



**Dublin San Ramon  
Services District**  
*Water, wastewater, recycled water*

# 2022 Annual Comprehensive Financial Report (ACFR)

Fiscal Year Ended June 30, 2022



7051 Dublin Blvd., Dublin, CA 94568



# Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

### **Board of Directors**

- Rich Halket ..... President
- Marisol Rubio ..... Vice President
- Arun Goel ..... Director
- Georgian Vonheeder-Leopold ..... Director
- Ann Marie Johnson ..... Director

### **Prepared by**

- General Manager ..... Daniel McIntyre
- Administrative Services Director ..... Carol Atwood
- Financial Services Manager ..... Herman Chen
- Financial Analyst ..... Rene Escobar
- Accountant II ..... Christine Chen



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## Introductory Section







December 20, 2022

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, 2022.

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, 2022. 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, 2022, 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



Photo courtesy of City of Dublin

*Dublin's Don Biddle Park opened in 2022 and is irrigated with recycled water.*

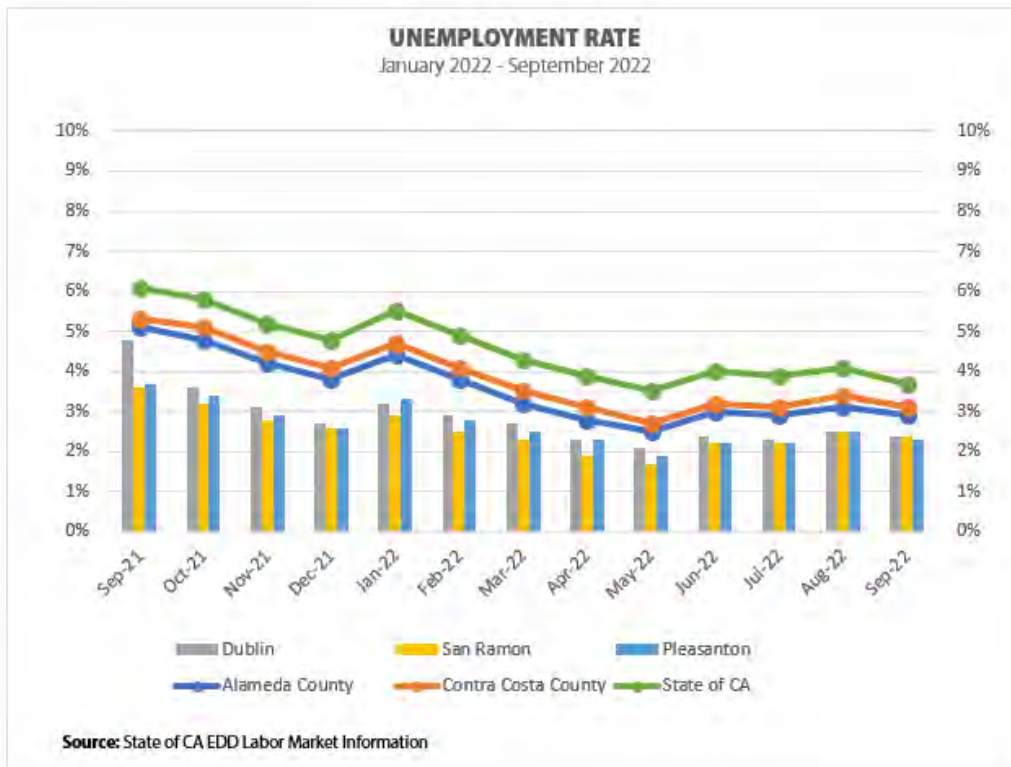
*The District is governed by a Board of Directors that sets policy, adopts budgets, and appoints a general manager to run operations. Previously, all five members of the Board of Directors were chosen by constituents from the District's entire service area under the at-large election system. The District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

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).

