserves is to support the Board’s strategic goal to manage public funds to assure financial stability, including stability of revenues and the rates and charges related to each Enterprise.

Over the course of time, the District will have years where there is a financial surplus above the working capital target for one or more of the District’s Enterprises, and years when unexpected events may cause reserves to decrease below the target. The Rate Stabilization Fund allows the District to manage these different sets of circumstances.

**Use of Funds:** Each Enterprise’s Rate Stabilization Reserves are assessed at fiscal year-end.

- If the Reserves in any Operating Fund has decreased below the working capital target, a transfer from the Rate Stabilization Fund to the corresponding Operating Fund of no more than one-quarter of the Rate Stabilization Fund’s balance shall be made in an effort to bring the Operating Fund back to its working capital target.
- If any Enterprise Fund has exceeded its working capital target by an amount equal to an additional two months of working capital, the General Manager shall direct the Treasurer to transfer the excess working capital from the Enterprise Fund to the Rate Stabilization Fund for that Enterprise.
- The Board may also budget use of these funds for other purposes.

**Target:** Four months of the related Enterprise Fund’s budgeted operating expenses.

**Minimum:** Two months of the related Enterprise Fund’s budgeted operating expenses.

**Maximum:** If the combined total of the Operating and the corresponding RSF exceeds 12 months working capital, the General Manager will make a recommendation to the Board of Directors as to how the funds should be used.

<b>Policy No.:</b> P400-15-1	<b>Policy Title:</b> Financial Reserves
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**Reporting:** The General Manager shall report annually to the Board of Directors on the results of the assessment.

**Capital Asset Replacement & Improvement Reserves**

**Purpose:** The purpose of Capital Asset Replacement & Improvement Reserves is to ensure that adequate funds are available to purchase new capital assets that benefit current ratepayers, to fund replacements, improvements and major refurbishments to existing capital assets and to provide two year’s debt service for debt which the Board has allocated to this fund.

**Use of Funds:** Funds are utilized in accordance with the budget adopted by the Board of Directors.

**Minimum:** The minimum replacement reserve shall consist of the sum of the following components:

- 1) An amount based on the 15-year cost projections included in the District’s Replacement Planning Model and the District’s 10-year Capital Improvement Plan which is equal to two times the average annual expense; and
- 2) A debt reserve of two year’s average debt service (or for any debt that has less than two years remaining, the entire remaining amount).

**Revisions:** It is the intent of the Board that this the Capital Asset and Replacement & Improvement reserve section of this policy be a “bridge policy” and that asset-management driven changes be made to the policy as the condition assessment of District assets and strategies for managing those assets become better understood.

**Reporting:** The General Manager shall report annually to the Board of Directors on the results of the assessment.

**Capital Expansion Reserves**

**Purpose:** The purpose of Capital Expansion Reserves is to minimize the need for ratepayers to pay for expansion debt by having sufficient reserves on hand to pay annual debt service on District bonds or loans for a two-year period.

**Use of Funds:** Funds are utilized in accordance with the budget adopted by the Board of Directors and applicable laws related to use of Capacity Reserve Fees.

**Target:** Two years of average debt service (or for any debt that has less than two years remaining, the entire remaining amount) charged to the Expansion Fund, plus two years of expansion project spending as projected in the District’s most current two-year Capital Improvement budget.

<b>Policy No.:</b> P400-15-1	<b>Policy Title:</b> Financial Reserves
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**Minimum:** A minimum reserve consists the greater of the reserve for the debt service or the next two years of planned expansion projects.

**Maximum:** There is no maximum reserve in this fund; Capacity Reserve Fees may be accumulated and used for their intended purpose with no maximum reserve limitation.

**Reporting:** The General Manager shall report annually to the Board of Directors on the results of the assessment.



**TITLE:** Accept Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 with Independent Auditor’s Report and Memorandum on Internal Control and Required Communications for the Fiscal Year Ended June 30, 2020

**RECOMMENDATION:**

Staff recommends the Board of Directors accept, by Motion, the Dublin San Ramon Services District’s Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 with Independent Auditor’s Report and the Memorandum on Internal Control and Required Communications for the Fiscal Year Ended June 30, 2020.

**DISCUSSION:**

State law requires that every community service district publish a complete set of audited financial statements within six months of the close of each fiscal year. The audited financial statements are incorporated into the District’s Comprehensive Annual Financial Report (CAFR) to fulfill that requirement for the fiscal year ended June 30, 2020. The CAFR is comprised of Introduction, Financial, and Statistical sections.

Maze and Associates has issued an unmodified opinion that the fiscal year ended 2020 financial statements present fairly, in all material respects, the financial position of the District. The Independent Auditor’s Report has been incorporated into the Financial section of the CAFR.

The Statistical section provides 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.

A Memorandum on Internal Control and Required Communications for Fiscal Year Ended 2020 was also issued. The memorandum did not identify any deficiencies in internal control that are considered material weaknesses during the audit. Also noted, there were no transactions during the year for which there was a lack of authoritative guidance or consensus, all significant transactions were recognized in the financial statements in the proper period, and financial statement disclosures are neutral, consistent, and clear.

<b>Originating Department: Administrative Services</b>	<b>Contact: H. Chen</b>	<b>Legal Review: Not Required</b>
<b>Financial Review: Yes</b>	<b>Cost and Funding Source: N/A</b>	
<b>Attachments:</b> <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	<b>Attachment 1 – Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020</b> <b>Attachment 2 – Memorandum on Internal Control and Required Communications for the Fiscal Year Ended June 30, 2020</b>	

# 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

# C|A|F|R

Fiscal Year Ending June 30, 2020



**Dublin San Ramon  
Services District**

*Water, wastewater, recycled water*

7051 Dublin Blvd., Dublin, CA 94568



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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

## Board of Directors

Edward (Ed) R. Duarte .....President  
Ann Marie Johnson .....Vice President  
Rich Halket..... Director  
Georgian Vonheeder-Leopold ..... Director  
D. L. (Pat) Howard..... Director  
  
General Manager .....Daniel McIntyre  
Assistant General Manager ..... Jan Lee  
Administrative Services Manager .....Carol Atwood

**Prepared by** .....Carol Atwood, Administrative Services Manager  
..... Herman Chen, Financial Services Supervisor  
..... Kiki Bian, Accountant II  
.....Mayette Bailey, Financial Analyst  
.....Sue Stephenson, Community Affairs Supervisor  
.....Lea Blevins, Community Affairs Specialist  
.....Joyce Chang, Graphic Designer  
..... Bonifacio Duenas, Drone Photographer



**Dublin San Ramon  
Services District**

*Water, wastewater, recycled water*

District Administrative Office  
7051 Dublin Boulevard  
Dublin, CA 94568  
(925) 828-0515  
[www.dsrsd.com](http://www.dsrsd.com)





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# INTRO- DUCTORY SECTION





December 1, 2020

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

State law requires that every general purpose local government publish a complete set of 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 ended June 30, 2020.

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, 2020. 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.

In accordance with standards established by the Governmental Accounting Standards Board’s Statement No. 14, The Financial Reporting Entity, the District meets the definition of a stand-alone government. As of June 30, 2020, the District participates in two joint powers authorities (JPA): the Livermore-Amador Valley Water Management Agency (LAVWMA) and the Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA).

An aerial photograph showing a city with a grid street pattern, surrounded by brown, hilly terrain. A large, dark reservoir is visible in the middle ground. The city includes various buildings, parking lots, and green spaces.

# OVERVIEW

## 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 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 187,900 residents in Dublin, southern San Ramon, the Dougherty Valley area of San Ramon, and Pleasanton.

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).

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 an at-large election system to an area-based election system. Five directors are elected to overlapping four-year terms.

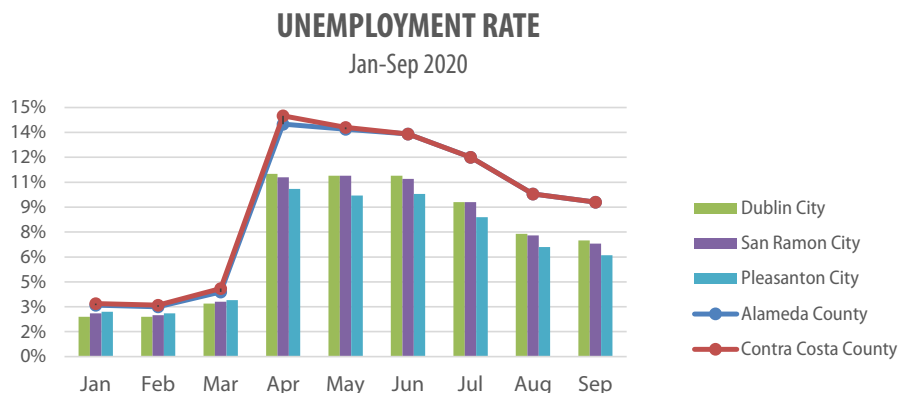
### ECONOMIC CONDITIONS

In March 2020, the nation was hit with the rapid spread of the novel coronavirus (COVID-19) causing the government to issue stay-at-home orders for non-essential workers and businesses. The economy



slowed down rapidly due to reduced productions and disruptions in supply chains and markets, negatively impacting businesses and financial markets. COVID-19 also had significant impacts to households, as stay-at-home orders forced school closures, quarantines, and lockdowns that were needed to fight the spread of the virus. Unemployment rates also surged due to COVID-19 in Alameda and Contra Costa Counties from 3.1% and 3.2% (January 2020) to 14.0% and 14.5% (April 2020), respectively.

Unemployment rates are slowly improving. As of September 2020, unemployment rates for the cities of Dublin and San Ramon have reduced by 50% to 7.4%



Source: State of CA EDD Labor Market Information Division



and 7.3% respectively, compared to neighboring major cities such as San Francisco at 8.4% and San Jose at 8.2%, the statewide average of 10.8%, and local counties (9.3% for both Alameda and Contra Costa).<sup>1</sup>

According to the economic data from the US Census Bureau, the estimated median household income is \$144,564 for Dublin and \$151,026 for San Ramon, an increase over prior year of 4.7% and 5.8%, respectively. Household median incomes are significantly higher compared to both the Counties of Alameda with \$92,574 and Contra Costa with \$93,712.<sup>2</sup> Personal income is on an upward trend in the East Bay, but so is the cost of living. Over two-thirds of homeowners in the City of Dublin and three-fourths of homeowners in the City of San Ramon spend over \$3,000 per month on mortgage payments. One-fourth of occupied units rented in Dublin and one-fifth of occupied units rented in San Ramon pay \$3,000 and up for rental costs per month. Costs of rent, home-ownership, utilities, 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 counties.<sup>3</sup>

The housing market in the East Bay remains strong, with increase of 7.13% in assessed property values over prior year for Alameda County. The City of Dublin received the highest percentage increase in assessed value from the prior year at 10.3%.<sup>4</sup> Contra Costa County reported a 4.87% increase over prior year with City of San Ramon reporting the lowest assessed value increases compared to other cities in Contra Costa with only a 3.90% increase.<sup>5</sup> 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 increase in median home prices are expected to continue.

Both Dublin and San Ramon anticipate continued growth in the coming years. Dublin has an estimated population of 65,716, an increase of 2.5% over the previous year.<sup>6</sup> San Ramon's population grew 1.2% to 83,118 over the previous year. Over the past decade, the counties of Alameda and Contra Costa population has grown significantly by an average of 11%. Projected population in the next decade for the two counties is estimated to increase by an average of 8.3%. The City of Dublin and City of San Ramon rank number one and ten on the Top Twenty Fastest Growing Cities in the East Bay.<sup>7</sup>

<sup>1</sup> Employment Development Department – Labor market Information October 16, 2020

<sup>2</sup> United States Census Bureau, DP03 - 2018 American Community Survey 5-Year Estimates

<sup>3</sup> United States Census Bureau, DP04 - 2018 American Community Survey 5-Year Estimates

<sup>4</sup> Alameda County 2019-20 Annual Report 2020-2021 Contra Costa County Assessment Roll Letter dated August 7, 2020

<sup>5</sup> 2020-2021 Contra Costa County Assessment Roll Letter dated August 7, 2020

<sup>6</sup> State of California Department of Finance, P-4 Projected Households, Household Population, Group Quarters and Persons per Household for the Counties and State of California, released June 1, 2020

<sup>7</sup> East Bay Economic Development Alliance (East Bay EDA) - East Bay Economic Outlook 2020

# ACHIEVEMENTS AND OUT-REACH



## EXPANSION AND IMPROVEMENTS CONTINUE ON PRIMARY TREATMENT PROCESS

Construction began in April 2019 on the District's largest capital improvement project since 2000. The \$19 million Primary Sedimentation Expansion and Improvements Project will increase wastewater treatment plant efficiency and improve the treatment process. The project involves constructing a new primary sedimentation tank, replacing an existing tank and making it deeper, adding another grit tank, replacing internal mechanisms of the three remaining primary sedimentation tanks, and replacing the motor control center.

At the start of the project, which is projected for completion at the end of 2021, the primary treatment capacity was undersized for the facility's average dry weather flow of more than 10 million gallons a day. By summer 2020, the two new large primary tanks and new grit tank were structurally complete, with mechanical and electrical equipment installation planned for completion in fall 2020.

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.

## Protecting Public Health and the Environment

### BLOW-OFF VALVE REPLACEMENTS IMPROVE WATER LINE FLUSHING

DSRSD Operations began repairing and replacing blow-off valves throughout the water distribution system in spring 2020. Blow-off valves are located at the end of cul-de-sacs and used by water operators to flush dead-end lines to improve water quality.

Along with a contractor, DSRSD has been removing 2-inch blow-off assemblies and replacing them with 4-inch assemblies. The larger assemblies will allow operators to flow more water through the pipe at a higher velocity to ensure sediment is removed during routine water main flushing. These improvements also help prevent future mechanical failures in the system.

*Construction crews make progress on the Primary Sedimentation Expansion and Improvement Project at the Regional Wastewater Treatment Facility.*

## PRODUCTIVITY AND EFFICIENCY

The District was impacted in many ways by the Coronavirus Disease 2019 (COVID-19) Pandemic. In order to keep employees safe and to continue providing essential services, the District began adjusting its operations on March 12, 2020—before the Alameda County Public Health Department issued its Shelter-in-Place Order on March 16. Approximately 40% of District staff transitioned to working from home successfully. Several adjustments to the working conditions for staff reporting to District facilities were implemented including staggered work schedules, reassigned workspaces, and separated work groups. The District is complying with all federal, state, and local best COVID-19 recommendations and best management practices. In order to support relatively large numbers of staff securely working remotely, the District implemented improvements to its information technology systems, including updates to, and expansion of, its virtual private networking (VPN) systems, security systems (new Information Systems policies and Administrative Guidelines, multifactor authentication, firewall upgrades, etc.), internet connection redundancy, and significantly expanded its teleconferencing and web conferencing capabilities.

## Increasing Savings

### IN-HOUSE MAINTENANCE WORK SAVES FUNDS

In November 2019, the District's maintenance team went out to bid for trimming estimates to have all the trees trimmed along the east fence line of the Dedicat-

ed Land Disposal and Facultative Sludge Lagoon site across the street from the Regional Wastewater Treatment Plant. The only quote received was for \$46,170, so DSRSD staff decided to take on the project themselves. The District crew completed the work in about two weeks, covering an area about three-quarters of a mile. The total cost of rental equipment was \$2,700, saving DSRSD about \$38,000.

## Community Outreach

Like many agencies, DSRSD had to improvise when the county's shelter-in-place order went into effect in mid-March 2020. The District had to pivot and provide outreach programs now tailored to fit quarantine. Using the District website and social media (Facebook, Twitter, and Nextdoor), DSRSD regularly communicated to customers about how their water remained safe from COVID-19 and also about not flushing wipes during a time many people were turning to items other than toilet paper.

### CITIZENS WATER ACADEMY

Staff turned the biennial Citizens Water Academy into a virtual academy held via Webex in four weekly evening sessions from June 10 to July 1. There were 20 participants who learned about critical issues related to water and wastewater services. The program is designed to make customers more familiar with participating on the Board of Directors and give participants an understanding of the District's value to the community. The Academy inspired a customer to run for the Board.

*There were 20 community participants who attended the four-session Virtual Citizens Water Academy.*





*DSRSD staff has continued to work throughout the pandemic. Water/Wastewater Operator Systems III Alex Ortega is wearing a face covering while he works at the site of a pipe leak.*



*Dublin High School student Shashank Beri receives congratulations from DSRSD Director Richard Halket for his prize in the Alameda County Science and Engineering Fair.*



*DSRSD Communications Specialist II Lea Blevins uses a watershed diorama to teach attendees about pollution runoff at the Zone 7 Open House.*

## SPONSORING SCIENCE AND ENGINEERING AWARDS

DSRSD sponsored the Alameda County and Contra Costa County Science and Engineering Fairs to contribute to awards given to students for excellence in water, wastewater, and recycled water research. Three Dublin High School students from the District's service area received first place for their project on removing microplastics from the ocean. Typically, DSRSD would honor students at a Board of Directors meeting, but in lieu of in-person meetings, the District sent staff and a Director to present prize checks and lawn signs to students outside their homes.

## COMMUNITY EVENTS

In conjunction with water wholesaler Zone 7 Water Agency, DSRSD presented a water-wise gardening workshop, "Grow Your Garden—Not Your Water Bill" on July 31, 2019, at the Dublin Library. There were 30 attendees who learned where the District's water comes from, how to use the Tri-Valley Water-Wise Gardening website, and heard from a landscape expert about choosing plants and designing a drought-tolerant garden. The District also participated in Zone 7's Open House in October 2019.

## TOURING THE TREATMENT PLANT

In the months prior to the COVID outbreak, DSRSD conducted quarterly public tours of the Regional

Wastewater Treatment Facility. Attendees learned about the process of treating wastewater and converting it to recycled water for irrigation. The District also created aerial video tours of the plant to share on YouTube and for use as part of virtual presentations.

