



**Dublin San Ramon
Services District**

Water, wastewater, recycled water

7051 Dublin Blvd | Dublin, CA 94568

2021

***Annual Comprehensive
Financial Report (ACFR)***

Fiscal year ended June 30, 2021

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Introductory Section



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December 21, 2021

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, 2021.

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, 2021. 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, 2021, 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).

OVERVIEW



In March of 2021, ZEISS announced completion of its' Innovation Center, a new R&D, production, sales and customer service site in Dublin.

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 188,000 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,

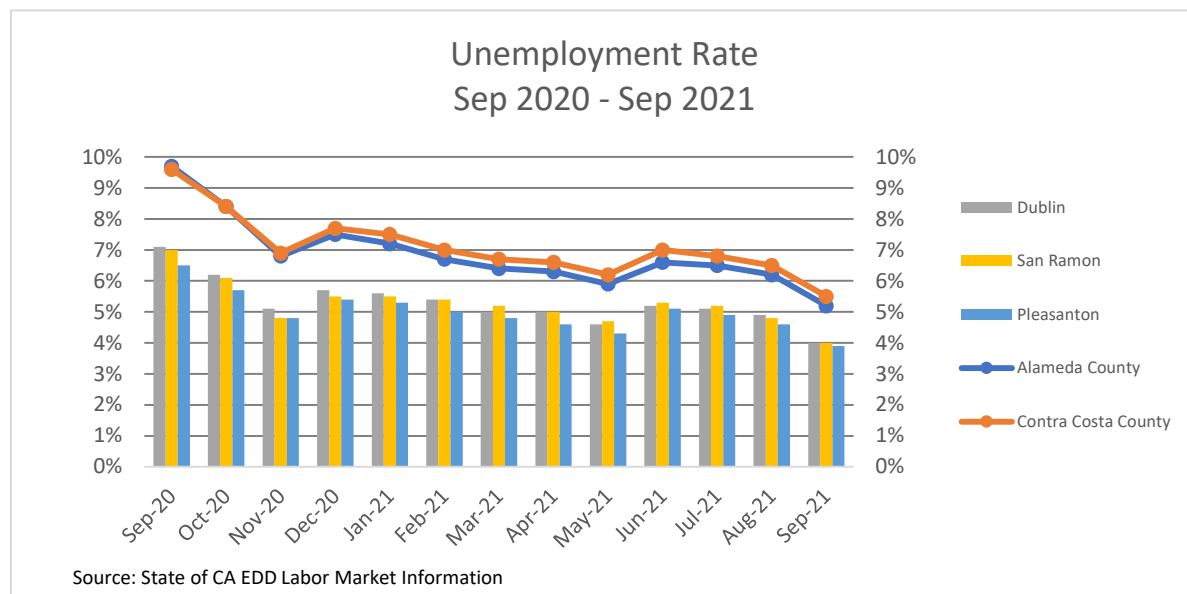
the District provides wastewater treatment services to the City of Pleasanton under an agreement with the city. The area offers easy access to many transportation options, including Interstates 580 and 680, Bay Area Rapid Transit (BART), Altamont Commuter Express (ACE), and Livermore Amador Valley Transit Authority (LAVTA).

The District is governed by a Board of Directors that sets policy, adopts budgets, and appoints a general manager to run operations. All five members of the Board of Directors were chosen by constituents from the District’s entire service area under the area-based election system. Five directors are elected to overlapping four-year terms.

Economic Conditions

The novel coronavirus (COVID-19) pandemic that began in early 2020 brought about transformational changes in the way people live and how businesses operate. The impacts of the pandemic have persisted throughout 2021 and are expected to continue into the next year. Widespread adoptions of temporary remote work by private and public agencies have become permanent work solutions affecting the economy of local retailers, changing the demand for local housing and office space, disturbing the labor supply market, and causing a rapid rise in digital technology. Social distancing and mask mandates have shocked the entertainment and hospitality industries with reduction of in-person meetings, conferences, travel, and reduced hotel occupancies. As the economy recovers from the effects of the pandemic, individuals and business owners are responding by pivoting and turning challenges into opportunities.

The East Bay Region (Alameda and Contra Costa County) at the peak of the COVID-19 outbreak in April 2020 saw unemployment rates for the two counties surge at unprecedented rates to 14.0% and 14.5%, respectively¹. Unemployment rates are slowly improving and on a downward trend, since the beginning of January 2021. As of September 2021, unemployment rates for the counties of Alameda and Contra Costa were 5.2% and 5.5%, respectively, and the cities of Dublin, Pleasanton, and San Ramon have reduced by approximately 30% to 4.0%, 4.0% and 3.9%, respectively.



1. Employment Development Department – Labor market Information October 22, 2021

According to the economic data from the US Census Bureau, the estimated median household income is \$150,299 for Dublin, \$156,400 for Pleasanton and \$160,783 for San Ramon, an increase over prior year of 4.0% and 4.8%, and 6.5%, respectively². Household median incomes are significantly higher compared to both the counties of Alameda with \$108,322 and Contra Costa with \$107,135². Personal income is on an upward trend in the East Bay, but so is the cost of living. Costs of rent, homeownership, utilities, transportation, meals, and entertainment are on the rise as compared to the prior year, but the East Bay still maintains a lower cost of living compared to San Francisco and Santa Clara counties³.

The housing market in the East Bay remains strong, with an increase of 6.69% in assessed property values over prior year for Alameda County. The City of Dublin ranked the third highest percentage increase in assessed value from the prior year at 7.77%⁴ compared to other cities in Alameda County. Contra Costa County reported a 3.44% increase over prior year with the City of San Ramon ranking second highest percentage increase compared to other cities in Contra Costa County.

Over the last year, the counties of Alameda and Contra Costa population actually experienced population growth by approximately 0.4% and 0.8%, respectively, compared to 2020. Projected population in 2022 for the two counties is estimated to increase by 0.7% and 0.8%, respectively⁵.

Both Dublin and San Ramon anticipate continued growth in the coming years. The City of Dublin has a population of 67,632 and is growing at a rate of 2.12% over the previous year. San Ramon's population grew 0.19% to 76,283 over the previous year. ⁶ Both cities rank in the Top 200 Largest Cities in California⁷.

2. *United States Census Bureau, DP03 - 2019 American Community Survey 5-Year Estimates*

3. *East Bay Economic Development Alliance (East Bay EDA) - East Bay Economic Outlook 2021*

4. *Alameda County 2021-22 Annual Report*

5. *State of California Dept. of Finance P-2A: Total Estimated and Projected Population for California and Counties: July 1, 2010, to 2060 issued July 19, 2021.*

6. *State of California Dept. 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*

7. *World Population Review website San Ramon, California Population 2021 (Demographics, Maps, Graphs) (worldpopulationreview.com)*

ACHIEVEMENTS



Crew members install a concrete box to house weir gates for the Central San wastewater diversion structure.

Investing in the Future

Primary Treatment Expanded in FY 2021

In April of 2019, DSRSD began construction on the \$19 million Primary Sedimentation Expansion and Improvements Project at the Regional Wastewater Treatment Facility. The expansion, DSRSD's largest capital project since 2000, will remove 20% more solids, increasing treatment plant efficiency and improving the treatment process. It included constructing a new primary tank, expanding another, adding a grit tank, and replacing internal mechanisms of the other three primary tanks along with the motor control center. These improvements will provide needed primary treatment capacity for current and future wastewater flows for the cities of Dublin, San Ramon, and Pleasanton.

Increasing Efficiency

DSRSD Receives Additional Wastewater for Recycled Water Irrigation

On June 21, 2021, DSRSD began receiving an additional 700,000 gallons a day of wastewater through a temporary agreement with the Central Contra Costa Sanitary District. This wastewater diversion allows the San Ramon Valley Recycled Water Program (a partnership between DSRSD and East Bay Municipal Utility District) to irrigate more landscapes with recycled water—especially during a drought.



A Cummins generator instructor (left) trains Senior Mechanic Jason Miller (center) and Mechanic II Ron Freitas on how to operate the new emergency generators.



Two of the new portable emergency generators are stationed at the Regional Wastewater Treatment Facility, where they are ready to go online when needed.

District Office Reopens to Public After Two and a Half Years

DSRSD's main office on Dublin Boulevard closed in November 2018 due to a fire line break that caused flood damage throughout the building. Staff moved to other facilities, and the building was restored and renovated to bring it up to date. Just as staff were prepped to move back to the building in March 2020, the coronavirus pandemic hit and most office staff began working remotely.

The total cost to repair the flood damage, make renovations to use the space more efficiently, and bring the 28-year-old building up to code was \$6.4 million. The District was reimbursed \$3.1 million from insurance. DSRSD provided uninterrupted service to customers throughout this time, and staff were pleased to reopen the District Office on July 6, 2021.

Protecting Public Health and the Environment

District Purchases Generators to Power Operations in Emergencies

During emergencies as well as planned power outages, customers still expect to receive water and wastewater services. PG&E may turn off electricity during a Public Safety Power Shutoff in an effort to prevent wildfires. Without power, DSRSD cannot treat wastewater, or pump drinking water into reservoirs. It is crucial to have backup emergency generators.

The District spent \$3.42 million to purchase seven generators and make other upgrades for pump stations to be prepared for power outages. DSRSD saved \$50,000 by purchasing the generators through a bulk buying service for public agencies.

Community Outreach

As the coronavirus pandemic carried on through FY 2021, the District continued to reach customers virtually.

Water Conservation

It became clear near the end of 2020 and into 2021 that California was headed for another dry year, another drought. Throughout the summer, DSRSD partnered with the other three Tri-Valley water retailers on drought outreach and calling for water conservation. Social media posts were communicated multiple times a month beginning in March 2021, sharing information about water supply, how to fix leaks, tips for saving water indoors and outdoors, and water-saving rebates.

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 full accrual accounting for financial reporting and employs enterprise funds to account for its wastewater and water operating activities. 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 at the fund level.

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 every four years.

District policies are available online at www.dsrtd.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 the Board's objectives to manage public funds to provide financial stability, while striving to keep rate increases consistent with inflation. Meeting these goals has resulted in a solid AA+ credit rating for the District.

Fiscal Year Ended 2021

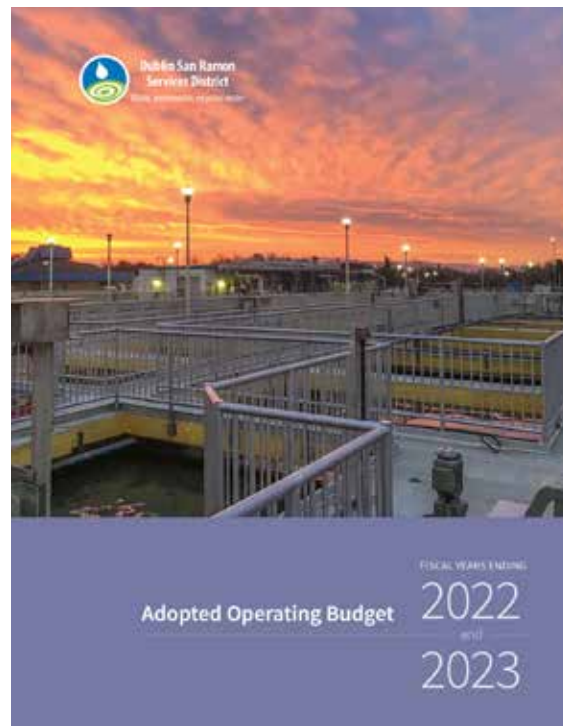
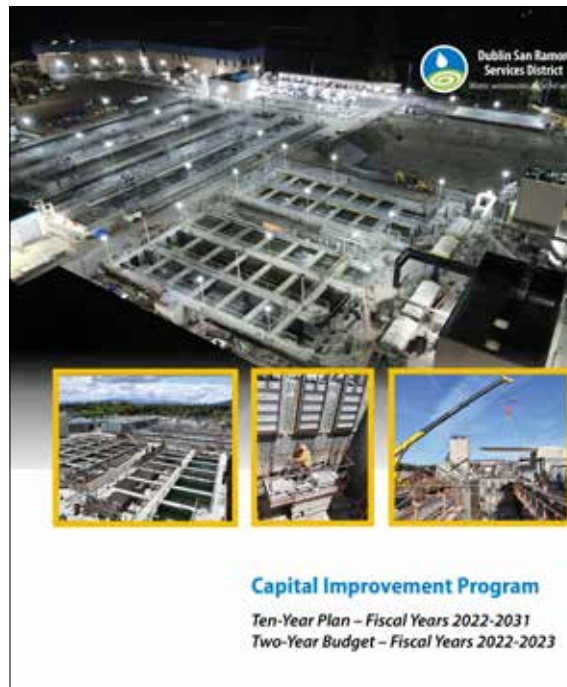
The District prepares quarterly financial reports for the Board which address trends in revenues, operation and maintenance (O&M), capital costs, and achieve policy reserve fund targets. The Board adopts a 5-year Strategic Plan. In addition, the District conducts rate and fee studies approximately every five years.

For FYE 2021, the Board adopted the following items:

- April 2021** – Adopted Strategic Plan for FYE 2022 - 2026
- June 2021** – Adopted Operating Budget for FYE 2022 and FYE 2023
- June 2021** – Adopted CIP Two-Year Budget for FYE 2022 and FYE 2023
- June 2021** – Adopted CIP Ten-Year Plan for FYE 2022 - 2031

Rate and fee studies, operating and capital budgets, master and strategic plans may be found on the District website at www.dsrsd.com/about-us/library/financial-information.

For a detailed discussion and analysis of the District's operations during fiscal year ending June 30, 2021, 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.



The District's Two-Year Operating Budget and its Capital Improvement Program Ten-Year Plan and Two-Year Budget

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, 2020. This was the 20th consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The preparation of this report would not have been possible without the hard work and dedication of the Financial Services and Public Affairs Divisions. 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 Director/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, 2020

Christopher P. Morrill

Executive Director/CEO

BOARD OF DIRECTORS

as of June 30, 2021



ANN MARIE JOHNSON

President (At-Large)

Boardmember since 2018
Term expires December 2022



RICHARD HALKET

Vice President (Division 3)

Boardmember since 2004
Term expires December 2024



ARUN GOEL

Director (Division 5)

Boardmember since 2021
Term expires December 2022



MARISOL RUBIO

Director (Division 1)

Boardmember since 2020
Term expires December 2024



GEORGEAN
VONHEEDER-LEOPOLD

Director (At-Large)

Boardmember since July 2009
Term expires December 2022
(Previously served 1992–2000)

SENIOR MANAGEMENT TEAM

DANIEL MCINTYREGeneral Manager

JAN LEE.....Assistant General Manager

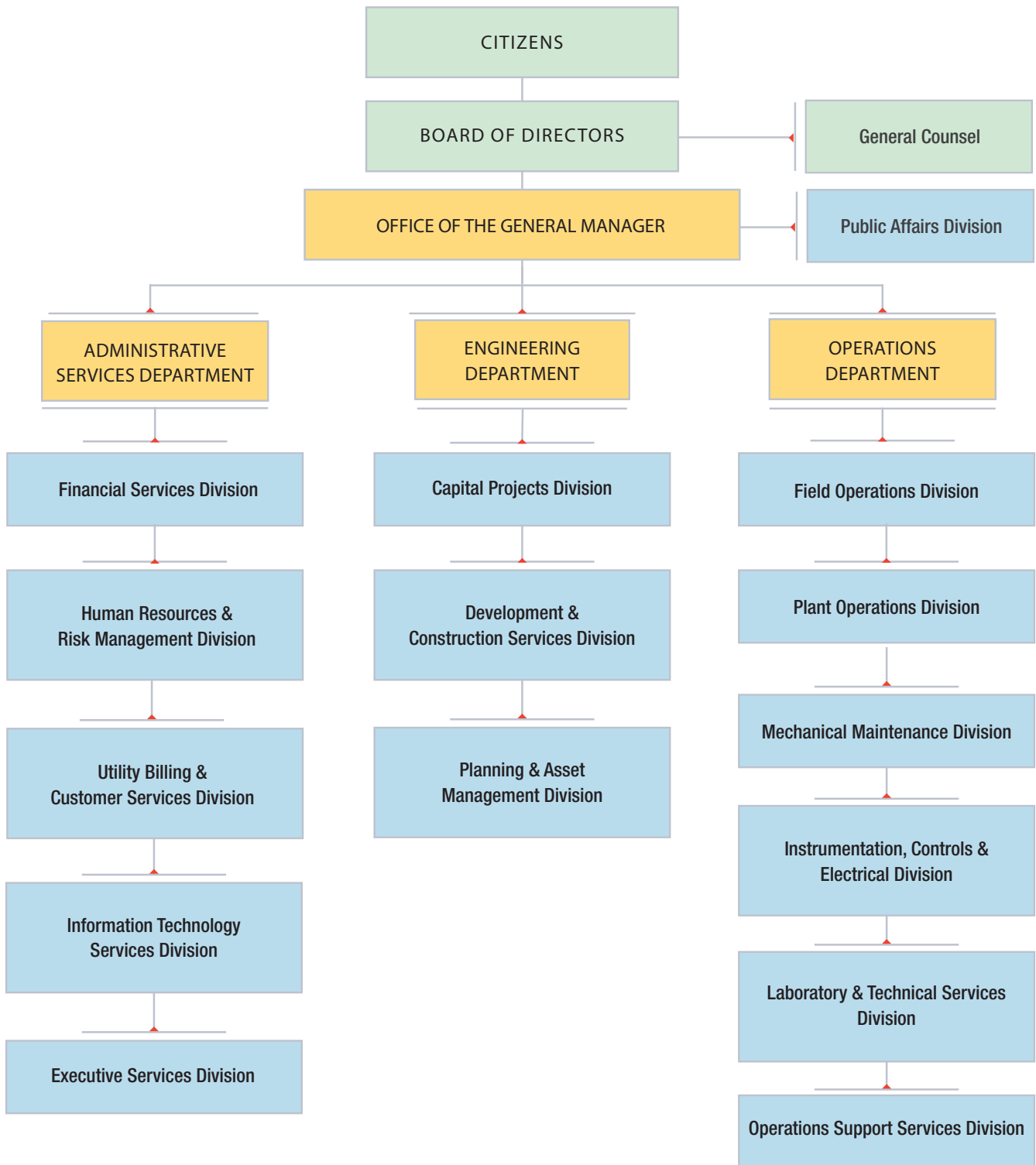
CAROL ATWOOD.....Administrative Services Director

JEFF CARSONOperations Director

JUDY ZAVADIL.....Engineering Services Director

ORGANIZATION CHART

as of June 30, 2021





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, 2021, 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, 2021, 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.