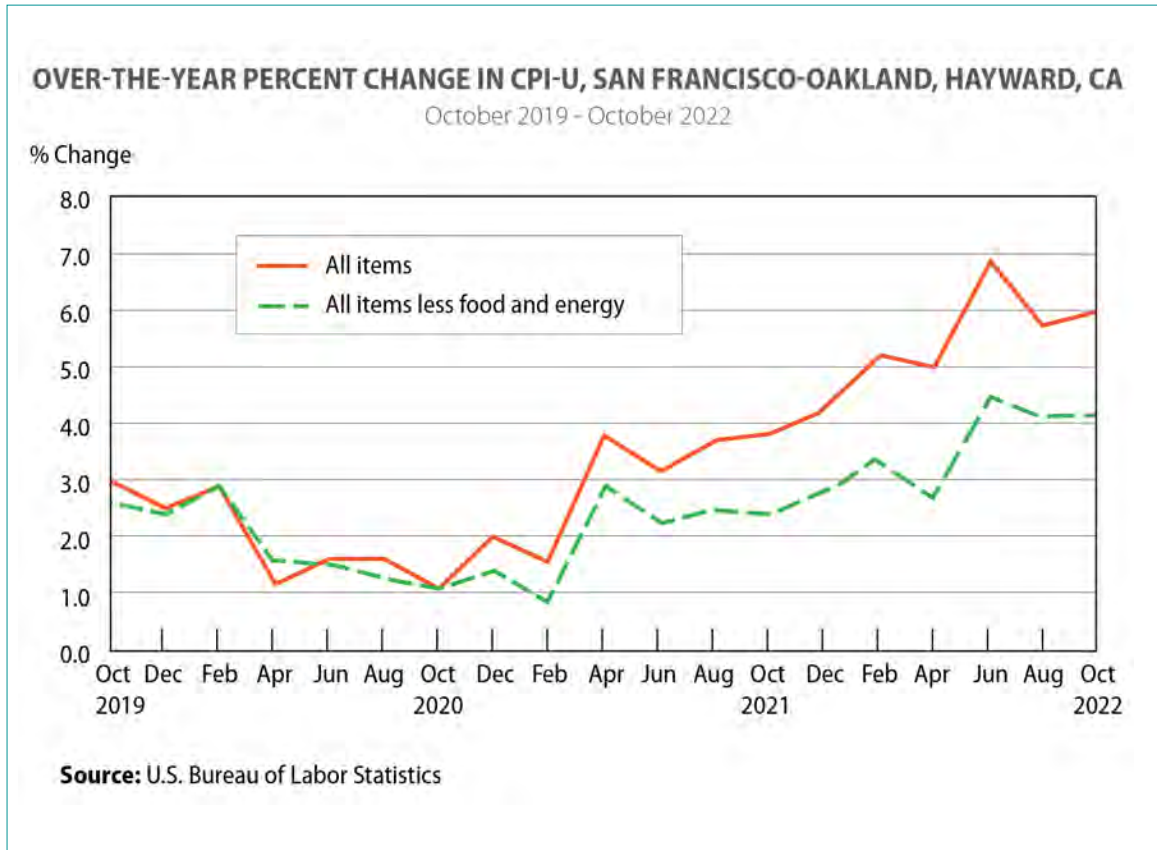
**Economic Conditions**

The district’s service area comprises a diverse range of commercial businesses, providing a stable environment for recovering jobs lost during the COVID-19 Pandemic. Small and big businesses alike have a presence in the large office parks located in the Tri-Valley. Unemployment rates have continued to improve in the past year, trending downward and approaching pre-pandemic levels<sup>1</sup>. As of September 2022, the district’s service area encompassing the cities of Dublin, Pleasanton, and South San Ramon had unemployment rates of 2.6%, 2.4%, and 2.6%, respectively. The greater East Bay Region (Alameda and Contra Costa County) had unemployment rates of 2.9% and 3.2%, respectively during the same period, placing them among the top performing counties in California. The state’s unemployment rate was 3.8% at this same time.



According to the economic data from the US Census Bureau, the estimated median household income is \$152,745 for Dublin, \$160,686 for Pleasanton and \$167,345 for San Ramon. Household median incomes for these cities are significantly higher compared to the Counties of Alameda with \$104,888 and Contra Costa with \$103,997. Personal income is on an upward trend in the East Bay<sup>2</sup>, but this has been coupled with significant increases in cost of living. Food and energy are the main drivers of these increases at 10.0% and 25.9% over the prior year, respectively<sup>3</sup>. Overall, inflation has increased by 6.0% in the last year. The East Bay’s price increases are not unique to the area, so it still maintains a lower cost of living compared to San Francisco and Santa Clara County.