Staff also hold an annual Neighborhood Meeting each October for residents who live within half a mile of the treatment facility to inform them about projects at the plant and answer questions about odor and treatment.


## SCHOOL EDUCATION

To promote the value of recycled water, DSRSD distributed "Give Water a Second Chance ... Re-Cycle It" activity booklets for fifth graders in the District's service area and Pleasanton. The booklets were given out in November 2019 to 24 schools, reaching 2,774 students from 98 classrooms. DSRSD staff also made a presentation about the value of water and recycled water to adult education students in an English-as-a-second-language class in February 2020.

## SOCIAL MEDIA

DSRSD used targeted social media by narrowing down posts to specific neighborhoods on Nextdoor to alert residents when work in their area might affect their water service or traffic on major roads. Giving customers advanced notice reduces questions to crews working in the field and limits inquiries to customer services staff.

# 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 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 financial 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 financial policies.

District policies are available online at [www.dsrds.com/about-us/district-policies](http://www.dsrds.com/about-us/district-policies). Finance 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 has a long-term approach to financial planning and utilizes a 10-year financial planning model to develop 2-year budgets, 10-year capital plans, and various rate studies. This long-term focus aligns with Finance objectives to manage public funds to provide financial stability, cost of service based rate management and development, and maintenance of a solid AA credit rating. Meeting these goals ensures timely and reasonable access to credit markets when needed.

## Fiscal Year Ended 2020

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. There was no financial policies reviewed or updated in FYE 2020.

### 2020

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, and a 5-year Strategic Plan. In addition, the District conducts rate and fee studies approximately every five years. For FYE 2020, the Board adopted the following items:

- 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](http://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, 2020, 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.



## 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, 2019. This was the 19th 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 comprehen-


sive 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, 2019

*Christopher P. Morrill*

Executive Director/CEO



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# BOARD OF DIRECTORS

as of June 30, 2020



Edward R. (Ed) Duarte  
*President*



Ann Marie Johnson  
*Vice President*



Richard Halket  
*Director*



Georgean  
Vonheeder-Leopold  
*Director*



D. L. (Pat) Howard  
*Director*

---

# SENIOR MANAGERS

as of June 30, 2020



Daniel McIntyre  
*General Manager*



Jan Lee  
*Assistant General Manager*



Carol Atwood  
*Administrative Services  
Manager/Treasurer*



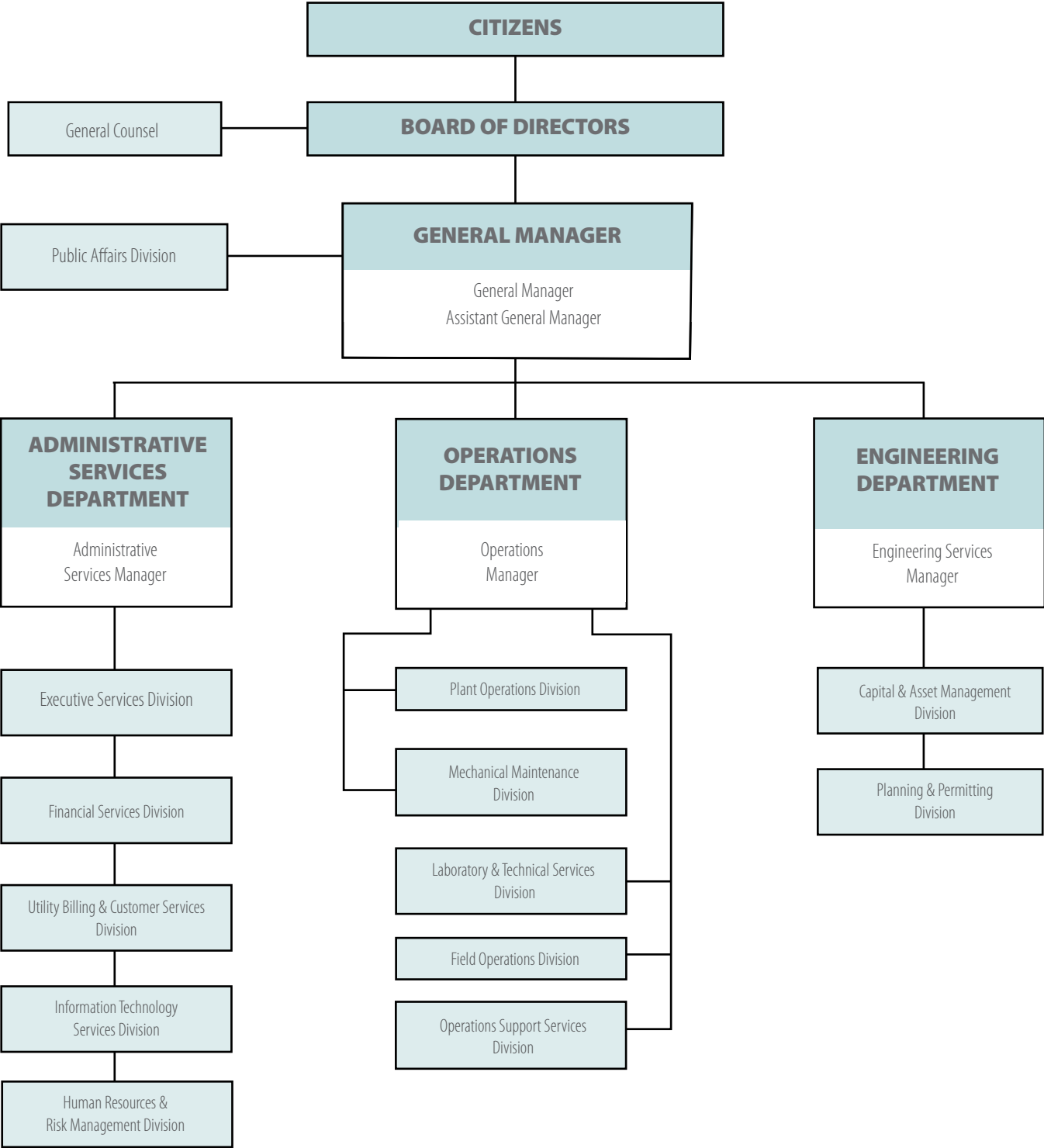
Jeff Carson  
*Operations Manager*



Judy Zavadil  
*Engineering Services  
Manager*

# ORGANIZATION CHART

as of June 30, 2020



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# 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, 2020, 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, 2020, 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  
Pleasant Hill, CA 94523

T 925.930.0902  
F 925.930.0135  
E [maze@mazeassociates.com](mailto:maze@mazeassociates.com)  
W [mazeassociates.com](http://mazeassociates.com)

***Other Matters***

*Report on Summarized Comparative Information*

We have previously audited the District’s June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 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.

The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Maze + Associates*

Pleasant Hill, California  
November 13, 2020

DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2020 and 2019

Financial Highlights for Fiscal Year 2020

- ✓ The District's net position increased \$9.8 million or 2.1% from \$458.5 million to \$468.3 million
- ✓ Service charge revenues increased \$6.3 million or 11.5% from \$55.0 million to \$61.3 million
- ✓ Capacity reserve fees decreased \$13.0 million or 47.1% from \$27.7 million to \$14.6 million
- ✓ Operating expenses (excluding depreciation) increased \$9.7 million or 15.6% from \$62.0 million to \$71.7 million

Overview of the Financial Statements

The discussion and analysis provided here are 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, the District service area is comprised of five divisions with one Director representing each division and serving overlapping four-year terms.

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, 2020 and 2019

TABLE 1

Period ended June 30	Condensed Statements of Net Position						
	2020	2019	Change in 2020		2018	Change in 2019	
			\$	%		\$	%
			Change	Change		Change	Change
<b>Current and restricted assets</b>	\$226,027,745	\$214,416,088	\$11,611,657	5.4%	\$199,324,179	\$15,091,909	7.6%
Capital assets	325,840,467	331,410,571	(5,570,104)	-1.7%	329,813,739	1,596,832	0.5%
Other assets	4,203,680	193,449	4,010,231	2073.0%	240,167	(46,718)	-19.5%
<b>Total assets</b>	<b>556,071,892</b>	<b>546,020,108</b>	<b>10,051,784</b>	<b>1.8%</b>	<b>529,378,085</b>	<b>16,642,023</b>	<b>3.1%</b>
<b>Deferred outflow of resources</b>	12,154,141	12,449,741	(295,600)	-2.4%	\$ 16,208,976	\$ (3,759,235)	-23.2%
<b>Current and restricted liabilities</b>	15,173,538	13,062,798	2,110,740	16.2%	19,327,972	(6,265,174)	-32.4%
Long-term liabilities	74,606,544	79,379,596	(4,773,052)	-6.0%	82,408,331	(3,028,735)	-3.7%
<b>Total liabilities</b>	<b>89,780,082</b>	<b>92,442,394</b>	<b>(2,662,312)</b>	<b>-2.9%</b>	<b>101,736,303</b>	<b>(9,293,909)</b>	<b>-9.1%</b>
<b>Deferred inflow of resources</b>	10,099,227	7,522,059	2,577,168	34.3%	\$ 9,901,882	\$ (2,379,823)	-24.0%
<b>Net Position</b>							
Net investment in capital assets	264,272,071	267,681,575	(3,409,504)	-1.3%	264,019,715	3,661,860	1.4%
Restricted for expansion	91,656,612	85,940,024	5,716,588	6.7%	79,460,455	6,479,569	8.2%
Restricted for debt service	-	-	-	-	14,061	(14,061)	-
Restricted for assessment district	783,517	906,235	(122,718)	-13.5%	1,097,340	(191,105)	-17.4%
Unrestricted	111,634,524	103,977,562	7,656,962	7.4%	89,357,305	14,620,257	16.4%
<b>Total net position</b>	<b>\$468,346,724</b>	<b>\$458,505,396</b>	<b>\$ 9,841,328</b>	<b>2.1%</b>	<b>\$433,948,876</b>	<b>\$24,556,520</b>	<b>5.7%</b>

During the fiscal year ended June 30, 2020 (FYE 2020), total assets increased 1.8% or \$10.1 million from June 30, 2019 (FYE 2019) compared to an increase of 3.1% or \$16.6 million over June 30, 2018 (FYE 2018). The increases are primarily due to higher service charge revenue and investment securities redemptions. Other assets include a \$4.1 million net OPEB asset.

Total liabilities decreased \$2.7 million or 2.9% during the FYE 2020 compared to a decrease of \$9.3 million or 9.1% during the FYE2018. The FYE2020 decrease was due to a developer deferred revenue write-off.

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 \$9.8 million or 2.1% during FYE 2020 and \$24.6 million or 5.7% during FYE2019. The increase of \$24.6 million in prior fiscal year reflects \$13.2 million prior period adjustment due to implementation of GASB 75.

DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2020 and 2019

TABLE 2  
**Condensed Statements of Revenues and Expenses and Changes in Fund Net Position**  
**(In millions of dollars)**

Period ended June 30			Change in 2020		Change in 2019		
	2020	2019	\$	%	2018	\$	%
			Change	Change		Change	Change
Operating revenues	\$ 61,338,554	\$ 54,992,657	\$ 6,345,897	11.5%	\$ 54,130,075	\$ 862,582	1.6%
Other revenues	10,072,084	7,397,494	2,674,590	36.2%	8,783,035	(1,385,541)	-15.8%
Investment income	7,102,863	7,136,641	(33,778)	-0.5%	695,673	6,440,968	925.9%
Capacity reserve fees	14,631,802	27,667,384	(13,035,582)	-47.1%	29,944,208	(2,276,824)	-7.6%
Contributions	1,534,964	2,360,000	(825,036)	-35.0%	982,000	1,378,000	140.3%
<b>Total revenues</b>	<b>94,680,267</b>	<b>99,554,176</b>	<b>(4,873,909)</b>	<b>-4.9%</b>	<b>94,534,991</b>	<b>5,019,185</b>	<b>5.3%</b>
Operating expenses	71,657,864	61,988,760	9,669,104	15.6%	59,485,722	2,503,038	4.2%
Depreciation	11,727,255	11,541,721	185,534	1.6%	11,293,079	248,642	2.2%
Non-operating expenses	1,453,820	1,467,175	(13,355)	-0.9%	1,711,942	(244,767)	-14.3%
<b>Total expenses</b>	<b>84,838,939</b>	<b>74,997,656</b>	<b>9,841,283</b>	<b>13.1%</b>	<b>72,490,743</b>	<b>2,506,913</b>	<b>3.5%</b>
<b>Changes in net position</b>	<b>9,841,328</b>	<b>24,556,520</b>	<b>(14,715,192)</b>	<b>-59.9%</b>	<b>22,044,248</b>	<b>2,512,272</b>	<b>11.4%</b>
<b>Beginning net position</b>	<b>458,505,396</b>	<b>433,948,876</b>	<b>24,556,520</b>	<b>5.7%</b>	<b>425,145,333</b>	<b>8,803,543</b>	<b>2.1%</b>
Prior period adjustment	-	-	-	0.0%	(13,240,705)	13,240,705	0.0%
Beginning net position, as restated	458,505,396	433,948,876	24,556,520	5.7%	411,904,628	22,044,248	5.4%
<b>Ending net position</b>	<b>\$468,346,724</b>	<b>\$458,505,396</b>	<b>\$ 9,841,328</b>	<b>2.1%</b>	<b>\$433,948,876</b>	<b>\$24,556,520</b>	<b>5.7%</b>

In FYE 2020, the District had a decrease in total revenues of 4.9% or \$4.9 million compared to FYE 2019, while FYE 2019 total revenues were 5.3% or \$5.0 million higher than FYE2018. Lower capacity reserve fees revenue due to slowing development was partially offset by higher service charge revenues.

Total expenses increased by 13.1% or \$9.8 million during FYE 2020 compared to a 3.5% or \$2.5 million increase during FYE2019. The increase in FYE2020 was primarily due to completion a number of projects such as water and recycled water supervisory control and data acquisition improvements, regional biosolids facility, and facultative sludge lagoons (FSLs) piping improvements projects.

#### Capital Assets and Debt

During FYE 2020, the District purchased, had contributed, or transferred from construction in progress the following assets:

Contributed sub-surface lines	\$1,558,334
Wastewater facilities improvements	61,351
Vehicles and equipment	422,119
Sub-surface line improvements	9,431
	\$2,051,234

In FYE 2020, the District had 14,357 linear feet of potable water line and 1,969 linear feet of sewer line contributed by developers valued at \$1,558,334. Wastewater facilities improvements of \$61,351 includes replacement of sewer line for operation building A. Vehicles and equipment of \$422,119 includes six operation vehicles, aeration tank #4 air control valves, auto analyzer for cyanide, and gas chromatography

DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2020 and 2019

mass spectrometry system. For additional information on capital assets see Financial Statement Note 4 – Capital Assets.

In FYE 2020 the District had the following additions to construction in progress:

Construction in Progress

District Office renovation	\$3,089,887
Wastewater system expansion and improvements	3,391,405
Water system expansion and improvements	<u>(2,375,376)</u>
	<u>\$4,105,916</u>

The additions to construction in progress reflect the cost of major projects such as the District Office renovation. Wastewater system expansion and improvements is the primary sedimentation project. Water system expansion and improvements include projects for field operation facilities, relocation of reservoirs, and expensing the water and recycled water SCADA project that was completed the prior fiscal year.

On December 1, 2017, 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 6/30/2019	Additions	Principal Payments	Balance at 6/30/2020
2011 LAVWMA Obligation	\$30,548,996		\$1,740,600	\$28,808,396
2017 Water Revenue Refunding Bonds	33,180,000		420,000	32,760,000
	<u>\$63,728,996</u>	<u>\$0</u>	<u>\$2,160,600</u>	<u>\$61,568,396</u>

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.