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Report on Summarized Comparative Information

We have previously audited the District's June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 10, the District restated the beginning net position of the Wastewater and Water Funds related to the reclassifications of Investments in a Joint Powers Authority (JPA). The emphasis of this matter does not constitute a modification to our opinion.

Other Matters

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 Supplementary Information listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Maze + Associates

Pleasant Hill, California
October 29, 2021

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, 2021 and 2020

TABLE 1

| Period ended June 30 | Condensed Statements of Net Position | | | | | | |
|--------------------------------------|--------------------------------------|-----------------------|----------------------|---------------|-----------------------|---------------------|--------------|
| | 2021 | 2020 | Change in 2021 | | 2019 | Change in 2020 | |
| | | | \$ | % | | \$ | % |
| Current and restricted assets | \$ 229,579,002 | \$ 226,027,745 | \$ 3,551,257 | 1.6% | \$ 214,416,088 | \$ 11,611,657 | 5.4% |
| Investment in JPA | 52,308,093 | - | 52,308,093 | | - | - | |
| Capital assets | 291,655,789 | 325,840,467 | (34,184,678) | -10.5% | 331,410,571 | (5,570,104) | -1.7% |
| Other assets | 4,444,646 | 4,203,680 | 240,966 | 5.7% | 193,449 | 4,010,231 | 2073.0% |
| Total assets | 577,987,530 | 556,071,892 | 21,915,638 | 3.9% | 546,020,108 | 10,051,784 | 1.8% |
| Deferred outflow of resources | 10,288,601 | 12,154,141 | (1,865,540) | -15.3% | 12,449,741 | (295,600) | -2.4% |
| Current and restricted liabilities | 17,798,489 | 15,173,538 | 2,624,951 | 17.3% | 13,062,798 | 2,110,740 | 16.2% |
| Long-term liabilities | 49,101,830 | 74,606,544 | (25,504,714) | -34.2% | 79,379,596 | (4,773,052) | -6.0% |
| Total liabilities | 66,900,319 | 89,780,082 | (22,879,763) | -25.5% | 92,442,394 | (2,662,312) | -2.9% |
| Deferred inflow of resources | 6,917,820 | 10,099,227 | (3,181,407) | -31.5% | 7,522,059 | 2,577,168 | 34.3% |
| Net Position | | | | | | | |
| Net investment in capital assets | 259,330,789 | 264,272,071 | (4,941,282) | -1.9% | 267,681,575 | (3,409,504) | -1.3% |
| Restricted for expansion | 145,173,609 | 91,656,612 | 53,516,997 | 58.4% | 85,940,024 | 5,716,588 | 6.7% |
| Restricted for debt service | 2 | - | 2 | | - | - | |
| Restricted for assessment district | 423,586 | 783,517 | (359,931) | -45.9% | 906,235 | (122,718) | -13.5% |
| Unrestricted | 109,530,006 | 111,634,524 | (2,104,518) | -1.9% | 103,977,562 | 7,656,962 | 7.4% |
| Total net position | \$ 514,457,992 | \$ 468,346,724 | \$ 46,111,268 | 9.8% | \$ 458,505,396 | \$ 9,841,328 | 2.1% |

During the fiscal year ended June 30, 2021 (FYE 2021), total assets increased 3.9% or \$21.9 million from June 30, 2020 (FYE 2020) compared to an increase of 1.8% or \$10.1 million over June 30, 2019 (FYE 2019). The increase is primarily due to a restatement to include the District's member equity in the two joint powers authorities (JPA): Livermore Amador Valley Water Management Agency (LAVWMA) and DSRSD/EBMUD Recycled Water Authority (DERWA).

Total liabilities decreased \$22.9 million or 25.5% during the FYE 2021 compared to a decrease of \$2.7 million or 2.9% during the FYE2019. The FYE2021 decrease was due to a restatement of JPA debt.

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 \$46.1 million or 9.8% during FYE 2021 compared to an increase of \$9.8 million or 2.1% during FYE 2020. The increase reflects a \$37.9 million prior period adjustment due to a restatement of JPA assets and liabilities.

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2021 and 2020

TABLE 2

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

| Period ended June 30 | | | Change in 2021 | | Change in 2020 | | |
|-------------------------------------|-----------------------|-----------------------|----------------------|---------------|-----------------------|---------------------|---------------|
| | 2021 | 2020 | \$ | % | 2019 | \$ | % |
| Operating revenues | \$ 63,603,757 | \$ 61,338,554 | \$ 2,265,203 | 3.7% | \$ 54,992,657 | \$ 6,345,897 | 11.5% |
| Other revenues | 7,876,646 | 10,072,084 | (2,195,438) | -21.8% | 7,397,494 | 2,674,590 | 36.2% |
| Investment income | (663,326) | 7,102,863 | (7,766,189) | -109.3% | 7,136,641 | (33,778) | -0.5% |
| Capacity reserve fees | 8,748,665 | 14,631,802 | (5,883,137) | -40.2% | 27,667,384 | (13,035,582) | -47.1% |
| Contributions | 2,802,000 | 1,534,964 | 1,267,036 | 82.5% | 2,360,000 | (825,036) | -35.0% |
| Total revenues | 82,367,742 | 94,680,267 | (12,312,525) | -13.0% | 99,554,176 | (4,873,909) | -4.9% |
| Operating expenses | 63,693,579 | 71,657,864 | (7,964,285) | -11.1% | 61,988,760 | 9,669,104 | 15.6% |
| Depreciation | 8,980,372 | 11,727,255 | (2,746,883) | -23.4% | 11,541,721 | 185,534 | 1.6% |
| Non-operating expenses | 1,438,263 | 1,453,820 | (15,557) | -1.1% | 1,467,175 | (13,355) | -0.9% |
| Total expenses | 74,112,214 | 84,838,939 | (10,726,725) | -12.6% | 74,997,656 | 9,841,283 | 13.1% |
| Changes in net position | 8,255,528 | 9,841,328 | (1,585,800) | -16.1% | 24,556,520 | (14,715,192) | -59.9% |
| Beginning net position | 468,346,724 | 458,505,396 | 9,841,328 | 2.1% | 433,948,876 | 24,556,520 | 5.7% |
| Prior period adjustment | 37,855,740 | - | 37,855,740 | - | - | - | 0.0% |
| Beginning net position, as restated | 506,202,464 | 458,505,396 | 47,697,068 | 10.4% | 433,948,876 | 24,556,520 | 5.7% |
| Ending net position | \$ 514,457,992 | \$ 468,346,724 | \$ 46,111,268 | 9.8% | \$ 458,505,396 | \$ 9,841,328 | 2.1% |

In FYE 2021, the District had a decrease in total revenues of 13.0% or \$12.3 million compared to FYE 2020, while FYE 2020 total revenues were 4.9% or \$4.9 million lower than FYE2019. The decrease in FYE 2021 was primarily due to investment loss under a weak economic market and lower capacity reserve fees revenue due to slowing development.

Total expenses decreased by 12.6% or \$10.7 million during FYE 2021 compared to a 13.1% or \$9.8 million increase during FYE2020. The decrease in FYE 2021 was primarily due to the expense of \$6.4 million Water and Recycled Water SCADA Improvement costs in FYE 2020.

Capital Assets and Debt

During FYE 2021, the District purchased, had contributed, or transferred from construction in progress the following assets:

| | |
|---|--------------------|
| Contributed sub-surface lines | \$2,786,000 |
| Wastewater treatment plant improvements | 228,780 |
| Wastewater facilities improvements | 55,560 |
| Vehicles and equipment | 3,089,003 |
| | <u>\$6,159,343</u> |

DUBLIN SAN RAMON SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS OF
BASIC FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2021 and 2020

In FYE 2021, the District had 18,670 linear feet of potable water line and 15,206 linear feet of sewer line contributed by developers valued at \$2.8 million. Wastewater treatment plant improvements of \$228,780 is primarily due to costs related to the Facultative Sludge Lagoon Anchors projects. Wastewater facilities improvements of \$55,560 is due to costs related to the Building S Pipe Replacement project. Vehicles and equipment of \$3.1 million includes purchase of four operation vehicles, foul air line and various equipment. For additional information on capital assets see Financial Statement Note 4 – Capital Assets.

In FYE 2021 the District had the following additions to construction in progress:

Construction in Progress

| | |
|--|--------------|
| Primary Sedimentation Expansion/Improvements | \$7,504,119 |
| Wastewater system expansion and improvements | (790,292) |
| Water system expansion and improvements | 3,922,832 |
| | \$10,636,659 |

The additions to construction in progress is primarily due to the cost of Primary Sedimentation Expansion. Wastewater system improvements include Foul Air Line Rehabilitation project that was completed in FYE 2021. Water system expansion and improvements include Emergency Response and Valve and Blow-Off Replacement projects.

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.

| | Balance at 6/30/2020 | Additions | Principal Payments | Balance at 6/30/2021 |
|------------------------------------|-------------------------|-----------|-----------------------|-------------------------|
| 2017 Water Revenue Refunding Bonds | \$32,760,000 | | \$435,000 | \$32,325,000 |

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 Division 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, 2021
 WITH SUMMARIZED TOTALS AS OF JUNE 30, 2020

| | 2021 | | Totals | 2020 |
|---|--------------------|--------------------|---------------------|---------------------|
| | Wastewater | Water | | |
| ASSETS | | | | |
| Current assets: | | | | |
| Pooled cash | \$7,378,528 | \$6,661,391 | \$14,039,919 | \$19,765,091 |
| Pooled investments | 104,423,924 | 95,432,195 | 199,856,119 | 190,504,169 |
| Cash in Escrow | - | - | - | 213,627 |
| Restricted cash - debt service | - | 2 | 2 | 295 |
| Accounts receivable | 6,952,060 | 8,200,685 | 15,152,745 | 14,802,596 |
| Interest receivable | 249,521 | 232,688 | 482,209 | 693,959 |
| Deferred capacity reserve fees receivable | 44,228 | - | 44,228 | 44,228 |
| Prepaid expenses | 2,378 | 1,402 | 3,780 | 3,780 |
| Total current assets | 119,050,639 | 110,528,363 | 229,579,002 | 226,027,745 |
| Non-current assets: | | | | |
| Investments in JPA | 12,574,658 | 39,733,435 | 52,308,093 | - |
| Capital assets: | | | | |
| Property, plant and equipment | 236,973,998 | 176,508,896 | 413,482,894 | 472,358,850 |
| Less accumulated depreciation | 105,139,355 | 66,526,837 | 171,666,192 | 185,720,812 |
| Net property, plant and equipment | 131,834,643 | 109,982,059 | 241,816,702 | 286,638,038 |
| Land and construction in progress | 26,078,977 | 23,760,110 | 49,839,087 | 39,202,429 |
| Total capital assets | 157,913,620 | 133,742,169 | 291,655,789 | 325,840,467 |
| Other assets: | | | | |
| Net OPEB asset | 2,729,642 | 1,610,011 | 4,339,653 | 4,054,459 |
| Deferred capacity reserve fees receivable - long term | 104,993 | - | 104,993 | 149,221 |
| Total other assets | 2,834,635 | 1,610,011 | 4,444,646 | 4,203,680 |
| Total non-current assets | 173,322,913 | 175,085,615 | 348,408,528 | 330,044,147 |
| Total assets | 292,373,552 | 285,613,978 | 577,987,530 | 556,071,892 |
| Deferred outflows of resources | | | | |
| Deferred outflows pension related amounts | 3,592,196 | 2,314,293 | 5,906,489 | 6,502,528 |
| Deferred employer pension contributions | 1,780,313 | 1,154,857 | 2,935,170 | 2,714,774 |
| Deferred outflows OPEB related amounts | 345,332 | 203,686 | 549,018 | 1,449,044 |
| Deferred employer OPEB contributions | 564,794 | 333,130 | 897,924 | 1,487,795 |
| Total deferred outflows of resources | \$6,282,635 | \$4,005,966 | \$10,288,601 | \$12,154,141 |

DUBLIN SAN RAMON SERVICES DISTRICT
 COMPARATIVE STATEMENTS OF NET POSITION
 JUNE 30, 2021
 WITH SUMMARIZED TOTALS AS OF JUNE 30, 2020

| | 2021 | | | 2020 |
|--|----------------------|----------------------|----------------------|----------------------|
| | Wastewater | Water | Totals | |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$3,570,224 | \$5,940,676 | \$9,510,900 | \$8,216,095 |
| Contractor bonds and deposits | 1,852,860 | 2,471,565 | 4,324,425 | 1,480,951 |
| Accrued expenses | 523,090 | 57,942 | 581,032 | 595,969 |
| Accrued compensated absences | 1,171,679 | 747,100 | 1,918,779 | 1,599,858 |
| Interest payable | - | 598,672 | 598,672 | 605,922 |
| Current portion of long-term debt | - | 455,000 | 455,000 | 2,265,062 |
| Unearned revenue and other liabilities | 409,681 | - | 409,681 | 409,681 |
| Total current liabilities | 7,527,534 | 10,270,955 | 17,798,489 | 15,173,538 |
| Long term liabilities: | | | | |
| Long-term debt | | | | |
| less current portion | - | 31,870,000 | 31,870,000 | 59,303,334 |
| Net pension liability | 9,105,431 | 4,984,386 | 14,089,817 | 12,177,945 |
| DLD remediation reserve | 1,880,573 | - | 1,880,573 | 1,819,597 |
| Unearned revenue and other liabilities | 104,993 | 1,156,447 | 1,261,440 | 1,305,668 |
| Total long term liabilities | 11,090,997 | 38,010,833 | 49,101,830 | 74,606,544 |
| Total liabilities | 18,618,531 | 48,281,788 | 66,900,319 | 89,780,082 |
| Deferred inflows of resources | | | | |
| Deferred inflows of resources - Pension | 1,934,150 | 1,106,772 | 3,040,922 | 4,052,283 |
| Deferred inflows of resources - OPEB | 2,438,569 | 1,438,329 | 3,876,898 | 6,046,944 |
| Total deferred inflows of resources | 4,372,719 | 2,545,101 | 6,917,820 | 10,099,227 |
| NET POSITION | | | | |
| Net investment in capital assets | 157,913,620 | 101,417,169 | 259,330,789 | 264,272,071 |
| Restricted for: | | | | |
| Expansion | 61,370,870 | 83,802,739 | 145,173,609 | 91,656,612 |
| Debt service | - | 2 | 2 | 295 |
| Assessment district | - | 423,586 | 423,586 | 783,517 |
| Unrestricted | 56,380,447 | 53,149,559 | 109,530,006 | 111,634,229 |
| Total net position | \$275,664,937 | \$238,793,055 | \$514,457,992 | \$468,346,724 |

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, 2021
 WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2020

| | 2021 | | Total | 2020 |
|---|----------------------|----------------------|----------------------|----------------------|
| | Wastewater | Water | | |
| OPERATING REVENUES | | | | |
| Wastewater service charges | \$26,415,616 | \$ - | \$26,415,616 | \$26,483,936 |
| Water sales | - | 37,188,141 | 37,188,141 | 34,854,618 |
| Other revenues | 2,546,411 | 4,060,597 | 6,607,008 | 10,064,998 |
| Total operating revenues | 28,962,027 | 41,248,738 | 70,210,765 | 71,403,552 |
| OPERATING EXPENSES | | | | |
| Personnel | 13,944,900 | 9,359,674 | 23,304,574 | 21,750,589 |
| Materials | 3,610,709 | 18,008,930 | 21,619,639 | 20,628,632 |
| Contractual services | 10,063,878 | 7,979,856 | 18,043,734 | 28,308,098 |
| Other | 394,668 | 330,962 | 725,630 | 970,545 |
| Depreciation | 5,363,311 | 3,617,061 | 8,980,372 | 11,727,255 |
| Total operating expenses | 33,380,921 | 39,293,029 | 72,673,950 | 83,385,119 |
| OPERATING INCOME (LOSS) | (4,418,894) | 1,955,709 | (2,463,185) | (11,981,567) |
| NONOPERATING REVENUES (EXPENSE) | | | | |
| Net (changes) in fair value of investments | (356,598) | (306,728) | (663,326) | 7,102,863 |
| Gain on sale of assets | 5,632 | 3,565 | 9,197 | 7,086 |
| Gain on investments in JPA | 993,123 | 267,318 | 1,260,441 | - |
| Interest expense | - | (1,438,263) | (1,438,263) | (1,453,820) |
| Total non-operating revenues (expense), net | 642,157 | (1,474,108) | (831,951) | 5,656,129 |
| (LOSS) BEFORE CONTRIBUTIONS | (3,776,737) | 481,601 | (3,295,136) | (6,325,438) |
| Non-cash contributions | 1,101,000 | 1,701,000 | 2,802,000 | 1,534,964 |
| Capital contributions - capacity reserve fees | 3,877,841 | 4,870,824 | 8,748,665 | 14,631,802 |
| Transfers in | 5,831,694 | 39,838,134 | 45,669,828 | 10,702,097 |
| Transfers (out) | (6,398,563) | (39,271,265) | (45,669,828) | (10,702,097) |
| Changes in net position | 635,235 | 7,620,294 | 8,255,529 | 9,841,328 |
| TOTAL NET POSITION, BEGINNING OF YEAR, AS RESTATED | 275,029,702 | 231,172,761 | 506,202,463 | 458,505,396 |
| TOTAL NET POSITION, END OF YEAR | \$275,664,937 | \$238,793,055 | \$514,457,992 | \$468,346,724 |