<sup>1</sup> California Employment Development Department - Labor market Information October 2022  
<sup>2</sup> United States Bureau of Economic Analysis, Per Capita Personal Income, by Metropolitan Area 2019-2021  
<sup>3</sup> United States Bureau of Labor Statistics, Consumer Price Index, San Francisco Area-Oakland-Hayward - Oct 2022



Approximately 58% of homeowners in Alameda County and 49% of homeowners in the Contra Costa County spend over \$3,000 per month on mortgage payments. Approximately 41% of occupied units rented in Alameda County and 51% of occupied units rented in Contra Costa County pay over one-third of their income in rental costs per month<sup>4</sup>.

The housing market in the East Bay remains strong with some caveats. Assessed property values in Alameda County saw an overall 4.5% increase over the prior year. The cities of Dublin and Pleasanton specifically saw 3.8% and 2.5% increases<sup>5</sup>. Contra Costa County reported a 7.8% increase in assessed property values over prior year with City of San Ramon at 6.0%. As of October 2022, sales for existing single-family homes are down 15.1% in Alameda County and 16.0% in Contra Costa County<sup>6</sup>.

<sup>4</sup> United States Census Bureau, DP04 - 2020 American Community Survey 5-Year Estimates

<sup>5</sup> Alameda County Office of the Assessor - Maintenance of Effort Budget 2022-2023

<sup>6</sup> California Association of Realtors - Sales Statistics for Existing Single-Family Homes

# Achievements



The Energy Master Plan evaluated all District facilities, processes, and operations with a goal of maximizing sustainability, energy production, and emissions reduction. Among the items reviewed were (starting from top left, clockwise) the biogas skid, the cogeneration system, and the influent pumps.

## INVESTING IN THE FUTURE

### **District embarks on Energy Master Plan**

The District kicked off the process of creating an Energy Facilities Master Plan as part of the 10-year Capital Improvement Budget and 2-year budget for fiscal years 2022 and 2023. The project helps fulfill the 2022-2026 Strategic Plan goal of developing a long-term strategy to ensure greater energy efficiency and reliability.

As part of the project, DSRSD will evaluate all District facilities, processes, and operations, including those of the Regional Wastewater Treatment Facility, wastewater collection systems, water and recycled water distribution systems, administrative and field office buildings, and fleet.

In January 2022, the District hired a planning consultant for Phase 1, which was completed in August 2022. The aim is to develop an adaptable, financially sustainable framework of strategies to reduce energy demand, maximize energy production, enhance energy system reliability, and reduce greenhouse gas emissions. The project will develop long-term strategies to meet current and future environmental mandates.

### **Water main replacement improves leaks, water quality**

DSRSD completed a \$3.88 million water main replacement on site at Camp Parks (Parks Reserve Forces Training Area) in July 2022. The project replaced 7,746 feet of cast iron pipeline, which was the oldest in the service area having been installed in the 1940s. The project was contained within the U.S. Army's training area, though the upgraded water mains also connect to the new Boulevard housing development.

New PVC pipes were installed along with ductile iron connections, which has improved system leaks. The cast iron pipes were susceptible to corrosion, and therefore the source of discolored water in that part of the District. The new pipes have improved water quality for customers in that part of the service area. The project also updated water meter boxes, backflow preventers, and fire hydrants, as well as reconnected existing fire service to buildings with fire sprinkler systems.

# Community Outreach

With the severe drought continuing, DSRSD's water wholesaler Zone 7 Water Agency began requiring 15% reduction in water use compared to 2020. Following this decision, the DSRSD Board of Directors approved a Stage 2 Water Shortage Emergency in September 2021. The District dedicated time and resources to making customers aware of drought rules using a wide variety of methods.

DSRSD expanded the Water Conservation section of the website and mailed multiple rounds of postcards to ratepayers to communicate regulations and recommendations based on the Stage 2 Water Shortage Emergency. The District posted water-saving tips on social media, including Facebook, Nextdoor, and Twitter. Water conservation topics based on the season were featured in the monthly Pipeline eNewsletter. Banners were posted in prominent locations around Dublin and the Dougherty Valley area of San Ramon to spread the word about saving water. DSRSD embarked on its first digital marketing campaign to reach residents' smartphones, computers/tablets, and connected TV platforms with display and video advertisements.