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DUBLIN SAN RAMON SERVICES DISTRICT  
 COMPARATIVE STATEMENTS OF NET POSITION  
 JUNE 30, 2020  
 WITH SUMMARIZED TOTALS AS OF JUNE 30, 2019

	2020		Totals	2019
	Wastewater	Water		
<b>ASSETS</b>				
<b>Current assets:</b>				
Pooled cash	\$10,741,458	\$9,023,633	\$19,765,091	\$6,186,693
Pooled investments	104,033,126	86,471,043	190,504,169	193,882,206
Cash in Escrow	133,070	80,557	213,627	-
Restricted cash - debt service	-	295	295	111,906
Accounts receivable	7,341,150	7,461,446	14,802,596	14,186,128
Interest receivable	379,435	314,524	693,959	-
Deferred capacity reserve fees receivable	44,228	-	44,228	45,375
Prepaid expenses	2,378	1,402	3,780	3,780
<b>Total current assets</b>	<b>122,674,845</b>	<b>103,352,900</b>	<b>226,027,745</b>	<b>214,416,088</b>
<b>Non-current assets:</b>				
<b>Capital assets:</b>				
Property, plant and equipment	274,437,142	197,921,708	472,358,850	470,323,868
Less accumulated depreciation	117,232,025	68,488,787	185,720,812	174,009,810
<b>Net property, plant and equipment</b>	<b>157,205,117</b>	<b>129,432,921</b>	<b>286,638,038</b>	<b>296,314,058</b>
Land and construction in progress	19,365,151	19,837,278	39,202,429	35,096,513
<b>Total capital assets</b>	<b>176,570,268</b>	<b>149,270,199</b>	<b>325,840,467</b>	<b>331,410,571</b>
<b>Other assets:</b>				
Net OPEB asset	2,550,255	1,504,204	4,054,459	-
Deferred capacity reserve fees receivable - long term	149,221	-	149,221	193,449
<b>Total other assets</b>	<b>2,699,476</b>	<b>1,504,204</b>	<b>4,203,680</b>	<b>193,449</b>
<b>Total non-current assets</b>	<b>179,269,744</b>	<b>150,774,403</b>	<b>330,044,147</b>	<b>331,604,020</b>
<b>Total assets</b>	<b>301,944,589</b>	<b>254,127,303</b>	<b>556,071,892</b>	<b>546,020,108</b>
<b>Deferred outflows of resources</b>				
Deferred outflows pension related amounts	3,963,826	2,538,702	6,502,528	6,989,677
Deferred employer pension contributions	1,659,029	1,055,745	2,714,774	1,859,162
Deferred outflows OPEB related amounts	911,449	537,595	1,449,044	2,349,070
Deferred employer OPEB contributions	935,823	551,972	1,487,795	1,251,832
<b>Total deferred outflows of resources</b>	<b>\$7,470,127</b>	<b>\$4,684,014</b>	<b>\$12,154,141</b>	<b>\$12,449,741</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
 COMPARATIVE STATEMENTS OF NET POSITION  
 JUNE 30, 2020  
 WITH SUMMARIZED TOTALS AS OF JUNE 30, 2019

	2020			2019
	Wastewater	Water	Totals	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$3,311,784	\$4,904,311	\$8,216,095	\$6,269,330
Contractor bonds and deposits	928,294	552,657	1,480,951	1,891,631
Accrued expenses	492,772	103,197	595,969	416,509
Accrued compensated absences	1,012,878	586,980	1,599,858	1,302,729
Interest payable	-	605,922	605,922	611,172
Current portion of long-term debt	1,830,062	435,000	2,265,062	2,160,600
Unearned revenue and other liabilities	409,681	-	409,681	410,827
<b>Total current liabilities</b>	<b>7,985,471</b>	<b>7,188,067</b>	<b>15,173,538</b>	<b>13,062,798</b>
Long term liabilities:				
Long-term debt				
less current portion	26,978,334	32,325,000	59,303,334	61,568,396
Net pension liability	7,913,379	4,264,566	12,177,945	9,884,912
Net OPEB liability	-	-	-	1,361,842
DLD remediation reserve	1,819,597	-	1,819,597	1,726,226
Unearned revenue and other liabilities	149,221	1,156,447	1,305,668	4,838,220
<b>Total long term liabilities</b>	<b>36,860,531</b>	<b>37,746,013</b>	<b>74,606,544</b>	<b>79,379,596</b>
<b>Total liabilities</b>	<b>44,846,002</b>	<b>44,934,080</b>	<b>89,780,082</b>	<b>92,442,394</b>
Deferred inflows of resources				
Deferred inflows of resources - Pension	2,564,734	1,487,549	4,052,283	4,786,660
Deferred inflows of resources - OPEB	3,803,528	2,243,416	6,046,944	2,735,399
<b>Total deferred inflows of resources</b>	<b>6,368,262</b>	<b>3,730,965</b>	<b>10,099,227</b>	<b>7,522,059</b>
<b>NET POSITION</b>				
Net investment in capital assets	147,761,872	116,510,199	264,272,071	267,681,575
Restricted for:				
Expansion	59,470,724	32,185,888	91,656,612	85,940,024
Debt service	-	295	295	
Assessment district	-	783,517	783,517	906,235
Unrestricted	50,967,856	60,666,373	111,634,229	103,977,562
<b>Total net position</b>	<b>\$258,200,452</b>	<b>\$210,146,272</b>	<b>\$468,346,724</b>	<b>\$458,505,396</b>

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, 2020  
 WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Wastewater	Water	Total	
<b>OPERATING REVENUES</b>				
Wastewater service charges	\$26,483,936	\$ -	\$26,483,936	\$24,540,413
Water sales	-	34,854,618	34,854,618	30,452,244
Other revenues	2,432,702	7,632,296	10,064,998	7,391,761
<b>Total operating revenues</b>	<b>28,916,638</b>	<b>42,486,914</b>	<b>71,403,552</b>	<b>62,384,418</b>
<b>OPERATING EXPENSES</b>				
Personnel	12,991,177	8,759,412	21,750,589	21,650,770
Materials	3,419,662	17,208,970	20,628,632	18,419,851
Contractual services	12,606,407	15,701,691	28,308,098	21,540,241
Other	681,616	288,929	970,545	377,898
Depreciation	7,408,151	4,319,104	11,727,255	11,541,721
<b>Total operating expenses</b>	<b>37,107,013</b>	<b>46,278,106</b>	<b>83,385,119</b>	<b>73,530,481</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(8,190,375)</b>	<b>(3,791,192)</b>	<b>(11,981,567)</b>	<b>(11,146,063)</b>
<b>NONOPERATING REVENUES (EXPENSE)</b>				
Investment income	3,833,758	3,269,105	7,102,863	7,136,641
Gain (loss) on sale of assets	7,086	-	7,086	5,733
Interest expense	-	(1,453,820)	(1,453,820)	(1,467,175)
<b>Total non-operating revenues (expense), net</b>	<b>3,840,844</b>	<b>1,815,285</b>	<b>5,656,129</b>	<b>5,675,199</b>
<b>(LOSS) BEFORE CONTRIBUTIONS</b>	<b>(4,349,531)</b>	<b>(1,975,907)</b>	<b>(6,325,438)</b>	<b>(5,470,864)</b>
Non-cash contributions	273,410	1,261,554	1,534,964	2,360,000
Capital contributions - capacity reserve fees	7,360,582	7,271,220	14,631,802	27,667,384
Transfers in	3,237,083	7,465,014	10,702,097	17,621,070
Transfers (out)	(3,237,083)	(7,465,014)	(10,702,097)	(17,621,070)
Changes in net position	3,284,461	6,556,867	9,841,328	24,556,520
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>254,915,991</b>	<b>203,589,405</b>	<b>458,505,396</b>	<b>433,948,876</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$258,200,452</b>	<b>\$210,146,272</b>	<b>\$468,346,724</b>	<b>\$458,505,396</b>

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, 2020  
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Wastewater	Water	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers, users and joint powers authorities	\$28,444,468	\$38,808,918	\$67,253,386	\$61,676,235
Payments for services and supplies	(16,322,504)	(31,775,855)	(48,098,359)	(46,613,293)
Payments to or on behalf of employees	(12,944,464)	(8,759,496)	(21,703,960)	(21,150,025)
Net Cash Provided (Used) by Operating Activities	(822,500)	(1,726,433)	(2,548,933)	(6,087,083)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on long-term debt	(1,740,600)	(420,000)	(2,160,600)	(2,065,028)
Interest paid on long-term debt	-	(1,459,070)	(1,459,070)	(1,470,591)
Acquisition and construction of capital assets	(7,190,261)	1,033,110	(6,157,151)	(13,132,820)
Capacity reserve fees collected	7,269,833	3,782,896	11,052,729	27,530,032
Net Cash Provided (Used) by Financing Activities	(1,661,028)	2,936,936	1,275,908	10,861,593
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	2,339,137	1,944,997	4,284,134	3,066,009
Purchase of investment securities	(75,109,376)	(62,453,584)	(137,562,960)	(69,695,000)
Redemptions of investment securities	79,509,066	66,111,934	145,621,000	48,750,000
Proceeds of other investments	3,401,023	96,094	3,497,117	2,590,925
Proceeds (purchases) of LAIF investments	(539,376)	(448,492)	(987,868)	1,193,557
Net Cash Provided (Used) by Investing Activities	9,600,474	5,250,949	14,851,423	(14,094,509)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>7,116,946</b>	<b>6,461,452</b>	<b>13,578,398</b>	<b>(9,319,999)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>3,624,512</b>	<b>2,562,181</b>	<b>6,186,693</b>	<b>15,506,692</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$10,741,458</b>	<b>\$9,023,633</b>	<b>\$19,765,091</b>	<b>\$6,186,693</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	(\$8,190,375)	(\$3,791,192)	(\$11,981,567)	(\$11,146,063)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	7,408,151	4,319,104	11,727,255	11,541,721
(Increase) in accounts receivable	(426,771)	(189,697)	(616,468)	(708,338)
Decrease in employees notes receivable	-	-	-	2,640
(Increase) decrease in prepaid expenses	(25)	25	-	155
(Increase) in deferred outflows of resources - employer contributions - pension	(501,926)	(353,686)	(855,612)	(354,370)
(Increase) in deferred outflows of resources - employer contributions - OPEB	(156,683)	(79,280)	(235,963)	(39,100)
Decrease in deferred outflows of resources - pension related amounts	303,738	183,411	487,149	3,252,679
Decrease in deferred outflows of resources - other OPEB amounts	550,612	349,414	900,026	900,026
Increase (decrease) in accounts payable	506,825	1,439,940	1,946,765	(7,065,549)
(Decrease) increase in contractor bonds and deposits payable	(291,278)	(119,402)	(410,680)	656,728
Increase in accrued expenses	76,263	103,197	179,460	86,048
Increase (decrease) in compensated absences	175,999	121,130	297,129	(12,778)
(Decrease) in unearned revenue and other liabilities	(45,374)	(3,488,324)	(3,533,698)	-
Increase in DLD remediation reserve	93,371	-	93,371	47,470
Increase (decrease) in net pension liability	1,429,706	863,327	2,293,033	(499,830)
(Decrease) in net OPEB asset	(3,397,865)	(2,018,436)	(5,416,301)	(368,699)
(Decrease) in deferred inflows of resources - pension related amounts	(457,884)	(276,493)	(734,377)	(1,751,540)
Increase (decrease) in deferred inflows of resources - OPEB related amounts	2,101,016	1,210,529	3,311,545	(628,283)
Total adjustments	7,367,875	2,064,759	9,432,634	5,058,980
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(\$822,500)</b>	<b>(\$1,726,433)</b>	<b>(\$2,548,933)</b>	<b>(\$6,087,083)</b>
<b>NON CASH TRANSACTIONS:</b>				
Fair market value adjustment increase	\$2,339,137	\$1,944,997	\$4,284,134	\$3,066,009
Contributed assets	273,410	1,261,554	1,534,964	2,360,000
Gain on sale of capital assets	7,086	-	7,086	-

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, 2020

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### 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 YEAR ENDED JUNE 30, 2020

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### 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 YEAR ENDED JUNE 30, 2020

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### 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 basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

#### 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.

#### 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

On May 8, 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement postpones the effective dates of certain GASB provisions by one year. The provision of Statement No. 95 is effective immediately and had no impact to the District.

### 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, 2020, 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.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### NOTE 2 - CASH AND INVESTMENTS (Continued)

#### 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	\$19,765,091
Investments	190,504,169
Restricted cash and investments	<u>213,922</u>
Total cash and investments	<u><u>\$210,483,182</u></u>

#### 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 YEAR ENDED JUNE 30, 2020

### 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	\$5,008,791		\$10,047,350	\$15,056,141
Corporate Bonds		\$3,112,964	24,609,019	27,721,983
State of California Securities		6,351,480	19,671,372	26,022,852
<i>Not rated</i>				
California Asset Management Program	46,380,984			46,380,984
California Local Agency Investment Fund	66,882,943			66,882,943
Money Market Mutual Funds	1,131,766			1,131,766
Negotiable Certificates of Deposit	1,014,223	1,805,187	4,488,090	7,307,500
<b><i>Total Unrestricted Investments</i></b>	<b>\$120,418,707</b>	<b>\$11,269,631</b>	<b>\$58,815,831</b>	<b>\$190,504,169</b>

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, 2020, these investments matured in an average of 191 days.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 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, 2020, the fair value approximated is the District’s cost. At June 30, 2020, these investments have an average maturity of 53 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, 2020 for each investment type as provided by Standard and Poor’s.

Investment Type	AAA	AA+	AA	AA-	A+	A-	Total
Corporate Bond	\$5,207,383	\$5,260,124	\$3,112,964	\$3,141,386	\$7,024,477	\$3,975,649	\$27,721,983
Securities of Government Agencies - Callable		15,056,141					15,056,141
State of California Securities	1,089,228	5,374,400	14,413,602		3,126,390	2,019,232	26,022,852
<i>Not rated</i>							
California Local Agency Investment Fund	66,882,943						66,882,943
California Asset Management Program	46,380,984						46,380,984
Money Market Mutual Funds	1,131,766						1,131,766
Negotiable Certificates of Deposit	7,307,500						7,307,500
<b>Total Unrestricted Investments</b>	<b>\$127,999,804</b>	<b>\$25,690,665</b>	<b>\$17,526,566</b>	<b>\$3,141,386</b>	<b>\$10,150,867</b>	<b>\$5,994,881</b>	<b>\$190,504,169</b>



# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 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	\$10,047,350

#### 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, 2020 are described below.

	Level 2	Total
<b>Investments by Fair Value</b>		
Corporate Bonds	\$27,721,983	
U.S. Agency Securities	15,056,141	
State of California Securities	26,022,852	
Negotiable Certificates of Deposit	7,307,500	
	<u>\$76,108,476</u>	\$76,108,476
<b>Investments Measured at Net Asset Value Per Share:</b>		
California Asset Management Program		46,380,984
Money Market Mutual Funds		1,131,766
<b>External Investment Pool (Exempt):</b>		
California Local Agency Investment Fund		66,882,943
<b>Cash in Banks and On Hand</b>		<u>19,979,013</u>
<b>Total Cash and Investments</b>		<u>\$210,483,182</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 YEAR ENDED JUNE 30, 2020

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### NOTE 3 - RESTRICTED ASSETS AND RESTRICTED NET POSITION

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

<u>Capital Expansion</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Local Sewer Expansion	\$9,108,875	\$8,766,559
Regional Sewer Expansion	50,361,849	53,260,565
Water Expansion	32,185,888	23,912,900
	<u>91,656,612</u>	<u>85,940,024</u>
<u>Assessment District</u>		
Dougherty Valley Assessment District	<u>783,517</u>	<u>906,235</u>
	<u>783,517</u>	<u>906,235</u>
<b>Total Restriction on Net Position</b>	<b><u><u>\$92,440,129</u></u></b>	<b><u><u>\$86,846,259</u></u></b>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### NOTE 4 - CAPITAL ASSETS

Changes in capital assets accounts are summarized below:

	Balance at June 30, 2019	Additions	Retirements	Transfers	Balance at June 30, 2020
Capital assets being depreciated:					
Land Improvements	\$23,389,310				\$23,389,310
Buildings	131,397,444	\$61,351			131,458,795
Equipment	84,267,938	422,119	(\$16,253)		84,673,804
Sub-surface lines	166,293,296	1,558,334		\$9,431	167,861,061
Intangibles	64,975,880				64,975,880
<b>Total capital assets being depreciated:</b>	<b>470,323,868</b>	<b>2,041,804</b>	<b>(16,253)</b>	<b>9,431</b>	<b>472,358,850</b>
Less accumulated depreciation for:					
Land Improvements	(6,095,489)	(304,286)			(6,399,775)
Buildings	(48,157,678)	(3,105,584)			(51,263,262)
Equipment	(45,466,930)	(2,299,871)	16,253		(47,750,548)
Sub-surface lines	(53,948,278)	(3,383,374)			(57,331,652)
Intangibles	(20,341,435)	(2,634,140)			(22,975,575)
<b>Total accumulated depreciation</b>	<b>(174,009,810)</b>	<b>(11,727,255)</b>	<b>16,253</b>		<b>(185,720,812)</b>
<b>Net capital assets being depreciated</b>	<b>296,314,058</b>	<b>(9,685,451)</b>		<b>9,431</b>	<b>286,638,038</b>
Capital assets not being depreciated:					
Land	7,712,945				7,712,945
Construction in progress	27,383,568	4,115,347		(9,431)	31,489,484
<b>Total capital assets not being depreciated</b>	<b>35,096,513</b>	<b>4,115,347</b>		<b>(9,431)</b>	<b>39,202,429</b>
<b>Total capital assets, net</b>	<b>\$331,410,571</b>	<b>(\$5,570,104)</b>			<b>\$325,840,467</b>

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 \$13,398,210 at June 30, 2020.

Depreciation expense for the District for June 30, 2020 and June 30, 2019 are as follows:

	June 30, 2020	June 30, 2019
Water Fund	\$4,319,104	\$4,331,575
Wastewater Fund	7,408,151	7,210,146
<b>Total Depreciation expense</b>	<b>\$11,727,255</b>	<b>\$11,541,721</b>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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### 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 \$193,449 at June 30, 2020, of which \$44,228 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](http://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 for additional information.

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 YEAR ENDED JUNE 30, 2020

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### NOTE 6 - JOINT POWERS AUTHORITIES (Continued)

Financial information for LAVWMA summarized below is as of and for the year ended June 30, 2020:

Total assets	\$135,238,324
Total liabilities	89,166,894
Total net position	46,071,430
Total operating revenue	11,708,912
Total operating expenses	(6,730,537)
Total non-operating revenue	438,384
Total non-operating expenses	<u>(3,021,887)</u>
Net gain	<u><u>2,394,872</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](http://www.srvrwp.org).

DERWA has outstanding state loans totaling \$8,204,068. The District's share of the total debt is 49.23% or \$4,038,863.

