

Budget Preview



**Dublin San Ramon
Services District**

Water, wastewater, recycled water

Judy Zavadil

Presentation to the Board of Directors

May 4, 2021

DSRSD'S Business Enterprises



LOCAL
Wastewater Collection
Collect

Dublin and South San Ramon



REGIONAL
Wastewater Treatment
Treat

Dublin, South San Ramon and Pleasanton



Water
Distribute drinking water
and recycled water

Dublin and Dougherty Valley (San Ramon)



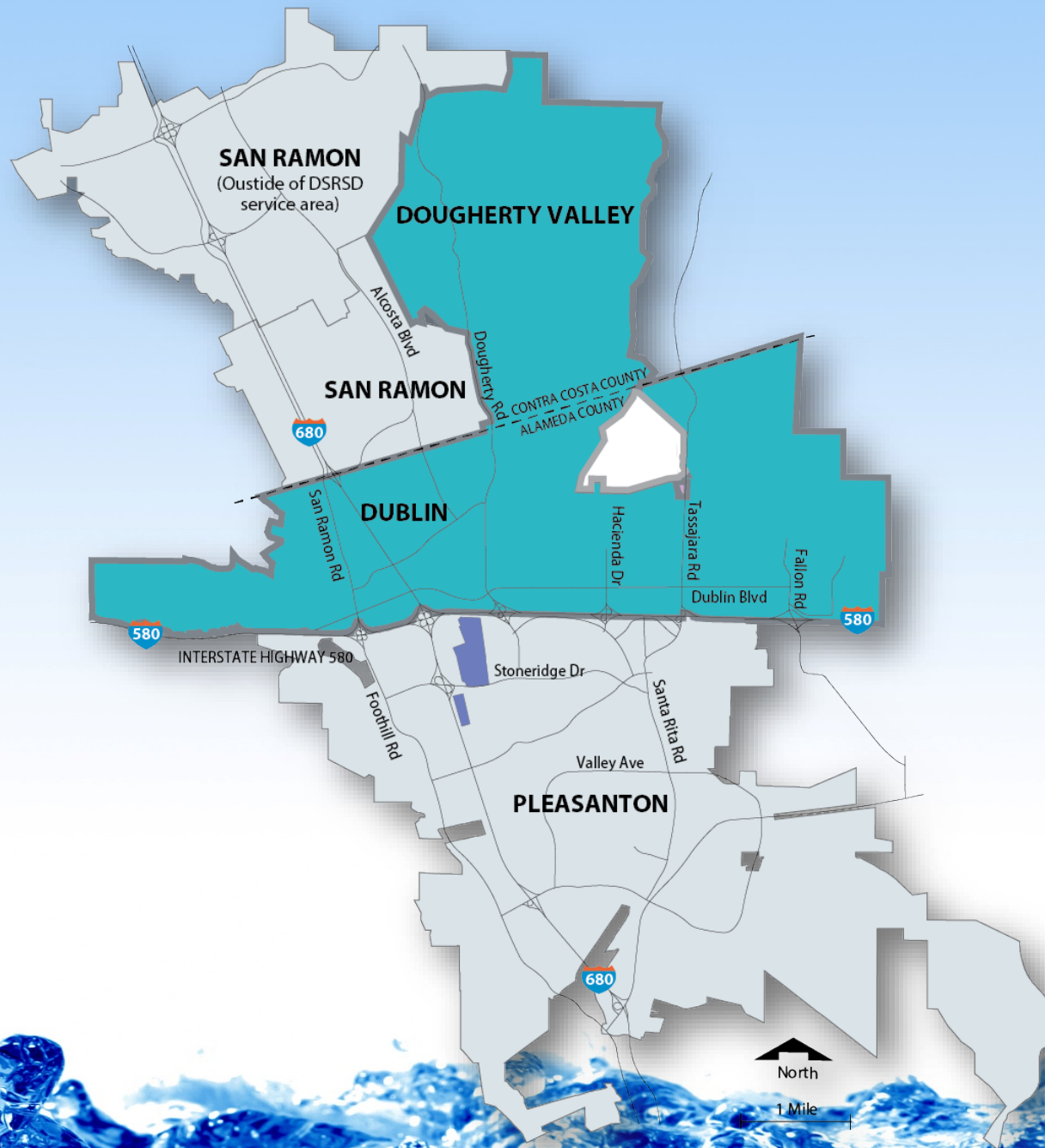
Local Wastewater Collection



Regional Wastewater Treatment



Water and Recycled Water



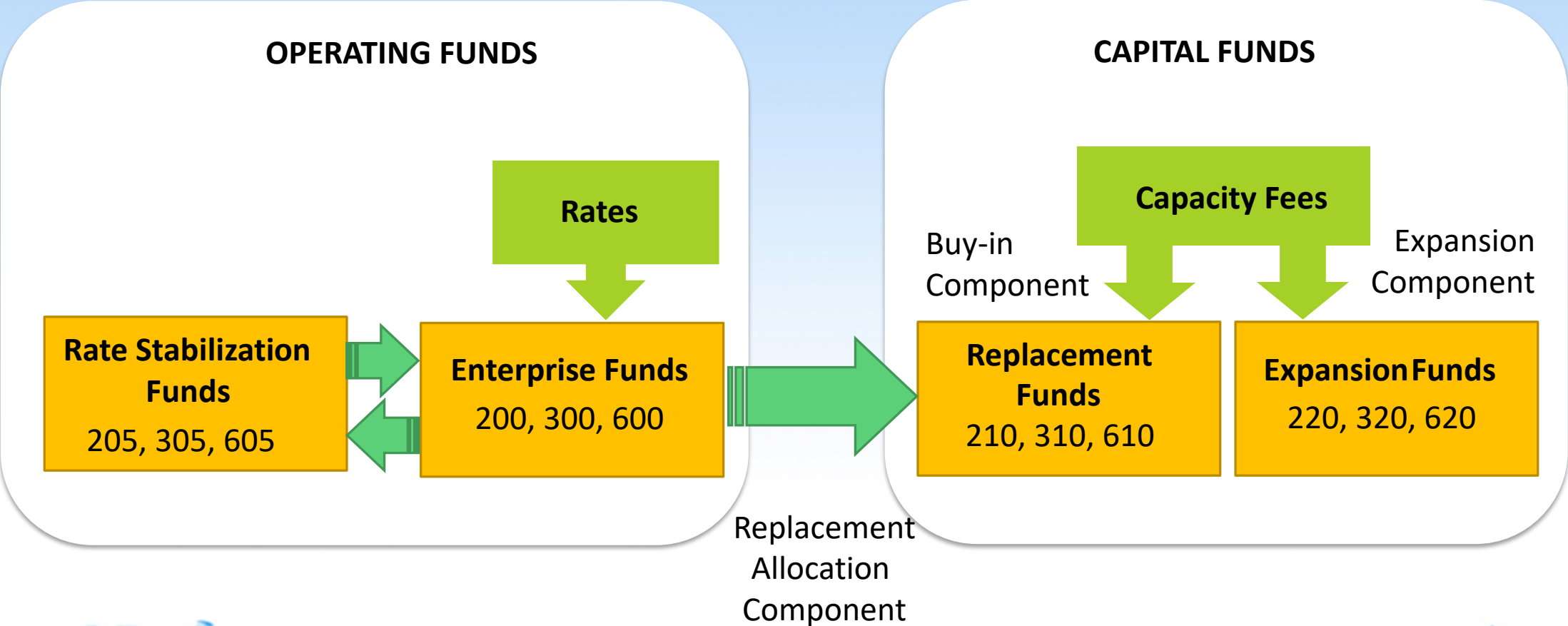
Though We're a Government Agency, We Run Like a Business