District staff collaborated with Zone 7 as well as other Tri-Valley water retailers, the Cities of Pleasanton and Livermore, on shared ad campaigns that included radio, three newspapers, buses, and two movie theaters. The agencies also partnered on several water conservation webinars. In addition, DSRSD partnered with East Bay Municipal Utility District on an ad campaign at City Center Bishop Ranch in San Ramon.



Partnering with neighboring water agencies, DSRSD included bus advertising around the Tri-Valley and digital kiosk marketing at City Center Bishop Ranch in San Ramon to make customers aware of mandatory water conservation.



*DSRSD Board President Rich Halket, Director Georgan Von-Heeder Leopold and General Manager Dan McIntyre perform the ribbon-cutting ceremony to officially welcome visitors to the mural and demonstration garden. (Back row) Director Arun Goel and members of Dublin, San Ramon, and Pleasanton Chambers of Commerce joined in the celebration.*

In April 2021, the District celebrated completion of the Marine Life Mural and the District Office Demonstration Garden at the District Office. The mural showcases Pacific Ocean marine life that are protected through DSRSD's wastewater treatment. The Demonstration Garden is open to the public and offers a look at recycled water in use for a variety of plant types, plus special sections dedicated to drought-tolerant plants.

# Financial Planning and Policies

*District management is responsible for establishing and maintaining an internal control structure that protects the assets of the District from loss, theft, or misuse. The District uses the full accrual method for financial reporting and employs enterprise funds to account for its activities.*



An enterprise fund is used to account for governmental activities that are similar to activities performed by a commercial enterprise. However, the purpose of an enterprise fund is not to maximize return, as in the private sector, but to provide a product or service to the public at a reasonable cost. Funds are used to track operations for internal budgeting and reporting. Each department budgets its operations among the enterprise funds. The 10-year capital improvement program and the 2-year operating budget are approved by the Board of Directors. The general manager is authorized to approve budget transfers within a fund with certain limitations.

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

District policies are available online at [www.dsrtd.com/about-us/district-policies](http://www.dsrtd.com/about-us/district-policies).

Finance policies include:

- Apportioning Planning Costs (P400-22-1)
- Auditor Selection and Services (P400-21-2)
- Budget Accountability (P400-22-2)
- 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)
- Discontinuation of Residential Water Service for Nonpayment (P400-21-1)
- Water Expansion Fund Management (P400-14-1)



The District has a long-term approach to financial planning and utilizes a 10-year financial planning model to develop 2-year budgets, 10-year capital plans, and various rate studies. This long-term focus aligns with Finance objectives to manage public funds to provide financial stability, cost of service based rate management and development, and maintenance of a solid AA credit rating. Meeting these goals ensures timely and reasonable access to credit markets when needed.

**Fiscal Year Ended 2022**

District policies are reviewed at least once every four years to ensure that the Board has the opportunity to be acquainted with all policies during their term of office. There were no policies updated in FYE 2022.

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.

**STRATEGIC GOALS AND ACTION ITEMS**

**Maintain our financial stability and sustainability**

- Implement long operating performance and stabilization measures to meet long-term business goals.
- Develop a 10-year financial plan to ensure long-term financial stability.
- Update the District's annual policies.

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- Update the District's annual policies.

For FYE 2022, the Board adopted the following items:

**April 2022**  
Water Capacity Reserve Fee Study

**June 2022**  
Amended CIP Two-Year Budget for FYE 2022 and FYE 2023

**June 2022**  
Amended CIP Ten-Year Plan for FYE 2022 - 2031

Rate and fee studies, operating and capita budgets, master and strategic plans may be found on the District website at [www.drsd.com/about-us/library/financial-information](http://www.drsd.com/about-us/library/financial-information).

For a detailed discussion and analysis of the District's operations during fiscal year ending June 30, 2022, 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.