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, 2021
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2020

| | 2021 | | | 2020 |
|--|--------------------|--------------------|---------------------|----------------------|
| | Wastewater | Water | Total | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers, users and joint powers authorities | \$28,313,766 | \$40,509,499 | \$68,823,265 | \$67,253,386 |
| Payments for services and supplies | (12,794,955) | (23,409,730) | (36,204,685) | (48,098,359) |
| Payments to or on behalf of employees | (13,584,940) | (9,357,221) | (22,942,161) | (21,703,960) |
| Net Cash Provided (Used) by Operating Activities | <u>1,933,871</u> | <u>7,742,548</u> | <u>9,676,419</u> | <u>(2,548,933)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal paid on long-term debt | - | (435,000) | (435,000) | (2,160,600) |
| Interest paid on long-term debt | - | (1,445,513) | (1,445,513) | (1,459,070) |
| Proceeds from sale of capital assets | 5,632 | 3,565 | 9,197 | - |
| Acquisition and construction of capital assets | (10,267,340) | (6,528,659) | (16,795,999) | (6,157,151) |
| Capacity reserve fees collected | 3,789,385 | 4,870,824 | 8,660,209 | 11,052,729 |
| Net Cash Provided (Used) by Financing Activities | <u>(6,472,323)</u> | <u>(3,534,783)</u> | <u>(10,007,106)</u> | <u>1,275,908</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 338,167 | 309,048 | 647,215 | 4,284,134 |
| Purchase of investment securities | (29,782,629) | (27,218,109) | (57,000,738) | (137,562,960) |
| Redemptions of investment securities | 25,256,099 | 23,081,349 | 48,337,448 | 145,621,000 |
| Proceeds of other investments | 5,025,718 | (3,051,343) | 1,974,375 | 3,497,117 |
| Proceeds (purchases) of LAIF investments | 338,167 | 309,048 | 647,215 | (987,868) |
| Net Cash Provided (Used) by Investing Activities | <u>1,175,522</u> | <u>(6,570,007)</u> | <u>(5,394,485)</u> | <u>14,851,423</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | <u>(3,362,930)</u> | <u>(2,362,242)</u> | <u>(5,725,172)</u> | <u>13,578,398</u> |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>10,741,458</u> | <u>9,023,633</u> | <u>19,765,091</u> | <u>6,186,693</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$7,378,528</u> | <u>\$6,661,391</u> | <u>\$14,039,919</u> | <u>\$19,765,091</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating income (loss) | (\$4,418,894) | \$1,955,709 | (\$2,463,185) | (\$11,981,567) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation | 5,363,311 | 3,617,061 | 8,980,372 | 11,727,255 |
| Decrease (increase) in accounts receivable | 389,090 | (739,239) | (350,149) | (616,468) |
| (Increase) in investments in JPA | (993,123) | (267,318) | (1,260,441) | - |
| (Increase) in deferred outflows of resources - employer contributions - pension | (121,284) | (99,112) | (220,396) | (855,612) |
| Decrease (increase) in deferred outflows of resources - employer contributions - OPEB | 371,029 | 218,842 | 589,871 | (235,963) |
| Decrease in deferred outflows of resources - pension related amounts | 371,630 | 224,409 | 596,039 | 487,149 |
| Decrease in deferred outflows of resources - other OPEB amounts | 566,117 | 333,909 | 900,026 | 900,026 |
| Increase in accounts payable | 258,440 | 1,036,365 | 1,294,805 | 1,946,765 |
| Increase (decrease) in contractor bonds and deposits payable | 924,566 | 1,918,908 | 2,843,474 | (410,680) |
| Increase (decrease) in accrued expenses | 30,318 | (45,255) | (14,937) | 179,460 |
| Increase in compensated absences | 158,801 | 160,120 | 318,921 | 297,129 |
| (Decrease) in unearned revenue and other liabilities | (44,228) | - | (44,228) | (3,533,698) |
| Increase in DLD remediation reserve | 60,976 | - | 60,976 | 93,371 |
| Increase in net pension liability | 1,192,052 | 719,820 | 1,911,872 | 2,293,033 |
| (Decrease) in net OPEB asset | (179,387) | (105,807) | (285,194) | (5,416,301) |
| (Decrease) in deferred inflows of resources - pension related amounts | (630,584) | (380,777) | (1,011,361) | (734,377) |
| (Decrease) increase in deferred inflows of resources - OPEB related amounts | (1,364,959) | (805,087) | (2,170,046) | 3,311,545 |
| Total adjustments | <u>6,352,765</u> | <u>5,786,839</u> | <u>12,139,604</u> | <u>9,432,634</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$1,933,871</u> | <u>\$7,742,548</u> | <u>\$9,676,419</u> | <u>(\$2,548,933)</u> |
| NON CASH TRANSACTIONS: | | | | |
| Fair market value adjustment increase | \$1,493,165 | \$1,364,591 | \$2,857,756 | \$4,284,134 |
| Contributed assets | 1,101,000 | 1,701,000 | 2,802,000 | 1,534,964 |
| Gain on sale of capital assets | 5,632 | 3,565 | 9,197 | 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, 2021

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, 2021

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 |

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, 2021

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, 2020, from which the summarized information was derived.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

In January 2017, GASB issued GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement were effective during fiscal year 2021, however, the provisions of this Statement had no impact on the District.

O. Prior Period Adjustment

In fiscal year 2021, the District restated beginning net position balances related to LAVWMA, a joint powers authority (JPA) that the District is a participant as discussed in Note 6, including transmission rights and debt obligations, in order to be consistent with the other JPA member agencies. The District also restated beginning net position balances related to DERWA, a joint powers authority (JPA) that the District is a participant as discussed in Note 6, including capacity rights, in order to reflect the Investment in JPA.

As a result, the beginning net position of the Wastewater Fund was restated and increased by \$16,829,250. In addition, the beginning net position of the Water Fund was restated and increased by \$21,026,489.

See Note 6 for additional information.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the District’s cash in bank was insured or collateralized as discussed above.

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

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

B. Classification

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

| | |
|----------------------------|-----------------------------|
| Cash and cash equivalents | \$14,039,919 |
| Investments | 199,856,119 |
| Restricted cash | 2 |
| Total cash and investments | <u><u>\$213,896,040</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.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 – CASH AND INVESTMENTS (Continued)

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 indebtness 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, 2021

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 | | | \$29,189,234 | \$29,189,234 |
| Corporate Bonds | \$3,012,883 | \$13,408,261 | 14,020,279 | 30,441,423 |
| State of California Securities | 6,278,861 | 6,103,495 | 18,594,423 | 30,976,779 |
| <i>Not rated</i> | | | | |
| California Asset Management Program | 27,942,370 | | | 27,942,370 |
| California Local Agency Investment Fund | 74,629,170 | | | 74,629,170 |
| Negotiable Certificates of Deposit | 1,771,009 | 1,291,404 | 3,614,730 | 6,677,143 |
| <i>Total Unrestricted Investments</i> | \$113,634,293 | \$20,803,160 | \$65,418,666 | \$199,856,119 |

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, 2021, these investments matured in an average of 291 days.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the fair value approximated is the District’s cost. At June 30, 2021, these investments have an average maturity of 52 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, 2021 for each investment type as provided by Standard and Poor’s.

| Investment Type | AAA | AA+ | AA | AA- | A+ | A | Total |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| Corporate Bond | \$5,127,174 | | \$3,012,883 | \$5,176,381 | \$11,988,907 | \$5,136,078 | \$30,441,423 |
| Securities of Government Agencies - Callable | | \$29,189,234 | | | | | 29,189,234 |
| State of California Securities | 5,969,962 | 10,487,098 | 9,177,203 | 5,342,516 | | | 30,976,779 |
| <i>Not rated</i> | | | | | | | |
| California Local Agency Investment Fund | 74,629,170 | | | | | | 74,629,170 |
| California Asset Management Program | 27,942,370 | | | | | | 27,942,370 |
| Negotiable Certificates of Deposit | 6,677,143 | | | | | | 6,677,143 |
| Total Unrestricted Investments | \$120,345,819 | \$39,676,332 | \$12,190,086 | \$10,518,897 | \$11,988,907 | \$5,136,078 | \$199,856,119 |

F. Concentration Risk

As of June 30, 2021, there were no significant District investments in the securities of any individual issuers, other than U.S. Treasury securities, LAIF, and mutual funds.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 – CASH AND INVESTMENTS (Continued)

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, 2021 are described below.

| | Level 2 | Total |
|---|---------------------|----------------------|
| Investments by Fair Value | | |
| Corporate Bonds | \$30,441,423 | |
| U.S. Agency Securities | 29,189,234 | |
| State of California Securities | 30,976,779 | |
| Negotiable Certificates of Deposit | 6,677,143 | |
| | <u>\$97,284,579</u> | \$97,284,579 |
| Investments Measured at Net Asset Value Per Share: | | |
| California Asset Management Program | | 27,942,370 |
| External Investment Pool (Exempt): | | |
| California Local Agency Investment Fund | | 74,629,170 |
| Cash in Banks and On Hand | | <u>14,039,921</u> |
| Total Cash and Investments | | <u>\$213,896,040</u> |

Federal Agency Securities, Corporate Bonds, 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, 2021

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, 2021</u> | <u>June 30, 2020</u> |
|--|---------------------------------|--------------------------------|
| Local Sewer Expansion | \$9,151,284 | \$9,108,875 |
| Regional Sewer Expansion | 52,219,586 | 50,361,849 |
| Water Expansion | 83,802,739 | 32,185,888 |
| | <u>145,173,609</u> | <u>91,656,612</u> |
| <u>Debt Service</u> | <u>2</u> | <u>295</u> |
| <u>Assessment District</u> | | |
| Dougherty Valley Assessment District | 423,586 | 783,517 |
| | <u>423,586</u> | <u>783,517</u> |
| Total Restriction on Net Position | <u>\$145,597,197</u> | <u>\$92,440,424</u> |

NOTE 4 – CAPITAL ASSETS

Changes in capital assets accounts are summarized below:

| | <u>Balance at June 30, 2020</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>Balance at June 30, 2021</u> |
|--|-------------------------------------|--------------------|-----------------------|--------------------|-------------------------------------|
| Capital assets being depreciated: | | | | | |
| Land Improvements | \$23,389,310 | \$16,000 | | \$212,780 | \$23,618,090 |
| Buildings | 131,458,795 | | | 55,560 | 131,514,355 |
| Equipment | 84,673,804 | 303,767 | (\$59,417) | 2,785,234 | 87,703,388 |
| Sub-surface lines | 167,861,061 | 2,786,000 | | | 170,647,061 |
| Intangibles | 64,975,880 | | (64,975,880) | | |
| Total capital assets being depreciated: | <u>472,358,850</u> | <u>3,105,767</u> | <u>(65,035,297)</u> | <u>3,053,574</u> | <u>413,482,894</u> |
| Less accumulated depreciation for: | | | | | |
| Land Improvements | (6,399,775) | (268,037) | | | (6,667,812) |
| Buildings | (51,263,262) | (3,055,157) | | | (54,318,419) |
| Equipment | (47,750,548) | (2,315,506) | 59,417 | | (50,006,637) |
| Sub-surface lines | (57,331,652) | (3,341,672) | | | (60,673,324) |
| Intangibles | (22,975,575) | | 22,975,575 | | |
| Total accumulated depreciation | <u>(185,720,812)</u> | <u>(8,980,372)</u> | <u>23,034,992</u> | | <u>(171,666,192)</u> |
| Net capital assets being depreciated | 286,638,038 | (5,874,605) | (42,000,305) | 3,053,574 | 241,816,702 |
| Capital assets not being depreciated: | | | | | |
| Land | 7,712,945 | | | | 7,712,945 |
| Construction in progress | 31,489,484 | 13,690,232 | | (3,053,574) | 42,126,142 |
| Total capital assets not being depreciated | <u>39,202,429</u> | <u>13,690,232</u> | | <u>(3,053,574)</u> | <u>49,839,087</u> |
| Total capital assets, net | <u>\$325,840,467</u> | <u>\$7,815,627</u> | <u>(\$42,000,305)</u> | | <u>\$291,655,789</u> |

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 – CAPITAL ASSETS (Continued)

As discussed in Note 1O, the District reclassified intangible assets in the above table in the amount of \$24,000,786 for DERWA capacity rights (see Note 6B), \$40,975,094 for LAVWMA transmission rights (see Note 6A), and the related amortization balance in the amount of \$22,975,575 to an Investment in JPA in fiscal year 2021.

The District had outstanding construction commitments on capital projects totaling \$9,695,108 at June 30, 2021.

Depreciation expense for the District for June 30, 2021 and June 30, 2020 are as follows:

| | <u>June 30, 2021</u> | <u>June 30, 2020</u> |
|----------------------------|----------------------|----------------------|
| Water Fund | \$3,617,061 | \$4,319,104 |
| Wastewater Fund | <u>5,363,311</u> | <u>7,408,151</u> |
| Total Depreciation expense | <u>\$8,980,372</u> | <u>\$11,727,255</u> |

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 \$149,221 at June 30, 2021, 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.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 – JOINT POWERS AUTHORITIES (Continued)

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

LAVWMA issued \$105,345,000 principal amount of 2011 Sewer Revenue Refunding Bonds on September 28, 2011. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Under the Amended And Restated Sewer Service Contract dated October 1, 2011, between LAVWMA and Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2011 Bonds, a lien on the Net Revenues of their respective wastewater systems (the “Sewer Systems”), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2011 Bonds. The Bonds were refunded subsequent to fiscal year ended June 30, 2021. See Notes 7 and 14 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.

Financial information for LAVWMA summarized below is as of and for the year ended June 30, 2021:

| | |
|------------------------------|---------------------------|
| Total assets | \$123,763,224 |
| Total liabilities | 75,587,076 |
| Total net position | 48,176,148 |
| Total operating revenue | 12,139,023 |
| Total operating expenses | (7,264,869) |
| Total non-operating revenue | 18,159 |
| Total non-operating expenses | <u>(2,787,595)</u> |
| Net gain | <u><u>\$2,104,718</u></u> |

As discussed in Note 10, in fiscal year 2021, the District restated beginning net position balances related to the District’s investment in LAVWMA in order to be consistent with the other JPA member agencies.

As of June 30, 2021, the District’s share of the JPA was \$12,574,658, which is reflected as an Investment in JPA in the District’s Wastewater Fund.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 – JOINT POWERS AUTHORITIES (Continued)

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.

Financial information for DERWA summarized below is as of and for the year ended June 30, 2021:

| | |
|------------------------------|------------------------|
| Total assets | \$77,887,528 |
| Total liabilities | 7,028,753 |
| Total net position | 70,858,775 |
| Total operating revenue | 6,307,509 |
| Total non-operating revenue | 5,700 |
| Total operating expenses | (6,028,612) |
| Total non-operating expenses | <u>(205,102)</u> |
| Net gain | <u><u>\$79,495</u></u> |

As discussed in Note 10, in fiscal year 2021, the District restated beginning net position balances related to the District's investment in DERWA in order to be consistent with the other JPA member agencies.

As of June 30, 2021, the District's share of the JPA was \$39,733,435, which is reflected as an Investment in JPA in the District's Water Fund.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 7 – LONG-TERM DEBT

| | Original Issue Amount | Balance June 30, 2020 | Retirements | Balance June 30, 2021 | Amount due within one year |
|---|-----------------------------|--------------------------|---------------------|--------------------------|----------------------------------|
| 2011 LAVWMA Obligation 2% - 5%, due 8/1/2031 | \$40,975,094 | \$28,808,396 | \$28,808,396 | | |
| 2017 Water Revenue Refunding Bonds 2%-5%, due 8/1/2041 | 33,590,000 | <u>32,760,000</u> | <u>435,000</u> | <u>\$32,325,000</u> | <u>\$455,000</u> |
| Total long-term debt | | <u>\$61,568,396</u> | <u>\$29,243,396</u> | <u>\$32,325,000</u> | <u>\$455,000</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.

As discussed in Note 10, the District restated beginning net position to book Investment in JPA. Part of that restatement reclassified the District’s share of LAVMWA debt in the amount of \$28,808,396.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021 | <u>\$41,943,576</u> |
| Actual Debt Paid from the Rate Stabilization Fund: | |
| LAVWMA 2011 Bonds | \$4,313,654 |
| | <u>\$4,313,654</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 Regional Sewer):

| | |
|---|--------------------|
| Sewer Operating Revenues | \$23,836,395 |
| Sewer Non-Operating Revenues | 682,245 |
| Capacity Reserve Fees | 3,386,761 |
| Less Regional Expansion Capacity Reserve Fees | <u>(2,483,081)</u> |
| Total Available Revenues | <u>25,422,320</u> |
| Sewer Operating Expenses | 28,288,126 |
| Less Regional Expansion Costs for: | |
| Debt Payments to LAVWMA | (4,313,654) |
| Other Operating Costs | (4,310,713) |
| Less Depreciation | <u>(4,009,329)</u> |
| Operations & Maintenance Costs | <u>15,654,430</u> |
| Net Available Revenue | <u>\$9,767,890</u> |
| Rate Covenant Debt Service: | |
| LAVWMA 2011 Bonds (repair portion) | \$1,464,414 |
| | <u>\$1,464,414</u> |
| Coverage on Rate Covenant Debt Service | <u>6.7</u> |

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 \$50,144,009 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 2021, operating revenues, investment income, and capital grants and contributions amounted to \$43,418,650 and operating costs including operating expenses, but not interest, amounted to \$33,721,619. Net Revenues available for debt service amounted to \$9,697,031 which represents coverage of 516% 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, 2021**

NOTE 7 – LONG-TERM DEBT (Continued)

| | |
|--|-------------------------------|
| WATER REVENUES: | |
| Water Sales | \$37,188,141 |
| Other Revenues (1) | 4,060,597 |
| Interest Income | (306,728) |
| Capacity Reserve Fees | 4,870,824 |
| Less Assessment District (2) | (1,588,179) |
| Less Tax Revenues | (806,005) |
| Less Cell Tower Lease Revenue | (102,526) |
| TOTAL WATER REVENUES | <u><u>\$43,316,124</u></u> |
| | |
| WATER OPERATION & MAINTENANCE COSTS: | |
| Operating Expense | \$39,293,029 |
| Less Depreciation | (3,617,061) |
| Less Assessment District (2) | <u>(1,954,350)</u> |
| TOTAL WATER OPERATION & MAINTENANCE COSTS | <u><u>33,721,618</u></u> |
| NET WATER REVENUES | <u><u>\$9,594,506</u></u> |
| | |
| DEBT SERVICE: | |
| 2019 Water Bonds | <u>\$1,880,513</u> |
| TOTAL DEBT SERVICE | <u><u>\$1,880,513</u></u> |
| | |
| DEBT SERVICE COVERAGE | <u><u>5.10</u></u> |

(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, 2021

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:

| | Regional Wastewater Expansion | Water |
|--|-------------------------------------|----------------------|
| Condensed Statement of Net Position | | |
| Assets: | | |
| Current | \$43,171,394 | \$109,147,125 |
| Capital | 14,927,877 | 133,742,169 |
| Other non current | 10,352,623 | 39,733,435 |
| Total assets | <u>68,451,894</u> | <u>282,622,729</u> |
| Deferred outflows of resources | | <u>3,469,150</u> |
| Liabilities: | | |
| Current liabilities | 1,227,818 | 9,899,099 |
| Long term liabilities | 76,613 | 38,010,833 |
| Total liabilities | <u>1,304,431</u> | <u>47,909,932</u> |
| Deferred inflows of resources | | <u>1,106,772</u> |
| Net position: | | |
| Net investment in capital assets | 14,927,877 | 101,417,169 |
| Restricted | 52,219,586 | 83,802,739 |
| Unrestricted | | 51,855,267 |
| Total net position | <u>\$67,147,463</u> | <u>\$237,075,175</u> |
| Condensed Statement of Revenues, Expenses and Changes in Net Position | | |
| Operating revenue | \$43,063 | \$39,020,665 |
| Operating expenses | (4,310,713) | (36,917,122) |
| Operating loss (gain) | <u>(4,267,650)</u> | <u>2,103,543</u> |
| Nonoperating revenues (expenses): | | |
| Interest income | (115,639) | (316,220) |
| Interest expense | | (1,438,263) |
| Gain on sale of capital assets | | 3,565 |
| Gain on investment in JPA | 811,579 | 267,318 |
| Non-cash contributions | | 1,701,000 |
| Capital contributions - capacity reserve fees | 2,483,081 | 4,870,824 |
| Transfers in | | 39,116,249 |
| Transfers out | | (39,271,265) |
| Change in net position | <u>(1,088,629)</u> | <u>7,036,751</u> |
| Beginning net position, as restated | <u>68,236,092</u> | <u>230,038,424</u> |
| Ending net position | <u>\$67,147,463</u> | <u>\$237,075,175</u> |
| Condensed Statement of Cash Flows | | |
| Net cash provided (used) by: | | |
| Operating activities | \$772,179 | (\$13,823,359) |
| Noncapital financing activities | (6,518,064) | 312,889 |
| Capital financing activities | (1,804,952) | 20,299,898 |
| Investing activities | 5,389,663 | (9,502,857) |
| Net cash flows | <u>(2,161,174)</u> | <u>(2,713,429)</u> |
| Beginning cash and cash equivalents | <u>4,846,742</u> | <u>9,135,215</u> |
| Ending cash and cash equivalents | <u>\$2,685,568</u> | <u>\$6,421,786</u> |

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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.