Financial information for DERWA summarized below is as of and for the year ended June 30, 2020:

Total assets	\$79,691,723
Total liabilities	8,671,938
Total net position	71,019,785
Total operating revenue	6,800,703
Total non-operating revenue	14,829
Total operating expenses	(4,644,605)
Total non-operating expenses	<u>(240,234)</u>
Net gain	<u><u>1,930,693</u></u>

**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 7 - LONG-TERM DEBT**

	Original Issue Amount	Balance June 30, 2019	Retirements	Balance June 30, 2020	Amount due within one year
2011 LAVWMA Obligation 2% - 5%, due 8/1/2031	\$40,975,094	\$30,548,996	\$1,740,600	\$28,808,396	\$1,830,062
2017 Water Revenue Refunding Bonds 2%-5%, due 8/1/2041	33,590,000	<u>33,180,000</u>	<u>420,000</u>	<u>32,760,000</u>	<u>435,000</u>
Total long-term debt		<u>\$63,728,996</u>	<u>\$2,160,600</u>	<u>\$61,568,396</u>	<u>\$2,265,062</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 YEAR ENDED JUNE 30, 2020**

**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>
Working Capital at June 30, 2020	<u>\$48,866,283</u>
Actual Debt Paid from the Rate Stabilization Fund:	
LAVWMA 2011 Bonds	\$4,313,385
	<u>\$4,313,385</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	\$28,916,638
Sewer Non-Operating Revenues	3,840,844
Capacity Reserve Fees	7,360,582
Less Regional Expansion Capacity Reserve Fees	<u>(4,795,579)</u>
Total Available Revenues	<u>35,322,485</u>
Sewer Operating Expenses	37,107,013
Less Regional Expansion Costs for:	
Debt Payments to LAVWMA	(4,313,385)
Other Operating Costs	(5,076,483)
Less Depreciation	<u>(7,408,151)</u>
Operations & Maintenance Costs	<u>20,308,994</u>
Net Available Revenue	<u>\$15,013,491</u>
Rate Covenant Debt Service:	
LAVWMA 2011 Bonds (repair portion)	\$1,464,323
	<u>\$1,464,323</u>
Coverage on Rate Covenant Debt Service	<u>10.3</u>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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### 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 \$52,024,522 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 2020, operating revenues, investment income, and capital grants and contributions amounted to \$50,701,961 and operating costs including operating expenses, but not interest, amounted to \$40,349,638. Net Revenues available for debt service amounts to \$10,352,323 which represents coverage of 565% over the \$1,880,513 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 YEAR ENDED JUNE 30, 2020

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### NOTE 7 - LONG-TERM DEBT (Continued)

#### WATER REVENUES:

Water Sales	\$34,854,618
Other Revenues (1)	7,632,296
Interest Income	3,269,105
Capacity Reserve Fees	7,271,220
Less Assessment District (2)	(1,458,434)
Less Tax Revenues	(766,723)
Less Cell Tower Lease Revenue	(100,121)
<b>TOTAL WATER REVENUES</b>	<b>\$50,701,961</b>

#### WATER OPERATION & MAINTENANCE COSTS:

Operating Expense	\$46,278,106
Less Depreciation	(4,319,104)
Less Assessment District (2)	(1,609,364)
<b>TOTAL WATER OPERATION &amp; MAINTENANCE COSTS</b>	<b>40,349,638</b>

**NET WATER REVENUES** \$10,352,323

#### DEBT SERVICE:

2017 Water Bonds	\$1,880,513
<b>TOTAL DEBT SERVICE</b>	<b>\$1,880,513</b>

**DEBT SERVICE COVERAGE** 5.51

(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 YEAR ENDED JUNE 30, 2020

### 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
<b>Condensed Statement of Net Position</b>		
Assets:		
Current	\$50,880,054	\$102,185,943
Capital	27,664,487	149,270,199
Other non current	109,349	
Total assets	<u>78,653,890</u>	<u>251,456,142</u>
Deferred outflows of resources		<u>3,594,447</u>
Liabilities:		
Current liabilities	2,013,771	6,805,092
Long term liabilities	22,156,627	37,746,013
Total liabilities	<u>24,170,398</u>	<u>44,551,105</u>
Deferred inflows of resources		<u>1,487,549</u>
Net position:		
Net investment in capital assets	4,121,643	116,510,199
Restricted	50,361,849	32,185,888
Unrestricted		60,315,848
Total net position	<u>\$54,483,492</u>	<u>\$209,011,935</u>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>		
Operating revenue		\$40,377,470
Operating expenses	(6,750,725)	(44,555,371)
Operating loss (gain)	<u>(6,750,725)</u>	<u>(4,177,901)</u>
Nonoperating revenues (expenses):		
Interest income	1,714,335	3,251,585
Interest expense		(1,453,820)
Non-cash contributions		1,261,554
Capital contributions - capacity reserve fees	4,795,579	7,271,220
Transfers in		7,465,014
Transfers out		(7,465,014)
Change in net position	(240,811)	6,152,638
Beginning net position	54,724,303	202,859,297
Ending net position	<u>\$54,483,492</u>	<u>\$209,011,935</u>
<b>Condensed Statement of Cash Flows</b>		
Net cash provided (used) by:		
Operating activities	(\$6,261,582)	(\$6,218,467)
Noncapital financing activities	(2,921,891)	416,264
Capital financing activities	5,047,365	12,037,267
Investing activities	7,158,870	284,382
Net cash flows	<u>3,022,762</u>	<u>6,519,446</u>
Beginning cash and cash equivalents	1,823,980	2,615,769
Ending cash and cash equivalents	<u>\$4,846,742</u>	<u>\$9,135,215</u>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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### 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 YEAR ENDED JUNE 30, 2020

### 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
2021	\$2,265,062	\$2,729,512	\$4,994,574
2022	2,376,466	2,615,649	4,992,115
2023	2,495,652	2,493,846	4,989,498
2024	2,623,727	2,381,789	5,005,516
2025	2,726,519	2,263,961	4,990,480
2026-2030	18,583,472	8,926,134	27,509,606
2031-2035	14,632,498	4,463,433	19,095,931
2036-2040	10,940,000	1,833,548	12,773,548
2041-2042	4,925,000	155,079	5,080,079
Total payments due	<u>\$61,568,396</u>	<u>\$27,862,951</u>	<u>\$89,431,347</u>

### NOTE 8 - UNEARNED REVENUE AND OTHER LIABILITIES

Total unearned revenue and other liabilities for the year ended June 30, 2020 totaled \$1,715,349.

As of June 30, 2020, 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 \$193,449 (see Note 5). The current portion of this balance at June 30, 2020 is \$44,228.

As of June 30, 2020, the Water Fund recorded \$1,156,447 from developers for future capacity reserve fee credits. FYE 2020 included a \$3.4 million unearned revenue write-off related to the Windemere development project. 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, 2020, accrued compensated absences are as follows:

	Business Type Activities		Total
	Sewer	Water	
Summary of activity:			
Beginning balance	\$836,879	\$465,850	\$1,302,729
Additions	951,239	662,711	1,613,950
Payments	(775,240)	(541,581)	(1,316,821)
Ending balance - due within one year	<u>\$1,012,878</u>	<u>\$586,980</u>	<u>\$1,599,858</u>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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### 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 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 YEAR ENDED JUNE 30, 2020**

**NOTE 10 - PENSION PLAN (Continued)**

The Plan’s provisions and benefits in effect at June 30, 2020, 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%	6.750%
Required employer contribution rates	13.182%	6.985%

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 2020, the District paid \$1,300,000 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, 2020, 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, 2020 were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$2,714,774

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

As of June 30, 2020, 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	\$12,177,945
Total Net Pension Liability	<u>\$12,177,945</u>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018	0.2623%
Proportion - June 30, 2019	0.3041%
Change - Increase (Decrease)	0.0418%

For the year ended June 30, 2020, the District recognized pension expense of \$3,904,966. At June 30, 2020, 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	\$2,714,774	
Differences between actual and expected experience	845,809	(\$65,534)
Changes of assumptions	580,699	(205,854)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	628,147	(2,673,621)
Net differences between projected and actual earnings on plan investments		(212,906)
Change's in employer's proportion	4,447,873	(894,368)
Total	<u>\$9,217,302</u>	<u>(\$4,052,283)</u>

\$2,714,774, 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, 2021.

**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**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
2021	\$1,475,155
2022	629,082
2023	302,983
2024	43,025
Total	<u>\$2,450,245</u>

**E. Actuarial Assumptions** – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by entry age and service (1)
Investment Rate of Return	7.15% (2)
Mortality	Derived by CalPERS Membership Data for all funds (3)

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

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

(3) 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 the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the 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, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.



**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**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 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 rounded 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 equal 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.

Asset Class <sup>1</sup>	Assumed asset Allocation	Real Return Years 1 - 10 <sup>2</sup>	Real Return Years 11+ <sup>3</sup>
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	<u>100%</u>		

(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 YEAR ENDED JUNE 30, 2020**

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**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%)
\$27,234,559	\$12,177,945	(\$250,235)

**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.

**I. Subsequent Event - CalPERS Pension Contribution Rates** - The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the District’s contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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### 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, 2020, 92 retirees are receiving medical benefits, and 95 are receiving dental benefits, and there are 115 active participants eligible for future benefits.

#### B. Net OPEB Liability

##### Actuarial Methods and Assumptions

The District's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 that was used to determine the total OPEB liability based on the following actuarial methods and assumptions: (a) 6.35% investment rate of return, (b) 3.25% projected annual salary increase, (c) 2.5% 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.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### NOTE 11 - OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

#### Discount Rate

The discount rate used to measure the total OPEB liability was 6.35 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:

Asset Class	Target Allocation	Long-term expected real rate of return	Long-Term Expected Rate of Return (with the effect of inflation)
Global Equity	40%	4.80%	5.98%
Fixed Income	43%	1.10%	2.62%
TIPS	5%	0.25%	1.46%
Commodities	4%	1.50%	2.87%
REITs	8%	3.20%	5.00%
Total	100%		
Assumed Long-Term Rate of Inflation		2.00%	
Discount Rate		6.35%	

**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 11 - OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

**C. Changes in Net OPEB Liability**

The changes in the Net OPEB Liability (Asset) are as follows:

	<b>Increase (Decrease)</b>		
	<b>Total OPEB</b>	<b>Plan Fiduciary Net</b>	<b>Net OPEB</b>
	<b>Liability</b>	<b>Position</b>	<b>Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) - (b)</b>
As of FYE 2019 (Measurement date 6/30/2018)	\$26,662,350	\$25,300,508	\$1,361,842
Changes Recognized for the Measurement Period:			
Service Cost	1,053,670		1,053,670
Interest on the total OPEB liability	1,764,023		1,764,023
Changes of assumptions	(1,209,136)		(1,209,136)
Contributions from the employer		1,251,832	(1,251,832)
Net investment income		1,776,771	(1,776,771)
Administrative expenses		(5,441)	5,441
Plan Experience	(4,001,696)		(4,001,696)
Benefit payments and refunds	(1,154,397)	(1,154,397)	
Net Changes during fiscal year ended 2019	<u>(3,547,536)</u>	<u>1,868,765</u>	<u>(5,416,301)</u>
As of FYE 2020 (Measurement date 6/30/2019)	<u>23,114,814</u>	<u>27,169,273</u>	<u>(\$4,054,459)</u>

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 implicit subsidy benefit payments in the amount of \$294,573.

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.

**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 (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current discount rate:

<b>Plan's Net OPEB (Asset)</b>		
<b>Discount Rate -1%</b>	<b>Current Discount</b>	<b>Discount Rate +1%</b>
<b>(5.35 %)</b>	<b>Rate (6.35%)</b>	<b>(7.35%)</b>
<u>(\$869,958)</u>	<u>(\$4,054,459)</u>	<u>(\$6,672,256)</u>

**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 11 - OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

**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 (6 percent) or 1-percentage-point higher (8 percent) than the current healthcare cost trend rate:

<b>Plan's Net OPEB (Asset)</b>		
<b>Discount Rate -1%</b>	<b>Health Care Cost</b>	<b>Discount Rate +1%</b>
<b>(6.00%)</b>	<b>Trend Rates (7.00%)</b>	<b>(8.00%)</b>
(\$6,946,029)	(\$4,054,459)	(\$493,816)

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

For the year ended June 30, 2020, the District recognized OPEB Expense of \$47,102. As of fiscal year ended June 30, 2020, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$1,449,044	(\$973,896)
Differences between expected and actual experience		(\$4,475,818)
Net difference between projected and actual earnings on OPEB plan investments		(597,230)
Employer contributions made subsequent to the measurement date	1,487,795	
<b>Total</b>	<b>\$2,936,839</b>	<b>(\$6,046,944)</b>

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, 2019 measurement period is 5.14 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 YEAR ENDED JUNE 30, 2020

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### NOTE 11 - OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

\$1,487,795 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, 2021. 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
2021	(\$1,128,509)
2022	(1,176,075)
2023	(1,111,756)
2024	(1,039,628)
2025	(141,932)
	<u>(\$4,597,900)</u>

### 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 58 member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays annual premiums to CSRMA for its general, liability, property damage and workers compensation insurance.

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

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

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### NOTE 12 - RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies carried by the District as of June 30, 2020:

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	197,549,344	\$25,000
Interstate Fire and Casualty Insurance Company	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:

	2020	2019
Balance at July 1	\$416,509	\$330,461
Net change in liability for claims and claims incurred but not reported	519,617	672,863
Claims paid	<u>(340,156)</u>	<u>(586,815)</u>
Balance at June 30	<u><u>\$595,970</u></u>	<u><u>\$416,509</u></u>

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



# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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### 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, 2020, the District's water purchases from Zone 7 amounted to \$17,156,354.

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 \$1,819,597 as of June 30, 2020. 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, 2020 with the establishment of the fully-funded liability for this purpose.

# DUBLIN SAN RAMON SERVICES DISTRICT

## Required Supplementary Information For the year ended June 30, 2020

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

Measurement Date	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.304106%	0.262289%	0.263435%	0.149748%	0.185007%
Proportionate share of the net pension liability	\$12,177,945	\$9,884,912	\$10,384,742	\$12,957,811	\$12,698,750
Covered payroll	14,277,527	13,051,223	12,592,116	12,033,906	12,009,479
Proportionate Share of the net pension liability as percentage of covered payroll	85.29%	75.74%	82.47%	107.68%	105.74%
Plan's Fiduciary net position	99,764,640	94,791,258	90,325,711	76,197,801	72,030,535
Plan Fiduciary net position as a percentage of the total pension liability	89.12%	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.** None.

\* 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, 2020

### SCHEDULE OF CONTRIBUTIONS (PENSION)

	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$2,714,774	\$1,859,162	\$1,504,792	\$1,401,296	\$2,120,252	\$1,716,224
Contribution in relation to the actuarially determined contributions	2,714,774	1,859,162	1,504,792	6,401,296	7,120,252	6,716,224
Contributions deficiency (excess)	\$0	\$0	\$0	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Covered payroll	\$13,865,188	\$14,277,527	\$13,051,223	\$12,592,116	\$12,033,906	\$12,009,479
Contributions as a percentage of covered payroll	19.58%	13.02%	11.53%	50.84%	59.17%	55.92%

#### Notes to Schedule

Valuation date: June 30, 2018

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	2.50%
Salary increases	(1)
Investment rate of return	7.15% (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 six years are shown.

# DUBLIN SAN RAMON SERVICES DISTRICT

## Required Supplementary Information For the year ended June 30, 2020

### SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS SINGLE EMPLOYER PLAN

Last 10 years\*

Measurement Date	6/30/17	6/30/18	6/30/19
<b>Total OPEB Liability</b>			
Service Cost	\$848,840	\$1,020,504	\$1,053,670
Interest	1,701,163	1,661,164	1,764,023
Differences between expected and actual experience	(3,586,818)	-	(4,001,696)
Changes in assumptions	4,149,122	-	(1,209,136)
Benefit payments	(1,080,081)	(1,110,367)	(1,154,397)
Changes in benefits	-	-	-
<b>Net change in total OPEB liability</b>	<b>2,032,226</b>	<b>1,571,301</b>	<b>(3,547,536)</b>
<b>Total OPEB liability - beginning</b>	<b>23,058,823</b>	<b>25,091,049</b>	<b>26,662,350</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$25,091,049</b>	<b>\$26,662,350</b>	<b>\$23,114,814</b>
<b>OPEB fiduciary net position</b>			
Contributions - employer	\$1,080,081	\$1,212,732	\$1,251,832
Net investment income	2,232,198	1,880,973	1,776,771
Administrative expense	(11,330)	(43,338)	(5,441)
Benefit payments, including refunds of employee contributions	(1,080,081)	(1,110,367)	(1,154,397)
<b>Net change in plan fiduciary net position</b>	<b>2,220,868</b>	<b>1,940,000</b>	<b>1,868,765</b>
<b>Plan fiduciary net position - beginning</b>	<b>21,139,640</b>	<b>23,360,508</b>	<b>25,300,508</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$23,360,508</b>	<b>\$25,300,508</b>	<b>\$27,169,273</b>
Net OPEB liability (asset) - ending (a)-(b)	\$1,730,541	\$1,361,842	(\$4,054,459)
Plan fiduciary net position as a percentage of the total OPEB liability	93%	95%	118%
Covered-employee payroll	\$12,531,924	\$13,112,995	\$14,287,090
Net OPEB liability as a percentage of covered-employee payroll	13.81%	10.39%	-28.38%

**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, 2020

### SCHEDULE OF CONTRIBUTIONS

Last 10 years\*

Fiscal Year Ended June 30,	2018	2019	2020
Actuarially determined contribution	\$1,212,732	\$1,251,832	\$865,816
Contributions in relation to the actuarially determined contributions	1,212,732	1,251,832	1,487,795
Contribution deficiency (excess)	\$0	\$0	(\$621,979)
Covered-employee payroll	\$13,112,995	\$14,287,090	\$13,918,661
Contributions as a percentage of covered-employee payroll	9.25%	8.76%	10.69%

#### Notes to Schedule

Valuation date: 6/30/2019

#### Methods and assumptions used to determine contribution rates:

Actuarial Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	30 Years Closed
Asset Valuation Method	Market value of Assets
Inflation	2.50% per year
Payroll Growth	3.00% per year
Investment Rate of Return	6.35%
Healthcare cost-trend rates	6.5% in 2021, stepping down 0.5% to 5.0% in 2024
Retirement Age	From 50 to 75
Mortality	MacLeod Watts Scale 2018 applied generationally