» Each enterprise needs
enough money to


- Operate
- Build Reserves
- Maintain/Replace
- Expand




District Funds




Operating Budget and Capital Budget







Dublin San Ramon
Services District
Water, wastewater, recycled water



Proposed Operating Budget fiscal years ending 2022 and 2023



Dublin San Ramon
Services District
Water, wastewater, recycled water



Capital Improvement Program
Ten-Year Plan – Fiscal Years 2022-2031
Two-Year Budget – Fiscal Years 2022-2023



Budget Review: Working Capital versus Reserve Policy

- » **Working Capital – Available resources to meet fluctuations in cash flow**
- » **Reserve Policy – Required reserves are based on the type of fund; Operating, Replacement, or Expansion**



Reserve Policy

- » **Operating funds – Four months of the year's budgeted expenses**
- » **Replacement funds – Two times the average of next 15 years expenses**
- » **Expansion funds – Two years of debt service or two years of project expenses**



Operating Budget Format

Fund	Category	Department
<ul style="list-style-type: none">• Local• Regional• Water	<ul style="list-style-type: none">• Wages and Benefits• Material• Contracts• Other Expenses	<ul style="list-style-type: none">• Executive and Legislative• Administrative• Engineering• Operations• Non-Departmental



District Revenues

Revenues	FYE19 Actual	FYE20 Actual	FYE21 Estimated	FYE22 Budget	FYE23 Budget
Service Charges	54,992,658	61,338,555	63,563,998	62,979,805	66,357,836
Capacity Reserve Fees	27,667,385	14,631,801	7,087,697	15,665,369	24,135,485
Other Revenues	9,757,491	11,607,044	6,236,843	6,390,120	6,472,053
Interest	7,136,567	7,102,866	2,108,529	2,062,721	1,853,188
Total	99,554,101	94,680,266	78,997,067	87,098,016	98,818,562
% Change		-4.90%	-16.56%	10.25%	13.46%