Pursuant to the official statement, each member agency is required to set rates to achieve coverage of 1.1 times debt service. The Bonds were refunded subsequent to fiscal year ended June 30, 2021. See Note 14 for additional information.

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 7 – LONG-TERM DEBT (Continued)

E. Repayment Schedule

Shown below are maturities for the debt issues:

| For The Year Ending June 30 | Principal | Interest | Total |
|--------------------------------|---------------------|---------------------|---------------------|
| 2022 | \$455,000 | \$1,425,438 | \$1,880,438 |
| 2023 | 475,000 | 1,402,188 | 1,877,188 |
| 2024 | 500,000 | 1,377,813 | 1,877,813 |
| 2025 | 525,000 | 1,352,188 | 1,877,188 |
| 2026 | 550,000 | 1,325,313 | 1,875,313 |
| 2027-2031 | 6,865,000 | 5,761,440 | 12,626,440 |
| 2032-2036 | 9,085,000 | 3,749,940 | 12,834,940 |
| 2037-2041 | 11,370,000 | 1,385,626 | 12,755,626 |
| 2042 | 2,500,000 | 39,063 | 2,539,063 |
| Total payments due | <u>\$32,325,000</u> | <u>\$17,819,009</u> | <u>\$50,144,009</u> |

NOTE 8 – UNEARNED REVENUE AND OTHER LIABILITIES

Total unearned revenue and other liabilities for the year ended June 30, 2021 totaled \$1,671,121.

As of June 30, 2021, 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 \$149,221 (see Note 5). The current portion of this balance at June 30, 2021 is \$44,228.

As of June 30, 2021, the Water Fund recorded \$1,156,447 from developers for future capacity reserve fee credits. When utilized in the future, 50% of the cost of the current capacity reserve fee will be paid for with the credit and the revenue will be recorded at that time.

NOTE 9 – COMPENSATED ABSENCES

As of June 30, 2021, accrued compensated absences are as follows:

| | Business Type Activities | | Total |
|---|--------------------------|------------------|--------------------|
| | Sewer | Water | |
| Summary of activity: | | | |
| Beginning balance | \$1,012,878 | \$586,980 | \$1,599,858 |
| Additions | 1,078,142 | 698,885 | 1,777,027 |
| Payments | (919,341) | (538,765) | (1,458,106) |
| Ending balance - due within one year | <u>\$1,171,679</u> | <u>\$747,100</u> | <u>\$1,918,779</u> |

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 Classic members (Tier 1) for members hired before January 1, 2013 and PEPPRA members (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. Tier 1 members pay 2% of the employer cost through 2024.

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, 2021**

NOTE 10 – PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2021, 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 2.5% |
| Required employee contribution rates | 8.000% | 6.750% |
| Required employer contribution rates | 14.194% | 7.732% |

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 2021, the District paid \$1,296,735 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, 2021, 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, 2021 were as follows:

| | |
|--------------------------|----------------------|
| | <u>Miscellaneous</u> |
| Contributions - employer | \$2,935,170 |

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

| | |
|-----------------------------|---|
| | <u>Proportionate Share of Net Pension Liability</u> |
| Miscellaneous | <u>\$14,089,817</u> |
| Total Net Pension Liability | <u><u>\$14,089,817</u></u> |

DUBLIN SAN RAMON SERVICES DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 was as follows:

| | <u>Miscellaneous</u> |
|------------------------------|----------------------|
| Proportion - June 30, 2019 | 0.3041% |
| Proportion - June 30, 2020 | 0.3340% |
| Change - Increase (Decrease) | 0.0299% |

For the year ended June 30, 2021, the District recognized pension expense of \$4,211,327. At June 30, 2021, 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 | \$2,935,170 | |
| Differences between actual and expected experience | 726,090 | |
| Changes of assumptions | | (\$100,494) |
| Change in employer's proportion and differences between the employer’s contributions and the employer’s proportionate share of contributions | | (2,940,428) |
| Net differences between projected and actual earnings on plan investments | 418,560 | |
| Change's in employer's proportion | 4,761,839 | |
| Total | <u>\$8,841,659</u> | <u>(\$3,040,922)</u> |

\$2,935,170 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, 2022.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 |
|--------------------------------------|---|
| 2022 | \$1,206,978 |
| 2023 | 900,417 |
| 2024 | 557,418 |
| 2025 | 200,754 |
| Total | <u>\$2,865,567</u> |

E. Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions for all benefits tiers:

| | Miscellaneous |
|---------------------------|--|
| Valuation Date | June 30, 2019 |
| Measurement Date | June 30, 2020 |
| 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 | 7.0% (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, 2021

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 information for 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 expected real rates of return by asset class.

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

(1) In the CalPERS Comprehensive Annual Financial Report, 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, 2021

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%) |
| \$29,788,855 | \$14,089,817 | \$1,118,195 |

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. Reduction of CalPERS Discount Rate

In July 2021, CalPERS reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the 21.3% net return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The Funding Risk Mitigation Policy seeks to reduce CalPERS funding risk over time, in which CalPERS investment performance that significantly outperforms the discount rate will trigger adjustments to the discount rate, expected investment return, and strategic asset allocation targets. This is the first time it has been triggered. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%.

Based on these preliminary fiscal year returns, the CalPERS has announced the funded status of the overall Public Employees Retirement Fund (PERF) is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, CalPERS indicated the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood that CalPERS can reach its target over the longer term. The CalPERS Board of Administration will continue to review the discount rate through its Asset Liability Management process during the rest of the calendar year.

CalPERS' final fiscal year 2021 investment performance will be calculated based on audited figures and will be reflected in contribution levels for contracting cities, counties, and special districts in fiscal year 2024.

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 an agent multiple-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, 2021, 95 retirees are receiving medical benefits, and 101 are receiving dental benefits, and there are 119 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, 2020 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, 2021

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, 2021

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:

| | Total OPEB Liability | Increase (Decrease) Plan Fiduciary Net Position | Net OPEB Liability/(Asset) |
|--|---------------------------------|--|---------------------------------------|
| | (a) | (b) | (c) = (a) - (b) |
| As of FYE 2020 (Measurement date 6/30/2019) | \$23,114,814 | \$27,169,273 | (\$4,054,459) |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 1,008,504 | | 1,008,504 |
| Interest on the total OPEB liability | 1,493,182 | | 1,493,182 |
| Changes of assumptions | | | - |
| Contributions from the employer | | 1,251,832 | (1,251,832) |
| Net investment income | | 1,549,013 | (1,549,013) |
| Administrative expenses | | (13,965) | 13,965 |
| Plan Experience | | | - |
| Benefit payments and refunds | (1,217,291) | (1,217,291) | - |
| Net Changes during fiscal year ended 2019 | <u>1,284,395</u> | <u>1,569,589</u> | <u>(285,194)</u> |
| As of FYE 2021 (Measurement date 6/30/2020) | <u>\$24,399,209</u> | <u>\$28,738,862</u> | <u>(\$4,339,653)</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 \$235,963.

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 (asset) of the District, as well as what the District’s net OPEB liability (asset) 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:

| Plan's Net OPEB (Asset) | | |
|--------------------------------|-------------------------|--------------------------|
| Discount Rate -1% | Current Discount | Discount Rate +1% |
| (5.35 %) | Rate (6.35%) | (7.35%) |
| <u>(\$963,270)</u> | <u>(\$4,339,653)</u> | <u>(\$7,117,459)</u> |

DUBLIN SAN RAMON SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

E. Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) 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:

| Plan's Net OPEB (Asset) | | |
|--------------------------------|----------------------------|--------------------------|
| Discount Rate -1% | Health Care Cost | Discount Rate +1% |
| (6.00%) | Trend Rates (7.00%) | (8.00%) |
| <u>(\$7,391,896)</u> | <u>(\$4,339,653)</u> | <u>(\$581,160)</u> |

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$(303,382) as of fiscal year ended June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Changes of Assumptions | \$549,018 | (\$738,656) |
| Differences between expected and actual experience | | (2,919,226) |
| Net difference between projected and actual earnings on OPEB plan investments | | (219,016) |
| Employer contributions made subsequent to the measurement date | 897,924 | |
| Total | <u>\$1,446,942</u> | <u>(\$3,876,898)</u> |

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life for the June 30, 2020 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, 2021

NOTE 11 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)

\$897,924 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, 2022. 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 |
|-------------------------------------|--|
| 2022 | (\$1,140,697) |
| 2023 | (1,076,378) |
| 2024 | (1,004,250) |
| 2025 | (106,555) |
| | <u>(\$3,327,880)</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, 2021**

NOTE 12 – RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies carried by the District as of June 30, 2021:

| 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 | 237,515,619 | \$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 | ADWRP - Alliant Deadly Weapons response | 500,000 | None |
| Pooled Insurance Program | | | |
| 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:

| | 2021 | 2020 |
|--|-----------|-----------|
| Balance at July 1 | \$595,970 | \$416,509 |
| Net change in liability for claims and claims incurred but not reported | 370,127 | 519,617 |
| Claims paid | (385,065) | (340,156) |
| Balance at June 30 | \$581,032 | \$595,970 |

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, 2021

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, 2021, the District's water purchases from Zone 7 amounted to \$16,021,759.

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. In September 2016, a study was prepared to update the closure and post-closure care costs. 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 \$1,880,573 as of June 30, 2021. 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, 2021 with the establishment of the fully-funded liability for this purpose.

NOTE 14 – SUBSEQUENT EVENT

2021 LAVWMA Sewer Revenue Refunding Bonds – On August 11, 2021, LAVWMA issued Sewer Revenue Refunding Bonds in the amount of \$54,790,000 to refund all of the 2011 Sewer Revenue Refunding Bonds. Principal payments are due annually beginning August 1, 2022 through August 1, 2031. The District is to contribute toward debt service due on debt issued by LAVWMA (see note 6).

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2021

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

| Measurement Date | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|-------------|--------------|--------------|--------------|
| Proportion of the net pension liability | 0.334034% | 0.304106% | 0.262289% | 0.263435% | 0.149748% | 0.185007% |
| Proportionate share of the net pension liability | \$14,089,817 | \$12,177,945 | \$9,884,912 | \$10,384,742 | \$12,957,811 | \$12,698,750 |
| Covered payroll | 13,865,188 | 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 | 101.62% | 85.29% | 75.74% | 82.47% | 107.68% | 105.74% |
| Plan's Fiduciary net position | 103,881,003 | 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 | 88.06% | 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 six years are shown.

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2021

SCHEDULE OF CONTRIBUTIONS (PENSION)

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Contractually required contribution (actuarially determined) | \$2,935,170 | \$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 | 2,935,170 | 2,714,774 | 1,859,162 | 1,504,792 | 6,401,296 | 7,120,252 | 6,716,224 |
| Contributions deficiency (excess) | \$0 | \$0 | \$0 | \$0 | (\$5,000,000) | (\$5,000,000) | (\$5,000,000) |
| Covered payroll | \$15,115,187 | \$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 | 19.42% | 19.58% | 13.02% | 11.53% | 50.84% | 59.17% | 55.92% |

Notes to Schedule

Valuation date: June 30, 2019

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 seven years are shown.

DUBLIN SAN RAMON SERVICES DISTRICT

Required Supplementary Information For the year ended June 30, 2021

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 | 6/30/20 |
|---|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | |
| Service Cost | \$848,840 | \$1,020,504 | \$1,053,670 | \$1,008,504 |
| Interest | 1,701,163 | 1,661,164 | 1,764,023 | 1,493,182 |
| 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) | (1,217,291) |
| Changes in benefits | - | - | - | - |
| Net change in total OPEB liability | 2,032,226 | 1,571,301 | (3,547,536) | 1,284,395 |
| Total OPEB liability - beginning | 23,058,823 | 25,091,049 | 26,662,350 | 23,114,814 |
| Total OPEB liability - ending (a) | \$25,091,049 | \$26,662,350 | \$23,114,814 | 24,399,209 |
| OPEB fiduciary net position | | | | |
| Contributions - employer | \$1,080,081 | \$1,212,732 | \$1,251,832 | \$1,251,832 |
| Net investment income | 2,232,198 | 1,880,973 | 1,776,771 | 1,549,013 |
| Administrative expense | (11,330) | (43,338) | (5,441) | (13,965) |
| Benefit payments, including refunds of employee contributions | (1,080,081) | (1,110,367) | (1,154,397) | (1,217,291) |
| Net change in plan fiduciary net position | 2,220,868 | 1,940,000 | 1,868,765 | 1,569,589 |
| Plan fiduciary net position - beginning | 21,139,640 | 23,360,508 | 25,300,508 | 27,169,273 |
| Plan fiduciary net position - ending (b) | \$23,360,508 | \$25,300,508 | \$27,169,273 | \$28,738,862 |
| Net OPEB liability (asset) - ending (a)-(b) | \$1,730,541 | \$1,361,842 | (\$4,054,459) | (\$4,339,653) |
| Plan fiduciary net position as a percentage of the total OPEB liability | 93% | 95% | 118% | 118% |
| Covered-employee payroll (not based on measure of pay) | \$12,531,924 | \$13,112,995 | \$14,287,090 | \$13,918,661 |
| Net OPEB liability (asset) as a percentage of covered-employee payroll | 13.81% | 10.39% | -28.38% | -31.18% |

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, 2021**

**SCHEDULE OF CONTRIBUTIONS (OPEB)
Last 10 years***

| Fiscal Year Ended June 30, | 2018 | 2019 | 2020 | 2021 |
|---|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$1,212,732 | \$1,251,832 | \$865,816 | \$897,924 |
| Contributions in relation to the actuarially determined contributions | 1,212,732 | 1,251,832 | 1,487,795 | 897,924 |
| Contribution deficiency (excess) | \$0 | \$0 | (\$621,979) | \$0 |
| Covered-employee payroll | \$13,112,995 | \$14,287,090 | \$13,918,661 | \$15,148,687 |
| Contributions as a percentage of covered-employee payroll (not based on measure of pay) | 9.25% | 8.76% | 10.69% | 5.93% |
| Notes to Schedule | | | | |
| Valuation date: | 7/1/2017 | 7/1/2017 | 6/30/2019 | 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 Open |
| Asset Valuation Method | Market Value of Assets |
| Inflation | 2.50% per year |
| Payroll Growth | 3.25% 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.