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

## Supplementary Information

DUBLIN SAN RAMON SERVICES DISTRICT  
WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Pooled cash	\$9,765,180	\$1,291,235	\$449,932	(\$764,889)	\$10,741,458
Pooled investments	91,898,150	12,134,976	-	-	104,033,126
Restricted cash	111,708	21,362	-	-	133,070
Accounts receivable	6,106,695	271,785	196,994	765,676	7,341,150
Interest receivable	335,212	44,223	-	-	379,435
Deferred capacity reserve fees receivable	44,228	-	-	-	44,228
Prepaid expense	-	-	2,378	-	2,378
	<u>108,261,173</u>	<u>13,763,581</u>	<u>649,304</u>	<u>787</u>	<u>122,674,845</u>
<b>Non-current assets:</b>					
<b>Capital assets:</b>					
Property, plant and equipment	207,688,138	66,749,004	-	-	274,437,142
Less accumulated depreciation	<u>89,201,563</u>	<u>28,030,462</u>	<u>-</u>	<u>-</u>	<u>117,232,025</u>
Net property, plant and equipment	118,486,575	38,718,542	-	-	157,205,117
Construction in progress	<u>15,935,791</u>	<u>3,429,360</u>	<u>-</u>	<u>-</u>	<u>19,365,151</u>
	<u>134,422,366</u>	<u>42,147,902</u>	<u>-</u>	<u>-</u>	<u>176,570,268</u>
<b>Other assets:</b>					
Net OPEB asset	-	-	-	2,550,255	2,550,255
Deferred capacity reserves receivable - long term	<u>149,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,221</u>
	<u>149,221</u>	<u>-</u>	<u>-</u>	<u>2,550,255</u>	<u>2,699,476</u>
	<u>134,571,587</u>	<u>42,147,902</u>	<u>-</u>	<u>2,550,255</u>	<u>179,269,744</u>
	<u>242,832,760</u>	<u>55,911,483</u>	<u>649,304</u>	<u>2,551,042</u>	<u>301,944,589</u>
<b>Deferred outflows of resources</b>					
Deferred outflows pension related amounts	3,594,373	369,453	-	-	3,963,826
Deferred employer pension contributions	1,297,708	361,321	-	-	1,659,029
Deferred outflows OPEB related amounts	-	-	-	911,449	911,449
Deferred employer OPEB contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>935,823</u>	<u>935,823</u>
	<u>\$4,892,081</u>	<u>\$730,774</u>	<u>\$ -</u>	<u>\$1,847,272</u>	<u>\$7,470,127</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$3,026,340	\$123,722	\$161,722	\$ -	\$3,311,784
Contractor bonds and deposits	928,294	-	-	-	928,294
Accrued expenses	317,810	-	174,962	-	492,772
Accrued compensated absences	588,345	111,913	312,620	-	1,012,878
Current portion of long-term debt	1,830,062	-	-	-	1,830,062
Unearned revenue	44,228	365,453	-	-	409,681
<b>Total current liabilities</b>	<b>6,735,079</b>	<b>601,088</b>	<b>649,304</b>	<b>-</b>	<b>7,985,471</b>
Long term liabilities:					
Long-term debt					
less current portion	26,978,334	-	-	-	26,978,334
Net pension liability	6,143,401	1,769,978	-	-	7,913,379
Net OPEB liability	-	-	-	-	-
DLD remediation reserve	1,819,597	-	-	-	1,819,597
Unearned revenue	149,221	-	-	-	149,221
<b>Total long term liabilities</b>	<b>35,090,553</b>	<b>1,769,978</b>	<b>-</b>	<b>-</b>	<b>36,860,531</b>
<b>Total liabilities</b>	<b>41,825,632</b>	<b>2,371,066</b>	<b>649,304</b>	<b>-</b>	<b>44,846,002</b>
Deferred inflows of resources					
Deferred inflows of resources - Pension	2,204,234	360,500	-	-	2,564,734
Deferred inflows of resources - OPEB	-	-	-	3,803,528	3,803,528
<b>Total deferred inflows of resources</b>	<b>2,204,234</b>	<b>360,500</b>	<b>-</b>	<b>3,803,528</b>	<b>6,368,262</b>
<b>NET POSITION</b>					
Net investment in capital assets	105,613,970	42,147,902	-	-	147,761,872
Restricted for:					
Expansion	50,361,849	9,108,875	-	-	59,470,724
Unrestricted	47,719,156	2,653,914	-	594,786	50,967,856
<b>Total net position</b>	<b>\$203,694,975</b>	<b>\$53,910,691</b>	<b>-</b>	<b>\$594,786</b>	<b>\$258,200,452</b>



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, 2020

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
<b>OPERATING REVENUES</b>					
Wastewater service charges	\$22,969,168	\$3,514,768	\$ -	\$ -	\$26,483,936
Other revenues	1,120,549	208,418	1,103,735	-	2,432,702
Total operating revenues	<u>24,089,717</u>	<u>3,723,186</u>	<u>1,103,735</u>	<u>-</u>	<u>28,916,638</u>
<b>OPERATING EXPENSES</b>					
Personnel	8,340,786	2,062,525	3,490,919	(903,053)	12,991,177
Materials	3,206,247	89,542	123,873	-	3,419,662
Contractual services	10,661,562	318,672	1,626,173	-	12,606,407
Other	615,616	13,533	52,467	-	681,616
Overhead Charges	3,205,218	984,479	(4,189,697)	-	
Depreciation	6,054,663	1,353,488	-	-	7,408,151
Total operating expenses	<u>32,084,092</u>	<u>4,822,239</u>	<u>1,103,735</u>	<u>(903,053)</u>	<u>37,107,013</u>
OPERATING INCOME (LOSS)	<u>(7,994,375)</u>	<u>(1,099,053)</u>	<u>-</u>	<u>903,053</u>	<u>(8,190,375)</u>
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	3,399,131	452,585	-	(17,958)	3,833,758
Gain (Loss) on sale of assets	7,086		-	-	7,086
Total non-operating revenues (expense), net	<u>3,406,217</u>	<u>452,585</u>	<u>-</u>	<u>(17,958)</u>	<u>3,840,844</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(4,588,158)	(646,468)	-	885,095	(4,349,531)
Non-cash contributions	-	273,410	-	-	273,410
Capital contributions - capacity reserve fees	6,454,759	905,823	-	-	7,360,582
Transfers in	3,130,000	107,083	-	-	3,237,083
Transfers (out)	(3,130,000)	(107,083)	-	-	(3,237,083)
Changes in net position	1,866,601	532,765	-	885,095	3,284,461
TOTAL NET POSITION, BEGINNING OF YEAR	<u>201,828,374</u>	<u>53,377,926</u>	<u>-</u>	<u>(290,309)</u>	<u>254,915,991</u>
TOTAL NET POSITION, END OF YEAR	<u>\$203,694,975</u>	<u>\$53,910,691</u>	<u>-</u>	<u>\$594,786</u>	<u>\$258,200,452</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
REGIONAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$868,746	\$895,914	\$3,153,778	\$4,846,742	\$9,765,180
Pooled investments	8,229,685	8,343,986	29,546,856	45,777,623	91,898,150
Restricted Cash	-	-	111,708	-	111,708
Accounts receivable	6,029,764	-	20,210	56,721	6,106,695
Interest receivable	33,238	30,519	104,897	166,558	335,212
Deferred capacity reserve fees receivable	-	-	11,818	32,410	44,228
Total current assets	<u>15,161,433</u>	<u>9,270,419</u>	<u>32,949,267</u>	<u>50,880,054</u>	<u>108,261,173</u>
Non-current assets:					
Capital assets:					
Property, plant and equipment	174,202,404	-	-	33,485,734	207,688,138
Less accumulated depreciation	<u>74,970,503</u>	<u>-</u>	<u>-</u>	<u>14,231,060</u>	<u>89,201,563</u>
Net property, plant and equipment	99,231,901	-	-	19,254,674	118,486,575
Land and construction in progress	<u>56,014</u>	<u>-</u>	<u>7,469,964</u>	<u>8,409,813</u>	<u>15,935,791</u>
Total capital assets	<u>99,287,915</u>	<u>-</u>	<u>7,469,964</u>	<u>27,664,487</u>	<u>134,422,366</u>
Other assets:					
Deferred capacity reserves receivable - long term	-	-	39,872	109,349	149,221
Total other assets	<u>-</u>	<u>-</u>	<u>39,872</u>	<u>109,349</u>	<u>149,221</u>
Total non-current assets	<u>99,287,915</u>	<u>-</u>	<u>7,509,836</u>	<u>27,773,836</u>	<u>134,571,587</u>
Total assets	<u>114,449,348</u>	<u>9,270,419</u>	<u>40,459,103</u>	<u>78,653,890</u>	<u>242,832,760</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	3,594,373	-	-	-	3,594,373
Deferred employer pension contributions	<u>1,297,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,297,708</u>
Total deferred outflows of resources	<u>\$4,892,081</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,892,081</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
REGIONAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$2,054,416	\$ 1,411	\$524,984	\$445,529	\$3,026,340
Contractor bonds and deposits	890,969	-	-	37,325	928,294
Accrued expenses	317,810	-	-	-	317,810
Accrued compensated absences	585,404	-	-	2,941	588,345
Current portion of long-term debt	334,496	-	-	1,495,566	1,830,062
Unearned revenue	-	-	11,818	32,410	44,228
<b>Total current liabilities</b>	<b>4,183,095</b>	<b>1,411</b>	<b>536,802</b>	<b>2,013,771</b>	<b>6,735,079</b>
Long term liabilities:					
Long-term debt					
less current portion	4,931,056	-	-	22,047,278	26,978,334
Net pension liability	6,143,401	-	-	-	6,143,401
DLD remediation reserve	1,819,597	-	-	-	1,819,597
Unearned revenue	-	-	39,872	109,349	149,221
<b>Total long term liabilities</b>	<b>12,894,054</b>	<b>-</b>	<b>39,872</b>	<b>22,156,627</b>	<b>35,090,553</b>
<b>Total liabilities</b>	<b>17,077,149</b>	<b>1,411</b>	<b>576,674</b>	<b>24,170,398</b>	<b>41,825,632</b>
Deferred inflows of resources					
Deferred inflows of resources - Pension	2,204,234	-	-	-	2,204,234
<b>Total deferred inflows of resources</b>	<b>2,204,234</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,204,234</b>
<b>NET POSITION</b>					
Net investment in capital assets	94,022,363	-	7,469,964	4,121,643	105,613,970
Restricted for:					
Expansion	-	-	-	50,361,849	50,361,849
Unrestricted	6,037,683	\$9,269,008	32,412,465	-	47,719,156
<b>Total net position</b>	<b>\$100,060,046</b>	<b>\$9,269,008</b>	<b>\$39,882,429</b>	<b>\$54,483,492</b>	<b>\$203,694,975</b>

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, 2020

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
<b>OPERATING REVENUES</b>					
Wastewater service charges	\$22,969,168	\$ -	\$ -	\$ -	\$22,969,168
Other revenues	1,120,549	-	-	-	1,120,549
<b>Total operating revenues</b>	<b>24,089,717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,089,717</b>
<b>OPERATING EXPENSES</b>					
Personnel	8,340,786	-	-	-	8,340,786
Materials	3,206,247	-	-	-	3,206,247
Contractual services	4,527,983	-	1,057,096	5,076,483	10,661,562
Other	212,996	1,411	401,209	-	615,616
Overhead Charges	3,205,218	-	-	-	3,205,218
Depreciation	4,380,421	-	-	1,674,242	6,054,663
<b>Total operating expenses</b>	<b>23,873,651</b>	<b>1,411</b>	<b>1,458,305</b>	<b>6,750,725</b>	<b>32,084,092</b>
<b>OPERATING INCOME (LOSS)</b>	<b>216,066</b>	<b>(1,411)</b>	<b>(1,458,305)</b>	<b>(6,750,725)</b>	<b>(7,994,375)</b>
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	240,086	317,204	1,127,506	1,714,335	3,399,131
Gain(Loss) on sale of assets	7,086	-	-	-	7,086
<b>Total non-operating revenues</b>	<b>247,172</b>	<b>317,204</b>	<b>1,127,506</b>	<b>1,714,335</b>	<b>3,406,217</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>463,238</b>	<b>315,793</b>	<b>(330,799)</b>	<b>(5,036,390)</b>	<b>(4,588,158)</b>
Capital contributions - capacity reserve fees	-	-	1,659,180	4,795,579	6,454,759
Residual equity transfer	414,927	-	(414,927)	-	-
Transfers in	-	-	3,130,000	-	3,130,000
Transfers (out)	(3,130,000)	-	-	-	(3,130,000)
<b>Changes in net position</b>	<b>(2,251,835)</b>	<b>315,793</b>	<b>4,043,454</b>	<b>(240,811)</b>	<b>1,866,601</b>
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>102,311,881</b>	<b>8,953,215</b>	<b>35,838,975</b>	<b>54,724,303</b>	<b>201,828,374</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$100,060,046</b>	<b>\$9,269,008</b>	<b>\$39,882,429</b>	<b>\$54,483,492</b>	<b>\$203,694,975</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
LOCAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$154,985	\$ (2,060)	552,190	\$586,120	\$1,291,235
Pooled investments	\$1,428,765	-	5,143,553	5,562,658	12,134,976
Cash in Escrow	-	-	21,362	-	21,362
Accounts receivable	271,785	-	-	-	271,785
Interest receivable	6,773	(7)	17,907	19,550	44,223
Due from Other Funds - Current	-	-	-	833,333	833,333
Total current assets	<u>1,862,308</u>	<u>(2,067)</u>	<u>5,735,012</u>	<u>7,001,661</u>	<u>14,596,914</u>
Non-current assets:					
Capital assets:					
Property, plant and equipment	66,749,004	-	-	-	66,749,004
Less accumulated depreciation	<u>28,030,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,030,462</u>
Net property, plant and equipment	38,718,542	-	-	-	38,718,542
Land and construction in progress	<u>850,893</u>	<u>-</u>	<u>1,705,414</u>	<u>873,053</u>	<u>3,429,360</u>
Total capital assets	<u>39,569,435</u>	<u>-</u>	<u>1,705,414</u>	<u>873,053</u>	<u>42,147,902</u>
Other assets:					
Due from Other Funds - Long term	-	-	-	2,500,001	2,500,001
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500,001</u>	<u>2,500,001</u>
Total non-current assets	<u>39,569,435</u>	<u>-</u>	<u>1,705,414</u>	<u>3,373,054</u>	<u>44,647,903</u>
Total assets	<u>41,431,743</u>	<u>(2,067)</u>	<u>7,440,426</u>	<u>10,374,715</u>	<u>59,244,817</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	369,453	-	-	-	369,453
Deferred employer pension contributions	<u>361,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,321</u>
Total deferred outflows of resources	<u>730,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>730,774</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	15,722	-	95,061	12,939	123,722
Accrued compensated absences	97,518	-	-	14,395	111,913
Due to Other Funds - Current	-	-	833,333	-	833,333
Unearned revenue	-	-	-	365,453	365,453
Total current liabilities	<u>113,240</u>	<u>-</u>	<u>928,394</u>	<u>392,787</u>	<u>1,434,421</u>
Long term liabilities:					
Due to Other Funds - Long term	-	-	2,500,001	-	2,500,001
Net pension liability	<u>1,769,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,769,978</u>
Total long term liabilities	<u>1,769,978</u>	<u>-</u>	<u>2,500,001</u>	<u>-</u>	<u>4,269,979</u>
Total liabilities	<u>1,883,218</u>	<u>-</u>	<u>3,428,395</u>	<u>392,787</u>	<u>5,704,400</u>
Deferred inflows of resources					
Deferred inflows pension related amounts	360,500	-	-	-	360,500
Total deferred inflows of resources	<u>360,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,500</u>
<b>NET POSITION</b>					
Net investment in capital assets	39,569,435	-	1,705,414	873,053	42,147,902
Restricted for:					
Expansion	-	-	-	9,108,875	9,108,875
Unrestricted	<u>349,364</u>	<u>(2,067)</u>	<u>2,306,617</u>	<u>-</u>	<u>2,653,914</u>
Total net position	<u>\$39,918,799</u>	<u>(\$2,067)</u>	<u>\$4,012,031</u>	<u>\$9,981,928</u>	<u>\$53,910,691</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, 2020

