



TITLE: Receive Presentation on Proposed Local and Regional Wastewater Rates and Set a Public Hearing for July 19, 2022

RECOMMENDATION:

Staff recommends the Board of Directors receive a presentation on proposed local and regional wastewater rates and set, by Motion, a public hearing for the July 19, 2022 Board meeting.

SUMMARY:

The District’s last local and regional wastewater rate study was performed in 2017 for a five-year period. This year, staff began a new study which would have been effective for the fiscal year ending (FYE) 2023. In reviewing wastewater strength data for the current study however, significant variances from historical averages were noted as a result of usage adaptations to the ongoing pandemic. To determine whether the adaptations are permanent (new normal) or temporary (return to historical levels after pandemic ends), staff is recommending continuing the assumptions in the 2017 study, collecting more information during the next eight months, and completing a new study in early spring 2023 for FYE 2024 (July 1, 2023 effective date).

DISCUSSION:

District rates are periodically reviewed to ensure financial sufficiency to meet operation and maintenance (O&M) and capital asset replacement costs, achieve policy reserve fund targets, and realign rates to more closely reflect costs incurred. This review is facilitated by the development of 5-year rate studies, which include preliminary projections for up to 10 years. This year, the District engaged HDR Inc. (HDR) to update local and regional wastewater rates which were last reviewed in 2017.

In reviewing wastewater strength data for the current study, staff noted significant variances from historical averages, which is assumed to be due to usage adaptations to the ongoing pandemic. To determine whether the adaptations are permanent or temporary, staff recommends collecting and analyzing additional data later this summer and fall for a new comprehensive study for rates effective July 1, 2023.

Resolution No. 33-17, passed in 2017, authorized a five-year regional wastewater rate schedule, with the first-year rate increase being 0%, and annual adjustments based on the consumer price index (CPI) for regional wastewater rates for the following four years through FYE 2022. The 2017 resolution proposed higher adjustments for the local wastewater rates due to the financial condition of the Local Enterprise Fund through FYE 2022.

Since there will be a gap between the last year of the 2017 study and first year of the 2023 study, staff is proposing to continue the 10-year assumptions in the 2017 study in regard to a sixth-year extension which assumed a 2.00% inflation rate adjustment for the regional wastewater fee. Although the 2017 local wastewater study assumed 2.50% for year six, staff is recommending a 2.00% for consistency with the regional wastewater adjustment. This 2% adjustment is a more conservative increase than the current February to February CPI of 5.19%, but provides the District time to true up the new study based on more accurate data sampling and can be financially accommodated given both the local and regional enterprise funds working capital balances. Staff has determined that a 2% increase for the local wastewater fee will meet short-term District needs.

Originating Department: Administrative Services	Contact: C. Atwood	Legal Review: No
Financial Review: Yes	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Prop 218-Notice of Wastewater Rate increase Attachment 2 – Newspaper Publication	

Staff recommends the Board schedule a public hearing for the July 19, 2022 Board meeting to consider adoption of the proposed local and regional wastewater rates. A public notice will be mailed by May 27, and published in local newspapers 14 days before the public hearing and at least 5 days after the first publication, in accordance with the requirements of Proposition 218, which require a minimum 45-day mailed notice to property owners. The 2017 local and regional wastewater rate studies are available on the District website.

The below table summarizes the proposed rate adjustments for FYE 2023:

Customer Class	Billing Unit	Local Wastewater	
		Current	Proposed
Residential			
Single-family home or townhouse	Annual	\$135.84	\$138.54
Condominium	Annual	102.00	103.92
Duplex	Annual	271.68	277.08
Apartments and Accessory Dwelling Units	Bimonthly	14.78	15.08
Commercial			
Low: ≤ 300 mg/L	ccf	1.21	1.23
Medium: > 300 mg/L and ≤ 600mg/L	ccf	1.21	1.23
High: >600 mg/L	ccf	1.20	1.22
Institutional			
Schools (submetered)	ccf	1.20	1.22
Schools (not submetered)	ccf	1.20	1.22
Other Institutions	ccf	1.20	1.22
Industrial			
Low: ≤ 1,000 mg/L	ccf	1.20	1.22
Medium: > 1,000 mg/L and ≤ 1,500mg/L	ccf	1.20	1.22
High: >1,500 mg/L	ccf	1.20	1.22