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SUPPLEMENTARY INFORMATION

DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

| | Regional Wastewater Total | Local Wastewater Total | Allocation | Allocation OPEB Fund | Wastewater Total |
|---|---------------------------------|------------------------------|----------------|----------------------------|---------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Pooled cash | \$6,096,702 | \$911,033 | \$383,601 | (\$12,808) | \$7,378,528 |
| Pooled investments | 90,936,332 | 13,487,592 | - | - | 104,423,924 |
| Accounts receivable | 5,355,871 | 344,594 | 423,820 | 827,775 | 6,952,060 |
| Interest receivable | 218,065 | 32,599 | - | (1,143) | 249,521 |
| Deferred capacity reserve fees receivable | 44,228 | - | - | - | 44,228 |
| Prepaid expense | - | - | 2,378 | - | 2,378 |
| Total current assets | 102,651,198 | 14,775,818 | 809,799 | 813,824 | 119,050,639 |
| Non-current assets: | | | | | |
| Investment in JPA | 12,574,658 | - | - | - | 12,574,658 |
| Capital assets: | | | | | |
| Property, plant and equipment | 169,139,867 | 67,834,131 | - | - | 236,973,998 |
| Less accumulated depreciation | 75,770,783 | 29,368,572 | - | - | 105,139,355 |
| Net property, plant and equipment | 93,369,084 | 38,465,559 | - | - | 131,834,643 |
| Construction in progress | 22,294,376 | 3,784,601 | - | - | 26,078,977 |
| Total capital assets | 115,663,460 | 42,250,160 | - | - | 157,913,620 |
| Other assets: | | | | | |
| Net OPEB asset | - | - | - | 2,729,642 | 2,729,642 |
| Deferred capacity reserves receivable - long term | 104,993 | - | - | - | 104,993 |
| Total other assets | 104,993 | - | - | 2,729,642 | 2,834,635 |
| Total non-current assets | 128,343,111 | 42,250,160 | - | 2,729,642 | 173,322,913 |
| Total assets | 230,994,309 | 57,025,978 | 809,799 | 3,543,466 | 292,373,552 |
| Deferred outflows of resources | | | | | |
| Deferred outflows pension related amounts | 3,314,831 | 277,365 | - | - | 3,592,196 |
| Deferred employer pension contributions | 1,404,177 | 376,136 | - | - | 1,780,313 |
| Deferred outflows OPEB related amounts | - | - | - | 345,332 | 345,332 |
| Deferred employer OPEB contributions | - | - | - | 564,794 | 564,794 |
| Total deferred outflows of resources | \$4,719,008 | \$653,501 | \$- | \$910,126 | \$6,282,635 |

DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

| | Regional Wastewater Total | Local Wastewater Total | Allocation | Allocation OPEB Fund | Wastewater Total |
|---|---------------------------------|------------------------------|------------------|----------------------------|----------------------|
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$3,338,096 | \$69,523 | \$162,605 | \$ - | \$3,570,224 |
| Contractor bonds and deposits | 1,852,860 | - | - | - | 1,852,860 |
| Accrued expenses | 424,853 | - | 98,237 | - | 523,090 |
| Accrued compensated absences | 659,817 | 142,253 | 369,609 | - | 1,171,679 |
| Unearned revenue | 44,228 | 365,453 | - | - | 409,681 |
| Total current liabilities | <u>6,319,854</u> | <u>577,229</u> | <u>630,451</u> | <u>-</u> | <u>7,527,534</u> |
| Long term liabilities: | | | | | |
| Net pension liability | 7,040,069 | 2,065,362 | - | - | 9,105,431 |
| Net OPEB liability | - | - | - | - | - |
| DLD remediation reserve | 1,880,573 | - | - | - | 1,880,573 |
| Unearned revenue | 104,993 | - | - | - | 104,993 |
| Total long term liabilities | <u>9,025,635</u> | <u>2,065,362</u> | <u>-</u> | <u>-</u> | <u>11,090,997</u> |
| Total liabilities | <u>15,345,489</u> | <u>2,642,591</u> | <u>630,451</u> | <u>-</u> | <u>18,618,531</u> |
| Deferred inflows of resources | | | | | |
| Deferred inflows of resources - Pension | 1,729,905 | 204,245 | - | - | 1,934,150 |
| Deferred inflows of resources - OPEB | - | - | - | 2,438,569 | 2,438,569 |
| Total deferred inflows of resources | <u>1,729,905</u> | <u>204,245</u> | <u>-</u> | <u>2,438,569</u> | <u>4,372,719</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 115,663,460 | 42,250,160 | - | - | 157,913,620 |
| Restricted for: | | | | | |
| Expansion | 52,219,586 | 9,151,284 | - | - | 61,370,870 |
| Unrestricted | 50,754,877 | 3,431,199 | 179,348 | 2,015,023 | 56,380,447 |
| Total net position | <u>\$218,637,923</u> | <u>\$54,832,643</u> | <u>\$179,348</u> | <u>\$2,015,023</u> | <u>\$275,664,937</u> |

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, 2021

| | Regional Wastewater Total | Local Wastewater Total | Allocation | Allocation OPEB Fund | Wastewater Total |
|---|---------------------------------|------------------------------|------------------|----------------------------|----------------------|
| OPERATING REVENUES | | | | | |
| Wastewater service charges | \$22,553,968 | \$3,861,648 | \$ - | \$ - | \$26,415,616 |
| Other revenues | 1,282,427 | 179,097 | 1,084,887 | - | 2,546,411 |
| Total operating revenues | <u>23,836,395</u> | <u>4,040,745</u> | <u>1,084,887</u> | <u>-</u> | <u>28,962,027</u> |
| OPERATING EXPENSES | | | | | |
| Personnel | 8,664,964 | 1,964,714 | 3,506,048 | (190,826) | 13,944,900 |
| Materials | 3,347,846 | 80,964 | 181,899 | - | 3,610,709 |
| Contractual services | 9,197,543 | 100,787 | 765,548 | - | 10,063,878 |
| Other | 293,205 | 27,790 | 73,673 | - | 394,668 |
| Overhead Charges | 2,775,239 | 849,845 | (3,621,629) | - | 3,455 |
| Depreciation | 4,009,329 | 1,353,982 | - | - | 5,363,311 |
| Total operating expenses | <u>28,288,126</u> | <u>4,378,082</u> | <u>905,539</u> | <u>(190,826)</u> | <u>33,380,921</u> |
| OPERATING INCOME (LOSS) | <u>(4,451,731)</u> | <u>(337,337)</u> | <u>179,348</u> | <u>190,826</u> | <u>(4,418,894)</u> |
| NONOPERATING REVENUES (EXPENSE) | | | | | |
| Investment income | (313,356) | (48,755) | - | 5,513 | (356,598) |
| Gain on sale of assets | 2,478 | 3,154 | - | - | 5,632 |
| Gain on investment in JPA | 993,123 | - | - | - | 993,123 |
| Total non-operating revenues (expense), net | <u>682,245</u> | <u>(45,601)</u> | <u>-</u> | <u>5,513</u> | <u>642,157</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | <u>(3,769,486)</u> | <u>(382,938)</u> | <u>179,348</u> | <u>196,339</u> | <u>(3,776,737)</u> |
| Non-cash contributions | - | 1,101,000 | - | - | 1,101,000 |
| Capital contributions - capacity reserve fees | 3,386,761 | 491,080 | - | - | 3,877,841 |
| Transfers in | 3,798,842 | 808,954 | - | 1,223,898 | 5,831,694 |
| Transfers (out) | (5,302,419) | (1,096,144) | - | - | (6,398,563) |
| Changes in net position | <u>(1,886,302)</u> | <u>921,952</u> | <u>179,348</u> | <u>1,420,237</u> | <u>635,235</u> |
| TOTAL NET POSITION, BEGINNING OF YEAR, AS RESTATED | <u>220,524,225</u> | <u>53,910,691</u> | <u>-</u> | <u>594,786</u> | <u>275,029,702</u> |
| TOTAL NET POSITION, END OF YEAR | <u>\$218,637,923</u> | <u>\$54,832,643</u> | <u>\$179,348</u> | <u>\$2,015,023</u> | <u>\$275,664,937</u> |

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DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

| | Regional Wastewater Enterprise | Regional Wastewater RSF | Regional Wastewater Replacement | Regional Wastewater Expansion | Total |
|---|--------------------------------------|-------------------------------|---------------------------------------|-------------------------------------|--------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Pooled cash | \$653,812 | \$603,741 | \$2,153,581 | \$2,685,568 | \$6,096,702 |
| Pooled investments | 9,571,194 | 9,071,653 | 31,950,603 | 40,342,882 | 90,936,332 |
| Accounts receivable | 5,335,919 | - | 5,278 | 14,674 | 5,355,871 |
| Interest receivable | 23,513 | 21,839 | 76,716 | 95,997 | 218,065 |
| Deferred capacity reserve fees receivable | - | - | 11,955 | 32,273 | 44,228 |
| Total current assets | 15,584,438 | 9,697,233 | 34,198,133 | 43,171,394 | 102,651,198 |
| Non-current assets: | | | | | |
| Investment in JPA | 2,298,648 | - | - | 10,276,010 | 12,574,658 |
| Capital assets: | | | | | |
| Property, plant and equipment | 169,139,867 | - | - | - | 169,139,867 |
| Less accumulated depreciation | 75,770,783 | - | - | - | 75,770,783 |
| Net property, plant and equipment | 93,369,084 | - | - | - | 93,369,084 |
| Land and construction in progress | 56,014 | - | 7,310,485 | 14,927,877 | 22,294,376 |
| Total capital assets | 93,425,098 | - | 7,310,485 | 14,927,877 | 115,663,460 |
| Other assets: | | | | | |
| Deferred capacity reserves receivable - long term | - | - | 28,380 | 76,613 | 104,993 |
| Total other assets | - | - | 28,380 | 76,613 | 104,993 |
| Total non-current assets | 95,723,746 | - | 7,338,865 | 25,280,500 | 128,343,111 |
| Total assets | 111,308,184 | 9,697,233 | 41,536,998 | 68,451,894 | 230,994,309 |
| Deferred outflows of resources | | | | | |
| Deferred outflows pension related amounts | 3,314,831 | - | - | - | 3,314,831 |
| Deferred employer pension contributions | 1,404,177 | - | - | - | 1,404,177 |
| Total deferred outflows of resources | \$4,719,008 | \$ - | \$ - | \$ - | \$4,719,008 |

DUBLIN SAN RAMON SERVICES DISTRICT
REGIONAL WASTEWATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

| | Regional Wastewater Enterprise | Regional Wastewater RSF | Regional Wastewater Replacement | Regional Wastewater Expansion | Total |
|--|--------------------------------------|-------------------------------|---------------------------------------|-------------------------------------|----------------------|
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$1,831,042 | \$ - | \$349,759 | \$1,157,295 | \$3,338,096 |
| Contractor bonds and deposits | 1,814,610 | - | - | 38,250 | 1,852,860 |
| Accrued expenses | 424,853 | - | - | - | 424,853 |
| Accrued compensated absences | 659,817 | - | - | - | 659,817 |
| Unearned revenue | - | - | 11,955 | 32,273 | 44,228 |
| Total current liabilities | 4,730,322 | - | 361,714 | 1,227,818 | 6,319,854 |
| Long term liabilities: | | | | | |
| Net pension liability | 7,040,069 | - | - | - | 7,040,069 |
| DLD remediation reserve | 1,880,573 | - | - | - | 1,880,573 |
| Unearned revenue | - | - | 28,380 | 76,613 | 104,993 |
| Total long term liabilities | 8,920,642 | - | 28,380 | 76,613 | 9,025,635 |
| Total liabilities | 13,650,964 | - | 390,094 | 1,304,431 | 15,345,489 |
| Deferred inflows of resources | | | | | |
| Deferred inflows of resources - Pension | 1,729,905 | - | - | - | 1,729,905 |
| Total deferred inflows of resources | 1,729,905 | - | - | - | 1,729,905 |
| NET POSITION | | | | | |
| Net investment in capital assets | 93,425,098 | - | 7,310,485 | 14,927,877 | 115,663,460 |
| Restricted for: | | | | | |
| Expansion | - | - | - | 52,219,586 | 52,219,586 |
| Unrestricted | 7,221,225 | 9,697,233 | 33,836,419 | - | 50,754,877 |
| Total net position | \$100,646,323 | \$9,697,233 | \$41,146,904 | \$67,147,463 | \$218,637,923 |

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, 2021

| | Regional Wastewater Enterprise | Regional Wastewater RSF | Regional Wastewater Replacement | Regional Wastewater Expansion | Total |
|---|--------------------------------------|-------------------------------|---------------------------------------|-------------------------------------|----------------------|
| OPERATING REVENUES | | | | | |
| Wastewater service charges | \$22,553,968 | \$ - | \$ - | \$ - | \$22,553,968 |
| Other revenues | 1,236,074 | - | 3,290 | 43,063 | 1,282,427 |
| Total operating revenues | 23,790,042 | - | 3,290 | 43,063 | 23,836,395 |
| OPERATING EXPENSES | | | | | |
| Personnel | 8,667,905 | - | - | (2,941) | 8,664,964 |
| Materials | 3,347,846 | - | - | - | 3,347,846 |
| Contractual services | 4,537,846 | - | 346,043 | 4,313,654 | 9,197,543 |
| Other | 201,520 | 2,321 | 89,364 | - | 293,205 |
| Overhead Charges | 2,775,239 | - | - | - | 2,775,239 |
| Depreciation | 4,009,329 | - | - | - | 4,009,329 |
| Total operating expenses | 23,539,685 | 2,321 | 435,407 | 4,310,713 | 28,288,126 |
| OPERATING INCOME (LOSS) | 250,357 | (2,321) | (432,117) | (4,267,650) | (4,451,731) |
| NONOPERATING REVENUES (EXPENSE) | | | | | |
| Investment income | (74,850) | (28,296) | (94,571) | (115,639) | (313,356) |
| Gain on sale of assets | 2,478 | - | - | - | 2,478 |
| Gain on investment in JPA | 181,544 | - | - | 811,579 | 993,123 |
| Total non-operating revenues | 109,172 | (28,296) | (94,571) | 695,940 | 682,245 |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 359,529 | (30,617) | (526,688) | (3,571,710) | (3,769,486) |
| Capital contributions - capacity reserve fees | - | - | 903,680 | 2,483,081 | 3,386,761 |
| Residual equity transfer | 2,452,517 | - | (2,452,517) | - | - |
| Transfers in | - | 458,842 | 3,340,000 | - | 3,798,842 |
| Transfers (out) | (5,302,419) | - | - | - | (5,302,419) |
| Changes in net position | (2,490,373) | 428,225 | 1,264,475 | (1,088,629) | (1,886,302) |
| TOTAL NET POSITION, BEGINNING OF YEAR, AS RESTATED | 103,136,696 | 9,269,008 | 39,882,429 | 68,236,092 | 220,524,225 |
| TOTAL NET POSITION, END OF YEAR | \$100,646,323 | \$9,697,233 | \$41,146,904 | \$67,147,463 | \$218,637,923 |

DUBLIN SAN RAMON SERVICES DISTRICT
 LOCAL WASTEWATER OPERATIONS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2021

| | Local Wastewater Enterprise | Local Wastewater RSF | Local Wastewater Replacement | Local Wastewater Expansion | Elimination | Total |
|---|-----------------------------------|----------------------------|------------------------------------|----------------------------------|--------------------|---------------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Pooled cash | \$104,140 | \$45,852 | \$314,101 | \$446,940 | \$ - | \$911,033 |
| Pooled investments | 1,638,493 | 699,357 | 4,595,772 | 6,553,970 | - | 13,487,592 |
| Cash in Escrow | - | - | - | - | - | - |
| Accounts receivable | 344,594 | - | - | - | - | 344,594 |
| Interest receivable | 3,942 | 1,682 | 11,149 | 15,826 | - | 32,599 |
| Due from Other Funds - Current | - | - | - | 833,333 | (833,333) | - |
| Total current assets | 2,091,169 | 746,891 | 4,921,022 | 7,850,069 | (833,333) | 14,775,818 |
| Non-current assets: | | | | | | |
| Capital assets: | | | | | | |
| Property, plant and equipment | 67,834,131 | - | - | - | - | 67,834,131 |
| Less accumulated depreciation | 29,368,572 | - | - | - | - | 29,368,572 |
| Net property, plant and equipment | 38,465,559 | - | - | - | - | 38,465,559 |
| Land and construction in progress | 850,893 | - | 2,040,716 | 892,992 | - | 3,784,601 |
| Total capital assets | 39,316,452 | - | 2,040,716 | 892,992 | - | 42,250,160 |
| Other assets: | | | | | | |
| Due from Other Funds - Long term | - | - | - | 1,666,668 | (1,666,668) | - |
| Total other assets | - | - | - | 1,666,668 | (1,666,668) | - |
| Total non-current assets | 39,316,452 | - | 2,040,716 | 2,559,660 | (1,666,668) | 42,250,160 |
| Total assets | 41,407,621 | 746,891 | 6,961,738 | 10,409,729 | (2,500,001) | 57,025,978 |
| Deferred outflows of resources | | | | | | |
| Deferred outflows pension related amounts | 277,365 | - | - | - | - | 277,365 |
| Deferred employer pension contributions | 376,136 | - | - | - | - | 376,136 |
| Total deferred outflows of resources | 653,501 | - | - | - | - | 653,501 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 33,428 | - | 36,095 | - | - | 69,523 |
| Accrued compensated absences | 142,253 | - | - | - | - | 142,253 |
| Due to Other Funds - Current | - | - | 833,333 | - | (833,333) | - |
| Unearned revenue | - | - | - | 365,453 | - | 365,453 |
| Total current liabilities | 175,681 | - | 869,428 | 365,453 | (833,333) | 577,229 |
| Long term liabilities: | | | | | | |
| Due to Other Funds - Long term | - | - | 1,666,668 | - | (1,666,668) | - |
| Net pension liability | 2,065,362 | - | - | - | - | 2,065,362 |
| Total long term liabilities | 2,065,362 | - | 1,666,668 | - | (1,666,668) | 2,065,362 |
| Total liabilities | 2,241,043 | - | 2,536,096 | 365,453 | (2,500,001) | 2,642,591 |
| Deferred inflows of resources | | | | | | |
| Deferred inflows pension related amounts | 204,245 | - | - | - | - | 204,245 |
| Total deferred inflows of resources | 204,245 | - | - | - | - | 204,245 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 39,316,452 | - | 2,040,716 | 892,992 | - | 42,250,160 |
| Restricted for: | | | | | | |
| Expansion | - | - | - | 9,151,284 | - | 9,151,284 |
| Unrestricted | 299,382 | 746,891 | 2,384,926 | - | - | 3,431,199 |
| Total net position | \$39,615,834 | \$746,891 | \$4,425,642 | \$10,044,276 | \$ - | \$54,832,643 |

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, 2021

| | Local Wastewater Enterprise | Local Wastewater RSF | Local Wastewater Replacement | Local Wastewater Expansion | Total |
|---|-----------------------------------|----------------------------|------------------------------------|----------------------------------|---------------------|
| OPERATING REVENUES | | | | | |
| Wastewater service charges | \$3,861,648 | \$ - | \$ - | \$ - | \$3,861,648 |
| Other revenues | 177,875 | - | 1,222 | - | 179,097 |
| Total operating revenues | 4,039,523 | - | 1,222 | - | 4,040,745 |
| OPERATING EXPENSES | | | | | |
| Personnel | 1,979,109 | - | - | (14,395) | 1,964,714 |
| Materials | 80,964 | - | - | - | 80,964 |
| Contractual services | 100,787 | - | - | - | 100,787 |
| Other | 25,469 | 2,321 | - | - | 27,790 |
| Overhead charges | 849,845 | - | - | - | 849,845 |
| Depreciation | 1,353,982 | - | - | - | 1,353,982 |
| Total operating expenses | 4,390,156 | 2,321 | - | (14,395) | 4,378,082 |
| OPERATING INCOME (LOSS) | (350,633) | (2,321) | 1,222 | 14,395 | (337,337) |
| NONOPERATING REVENUES | | | | | |
| Investment income | (9,342) | (8,675) | (15,155) | (15,583) | (48,755) |
| Gain on sale of assets | 3,154 | - | - | - | 3,154 |
| Total non-operating revenues | (6,188) | (8,675) | (15,155) | (15,583) | (45,601) |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | | | | | |
| | (356,821) | (10,996) | (13,933) | (1,188) | (382,938) |
| Non-cash contributions | 1,101,000 | - | - | - | 1,101,000 |
| Capital contributions - capacity reserve fees | - | - | 476,544 | 14,536 | 491,080 |
| Transfers in | - | 759,954 | - | 49,000 | 808,954 |
| Transfers (out) | (1,047,144) | - | (49,000) | - | (1,096,144) |
| Changes in net position | (302,965) | 748,958 | 413,611 | 62,348 | 921,952 |
| TOTAL NET POSITION, BEGINNING OF YEAR | 39,918,799 | (2,067) | 4,012,031 | 9,981,928 | 53,910,691 |
| TOTAL NET POSITION, END OF YEAR | \$39,615,834 | \$746,891 | \$4,425,642 | \$10,044,276 | \$54,832,643 |