District Expenses

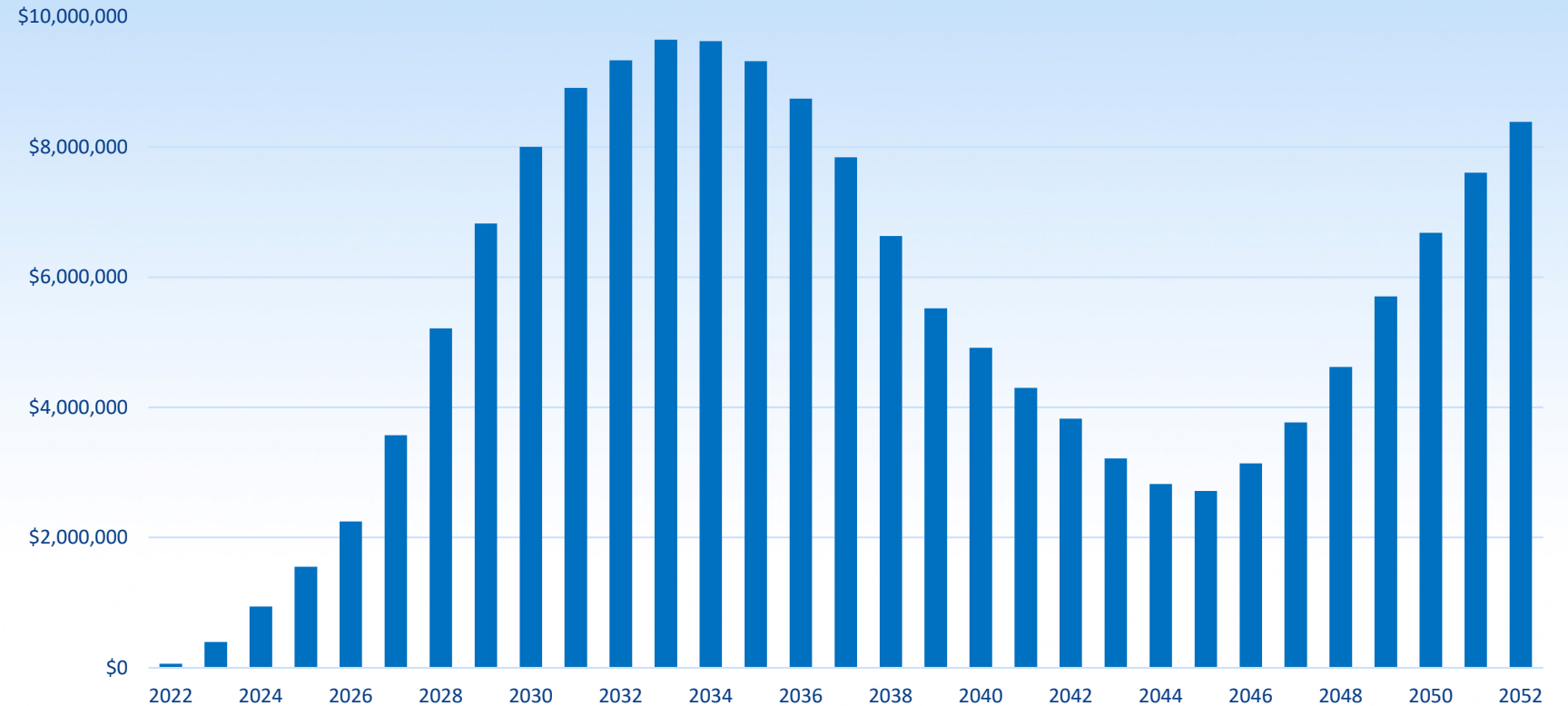
Expenses	FYE19 Actual	FYE20 Actual	FYE21 Estimated	FYE22 Budget	FYE23 Budget
Wages and Benefits	21,822,628	23,108,273	25,488,243	25,956,204	26,461,966
Materials	18,419,850	20,628,631	20,645,670	21,638,421	22,803,818
Contracts	5,925,183	8,130,434	6,872,495	8,104,870	7,957,528
Other Expenses / JPA / Debt Payments	18,563,513	14,652,905	14,825,773	14,147,001	14,216,522
Capital Outlay	83,489	925,922	724,500	1,702,670	380,000
Total	64,814,663	67,446,166	68,556,680	71,549,167	71,819,834
% Change		4.06%	1.65%	4.36%	0.38%