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Total
<b>OPERATING REVENUES</b>					
Wastewater service charges	\$3,514,768	\$ -	\$ -	\$ -	\$3,514,768
Other revenues	208,418	-	-	-	208,418
<b>Total operating revenues</b>	<b>3,723,186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,723,186</b>
<b>OPERATING EXPENSES</b>					
Personnel	2,062,525	-	-	-	2,062,525
Materials	89,542	-	-	-	89,542
Contractual services	152,621	-	163,807	2,244	318,672
Other	13,533	-	-	-	13,533
Overhead charges	984,479	-	-	-	984,479
Depreciation	1,353,488	-	-	-	1,353,488
<b>Total operating expenses</b>	<b>4,656,188</b>	<b>-</b>	<b>163,807</b>	<b>2,244</b>	<b>4,822,239</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(933,002)</b>	<b>-</b>	<b>(163,807)</b>	<b>(2,244)</b>	<b>(1,099,053)</b>
<b>NONOPERATING REVENUES</b>					
Investment income	59,514	(2,067)	179,733	215,405	452,585
Gain(Loss) on sale of assets	-	-	-	-	-
<b>Total non-operating revenues</b>	<b>59,514</b>	<b>(2,067)</b>	<b>179,733</b>	<b>215,405</b>	<b>452,585</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	(873,488)	(2,067)	15,926	213,161	(646,468)
Non-cash contributions	273,410	-	-	-	273,410
Capital contributions - capacity reserve fees	-	-	861,350	44,473	905,823
Transfers in	-	-	-	107,083	107,083
Transfers (out)	-	-	(107,083)	-	(107,083)
<b>Changes in net position</b>	<b>(600,078)</b>	<b>(2,067)</b>	<b>770,193</b>	<b>364,717</b>	<b>532,765</b>
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>40,518,877</b>	<b>-</b>	<b>3,241,838</b>	<b>9,617,211</b>	<b>53,377,926</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$39,918,799</b>	<b>(\$2,067)</b>	<b>\$4,012,031</b>	<b>\$9,981,928</b>	<b>\$53,910,691</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$9,135,215	\$74,187	\$265,381	(\$451,150)	\$9,023,633
Pooled investments	85,763,987	707,056	-	-	86,471,043
Restricted Investments	80,557	-	-	-	80,557
Restricted Cash - Debt Service Fund	295	-	-	-	295
Accounts receivable	6,893,639	-	116,192	451,615	7,461,446
Interest receivable	312,250	2,274	-	-	314,524
Prepaid expenses	-	-	1,402	-	1,402
Total current assets	<u>102,185,943</u>	<u>783,517</u>	<u>382,975</u>	<u>465</u>	<u>103,352,900</u>
Non-current assets:					
Net OPEB asset	-	-	-	1,504,204	1,504,204
Capital assets:					
Property, plant and equipment	197,921,708	-	-	-	197,921,708
Less accumulated depreciation	<u>68,488,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,488,787</u>
Net property, plant and equipment	129,432,921	-	-	-	129,432,921
Land and construction in progress	<u>19,837,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,837,278</u>
Total capital assets	<u>149,270,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,270,199</u>
Total non-current assets	<u>149,270,199</u>	<u>-</u>	<u>-</u>	<u>1,504,204</u>	<u>149,270,199</u>
Total assets	<u>251,456,142</u>	<u>783,517</u>	<u>382,975</u>	<u>1,504,669</u>	<u>254,127,303</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	2,538,702	-	-	-	2,538,702
Deferred employer pension contributions	1,055,745	-	-	-	1,055,745
Deferred outflows OPEB related amounts	-	-	-	537,595	537,595
Deferred employer OPEB contributions	-	-	-	551,972	551,972
Total deferred outflows of resources	<u>\$3,594,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,089,567</u>	<u>\$4,684,014</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$4,808,924	\$ -	\$ 95,387	\$ -	\$4,904,311
Contractor bonds and deposits	552,657	-	-	-	552,657
Accrued expenses	-	-	103,197	-	103,197
Accrued compensated absences	402,589	-	184,391	-	586,980
Interest payable	605,922	-	-	-	605,922
Bonds payable - current portion	435,000	-	-	-	435,000
Total current liabilities	<u>6,805,092</u>	<u>-</u>	<u>382,975</u>	<u>-</u>	<u>7,188,067</u>
Long term liabilities:					
Bonds payable - less current portion	32,325,000	-	-	-	32,325,000
Net pension liability	4,264,566	-	-	-	4,264,566
Unearned revenue	1,156,447	-	-	-	1,156,447
Total long term liabilities	<u>37,746,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,746,013</u>
Total liabilities	<u>44,551,105</u>	<u>-</u>	<u>382,975</u>	<u>-</u>	<u>44,934,080</u>
Deferred inflows of resources					
Deferred inflows of resources - Pension	1,487,549	-	-	-	1,487,549
Deferred inflows of resources - OPEB	-	-	-	2,243,416	2,243,416
Total deferred inflows of resources	<u>1,487,549</u>	<u>-</u>	<u>-</u>	<u>2,243,416</u>	<u>3,730,965</u>
<b>NET POSITION</b>					
Net investment in capital assets	116,510,199	-	-	-	116,510,199
Restricted for:					
Expansion	32,185,888	-	-	-	32,185,888
Assessment district	-	783,517	-	-	783,517
Unrestricted	60,315,848	-	-	350,820	60,666,668
Total net position	<u>\$209,011,935</u>	<u>\$783,517</u>	<u>-</u>	<u>\$350,820</u>	<u>\$210,146,272</u>



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, 2020

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
<b>OPERATING REVENUES</b>					
Water sales	\$34,854,618	\$ -	\$ -	\$ -	\$34,854,618
Other revenues	5,522,852	1,458,434	\$651,010	-	7,632,296
Total operating revenues	40,377,470	1,458,434	651,010	-	42,486,914
<b>OPERATING EXPENSES</b>					
Personnel	7,238,019	-	2,059,032	(537,639)	8,759,412
Materials	17,135,906	-	73,064	-	17,208,970
Contractual services	13,133,170	1,609,364	959,157	-	15,701,691
Other	257,983	-	30,946	-	288,929
Overhead charges	2,471,189	-	(2,471,189)	-	-
Depreciation	4,319,104	-	-	-	4,319,104
Total operating expenses	44,555,371	1,609,364	651,010	(537,639)	46,278,106
OPERATING INCOME (LOSS)	(4,177,901)	(150,930)	-	537,639	(3,791,192)
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	3,251,585	28,212	-	(10,692)	3,269,105
Interest (expense)	(1,453,820)	-	-	-	(1,453,820)
Total non-operating revenues (expenses), net	1,797,765	28,212	-	(10,692)	1,815,285
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	(2,380,136)	(122,718)	-	526,947	(1,975,907)
Non-cash contributions	1,261,554	-	-	-	1,261,554
Capital contributions - capacity reserve fees	7,271,220	-	-	-	7,271,220
Transfers in	7,465,014	-	-	-	7,465,014
Transfers (out)	(7,465,014)	-	-	-	(7,465,014)
Changes in net position	6,152,638	(122,718)	-	526,947	6,556,867
TOTAL NET POSITION, BEGINNING OF YEAR	202,859,297	906,235	-	(176,127)	203,589,405
NET POSITION, END OF YEAR	\$209,011,935	\$783,517	\$ -	\$350,820	\$210,146,272

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$752,349	\$1,568,523	\$3,499,751	\$3,314,592	\$9,135,215
Pooled investments	7,029,523	14,725,802	32,861,590	31,147,072	85,763,987
Cash in Escrow	-	-	80,557		80,557
Restricted cash - debt service fund	-	-	-	295	295
Accounts receivable	6,879,159	-	-	14,480	6,893,639
Interest receivable	29,747	54,550	116,474	111,479	312,250
<b>Total current assets</b>	<b>14,690,778</b>	<b>16,348,875</b>	<b>36,558,372</b>	<b>34,587,918</b>	<b>102,185,943</b>
Non-current assets:					
Capital assets:					
Property, plant and equipment	173,920,922	-	-	24,000,786	197,921,708
Less accumulated depreciation	62,927,629	-	-	5,561,158	68,488,787
Net property, plant and equipment	110,993,293	-	-	18,439,628	129,432,921
Land and construction in progress	6,806,038	-	9,829,106	3,202,134	19,837,278
<b>Total capital assets</b>	<b>117,799,331</b>	<b>-</b>	<b>9,829,106</b>	<b>21,641,762</b>	<b>149,270,199</b>
<b>Total non-current assets</b>	<b>117,799,331</b>	<b>-</b>	<b>9,829,106</b>	<b>21,641,762</b>	<b>149,270,199</b>
<b>Total assets</b>	<b>132,490,109</b>	<b>16,348,875</b>	<b>46,387,478</b>	<b>56,229,680</b>	<b>251,456,142</b>
Deferred outflows of resources					
Deferred outflows pension related amounts	2,538,702	-	-		2,538,702
Deferred employer pension contributions	1,055,745	-	-	-	1,055,745
<b>Total deferred outflows of resources</b>	<b>3,594,447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,594,447</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	3,742,562	11,286	449,311	605,765	4,808,924
Contractor bonds and deposits	552,657	-	-	-	552,657
Accrued compensated absences	368,693	-	-	33,896	402,589
Interest Payable	-	-	-	605,922	605,922
Bonds payable - current portion	-	-	-	435,000	435,000
<b>Total current liabilities</b>	<b>4,663,912</b>	<b>11,286</b>	<b>449,311</b>	<b>1,680,583</b>	<b>6,805,092</b>
Long term liabilities:					
Bonds payable - less current portion	-	-	-	32,325,000	32,325,000
Net pension liability	4,264,566	-	-	-	4,264,566
Unearned revenue	-	-	-	1,156,447	1,156,447
<b>Total long term liabilities</b>	<b>4,264,566</b>	<b>-</b>	<b>-</b>	<b>33,481,447</b>	<b>37,746,013</b>
<b>Total liabilities</b>	<b>8,928,478</b>	<b>11,286</b>	<b>449,311</b>	<b>35,162,030</b>	<b>44,551,105</b>
Deferred inflows of resources					
Deferred inflows of resources - Pension	1,487,549	-	-	-	1,487,549
<b>Total deferred inflows of resources</b>	<b>1,487,549</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,487,549</b>
<b>NET POSITION</b>					
Net investment in capital assets	117,799,331	-	9,829,106	(11,118,238)	116,510,199
Restricted for:					
Expansion	-	-	-	32,185,888	32,185,888
Unrestricted	7,869,198	16,337,589	36,109,061	-	60,315,848
<b>Total net position</b>	<b>\$125,668,529</b>	<b>\$16,337,589</b>	<b>\$45,938,167</b>	<b>\$21,067,650</b>	<b>\$209,011,935</b>

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, 2020

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
<b>OPERATING REVENUES</b>					
Water sales	\$34,854,618	\$ -	\$ -	\$ -	\$34,854,618
Other revenues	1,167,682	866,845	-	3,488,325	5,522,852
Total operating revenues	<u>36,022,300</u>	<u>866,845</u>	<u>-</u>	<u>3,488,325</u>	<u>40,377,470</u>
<b>OPERATING EXPENSES</b>					
Personnel	7,238,019	-	-	-	7,238,019
Materials	17,135,906	-	-	-	17,135,906
Contractual services	4,931,934	-	6,558,252	1,642,984	13,133,170
Other	157,105	57,884	41,244	1,750	257,983
Overhead Charges	2,471,189	-	-	-	2,471,189
Depreciation	3,733,719	-	-	585,385	4,319,104
Total operating expenses	<u>35,667,872</u>	<u>57,884</u>	<u>6,599,496</u>	<u>2,230,119</u>	<u>44,555,371</u>
OPERATING INCOME (LOSS)	<u>354,428</u>	<u>808,961</u>	<u>(6,599,496)</u>	<u>1,258,206</u>	<u>(4,177,901)</u>
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	361,037	552,783	1,230,594	1,107,171	3,251,585
Interest Expense	-	-	-	(1,453,820)	(1,453,820)
Total non-operating revenues (expenses)	<u>361,037</u>	<u>552,783</u>	<u>1,230,594</u>	<u>(346,649)</u>	<u>1,797,765</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	715,465	1,361,744	(5,368,902)	911,557	(2,380,136)
Non-cash contributions	1,261,554	-	-	-	1,261,554
Capital contributions - capacity reserve fees	-	-	2,301,768	4,969,452	7,271,220
Residual equity transfer	77,974	-	(68,543)	(9,431)	-
Transfers in	-	-	5,153,937	2,311,077	7,465,014
Transfers (out)	(7,465,014)	-	-	-	(7,465,014)
Changes in net position	<u>(5,410,021)</u>	<u>1,361,744</u>	<u>2,018,260</u>	<u>8,182,655</u>	<u>6,152,638</u>
TOTAL NET POSITION, BEGINNING 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>
TOTAL NET POSITION, END OF YEAR	<u>\$125,668,529</u>	<u>\$16,337,589</u>	<u>\$45,938,167</u>	<u>\$21,067,650</u>	<u>\$209,011,935</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
 ALLOCATIONS  
 COMBINING STATEMENT OF NET POSITION  
 JUNE 30, 2020

	<u>Administrative Cost Center</u>	<u>OPEB Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Pooled cash	\$715,313	(\$1,216,039)	(\$500,726)
Accounts receivable	313,186	1,217,291	1,530,477
Prepaid expense	3,780	-	3,780
	<u>1,032,279</u>	<u>1,252</u>	<u>1,033,531</u>
Total current assets			
Other assets:			
Net OPEB asset	-	4,054,459	4,054,459
	<u>1,032,279</u>	<u>4,055,711</u>	<u>5,087,990</u>
Total assets			
Deferred outflows of resources			
Deferred outflows OPEB related amounts	-	1,449,044	1,449,044
Deferred employer OPEB contributions	-	1,487,795	1,487,795
	<u>2,936,839</u>	<u>2,936,839</u>	<u>2,936,839</u>
Total deferred outflows of resources			
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	257,109	-	257,109
Accrued expenses	278,159	-	278,159
Accrued compensated absences	497,011	-	497,011
	<u>1,032,279</u>	<u>-</u>	<u>1,032,279</u>
Total current liabilities			
Long term liabilities:			
Net OPEB liability	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total long term liabilities			
	<u>1,032,279</u>	<u>-</u>	<u>1,032,279</u>
Total liabilities			
Deferred inflows of resources			
Deferred inflows of resources - OPEB	-	6,046,944	6,046,944
	<u>-</u>	<u>6,046,944</u>	<u>6,046,944</u>
Total deferred inflows of resources			
<b>NET POSITION</b>			
Unrestricted	-	945,606	945,606
	<u>-</u>	<u>945,606</u>	<u>945,606</u>
Total net position			
	<u>\$ -</u>	<u>\$945,606</u>	<u>\$945,606</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
 ALLOCATIONS  
 COMBINING STATEMENT OF REVENUES AND EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2020

	Administrative Cost Center	OPEB Fund	Total
<b>OPERATING REVENUES</b>			
Other revenues	\$1,754,745	\$ -	\$1,754,745
Total operating revenues	1,754,745	-	1,754,745
<b>OPERATING EXPENSES</b>			
Personnel	5,549,951	(1,440,692)	4,109,259
Materials	196,937	-	196,937
Contractual services	2,585,330	-	2,585,330
Other	83,413	-	83,413
Overhead charges	(6,660,886)	-	(6,660,886)
Total operating expenses	1,754,745	(1,440,692)	314,053
OPERATING INCOME	-	1,440,692	1,440,692
<b>NONOPERATING REVENUES</b>			
Investment income	-	(28,650)	(28,650)
Total non-operating revenues	-	(28,650)	(28,650)
Changes in net position	-	1,412,042	1,412,042
TOTAL NET POSITION, BEGINNING OF YEAR	-	(466,436)	(466,436)
TOTAL NET POSITION, END OF YEAR	\$ -	\$945,606	\$945,606

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# 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 sold by type of customer
2. Principal customers
3. Water and sewer rates
4. Debt Capacity

## 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 2019 and Nine Years Prior

Employer	2010		2019 <sup>1</sup>	
	Employees	Rank	Employees	Rank
"United States Government AND Federal Correctional Institution"	2,100	1	1,450	1
Ross Store Headquarters			1,100	2
Dublin Unified School District	580	4	1,096	3
County of Alameda	480	6	975	4
Kaiser			600	5
Zeiss Meditec	830	2	450	6
City of Dublin	219	8	400	7
TriNet			400	8
Target			380	9
Whole Foods			350	10
Sybase Corporation	730	3		
Safeway	400	7		
Micro Dental	550	5		
Avaya	180	10		
Franklin Templeton Investments	200	9		

1. Source: City of Dublin, Comprehensive Annual Financial Report, Fiscal Year ended June 30, 2019

**DEMOGRAPHIC AND ECONOMIC INDICATORS**

Last 10 Calendar Years

Calendar Year	City of Dublin Population <sup>2,4</sup>	Alameda County Personal Income <sup>1</sup>	Alameda County Per Capita Personal Income <sup>1</sup>	City of Dublin Unemployment Rate <sup>3</sup>
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	127,746,433	76,644	2.50%
2019	64,577	n-a <sup>4</sup>	n-a <sup>4</sup>	2.10%
2020	65,716	n-a <sup>4</sup>	n-a <sup>4</sup>	7.40%

Calendar Year	City of San Ramon Population <sup>2</sup>	Contra Costa County Personal Income <sup>1</sup>	Contra Costa County Per Capita Personal Income <sup>1</sup>	City of San Ramon Unemployment Rate <sup>3</sup>
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	94,900,003	82,506	2.50%
2019	83,957	n-a <sup>4</sup>	n-a <sup>4</sup>	2.20%
2020	83,118	n-a <sup>4</sup>	n-a <sup>4</sup>	7.30%

**Source**

1. U.S. Department of Commerce, Bureau of Economic Analysis, "CAINC1 Personal Income Summary" midyear population estimates  
Last updated: November 14, 2019 with revised estimates for 1969-2017
2. State of California, Department of Finance, "E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2011-2020, with 2010 Benchmark"  
Released: May 2020
3. State of California, Employment Development Department, Unemployment Rates (Labor Force) (one-year lag)  
Last updated: August 2020
4. As of October 16, 2020, data for 2018 and 2020 not yet available

**CHANGES IN NET POSITION**

Last 10 Fiscal Years

(Accrual basis of accounting, amounts expressed in thousands)

	2011	2012	2013	2014	2015
<b>Operating Revenues</b>					
Water	\$25,644	\$26,239	\$28,557	\$30,576	\$29,043
Wastewater	19,305	21,073	22,699	22,904	24,333
Total operating revenues	\$44,949	\$47,312	\$51,256	\$53,480	\$53,376
<b>Operating Expenses</b>					
Water	23,017	26,979	26,857	30,994	27,486
Wastewater	24,160	29,657	28,338	28,800	28,754
Total operating expenses	\$47,177	\$56,636	\$55,195	\$59,794	\$56,240
<b>Net Operating Revenues (Expenses)</b>	(\$2,228)	(\$9,324)	(\$3,939)	(\$6,314)	(\$2,864)
<b>Non-Operating Revenues (Expenses)</b>					
Interest earnings	488	625	149	1,376	958
Interest expenses	(2,044)	(2,637)	(2,555)	(2,470)	(2,362)
Non-operating revenues (expenses)	1	0	0	0	0
Non-cash contributions	2,525	2,262	1,294	4,735	4,983
Capital contributions	28,393	18,752	18,786	13,094	29,905
Total non-operating revenues (expenses)	\$29,363	\$19,002	\$17,674	\$16,735	\$33,484
<b>Change in Net Position</b>	\$27,135	\$9,678	\$13,735	\$10,421	\$30,620