Customer Class	Billing Unit	Regional Wastewater	
		Current	Proposed
Residential			
Single-family home or townhouse	Annual	\$350.16	\$357.18
Condominium	Annual	232.98	237.66
Duplex	Annual	700.32	714.36
Apartments and Accessory Dwelling Units	Bimonthly	32.48	33.14
Commercial			
Low: ≤ 300 mg/L	ccf	2.65	2.70
Medium: > 300 mg/L and ≤ 600mg/L	ccf	5.32	5.43
High: >600 mg/L	ccf	7.43	7.58
Institutional			
Schools (submetered)	ccf	2.65	2.70
Schools (not submetered)	ccf	2.03	2.07
Other Institutions	ccf	2.65	2.70
Industrial			
Low: ≤ 1,000 mg/L	ccf	9.12	9.30
Medium: > 1,000 mg/L and ≤ 1,500mg/L	ccf	11.46	11.69
High: >1,500 mg/L	ccf	13.81	14.09
Septic Haulers	gallon	0.067	0.069

NOTICE OF WASTEWATER RATE INCREASE

This notice serves to inform our customers that on July 19, 2022, at 6:00 p.m., a public hearing will be held to consider adoption of the proposed increase to the Local and Regional Wastewater rates. The proposed increase will be effective September 1, 2022.

The proposed increase to the rates is based on the assumptions in the 2017 Cost-of-Service Study (Study), which assumes a 2% inflation rate adjustment. The development of the rates in the 2017 Study is based on the need to adequately fund necessary replacement and rehabilitation of various parts of the system as they age and to focus on preventative maintenance to maintain the wastewater system to cover the cost of treatment and disposal. For more information on the Study, visit www.dsrds.com/your-account/rates-fees

The proposed rates are detailed below:

Customer Class	Billing	Local Wastewater	
	Unit	Current	Proposed
Residential			
Single-family home or townhouse	Annual	\$135.84	\$138.54
Condominium	Annual	102.00	103.92
Duplex	Annual	271.68	277.08
Apartments and Accessory Dwelling Units	Bimonthly	14.78	15.08
Commercial			
Low: ≤ 300 mg/L	ccf	1.21	1.23
Medium: > 300 mg/L and ≤ 600mg/L	ccf	1.21	1.23
High: >600 mg/L	ccf	1.20	1.22
Institutional			
Schools (submetered)	ccf	1.20	1.22
Schools (not submetered)	ccf	1.20	1.22
Other Institutions	ccf	1.20	1.22
Industrial			
Low: ≤ 1,000 mg/L	ccf	1.20	1.22
Medium: > 1,000 mg/L and ≤ 1,500mg/L	ccf	1.20	1.22
High: >1,500 mg/L	ccf	1.20	1.22

Customer Class	Billing	Regional Wastewater	
	Unit	Current	Proposed
Residential			
Single-family home or townhouse	Annual	\$350.16	\$357.18
Condominium	Annual	232.98	237.66
Duplex	Annual	700.32	714.36
Apartments and Accessory Dwelling Units	Bimonthly	32.48	33.14
Commercial			
Low: ≤ 300 mg/L	ccf	2.65	2.70
Medium: > 300 mg/L and ≤ 600mg/L	ccf	5.32	5.43
High: >600 mg/L	ccf	7.43	7.58
Institutional			
Schools (submetered)	ccf	2.65	2.70
Schools (not submetered)	ccf	2.03	2.07
Other Institutions	ccf	2.65	2.70
Industrial			
Low: ≤ 1,000 mg/L	ccf	9.12	9.30
Medium: > 1,000 mg/L and ≤ 1,500mg/L	ccf	11.46	11.69
High: >1,500 mg/L	ccf	13.81	14.09
Septic Haulers	gallon	0.067	0.069

Senate Bill 323:

Per Senate Bill 323, there is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge.