Capital Improvement Program - 2-Yr Budget and 10-Yr Plan

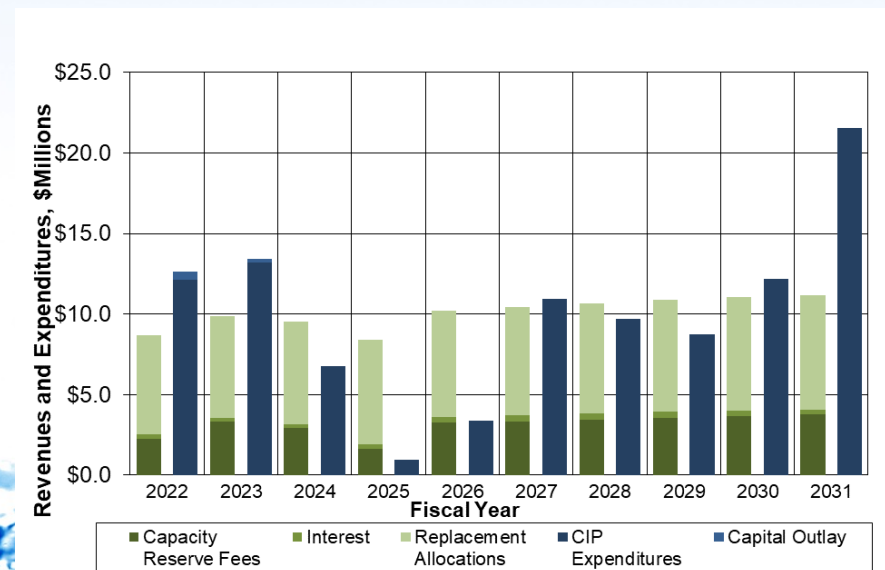
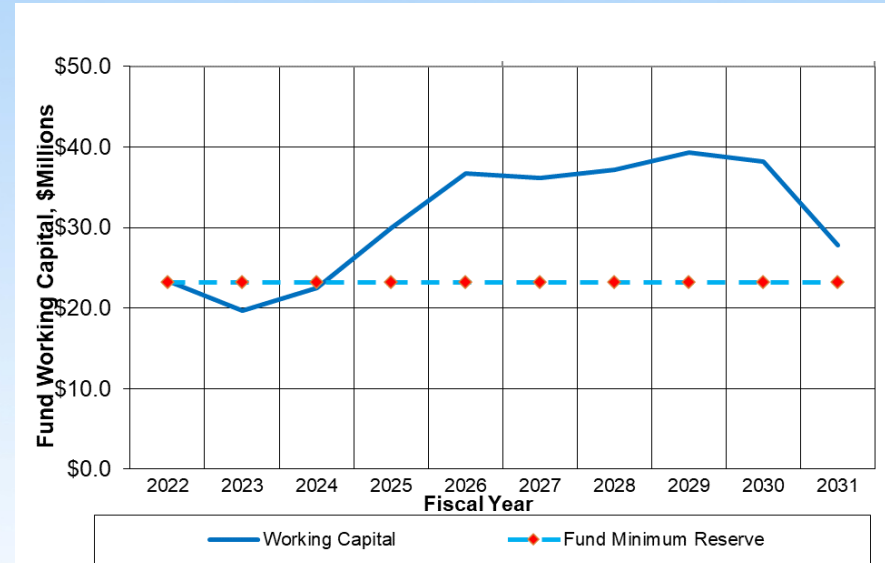
**Long-Term
Planning/Asset
Replacement
Models**

Water System Long-Replacement Cost Distributed



Capital Improvement Program - 2-Yr Budget and 10-Yr Plan

Ten-year Working Capital Estimates



Capital Improvement Program - 2-Yr Budget and 10-Yr Plan

Project Worksheets:

- General
- Joint Powers
- Local
- Regional
- Water

DSRSD CIP 10-Year Plan for FYEs 2022 through 2031

CATEGORY: WATER SYSTEM

Water Replacement (Fund 610)

CIP No. 19-W004 Valve and Blow-Off Replacement

Funding Allocation: 100% 610

Project Manager: Sean O'Reilly

Status: Continuing Project

Project Summary:

This project will repair/replace line and blow off valves throughout the water distribution system. Many of the line valves have broken over time and are located in the older parts of the service area. Repairing or replacing the valves is essential for system operation and minimizes the area for shutdowns. Blow off valves will also be strategically replaced within the water distribution system. The blow off valves will be replaced with larger valves that will improve flushing velocity and efficiency, which will improve water quality.

CEQA: Categorical Exemption [CEQA Guideline 15302].

Reference: Field Operations Request

Fund Allocation Basis: Project is required to replace existing water fund assets.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 22	FYE 23	FYE 24	FYE 25	FYE 26	FYE 27	FYE 28	FYE 29	FYE 30	FYE 31	Future
2,073,293	1,211,000	1,211,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost \$4,495,293

Current Adopted Budget \$3,250,000

Increase/(Decrease) \$1,245,293



Operating and CIP Budget

» Next steps

- > May 5th Delivery to the Board
- > Review and ask questions of staff
- > May 18th Presentation to the Board
- > Update for DERWA budget (5/17) and LAVWMA budget (5/19)
- > June 1st Public Hearing and Adoption



Long-Term Big Picture Issues

- » **Asset Replacement**
- » **Debt**
- » **Unfunded Liabilities**
- » **Other Post Employee Benefits (Retiree medical)**



Questions?