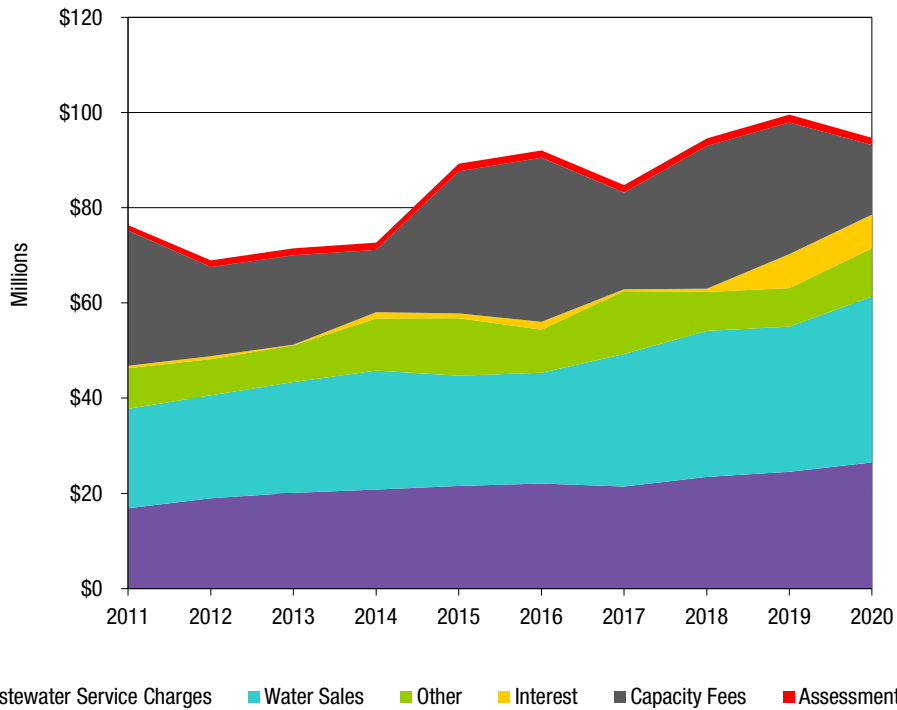
Source: Dublin San Ramon Services District audited financial statements

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	2016	2017	2018	2019	2020
<b>Operating Revenues</b>					
Water	\$29,627	\$35,293	\$36,063	\$35,277	\$42,487
Wastewater	24,804	24,316	26,199	27,107	28,917
Total operating revenues	\$54,431	\$59,609	\$62,261	\$62,384	\$71,404
<b>Operating Expenses</b>					
Water	26,147	37,635	39,012	37,438	46,278
Wastewater	29,609	31,435	31,767	36,093	37,107
Total operating expenses	\$55,756	\$69,070	\$70,779	\$73,530	\$83,385
<b>Net Operating Revenues (Expenses)</b>	(\$1,325)	(\$9,461)	(\$8,518)	(\$11,146)	(\$11,982)
<b>Non-Operating Revenues (Expenses)</b>					
Interest earnings	1,639	354	696	7,137	7,103
Interest expenses	(1,929)	(1,918)	(1,712)	(1,467)	(1,454)
Non-operating revenues (expenses)	48	(37)	652	6	7
Non-cash contributions	1,461	4,485	982	2,360	1,535
Capital contributions	34,462	20,330	29,944	27,667	14,632
Total non operating revenues (expenses)	\$35,681	\$23,215	\$30,562	\$35,703	\$21,823
<b>Change in Net Position</b>	\$34,356	\$13,754	\$22,044	\$24,557	\$9,841

**TOTAL REVENUE SOURCES**  
Last 10 Fiscal Years



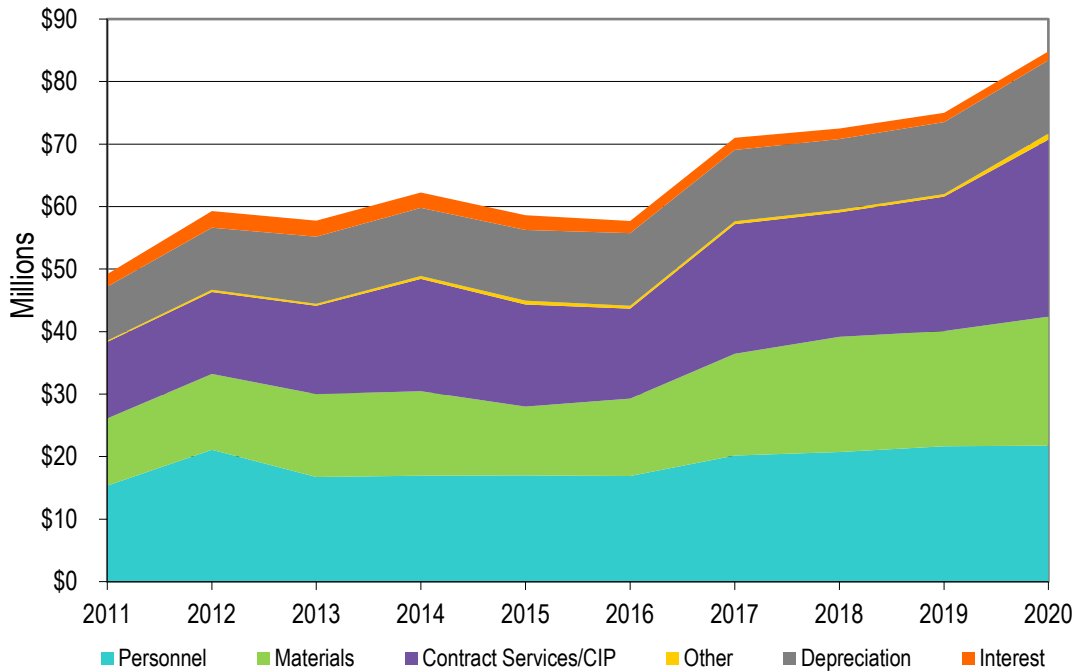
**REVENUE SOURCES FOR FISCAL YEARS 2011 THROUGH 2020**

Fiscal Year Ending	Total	Waste-water Service Charges	Water Sales	Other	Interest	Capacity Fees	Assessment District
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
2020	94,680,267	26,483,936	34,854,618	10,120,402	7,102,863	14,631,802	1,486,646

Source: Dublin San Ramon Services District audited financial statements

**TOTAL EXPENSE SOURCES**

Last 10 Fiscal Years



**EXPENSES FOR FISCAL YEARS 2010 THROUGH 2019**

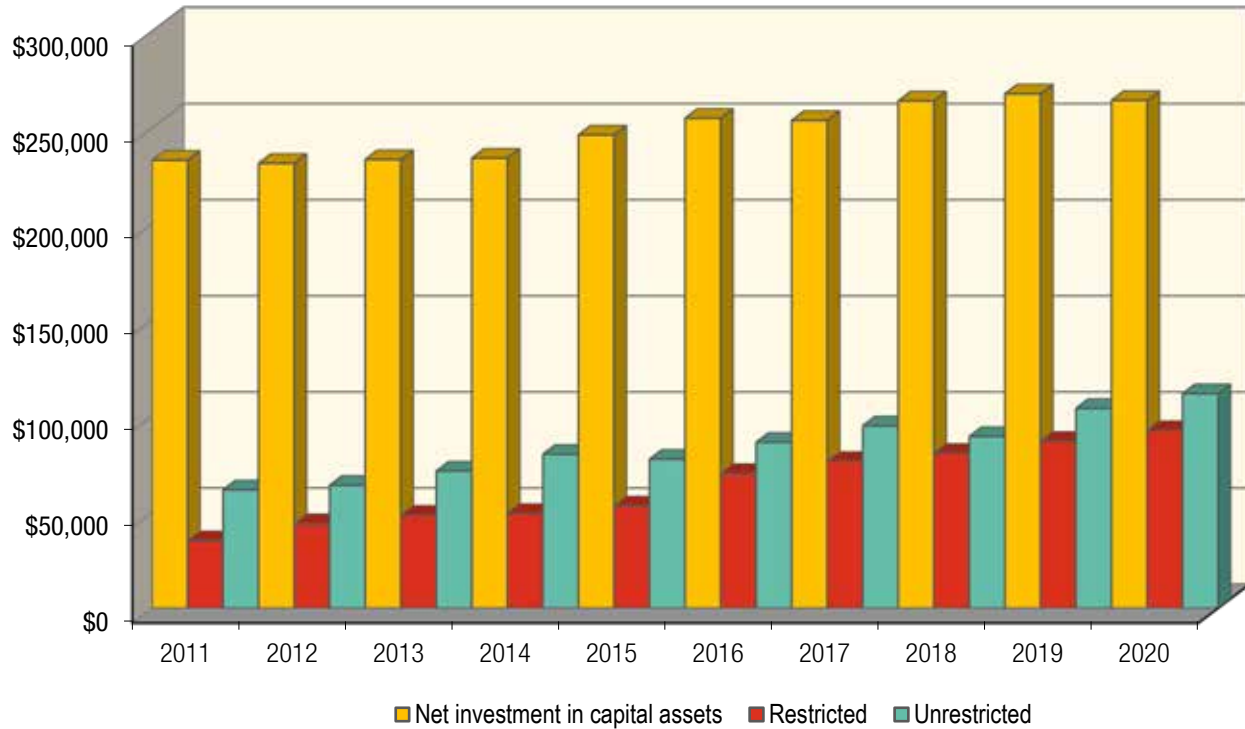
Fiscal Year Ending	Total	Personnel	Materials	Contract Services/CIP	Other	Depreciation	Interest
2011	49,221,233	15,378,331	10,748,308	12,196,360	213,390	8,640,393	2,044,451
2012	59,273,573	21,076,414	12,169,667	13,108,236	337,681	9,944,178	2,637,397
2013	57,750,624	16,751,956	13,249,757	14,132,427	301,282	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
2020	84,838,939	21,750,589	20,628,632	28,308,098	970,545	11,727,255	1,453,820

Source: Dublin San Ramon Services District audited financial statements

**NET POSITION BY COMPONENT**

Last 10 Fiscal Years

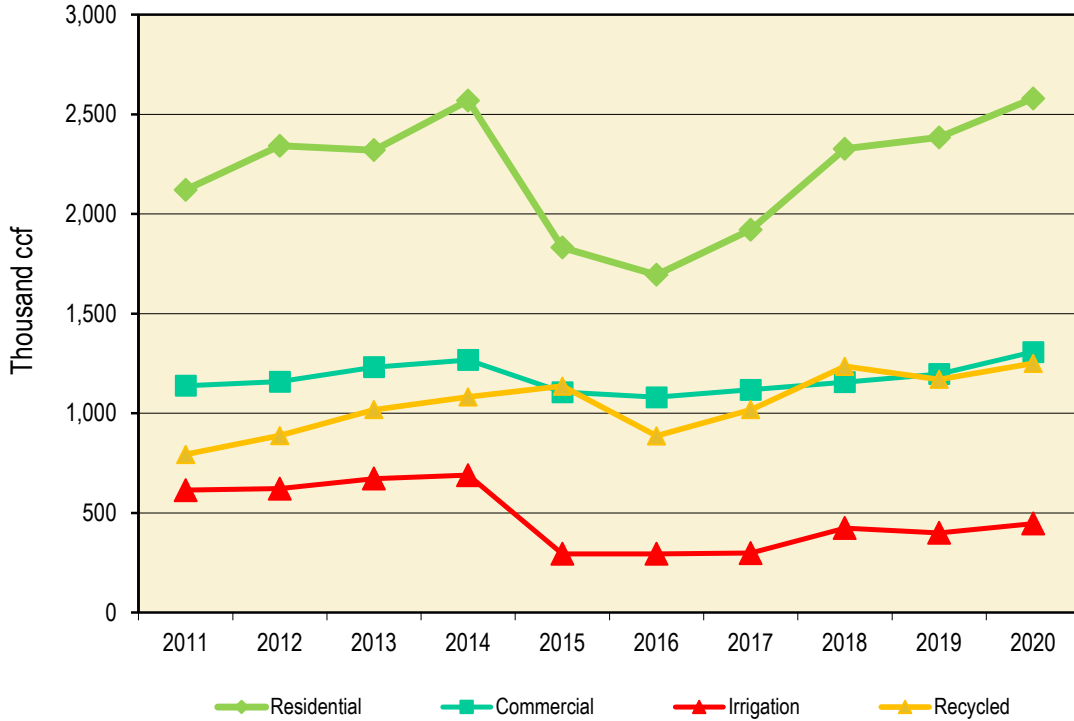
(Accrual basis of accounting, amounts expressed in thousands)



Business-Type Activities	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net investment in capital assets	\$233,124	\$231,488	\$233,439	\$234,213	\$246,295	\$254,961	\$253,841	\$264,020	\$267,682	\$264,272
Restricted	35,089	43,991	48,384	49,300	53,210	70,100	76,395	80,572	86,846	92,440
Unrestricted	61,554	63,967	71,358	80,089	77,530	86,331	94,910	89,357	103,978	111,635
<b>Total net position</b>	<b>\$329,767</b>	<b>\$339,446</b>	<b>\$353,181</b>	<b>\$363,602</b>	<b>\$377,035</b>	<b>\$411,392</b>	<b>\$425,145</b>	<b>\$433,949</b>	<b>\$458,505</b>	<b>\$468,347</b>

Source: Dublin San Ramon Services District audited financial statements

**WATER SOLD BY TYPE OF CUSTOMER**  
Last 10 Fiscal Years (amounts in thousand ccf)



Fiscal Year Ending	Type of Customer				Total
	Residential	Commercial	Irrigation	Recycled	
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
2020	2,580	1,307	446	1,250	5,583

Source: Dublin San Ramon Services District



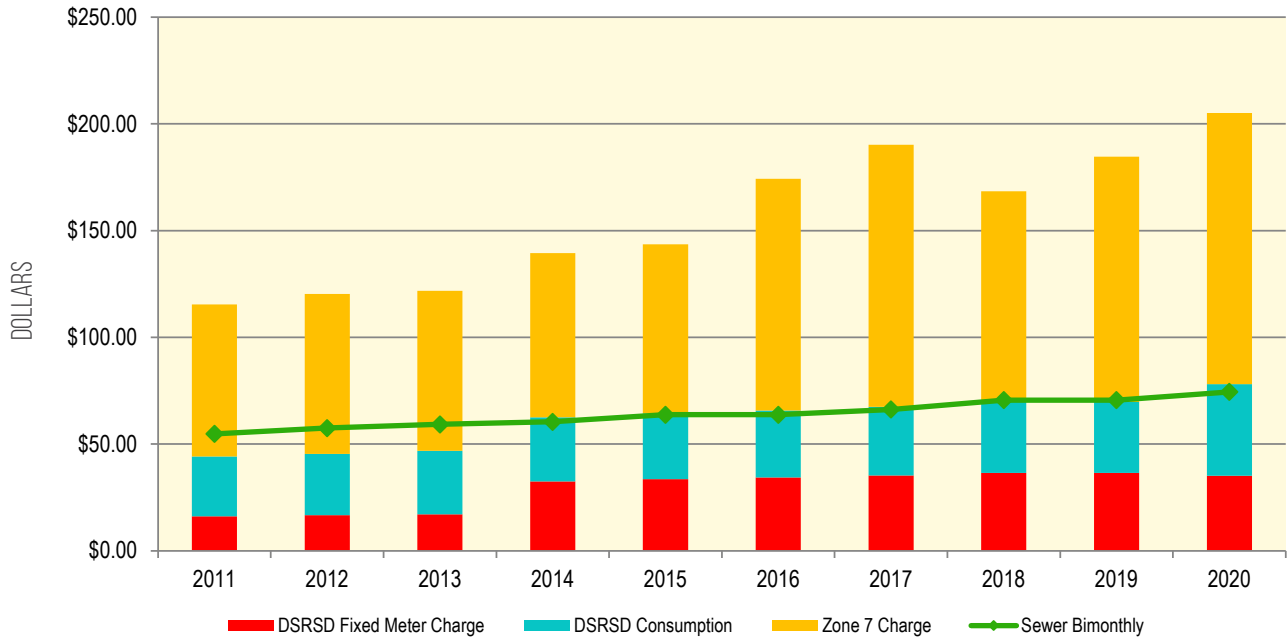
## PRINCIPAL CUSTOMERS

Last 10 Fiscal Years

Customer	2011			2020		
	Annual Billing	Rank	Percent of Total Annual Billings	Annual Billing	Rank	Percent of Total Annual Billings
City of Pleasanton	\$7,471,718	1	19.8%	\$10,183,553	1	16.6%
City of San Ramon	687,300	4	1.8%	1,800,687	2	2.9%
County of Alameda (Santa Rita Jail)	1,639,519	2	4.3%	1,652,512	3	2.7%
City of Dublin	525,252	5	1.4%	1,565,683	4	2.6%
Federal Correction Facility	1,460,040	3	3.9%	1,421,798	5	2.3%
Dublin Ranch Golf Course	489,079	7	1.3%	548,897	6	0.9%
San Ramon Valley School District	249,342	9	0.7%	401,074	7	0.7%
Dublin Unified School District	320,735	8	0.8%	395,362	8	0.6%
Avalon Bay Communities Inc				306,331	9	0.5%
Amador Lakes Apartments	232,084	10	0.6%	273,086	10	0.4%
USAG CSTC	490,340	6	1.3%			
All Others	24,211,324 <sup>1</sup>		64.1%	42,789,572 <sup>1</sup>		69.8%
Total	\$37,776,733		100.0%	\$61,338,555		100.0%

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

**WATER AND SEWER RATES**  
Last 10 Fiscal Years



Fiscal Year Ending	Water Bimonthly <sup>1</sup>					Sewer Bimonthly
	DSRSD Fixed Meter Charge	DSRSD Consumption Charge	Zone 7 Charge	33 CCF*	Total Water	Base Rate
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 <sup>1</sup>	\$139.96	174.27	63.73
2017	35.23	32.18	122.76 <sup>2</sup>	\$154.94	190.17	66.23
2018	36.45	33.30	98.67 <sup>3</sup>	\$131.97	168.42	70.58
2019	36.45	33.30	114.84	\$148.14	184.59	70.58
2020	35.16	42.90	127.05 <sup>4</sup>	\$169.95	205.11	74.48

**Notes:** Water rates are based on a 5/8" 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.  
<sup>1</sup> In calendar year 2016, Zone 7 changed from four tier rate to single tier rate and added \$0.57/ccf Temporary Conservation Surcharge.  
<sup>2</sup> 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.  
<sup>3</sup> 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.  
<sup>4</sup> In calendar year 2020, volumetric rate structure changed from tiered-rates to uniform rates