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DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

| | Water Total | Dougherty Valley Asmnt Dist | Allocation | Allocation OPEB Fund | Total |
|---|--------------------|-----------------------------------|----------------|----------------------------|--------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Pooled cash | \$6,421,786 | \$20,903 | \$226,257 | (\$7,555) | \$6,661,391 |
| Pooled investments | 95,032,563 | 399,632 | - | - | 95,432,195 |
| Restricted Cash - Debt Service Fund | 2 | - | - | - | 2 |
| Accounts receivable | 7,462,463 | - | 249,979 | 488,243 | 8,200,685 |
| Interest receivable | 230,311 | 3,051 | - | (674) | 232,688 |
| Prepaid expenses | - | - | 1,402 | - | 1,402 |
| Total current assets | <u>109,147,125</u> | <u>423,586</u> | <u>477,638</u> | <u>480,014</u> | <u>110,528,363</u> |
| Non-current assets: | | | | | |
| Net OPEB asset | - | - | - | 1,610,011 | 1,610,011 |
| Investment in JPA | 39,733,435 | - | - | - | 39,733,435 |
| Capital assets: | | | | | |
| Property, plant and equipment | 176,508,896 | - | - | - | 176,508,896 |
| Less accumulated depreciation | <u>66,526,837</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>66,526,837</u> |
| Net property, plant and equipment | 109,982,059 | - | - | - | 109,982,059 |
| Land and construction in progress | <u>23,760,110</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>23,760,110</u> |
| Total capital assets | <u>133,742,169</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>133,742,169</u> |
| Total non-current assets | <u>173,475,604</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>175,085,615</u> |
| Total assets | <u>282,622,729</u> | <u>423,586</u> | <u>477,638</u> | <u>2,090,025</u> | <u>285,613,978</u> |
| Deferred outflows of resources | | | | | |
| Deferred outflows pension related amounts | 2,314,293 | - | - | - | 2,314,293 |
| Deferred employer pension contributions | 1,154,857 | - | - | - | 1,154,857 |
| Deferred outflows OPEB related amounts | - | - | - | 203,686 | 203,686 |
| Deferred employer OPEB contributions | - | - | - | 333,130 | 333,130 |
| Total deferred outflows of resources | <u>\$3,469,150</u> | <u>\$-</u> | <u>\$-</u> | <u>\$536,816</u> | <u>\$4,005,966</u> |

DUBLIN SAN RAMON SERVICES DISTRICT
WATER OPERATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

| | Water Total | Dougherty Valley Asmnt Dist | Allocation | Allocation OPEB Fund | Total |
|---|----------------------|-----------------------------------|------------------|----------------------------|----------------------|
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$5,844,767 | \$ - | \$ 95,909 | \$ - | \$5,940,676 |
| Contractor bonds and deposits | 2,471,565 | - | - | - | 2,471,565 |
| Accrued expenses | - | - | 57,942 | - | 57,942 |
| Accrued compensated absences | 529,095 | - | 218,005 | - | 747,100 |
| Interest payable | 598,672 | - | - | - | 598,672 |
| Bonds payable - current portion | 455,000 | - | - | - | 455,000 |
| Total current liabilities | <u>9,899,099</u> | <u>-</u> | <u>371,856</u> | <u>-</u> | <u>10,270,955</u> |
| Long term liabilities: | | | | | |
| Bonds payable - less current portion | 31,870,000 | - | - | - | 31,870,000 |
| Net pension liability | 4,984,386 | - | - | - | 4,984,386 |
| Unearned revenue | 1,156,447 | - | - | - | 1,156,447 |
| Total long term liabilities | <u>38,010,833</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>38,010,833</u> |
| Total liabilities | <u>47,909,932</u> | <u>-</u> | <u>371,856</u> | <u>-</u> | <u>48,281,788</u> |
| Deferred inflows of resources | | | | | |
| Deferred inflows of resources - Pension | 1,106,772 | - | - | - | 1,106,772 |
| Deferred inflows of resources - OPEB | - | - | - | 1,438,329 | 1,438,329 |
| Total deferred inflows of resources | <u>1,106,772</u> | <u>-</u> | <u>-</u> | <u>1,438,329</u> | <u>2,545,101</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 101,417,169 | - | - | - | 101,417,169 |
| Restricted for: | | | | | |
| Expansion | 83,802,739 | - | - | - | 83,802,739 |
| Assessment district | - | 423,586 | - | - | 423,586 |
| Unrestricted | 51,855,267 | - | 105,782 | 1,188,512 | 53,149,561 |
| Total net position | <u>\$237,075,175</u> | <u>\$423,586</u> | <u>\$105,782</u> | <u>\$1,188,512</u> | <u>\$238,793,055</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, 2021

| | Water Total | Dougherty Valley Asmnt Dist | Allocation | Allocation OPEB Fund | Total |
|---|----------------------|-----------------------------------|------------------|----------------------------|----------------------|
| OPERATING REVENUES | | | | | |
| Water sales | \$37,188,141 | \$ - | \$ - | \$ - | \$37,188,141 |
| Other revenues | 1,832,524 | 1,588,179 | \$639,894 | - | 4,060,597 |
| Total operating revenues | <u>39,020,665</u> | <u>1,588,179</u> | <u>639,894</u> | <u>-</u> | <u>41,248,738</u> |
| OPERATING EXPENSES | | | | | |
| Personnel | 7,404,271 | - | 2,067,958 | (112,555) | 9,359,674 |
| Materials | 17,901,642 | - | 107,288 | - | 18,008,930 |
| Contractual services | 5,573,967 | 1,954,350 | 451,539 | - | 7,979,856 |
| Other | 287,508 | - | 43,454 | - | 330,962 |
| Overhead charges | 2,132,673 | - | (2,136,127) | - | (3,454) |
| Depreciation | 3,617,061 | - | - | - | 3,617,061 |
| Total operating expenses | <u>36,917,122</u> | <u>1,954,350</u> | <u>534,112</u> | <u>(112,555)</u> | <u>39,293,029</u> |
| OPERATING INCOME (LOSS) | <u>2,103,543</u> | <u>(366,171)</u> | <u>105,782</u> | <u>112,555</u> | <u>1,955,709</u> |
| NONOPERATING REVENUES (EXPENSE) | | | | | |
| Investment income | (316,220) | 6,240 | - | 3,252 | (306,728) |
| Gain on sale of assets | 3,565 | - | - | - | 3,565 |
| Gain (loss) on Investment in JPA | 267,318 | - | - | - | 267,318 |
| Interest (expense) | (1,438,263) | - | - | - | (1,438,263) |
| Total non-operating revenues (expenses), net | <u>(1,483,600)</u> | <u>6,240</u> | <u>-</u> | <u>3,252</u> | <u>(1,474,108)</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | | | | | |
| | 619,943 | (359,931) | 105,782 | 115,807 | 481,601 |
| Non-cash contributions | 1,701,000 | - | - | - | 1,701,000 |
| Capital contributions - capacity reserve fees | 4,870,824 | - | - | - | 4,870,824 |
| Transfers in | 39,116,249 | - | - | 721,885 | 39,838,134 |
| Transfers (out) | (39,271,265) | - | - | - | (39,271,265) |
| Changes in net position | 7,036,751 | (359,931) | 105,782 | 837,692 | 7,620,294 |
| TOTAL NET POSITION, BEGINNING OF YEAR, AS RESTATED | <u>230,038,424</u> | <u>783,517</u> | <u>-</u> | <u>350,820</u> | <u>231,172,761</u> |
| NET POSITION, END OF YEAR | <u>\$237,075,175</u> | <u>\$423,586</u> | <u>\$105,782</u> | <u>\$1,188,512</u> | <u>\$238,793,055</u> |

DUBLIN SAN RAMON SERVICES DISTRICT
WATER FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

| | Water Enterprise | Water RSF | Water Replacement | Water Expansion | Total |
|---|----------------------|---------------------|----------------------|---------------------|----------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Pooled cash | \$720,410 | \$1,002,198 | \$1,745,173 | \$2,954,005 | \$6,421,786 |
| Pooled investments | 10,750,109 | 14,906,285 | 25,756,302 | 43,619,867 | 95,032,563 |
| Restricted cash - debt service fund | - | - | - | 2 | 2 |
| Accounts receivable | 7,447,983 | - | - | 14,480 | 7,462,463 |
| Interest receivable | 31,451 | 35,908 | 60,241 | 102,711 | 230,311 |
| Total current assets | 18,949,953 | 15,944,391 | 27,561,716 | 46,691,065 | 109,147,125 |
| Non-current assets: | | | | | |
| Investment in JPA | - | - | - | 39,733,435 | 39,733,435 |
| Capital assets: | | | | | |
| Property, plant and equipment | 176,508,896 | - | - | - | 176,508,896 |
| Less accumulated depreciation | 66,526,837 | - | - | - | 66,526,837 |
| Net property, plant and equipment | 109,982,059 | - | - | - | 109,982,059 |
| Land and construction in progress | 6,806,038 | - | 13,299,235 | 3,654,837 | 23,760,110 |
| Total capital assets | 116,788,097 | - | 13,299,235 | 3,654,837 | 133,742,169 |
| Total non-current assets | 116,788,097 | - | 13,299,235 | 43,388,272 | 173,475,604 |
| Total assets | 135,738,050 | 15,944,391 | 40,860,951 | 90,079,337 | 282,622,729 |
| Deferred outflows of resources | | | | | |
| Deferred outflows pension related amounts | 2,314,293 | - | - | - | 2,314,293 |
| Deferred employer pension contributions | 1,154,857 | - | - | - | 1,154,857 |
| Total deferred outflows of resources | 3,469,150 | - | - | - | 3,469,150 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 4,566,014 | - | 412,111 | 866,642 | 5,844,767 |
| Contractor bonds and deposits | 2,471,565 | - | - | - | 2,471,565 |
| Accrued compensated absences | 529,095 | - | - | - | 529,095 |
| Interest Payable | - | - | - | 598,672 | 598,672 |
| Bonds payable - current portion | - | - | - | 455,000 | 455,000 |
| Total current liabilities | 7,566,674 | - | 412,111 | 1,920,314 | 9,899,099 |
| Long term liabilities: | | | | | |
| Bonds payable - less current portion | - | - | - | 31,870,000 | 31,870,000 |
| Net pension liability | 4,984,386 | - | - | - | 4,984,386 |
| Unearned revenue | - | - | - | 1,156,447 | 1,156,447 |
| Total long term liabilities | 4,984,386 | - | - | 33,026,447 | 38,010,833 |
| Total liabilities | 12,551,060 | - | 412,111 | 34,946,761 | 47,909,932 |
| Deferred inflows of resources | | | | | |
| Deferred inflows of resources - Pension | 1,106,772 | - | - | - | 1,106,772 |
| Total deferred inflows of resources | 1,106,772 | - | - | - | 1,106,772 |
| NET POSITION | | | | | |
| Net investment in capital assets | 116,788,097 | - | 13,299,235 | (28,670,163) | 101,417,169 |
| Restricted for: | | | | | |
| Expansion | - | - | - | 83,802,739 | 83,802,739 |
| Unrestricted | 8,761,271 | 15,944,391 | 27,149,605 | - | 51,855,267 |
| Total net position | \$125,549,368 | \$15,944,391 | \$40,448,840 | \$55,132,576 | \$237,075,175 |

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, 2021

| | Water Enterprise | Water RSF | Water Replacement | Water Expansion | Total |
|--|----------------------|---------------------|----------------------|---------------------|----------------------|
| OPERATING REVENUES | | | | | |
| Water sales | \$37,188,141 | \$ - | \$ - | \$ - | \$37,188,141 |
| Other revenues | 900,452 | 908,531 | 23,541 | - | 1,832,524 |
| Total operating revenues | 38,088,593 | 908,531 | 23,541 | - | 39,020,665 |
| OPERATING EXPENSES | | | | | |
| Personnel | 7,438,167 | - | - | (33,896) | 7,404,271 |
| Materials | 17,901,642 | - | - | - | 17,901,642 |
| Contractual services | 4,252,040 | - | 197,619 | 1,124,308 | 5,573,967 |
| Other | 183,317 | 74,014 | 28,427 | 1,750 | 287,508 |
| Overhead Charges | 2,132,673 | - | - | - | 2,132,673 |
| Depreciation | 3,617,061 | - | - | - | 3,617,061 |
| Total operating expenses | 35,524,900 | 74,014 | 226,046 | 1,092,162 | 36,917,122 |
| OPERATING INCOME (LOSS) | 2,563,693 | 834,517 | (202,505) | (1,092,162) | 2,103,543 |
| NONOPERATING REVENUES (EXPENSE) | | | | | |
| Investment income | (35,807) | (45,199) | 8,603 | (243,817) | (316,220) |
| Gain on sale of assets | 3,565 | - | - | - | 3,565 |
| Gain (loss) on investment in JPA | - | - | - | 267,318 | 267,318 |
| Interest Expense | - | - | - | (1,438,263) | (1,438,263) |
| Total non-operating revenues (expenses) | (32,242) | (45,199) | 8,603 | (1,414,762) | (1,483,600) |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | | | | | |
| | 2,531,451 | 789,318 | (193,902) | (2,506,924) | 619,943 |
| Non-cash contributions | 1,701,000 | - | - | - | 1,701,000 |
| Capital contributions - capacity reserve fees | - | - | 1,501,356 | 3,369,468 | 4,870,824 |
| Residual equity transfer | 904,826 | - | (904,826) | - | - |
| Transfers in | 15,793,385 | 2,993,672 | 5,159,627 | 15,169,565 | 39,116,249 |
| Transfers (out) | (21,049,823) | (4,176,188) | (11,051,582) | (2,993,672) | (39,271,265) |
| Changes in net position | (119,161) | (393,198) | (5,489,327) | 13,038,437 | 7,036,751 |
| TOTAL NET POSITION, BEGINNING OF YEAR AS RESTATED | 125,668,529 | 16,337,589 | 45,938,167 | 42,094,139 | 230,038,424 |
| TOTAL NET POSITION, END OF YEAR | \$125,549,368 | \$15,944,391 | \$40,448,840 | \$55,132,576 | \$237,075,175 |

DUBLIN SAN RAMON SERVICES DISTRICT
ALLOCATIONS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

| | <u>Administrative Cost Center</u> | <u>OPEB Fund</u> | <u>Total</u> |
|--|---------------------------------------|----------------------|--------------------|
| ASSETS | | | |
| Current assets: | | | |
| Pooled cash | \$609,858 | (\$20,363) | \$589,495 |
| Accounts receivable | 673,799 | 1,316,018 | 1,989,817 |
| Interest receivable | - | (1,817) | (1,817) |
| Prepaid expense | 3,780 | - | 3,780 |
| Total current assets | <u>1,287,437</u> | <u>1,293,838</u> | <u>2,581,275</u> |
| Other assets: | | | |
| Net OPEB asset | - | 4,339,653 | 4,339,653 |
| Total assets | <u>1,287,437</u> | <u>5,633,491</u> | <u>6,920,928</u> |
| Deferred outflows of resources | | | |
| Deferred outflows OPEB related amounts | - | 549,018 | 549,018 |
| Deferred employer OPEB contributions | - | 897,924 | 897,924 |
| Total deferred outflows of resources | <u>-</u> | <u>1,446,942</u> | <u>1,446,942</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 258,514 | - | 258,514 |
| Accrued expenses | 156,179 | - | 156,179 |
| Accrued compensated absences | 587,614 | - | 587,614 |
| Total current liabilities | <u>1,002,307</u> | <u>-</u> | <u>1,002,307</u> |
| Total liabilities | <u>1,002,307</u> | <u>-</u> | <u>1,002,307</u> |
| Deferred inflows of resources | | | |
| Deferred inflows of resources - OPEB | - | 3,876,898 | 3,876,898 |
| Total deferred inflows of resources | <u>-</u> | <u>3,876,898</u> | <u>3,876,898</u> |
| NET POSITION | | | |
| Unrestricted | <u>285,130</u> | <u>3,203,535</u> | <u>3,488,665</u> |
| Total net position | <u>\$285,130</u> | <u>\$3,203,535</u> | <u>\$3,488,665</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, 2021

| | Administrative Cost Center | OPEB Fund | Total |
|---------------------------------------|-------------------------------|--------------------|--------------------|
| OPERATING REVENUES | | | |
| Other revenues | \$1,724,781 | \$ - | \$1,724,781 |
| Total operating revenues | <u>1,724,781</u> | <u>-</u> | <u>1,724,781</u> |
| OPERATING EXPENSES | | | |
| Personnel | 5,574,006 | (303,381) | 5,270,625 |
| Materials | 289,187 | - | 289,187 |
| Contractual services | 1,217,087 | - | 1,217,087 |
| Other | 117,127 | - | 117,127 |
| Overhead charges | (5,757,756) | - | (5,757,756) |
| Total operating expenses | <u>1,439,651</u> | <u>(303,381)</u> | <u>1,136,270</u> |
| OPERATING INCOME | <u>285,130</u> | <u>303,381</u> | <u>588,511</u> |
| NONOPERATING REVENUES | | | |
| Investment income | - | 8,765 | 8,765 |
| Total non-operating revenues | <u>-</u> | <u>8,765</u> | <u>8,765</u> |
| INCOME (LOSS) BEFORE TRANSFERS | | | |
| Transfers in | - | 1,945,783 | 1,945,783 |
| Changes in net position | <u>285,130</u> | <u>2,257,929</u> | <u>2,543,059</u> |
| TOTAL NET POSITION, BEGINNING OF YEAR | <u>-</u> | <u>945,606</u> | <u>945,606</u> |
| TOTAL NET POSITION, END OF YEAR | <u>\$285,130</u> | <u>\$3,203,535</u> | <u>\$3,488,665</u> |



Statistical Section

STATISTICAL OVERVIEW



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

Demographic and Economic Information

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

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

These schedules present information to help the readers 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 readers 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 *"Annual Comprehensive Financial Report"* for the relevant year.