How Can I Learn More?

For additional information, visit: www.dsrds.com/wastewater-rates

Questions: Contact DSRSD Administrative Services Director Carol Atwood, (925) 875-2270, atwood@dsrds.com

Attend the public hearing: July 19, 2022, at 6:00 p.m. in the District Office Boardroom, 7051 Dublin Blvd, Dublin, CA 94565

How Do I Protest?

The District welcomes input from the community on the proposed changes to rates and service charges at any time, including and during the public hearing. However, in accordance with Proposition 218, only valid written protests received by the pertinent deadline below will be counted as formal protests. Protests submitted by mail, fax, or email must be received by **Attachment 1** 5:00 p.m. on July 19, 2022. Hand-delivered protests must be received before the close of the public hearing on July 19, 2022.

Any record property owner or tenant-customer of a parcel receiving wastewater service may submit a written protest, but only one protest will be counted per parcel served by the District. The written protest must identify the affected property by assessor's parcel number, street address or DSRSD account number; identify the record property owner or tenant-customer; clearly state that the transmittal is a protest to the proposed rate and charge; identify what proposed rate and charge is being protested; and bear the original signature of the record property owner or tenant-customer. In the case of electronically delivered documents, a scanned signature will be accepted, subject to verification. Mail or deliver protests to: District Secretary Nicole Genzale, Dublin San Ramon Services District, 7051 Dublin Boulevard, Dublin, CA 94568. Please note on the envelope: "Protest of Proposed Wastewater Rates." Or, email protests as a PDF document attached to Board@dsrsd.com. Please note in the subject line: "Protest of Proposed Wastewater Rates."

DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors
NOTICE OF PUBLIC HEARING

DATE: Tuesday, July 19, 2022

TIME: 6 P.M.

PLACE: Dublin San Ramon Services District

NOTICE IS HEREBY GIVEN that the Board of Directors of Dublin San Ramon Services District, at its July 19, 2022, regular meeting, will hold a Public Hearing, to consider the adoption, by Resolution, the proposed increase to the Local and Regional Wastewater rates for the purpose of wastewater collection, disposal and treatment.

The wastewater service charges are detailed below:

Customer Class	Billing Unit	Local & Regional Wastewater	
		Current	Proposed
Residential			
Single-family home or townhouse	Annual	\$486.00	\$495.72
Condominium	Annual	334.98	341.58
Duplex	Annual	972.00	991.44
Apartments and Accessory Dwelling Units ⁽¹⁾	Bimonthly	47.26	48.22
Per dwelling unit			
Commercial			
Low: ≤ 300 mg/L	ccf	3.86	3.93
Medium: > 300 mg/L and ≤ 600mg/L	ccf	6.53	6.66
High: >600 mg/L	ccf	8.63	8.80
Institutional			
Schools (submetered)	ccf	3.86	3.92
Schools (not submetered)	ccf	3.24	3.29
Other Institutions	ccf	3.85	3.92
Industrial			
Low: ≤ 1,000 mg/L	ccf	10.32	10.52
Medium: > 1,000 mg/L and ≤ 1,500mg/L	ccf	12.66	12.91
High: >1,500 mg/L	ccf	15.01	15.31
Septic Haulers	gallon	0.067	0.069

NOTICE IS FURTHER GIVEN that a copy of the *2017 Local and Regional Wastewater Service Charge Report*, and a copy of the proposed Resolution, have since on or before July 19, 2022, been on file in the office of the District Secretary and remain available for review between 8 a.m. and 5 p.m., Monday through Friday, during regular business hours, by calling the District Secretary at (925) 828-0515 at the District Office, 7051 Dublin Blvd., Dublin, CA 94568. The report is also available on the Rates and Fees webpage on the District's website at www.drsrd.com

By: Nicole Genzale, CMC
District Secretary