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 <sup>1</sup>	2011 LAVWMA Obligation
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% <sup>2</sup>	9.20
2019				9.27	12.20
2020				5.51	10.30

**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

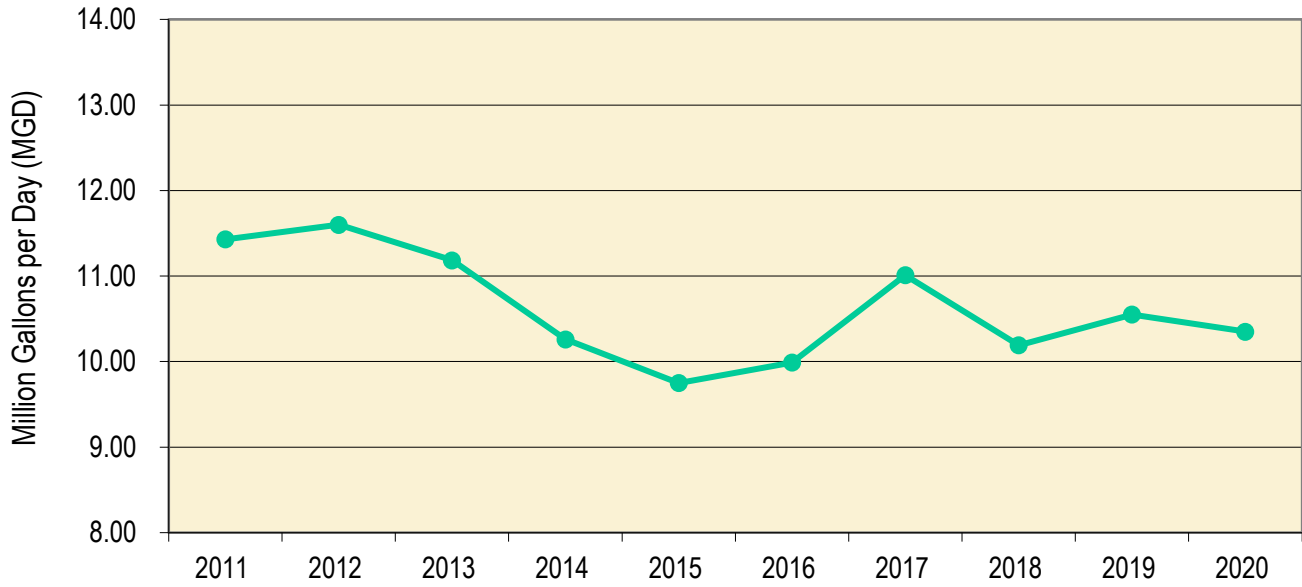
Fiscal Year Ending	Business-Type Activities					Total	Estimated Population Served	Debt per Capita
	WaterReuse Revenue Bonds	Sewer Refunding Bonds	2011 Water Bonds	Water Refunding Bonds	2011 LAVWMA Obligation			
2011		\$16,179,635	\$35,620,000			\$51,799,635	156,515	331
2012		14,570,586	35,620,000		\$40,975,094	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
2020				32,760,000	28,808,396	61,568,396	187,900	328

**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

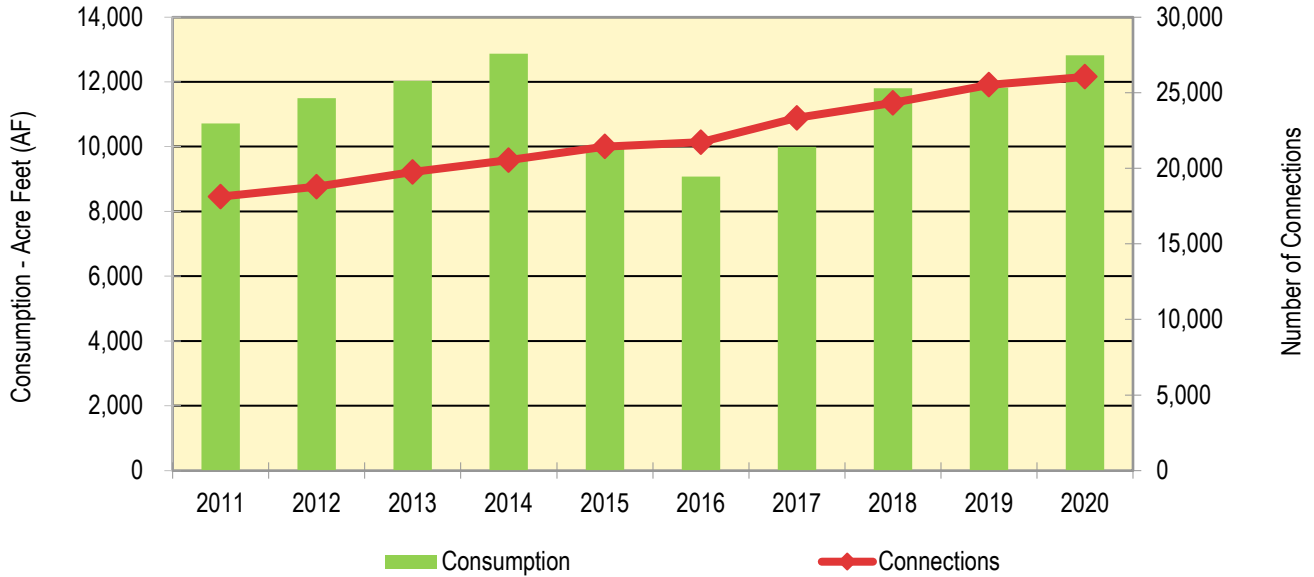


Fiscal Year Ending	Wastewater Avg. Daily Flow (MGD)	Wastewater Total Annual Flow (MG)
2011	11.43	4,182
2012	11.60	4,245
2013	11.19	4,083
2014	10.26	3,745
2015	9.75	3,547
2016	9.99	3,646
2017	11.01	4,019
2018	10.19	3,719
2019	10.55	3,852
2020	10.35	3,777

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
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
2020	12,817	26,044

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Office of the General Manager	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	2.00
Executive Services										4.00
Administrative Services				2.00	2.00	1.50	1.50	1.50	1.00	1.00
Organizational Services	6.00	5.50	5.50	4.50	4.50					
Human Resources						4.50	4.50	4.50	4.50	5.50
Communication	4.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Safety	2.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Financial Services	7.00	6.00	6.00	5.00	5.00	4.00	4.00	5.00	5.00	5.00
Customer Services	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Information Services	4.00	4.75	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00
Engineering and Construction	21.00	21.00	21.00	22.00	22.00	22.50	21.50	20.50	23.00	23.00
Operations Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	2.00	3.00
Field Operations	11.00	11.00	11.00	11.00	11.00	12.00	12.00	16.00	16.00	17.00
Plant Operations	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00	14.00
Maintenance Services	21.00	21.00	21.00	22.00	22.00	22.00	23.00	25.00	26.00	27.00
Environmental Services	5.00	5.00	5.00	5.00	5.00	5.00	5.00	7.00	7.00	8.00
<b>Total</b>	<b>110.50</b>	<b>108.75</b>	<b>109.00</b>	<b>112.00</b>	<b>113.00</b>	<b>113.00</b>	<b>113.00</b>	<b>122.00</b>	<b>122.00</b>	<b>128.00</b>
Retirees <sup>1</sup>	61.00	63.00	66.00	67.00	69.00	74.00	74.00	84.00	84.00	95.00

<sup>1</sup> Source: Audited Financial Statement. Retirees with medical or dental benefit coverage.

Source: Dublin San Ramon Services District Operating Budget

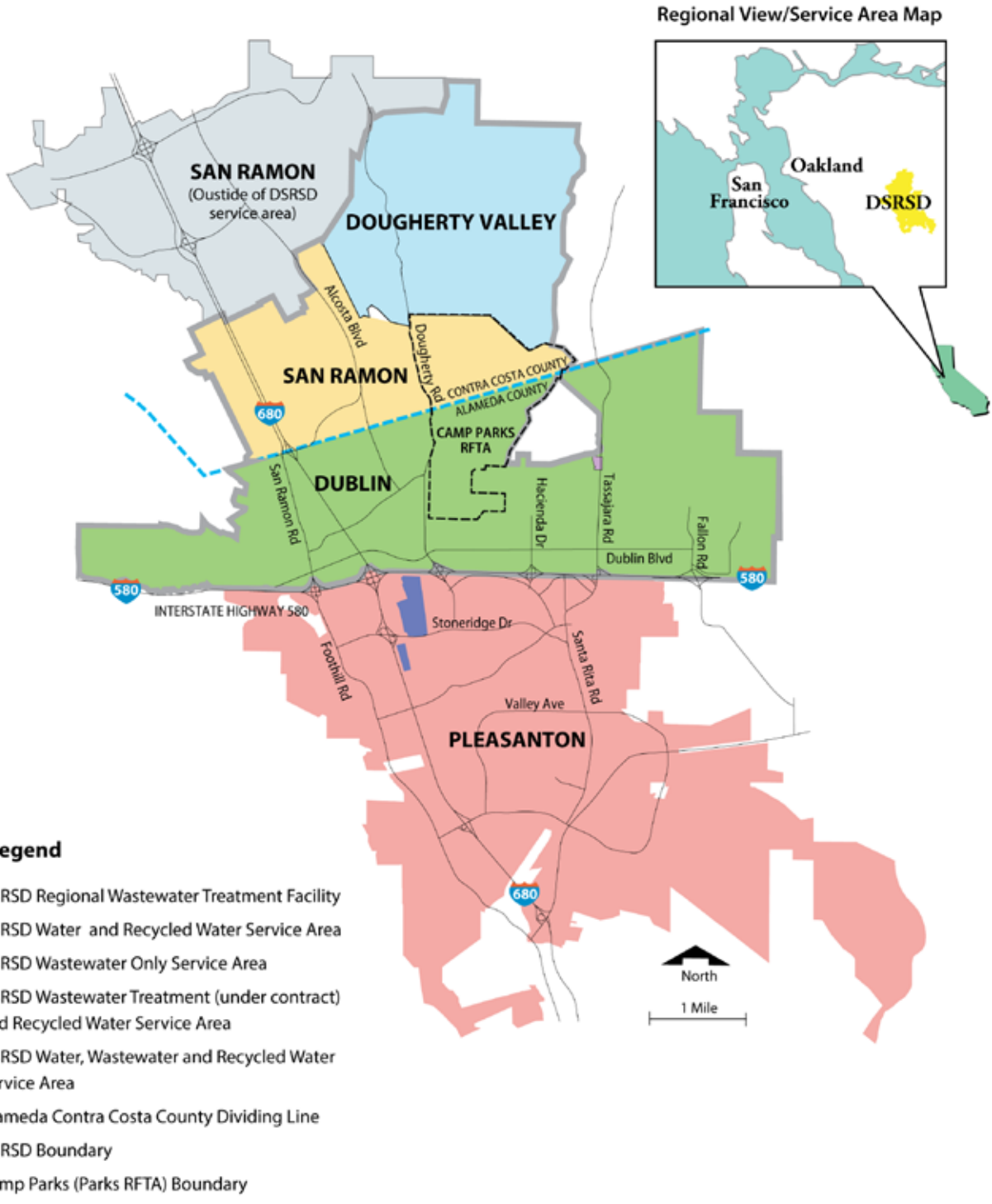
**CAPITAL ASSETS BY FUNCTION/PROGRAM**

Last 10 Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Water</b>										
Miles of potable water mains	282.0	290.3	298.9	305.1	307.0	307.8	319.0	321.0	331.0	334.0
Miles of recycled water mains	55.0	55.6	60.1	61.1	62.0	63.7	66.7	68.0	69.0	72.0
Number of potable water reservoirs	14	14	14	14	14	14	14	14	14	14
Storage capacity potable water (million gallons)	25.4	27.1	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
<b>Wastewater</b>										
Miles of sanitary sewers	188.0	188.4	200.9	205.0	205.0	206.0	207.0	207.0	219.0	220.0
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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**DUBLIN SAN RAMON SERVICES DISTRICT**  
**MEMORANDUM ON INTERNAL CONTROL AND**  
**REQUIRED COMMUNICATIONS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2020**

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**DUBLIN SAN RAMON SERVICES DISTRICT**  
**MEMORANDUM ON INTERNAL CONTROL AND**  
**REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2020**

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## MEMORANDUM ON INTERNAL CONTROL

Board of Directors  
Dublin San Ramon Services District  
Dublin, California

In planning and performing our audit of the basic financial statements of the Dublin San Ramon Services District (District), California, as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Maze + Associates*

Pleasant Hill, California  
November 13, 2020

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## REQUIRED COMMUNICATIONS

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

We have audited the basic financial statements of the Dublin San Ramon Services District (District) for the year ended June 30, 2020. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

### Significant Audit Findings

#### *Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

**GASB 95 – Postponement of the Effective Dates of Certain Authoritative Guidance** – This Statement extended the implementation dates for 15 GASB Statements and Implementation Guides by 1 year or more. Of course, many of the Statements could be early-implemented, as applicable.

This pronouncement became effective, but did not have a material effect on the financial statements.

#### *Unusual Transactions, Controversial or Emerging Areas*

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### *Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

*Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension assets and liabilities and deferred outflows/inflows of resources are disclosed in Note 10 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.



*Estimated Net Other Post-Employment Benefit Plan (OPEB) Liability (Asset) and OPEB-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net OPEB liability (asset) and deferred outflows/inflows of resources are disclosed in Note 11 to the financial statements and are based on actuarial studies determined by a consultant, which is based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Fair Value of Investments:* As of June 30, 2020, the District held approximately \$210.5 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2020. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2020.

*Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1E to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### ***Disclosures***

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered significant delay and additional work due to multiple versions of the trial balance which needed to be vouched after each new version. Although these multiple versions did not materially change the overall balances, it did indicate that District staff had difficulty in the year end close.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgement, could have a significant effect, either individually or in the aggregate, on the District's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated November 13, 2020.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### ***Other Information Accompanying the Financial Statements***

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information, which accompany the financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

\*\*\*\*\*

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Maze + Associates*

Pleasant Hill, California  
November 13, 2020

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**TITLE:** Approve Proclamation Honoring Edward "Ed" Duarte upon His Departure

**RECOMMENDATION:**

Staff recommends the Board of Directors approve, by Motion, a Proclamation honoring Board President Edward "Ed" Duarte upon his retirement from the Board of Directors.

**SUMMARY:**

President Duarte's term ends December 2020. He has served on the DSRSD Board of Directors since 2012, including as President in 2015 and 2020. During his tenure, he has helped make significant contributions to the District, as recounted in the attached Proclamation.

<b>Originating Department:</b> Office of the General Manager	<b>Contact:</b> S. Stephenson	<b>Legal Review:</b> Not Required
<b>Financial Review:</b> Not Required	<b>Cost and Funding Source:</b> \$0	
<b>Attachments:</b> <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input checked="" type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	148 of 149	



# Proclamation

Honoring

**Edward “Ed” Duarte**

In Recognition of His Service to Dublin San Ramon Services District and to the Community

WHEREAS, Edward “Ed” Duarte was first elected to the Board of Directors of Dublin San Ramon Services District (DSRSD) in 2012, and served as Board President in 2015 and 2020; and

WHEREAS, Edward “Ed” Duarte served on the Dublin San Ramon Services District•East Bay Municipal Utility District Recycled Water Authority (DERWA) Board of Directors in 2015, 2019, and 2020, overseeing the production and distribution of recycled water for civic and commercial irrigation through the San Ramon Valley Recycled Water Program; and

WHEREAS, Edward “Ed” Duarte served on the Livermore-Amador Valley Water Management Agency (LAVWMA) Board of Directors from 2015 to 2018 and in 2020, as Chair for fiscal year 2015–2016, steering the joint powers agency comprised of the District and the Cities of Pleasanton and Livermore to convey treated wastewater to a deepwater outfall in the San Francisco Bay; and

WHEREAS, Edward “Ed” Duarte brought his expertise to the Board with his background as a general engineering contractor of more than 50 years, specializing in public works projects; and

WHEREAS, Edward “Ed” Duarte served on the Board of Directors of the Contra Costa Chapter of the California Special Districts Association, serving as Vice President and Member-at-Large, representing DSRSD’s interests in building partnerships with sister agencies; and

WHEREAS, Edward “Ed” Duarte led the District as President through the second year of the Great Drought, encouraging water conservation in the community; and

WHEREAS, Edward “Ed” Duarte conceived of the *State of DSRSD* presentations wherein Directors share the District’s annual achievements with sister agencies at their Council and Board meetings, and his delivery of this presentation to the City of San Ramon was exceptionally well done; and

WHEREAS, Edward “Ed” Duarte served as a liaison to the Central Contra Costa Sanitary District, the City of San Ramon, and to Zone 7 Water Agency; and

WHEREAS, Edward “Ed” Duarte sat on DSRSD’s Executive, External Affairs, Personnel, Water Resources, and Wastewater committees during his tenure; and

WHEREAS, Edward “Ed” Duarte relentlessly championed timely investment in the District’s rehabilitation program and the proactive preventative maintenance program; and

WHEREAS, Edward “Ed” Duarte thoughtfully balanced DSRSD’s commitment to “doing the job right” with being efficient and economical with ratepayers’ resources; and

WHEREAS, Edward “Ed” Duarte instilled a strong commitment to fostering and strengthening the District’s relationship with the City of San Ramon; and

NOW, THEREFORE BE IT PROCLAIMED that the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, thanks

## Edward “Ed” Duarte

for his eight years of hard work, insight, and leadership and commends him for fulfilling his responsibilities with integrity, diplomacy, and unwavering commitment to public service.

Adopted this 1st day of December, 2020

\_\_\_\_\_  
Ann Marie Johnson, Vice President

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Richard Halket, Director

\_\_\_\_\_  
Dwight L. Howard, Director

\_\_\_\_\_  
Georgian Vonheeder-Leopold, Director

\_\_\_\_\_  
Vivian Chiu, Acting District Secretary