CITY OF DUBLIN PRINCIPAL EMPLOYERS

Fiscal Year 2020 and Ten Years Prior

| Employer | 2011 | | 2020 ¹ | |
|--|-----------|------|-------------------|------|
| | Employees | Rank | Employees | Rank |
| US Government & Federal Correctional Institution | 2,100 | 1 | 1,400 | 1 |
| County of Alameda | 465 | 6 | 1,165 | 2 |
| Dublin Unified School District | 675 | 4 | 1,115 | 3 |
| Ross Store Headquarters | N/A | | 1,100 | 4 |
| Kaiser Permanente | N/A | | 510 | 5 |
| Zeiss Meditec | 975 | 2 | 450 | 6 |
| TriNet | N/A | | 400 | 7 |
| Patelco Credit Union | N/A | | 380 | 8 |
| Target Corporation | N/A | | 380 | 9 |
| City of Dublin | 201 | 9 | 332 | 10 |
| Sybase Corporation | 710 | 3 | | |
| Micro Dental Laboratories | 550 | 5 | | |
| Safeway | 400 | 7 | | |
| Taleo | 275 | 8 | | |
| Franklin Templeton Investments | 200 | 10 | | |
| Total | 6,551 | | 7,232 | |

1. **Source:** City of Dublin, *Comprehensive Annual Financial Report, Fiscal Year ended June 30, 2020***CITY OF SAN RAMON PRINCIPAL EMPLOYERS**

Fiscal Year 2020 and Ten Years Prior

| Employer | 2011 | | 2020 ^{1 1} | |
|-----------------------------------|-----------|------|---------------------|------|
| | Employees | Rank | Employees | Rank |
| Chevron USA, Inc. | 3,521 | 1 | 3,176 | 1 |
| Bank of the West | 1,600 | 3 | 1,600 | 2 |
| Robert Half International Inc. | 982 | 4 | 1,474 | 3 |
| Accenture LLP | 750 | 6 | 750 | 4 |
| San Ramon Regional Medical Center | 500 | 7 | 727 | 5 |
| Primed Management Consulting | N/A | | 453 | 6 |
| Old Republic Home Protection | N/A | | 453 | 7 |
| Five 9, Inc. | N/A | | 376 | 8 |
| PG&E | 968 | 5 | 364 | 9 |
| Pacific Bell Telephone | N/A | | 321 | 10 |
| AT&T | 1,819 | 2 | N/A | |
| 24-Hour Fitness USA, Inc. | 372 | 8 | N/A | |
| Marriott | 368 | 9 | N/A | |
| IBM Corporation | 358 | 10 | N/A | |
| Total | 11,238 | | 9,694 | |

1. **Source:** City of San Ramon, *Comprehensive Annual Financial Report, Fiscal Year ended June 30, 2020*

DEMOGRAPHIC AND ECONOMIC INDICATORS

Last 10 Calendar Years

| Calendar Year | City of Dublin Population ^{2,4} | Alameda County Personal Income ¹ | Alameda County Per Capita Personal Income ¹ | City of Dublin Unemployment Rate ³ |
|---------------|--|---|--|---|
| 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 | 135,663,560 | 81,171 | 2.10% |
| 2020 | 65,716 | n-a ⁴ | n-a ⁴ | 7.40% |
| 2021 | 64,695 | n-a ⁴ | n-a ⁴ | 4.00% |

| Calendar Year | City of San Ramon Population ² | Contra Costa County Personal Income ¹ | Contra Costa County Per Capita Personal Income ¹ | City of San Ramon Unemployment Rate ³ |
|---------------|---|--|---|--|
| 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 | 98,423,318 | 85,324 | 2.20% |
| 2020 | 83,118 | n-a ⁴ | n-a ⁴ | 7.30% |
| 2021 | 83,863 | n-a ⁴ | n-a ⁴ | 4.00% |

Source:

1. U.S. Department of Commerce, Bureau of Economic Analysis, "CAINC1 Personal Income Summary" midyear population estimates
- Last updated: November 17, 2020 with new statistics for 2019
2. State of California, Department of Finance, "E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2011-2021, with 2010 Benchmark"
- Released: May 2021
3. State of California, Employment Development Department, Unemployment Rates (Labor Force) (one-year lag)
- Last updated: Unemployment rates as of September 2021
4. As of November 11, 2021, data for 2020 and 2021 not yet available

CHANGES IN NET POSITION

Last 10 Fiscal Years

(Accrual basis of accounting, amounts expressed in thousands)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-----------|-----------|-----------|-----------|-----------|
| Operating Revenues | | | | | |
| Water | \$26,239 | \$28,557 | \$30,576 | \$29,043 | \$29,627 |
| Wastewater | 21,073 | 22,699 | 22,904 | 24,333 | 24,804 |
| Total operating revenues | \$47,312 | \$51,256 | \$53,480 | \$53,376 | \$54,431 |
| Operating Expenses | | | | | |
| Water | 26,979 | 26,857 | 30,994 | 27,486 | 26,147 |
| Wastewater | 29,657 | 28,338 | 28,800 | 28,754 | 29,609 |
| Total operating expenses | \$56,636 | \$55,195 | \$59,794 | \$56,240 | \$55,756 |
| Net Operating Revenues (Expenses) | (\$9,324) | (\$3,939) | (\$6,314) | (\$2,864) | (\$1,325) |
| Non-Operating Revenues (Expenses) | | | | | |
| Interest earnings | 625 | 149 | 1,376 | 958 | 1,639 |
| Interest expense | (2,637) | (2,555) | (2,470) | (2,362) | (1,929) |
| Non-operating revenue (expenses) | 0 | 0 | 0 | 0 | 48 |
| Non-cash contributions | 2,262 | 1,294 | 4,735 | 4,983 | 1,461 |
| Capital contributions | 18,752 | 18,786 | 13,094 | 29,905 | 34,462 |
| Total non-operating revenues (expenses) | \$19,002 | \$17,674 | \$16,735 | \$33,484 | \$35,681 |
| Change in Net Position | \$9,678 | \$13,735 | \$10,421 | \$30,620 | \$34,356 |

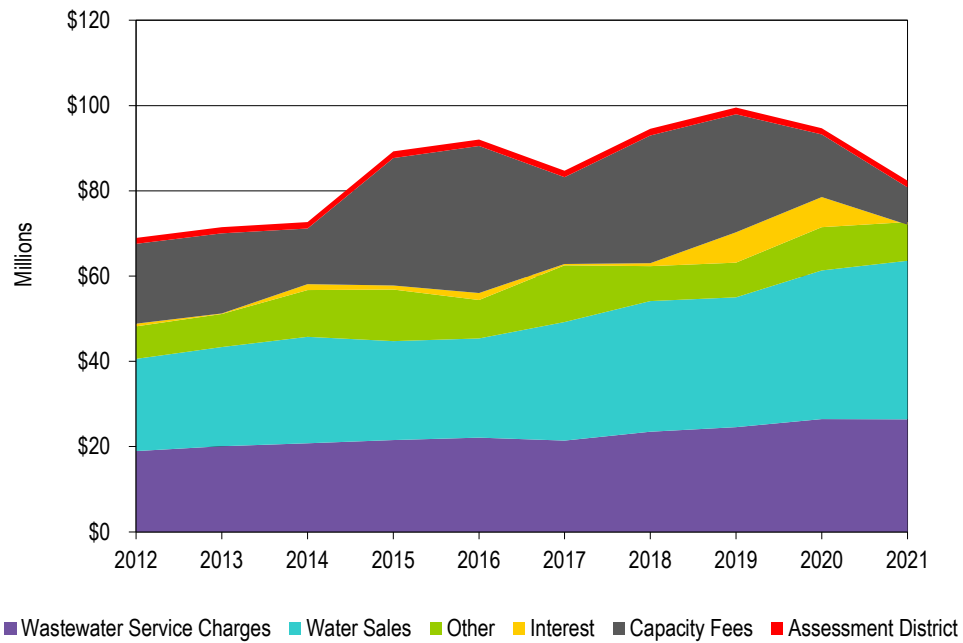
Continued on next page >>

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| | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------------------|------------------|-------------------|-------------------|------------------|
| Operating Revenues | | | | | |
| Water | \$35,293 | \$36,063 | \$35,277 | 42,487 | 41,249 |
| Wastewater | 24,316 | 26,199 | 27,107 | 28,917 | 28,962 |
| Total operating revenues | \$59,609 | \$62,261 | \$62,384 | \$71,404 | \$70,211 |
| Operating Expenses | | | | | |
| Water | 37,635 | 39,012 | 37,438 | 46,278 | 39,293 |
| Wastewater | 31,435 | 31,767 | 36,093 | 37,107 | 33,381 |
| Total operating expenses | \$69,070 | \$70,779 | \$73,530 | \$83,385 | \$72,674 |
| Net Operating Revenues (Expenses) | (\$9,461) | (\$8,518) | (\$11,146) | (\$11,982) | (\$2,463) |
| Non-Operating Revenues (Expenses) | | | | | |
| Interest earnings | 354 | 696 | 7,137 | 7,103 | (663) |
| Interest expense | (1,918) | (1,712) | (1,467) | (1,454) | (1,438) |
| Non-operating revenue (expenses) | (37) | 652 | 6 | 7 | 1,270 |
| Non-cash contributions | 4,485 | 982 | 2,360 | 1,535 | 2,802 |
| Capital contributions | 20,330 | 29,944 | 27,667 | 14,632 | 8,749 |
| Total non-operating revenues (expenses) | \$23,215 | \$30,562 | \$35,703 | \$21,823 | \$10,719 |
| Change in Net Position | \$13,754 | \$22,044 | \$24,557 | \$9,841 | \$8,256 |

TOTAL REVENUE BY SOURCE

Last 10 Fiscal Years



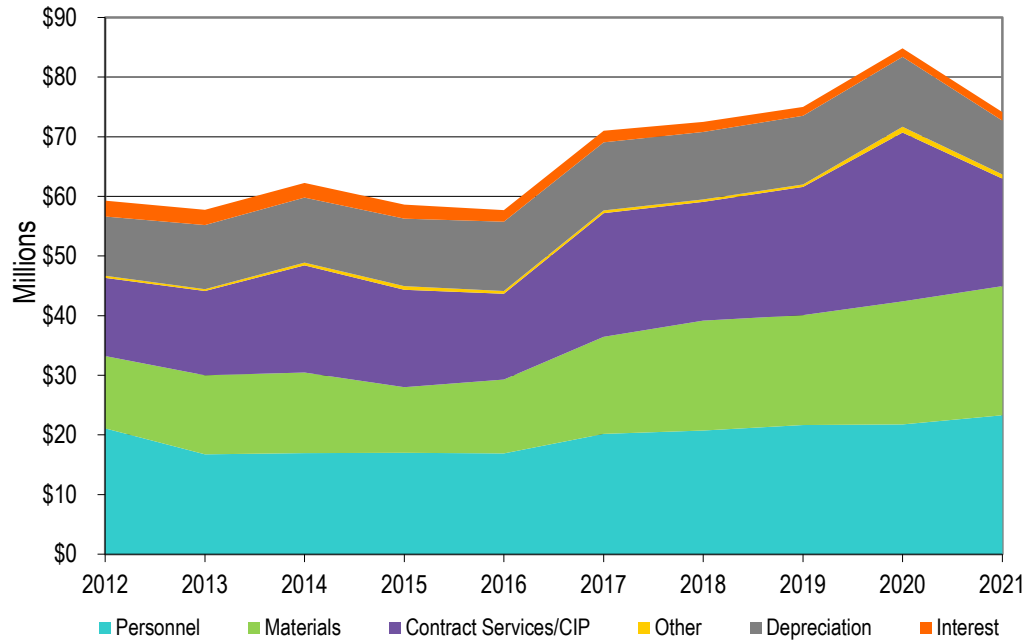
REVENUE SOURCES FOR FISCAL YEARS 2012 THROUGH 2021

| Fiscal Year Ending | Total | Wastewater Service Charges | Water Sales | Other | Interest | Capacity Fees | Assessment District |
|--------------------|------------|----------------------------|-------------|------------|-----------|---------------|---------------------|
| 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 |
| 2021 | 82,367,742 | 26,415,616 | 37,188,141 | 9,084,227 | (663,326) | 8,748,665 | 1,594,419 |

Source: Dublin San Ramon Services District audited financial statements

TOTAL EXPENSE BY TYPE

Last 10 Fiscal Years



EXPENSES FOR FISCAL YEARS 2012 THROUGH 2021

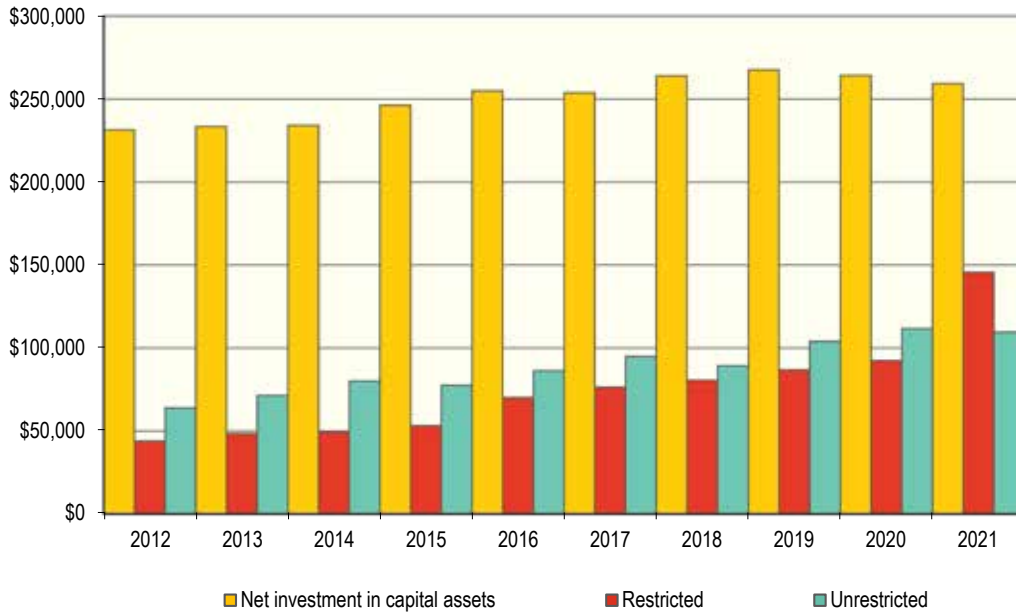
| Fiscal Year Ending | Total | Personnel | Materials | Contract Services/CIP | Other | Depreciation | Interest |
|--------------------|------------|------------|------------|-----------------------|---------|--------------|-----------|
| 2012 | 59,273,573 | 21,076,414 | 12,169,667 | 13,108,236 | 337,681 | 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 |
| 2021 | 74,112,213 | 23,304,574 | 21,619,639 | 18,043,734 | 725,631 | 8,980,372 | 1,438,263 |

Source: Dublin San Ramon Services District audited financial statements

NET POSITION BY COMPONENT

Last 10 Fiscal Years

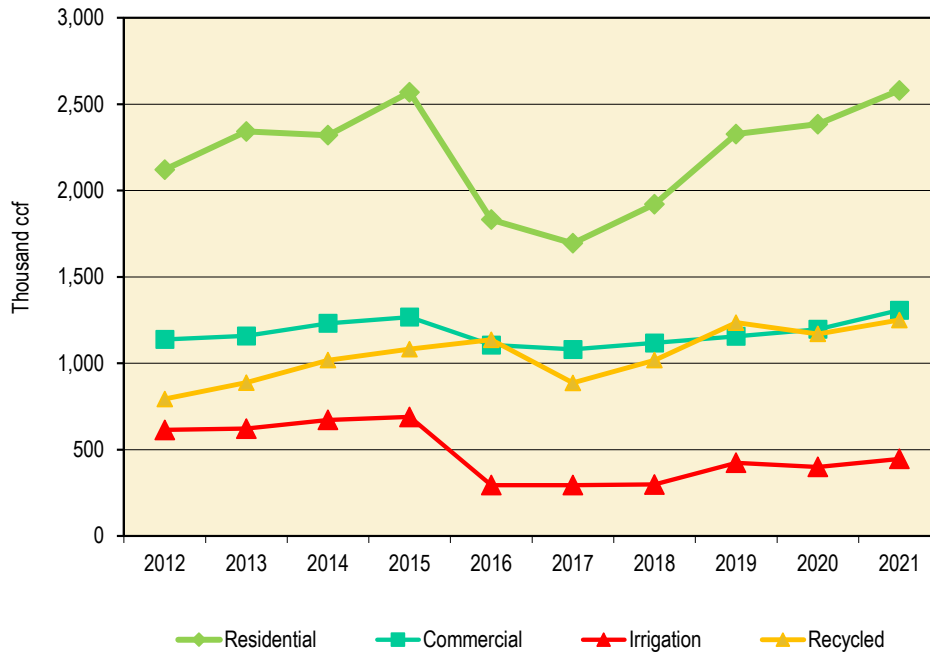
(Accrual basis of accounting, amounts expressed in thousands)



| Business-Type Activities | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Net investment in capital assets | \$231,488 | \$233,439 | \$234,213 | \$246,295 | \$254,961 | \$253,841 | \$264,020 | \$267,682 | \$264,272 | \$259,331 |
| Restricted | 43,991 | 48,384 | 49,300 | 53,210 | 70,100 | 76,395 | 80,572 | 86,846 | 92,440 | 145,597 |
| Unrestricted | 63,967 | 71,358 | 80,089 | 77,530 | 86,331 | 94,910 | 89,357 | 103,978 | 111,635 | 109,530 |
| Total net positions | \$339,446 | \$353,181 | \$363,602 | \$377,035 | \$411,392 | \$425,145 | \$433,949 | \$458,505 | \$468,347 | \$514,458 |

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 |
| 2021 | 2,635 | 858 | 461 | 1,245 | 5,199 |

Source: Dublin San Ramon Services District

PRINCIPAL CUSTOMERS

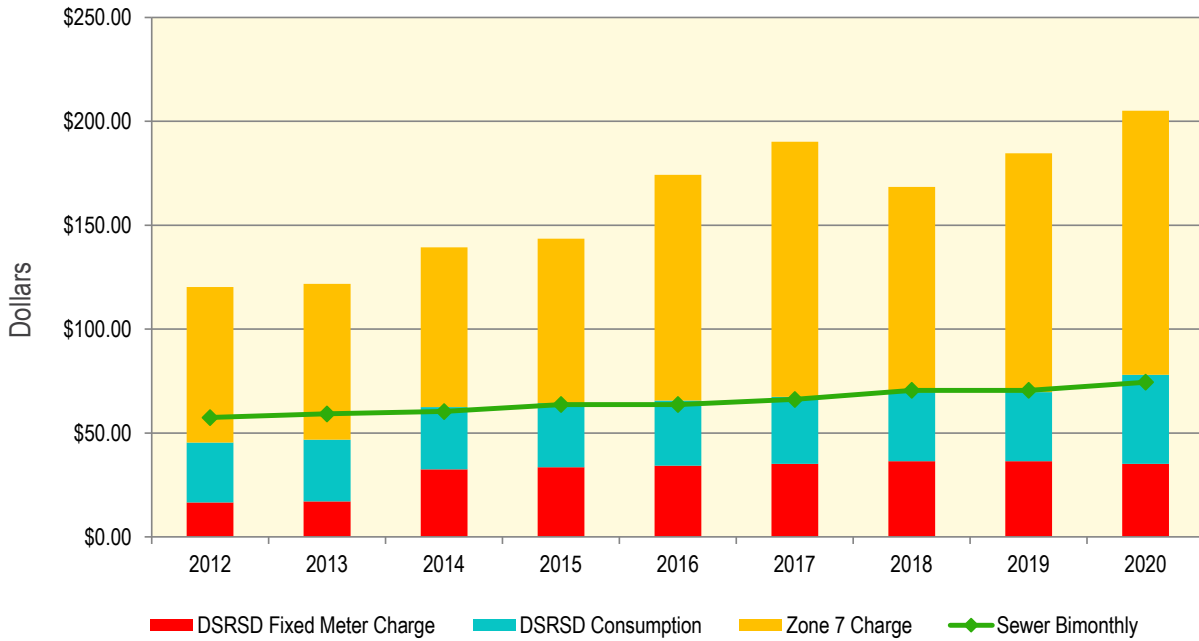
Last 10 Fiscal Years

| Customer | 2012 | | | 2021 | | |
|-------------------------------------|-------------------------|------|----------------------------|-------------------------|------|----------------------------|
| | Annual Billing | Rank | % of Total Annual Billings | Annual Billing | Rank | % of Total Annual Billings |
| City of Pleasanton | \$8,766,993 | 1 | 21.6% | \$10,800,695 | 1 | 16.981% |
| City of San Ramon | 1,107,248 | 4 | 2.7% | 2,703,686 | 2 | 4.251% |
| City of Dublin | 977,408 | 5 | 2.4% | 1,561,271 | 3 | 2.455% |
| County of Alameda (Santa Rita Jail) | 1,480,616 | 2 | 3.6% | 1,550,510 | 4 | 2.438% |
| Dublin Ranch Golf Course | 441,009 | 7 | 1.1% | 578,767 | 5 | 0.910% |
| Dublin Unified School District | 452,002 | 6 | 1.1% | 520,453 | 6 | 0.818% |
| San Ramon Valley School District | 313,831 | 9 | 0.8% | 380,099 | 7 | 0.598% |
| Avalon Bay Communities Inc | 263,043 | 10 | 0 | 379,299 | 8 | 0.596% |
| Amador Lakes Apartments | | | 0.0% | 297,990 | 9 | 0.469% |
| USAG CSTC | 324,310 | 8 | 0.8% | 149,590 | 10 | 0.235% |
| Federal Correction Facility | 1,308,551 | 3 | 3.2% | 89,506 | 11 | 0.141% |
| All Others | 25,174,790 ¹ | | 62.0% | 44,591,891 ¹ | | 70.1% |
| Total | \$40,609,801 | | 100.0% | \$63,603,757 | | 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 ¹ | | | | Sewer Bimonthly | |
|--------------------|------------------------------|-------------------|---------------------|----------|-----------------|-----------|
| | DSRSD Fixed Meter Charge | DSRSD Consumption | Zone 7 Charge | 33 CCF* | Total Water | Base Rate |
| 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 | 62.16 |
| 2016 | 34.31 | 31.39 | 108.57 ¹ | \$139.96 | 174.27 | 63.73 |
| 2017 | 35.23 | 32.18 | 122.76 ² | \$154.94 | 190.17 | 63.73 |
| 2018 | 36.45 | 33.30 | 98.67 ³ | \$131.97 | 168.42 | 66.23 |
| 2019 | 36.45 | 33.30 | 114.84 | \$148.14 | 184.59 | 70.58 |
| 2020 | 35.16 | 42.90 | 127.05 ⁴ | \$169.95 | 205.11 | 74.48 |
| 2021 | 35.73 | 54.78 | 127.05 | \$181.83 | 217.56 | 78.10 |

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.

¹ In calendar year 2016, Zone 7 changed from four tier rate to single tier rate and added \$0.57/ccf Temporary Conservation Surcharge.

² In calendar year 2017, Zone 7 restructured rates to include a fixed charge and a volume-based rate and maintained the \$0.57/ccf Temporary Conservation Surcharge.

³ In calendar year 2018, Zone 7 rates included a fixed charge and a volume-based rate and removed the \$0.57/ccf Temporary Conservation Surcharge.

⁴ 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 Bonds | 2017 Water Refunding Bonds ¹ | 2011 LAVWMA Obligation |
|--------------------|------------------------------|----------------------------|------------------|---|------------------------|
| 2012 | | 6.80% | 2.64% | | 3.39% |
| 2013 | | 7.80 | 3.95 | | 5.21 |
| 2014 | | 7.40 | 3.33 | | 5.51 |
| 2015 | | | 4.83 | | 7.23 |
| 2016 | | | 7.20 | | 7.50 |
| 2017 | | | 4.48 | | 7.00 |
| 2018 | | | | 9.50% ² | 9.20 |
| 2019 | | | | 9.27 | 12.20 |
| 2020 | | | | 5.51 | 10.30 |
| 2021 | | | | 5.10 | 6.7 |

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

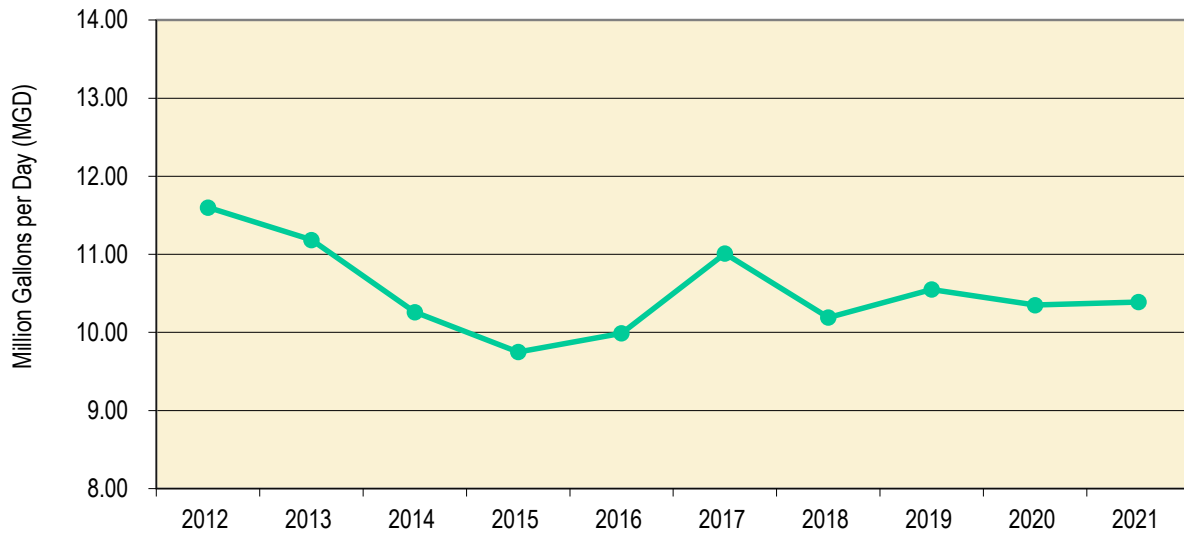
| Fiscal Year Ending | Business-Type Activities | | | | | Total | Estimated Population Served | Debt per Capita |
|--------------------|---------------------------|-----------------------|------------------|-----------------------|------------------------|------------|-----------------------------|-----------------|
| | Water/Reuse Revenue Bonds | Sewer Refunding Bonds | 2011 Water Bonds | Water Refunding Bonds | 2011 LAVWMA Obligation | | | |
| 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 |
| 2021 | | | | 32,325,000 | (28,808,396) | 3,516,604 | 187,500 | 19 |

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

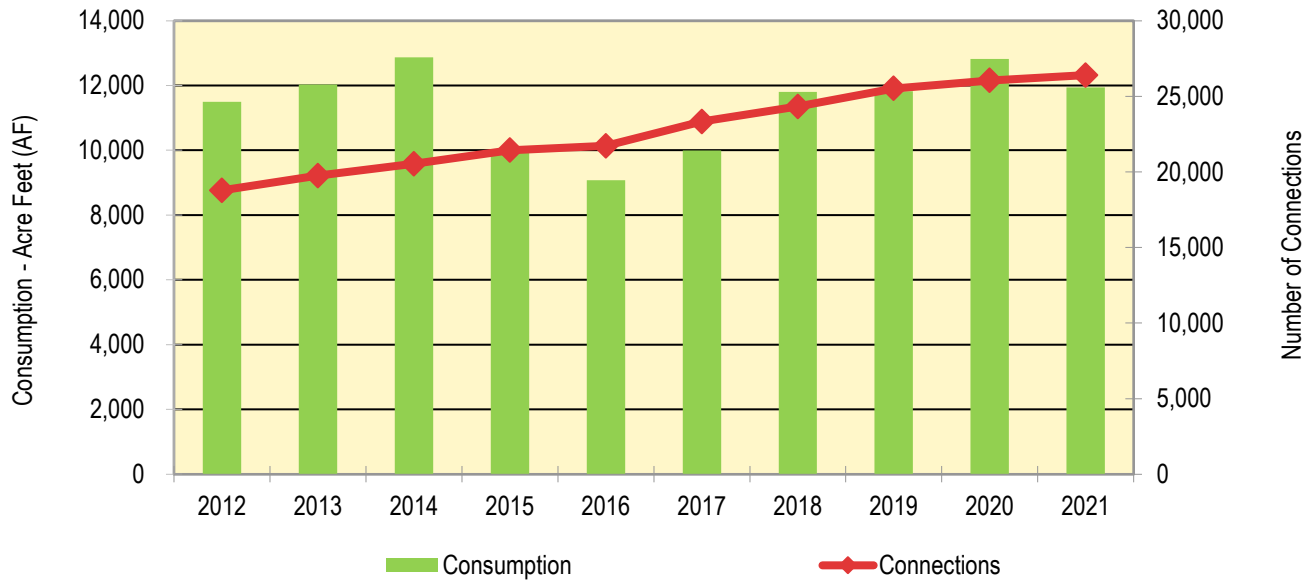


| Fiscal Year Ending | Wastewater Avg. Daily Flow(MGD) | Wastewater Total Annual Flow (MG) |
|--------------------|---------------------------------|-----------------------------------|
| 2012 | 11.60 | 4,245 |
| 2013 | 11.19 | 4,083 |
| 2014 | 10.26 | 3,745 |
| 2015 | 9.75 | 3,547 |
| 2016 | 9.99 | 3,646 |
| 2017 | 11.01 | 4,019 |
| 2018 | 10.19 | 3,719 |
| 2019 | 10.55 | 3,852 |
| 2020 | 10.35 | 3,777 |
| 2021 | 10.39 | 3,792 |

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 (AF) Consumption | Number of Connections |
|--------------------|------------------------|-----------------------|
| 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 |
| 2021 | 11,936 | 26,396 |

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Office of the General Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| Executive Services | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.00 |
| Administrative Services | 1.00 | 1.00 | 2.00 | 2.00 | 1.50 | 1.50 | 1.50 | 1.50 | 1.00 | 2.00 |
| Organizational Services | 1.50 | 1.50 | - | - | - | - | - | - | - | - |
| Human Resources & Risk Management | 4.00 | 4.00 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 5.50 | 5.00 |
| Public Affairs | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.40 |
| Safety | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Financial Services | 5.00 | 5.00 | 5.00 | 5.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 | 6.00 |
| Utility Billing & Customer Services | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 7.00 | 7.00 |
| Information Technology Services | 4.75 | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Engineering Services | 2.00 | 2.00 | 3.00 | 2.00 | 2.50 | 2.50 | 2.50 | 2.50 | 2.00 | 2.60 |
| Capital Projects | 8.00 | 8.00 | 8.00 | 8.00 | 5.00 | 5.00 | 7.00 | 7.00 | 10.00 | 8.00 |
| Development & Construction Services | 8.00 | 8.00 | 8.00 | 9.00 | 9.00 | 10.00 | 11.00 | 11.00 | 11.00 | 7.00 |
| Planning & Asset Management | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 | - | - | - | 5.00 |
| Operations Administration | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Field Operations | 11.00 | 11.00 | 11.00 | 11.00 | 12.00 | 12.00 | 16.00 | 16.00 | 17.00 | 16.00 |
| Plant Operations | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 14.00 | 13.00 |
| Mechanical Maintenance | 13.00 | 13.00 | 13.00 | 13.00 | 14.00 | 14.00 | 15.00 | 15.00 | 17.00 | 16.00 |
| Instrumentation, Controls & Electrical | 8.00 | 8.00 | 9.00 | 9.00 | 9.00 | 9.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Laboratory & Technical Services | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 7.00 | 7.00 | 8.00 | 8.00 |
| Operation Support Services | - | - | - | - | 3.00 | 2.00 | 5.00 | 5.00 | 2.00 | 5.00 |
| Total¹ | 108.75 | 109.00 | 112.00 | 113.00 | 113.00 | 113.00 | 121.00 | 121.00 | 128.00 | 128.00 |
| Retirees ² | 63.00 | 66.00 | 67.00 | 69.00 | 74.00 | 74.00 | 84.00 | 84.00 | 99.00 | 101.00 |

1. **Source:** Dublin San Ramon Services District Operating Budget.

2. **Source:** Audited Financial Statement. Retirees with medical or dental benefit coverage.

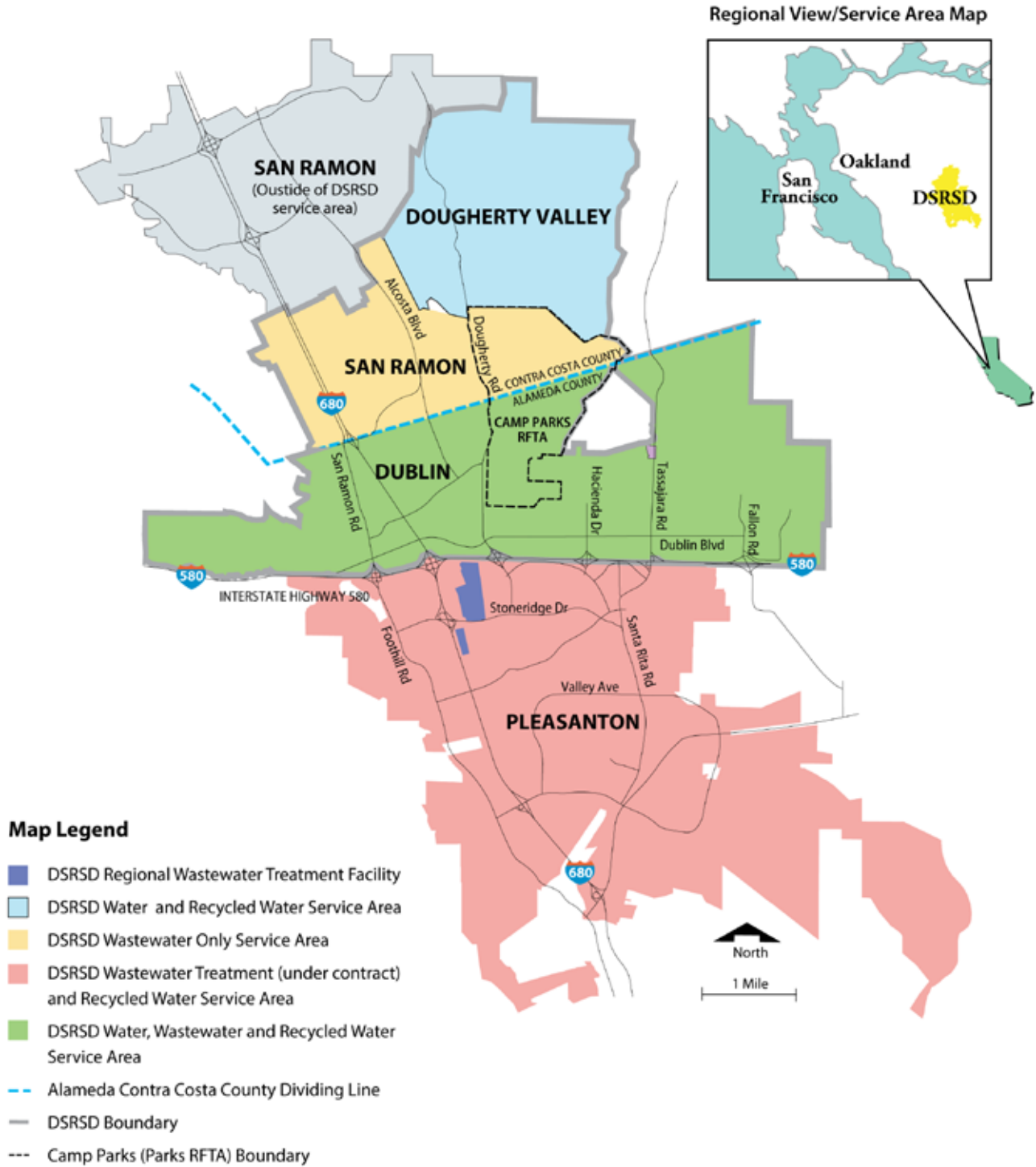
CAPITAL ASSETS BY FUNCTION/PROGRAM

Last 10 Fiscal Years

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Water | | | | | | | | | | |
| Miles of potable water mains | 290.3 | 298.9 | 305.1 | 307.0 | 307.8 | 319.0 | 321.0 | 331.0 | 334.0 | 338.0 |
| Miles of recycled water mains | 55.6 | 60.1 | 61.1 | 62.0 | 63.7 | 66.7 | 68.0 | 69.0 | 72.0 | 72.0 |
| Number of potable water reservoirs | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 |
| Storage capacity potable water (million gallons) | 27.1 | 27.1 | 27.1 | 27.1 | 27.1 | 27.1 | 27.1 | 27.1 | 27.1 | 27.1 |
| Number of recycled water reservoirs | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Storage capacity recycled water (million gallons) | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Wastewater | | | | | | | | | | |
| Miles of sanitary sewers | 188.4 | 200.9 | 205.0 | 205.0 | 206.0 | 207.0 | 207.0 | 219.0 | 220.0 | 222.0 |
| Number of treatment plants | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 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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