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

**Adopted Operating Budget**  
FISCAL YEARS ENDING  
**2022**  
and  
**2023**

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

### ***Awards and Acknowledgments***

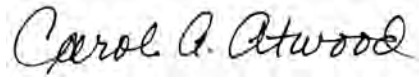
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Dublin San Ramon Services District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the 21st 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 principle 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 Manager/Treasurer



Government Finance Officers Association

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

Presented to

**Dublin San Ramon Services District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# Board of Directors

AS OF JUNE 30, 2022



Richard Halket  
*President*



Marisol Rubio  
*Vice President*



Arun Goel  
*Director*



Georgan  
Vonheeder-Leopold  
*Director*



Ann Marie Johnson  
*Director*

# Senior Management

AS OF JUNE 30, 2022



Daniel McIntyre  
*General Manager*



Jan Lee  
*Assistant General Manager*



Carol Atwood  
*Administrative Services  
Director*



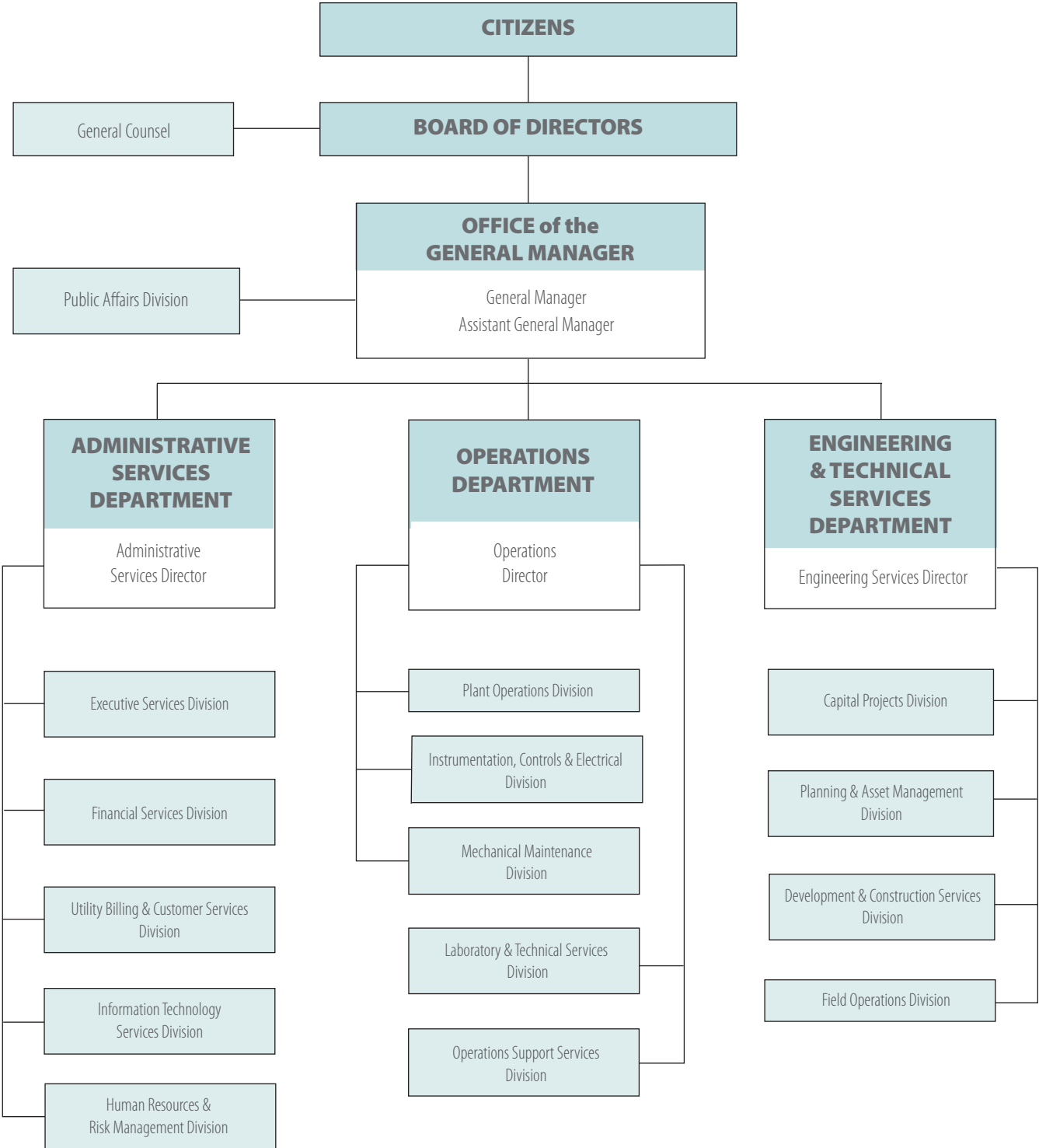
Jeff Carson  
*Operations Director*

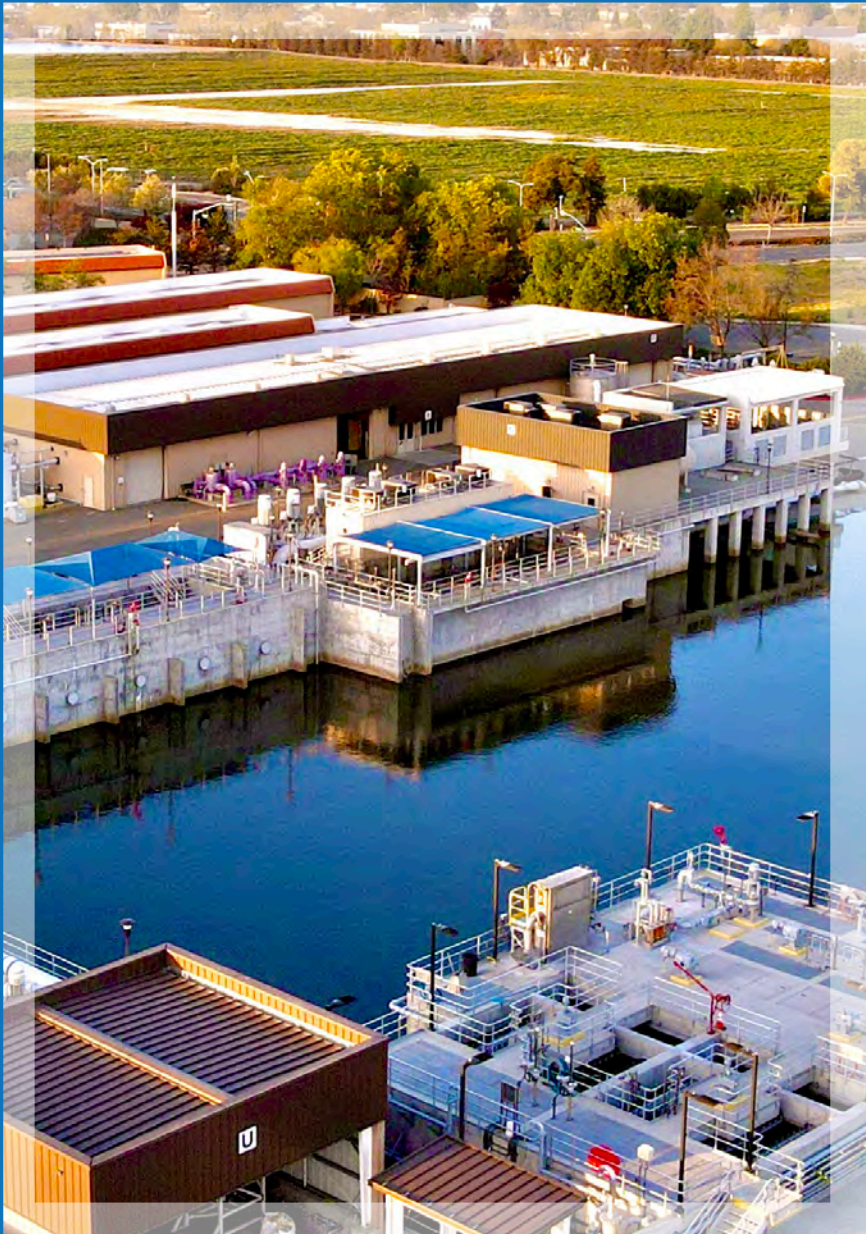
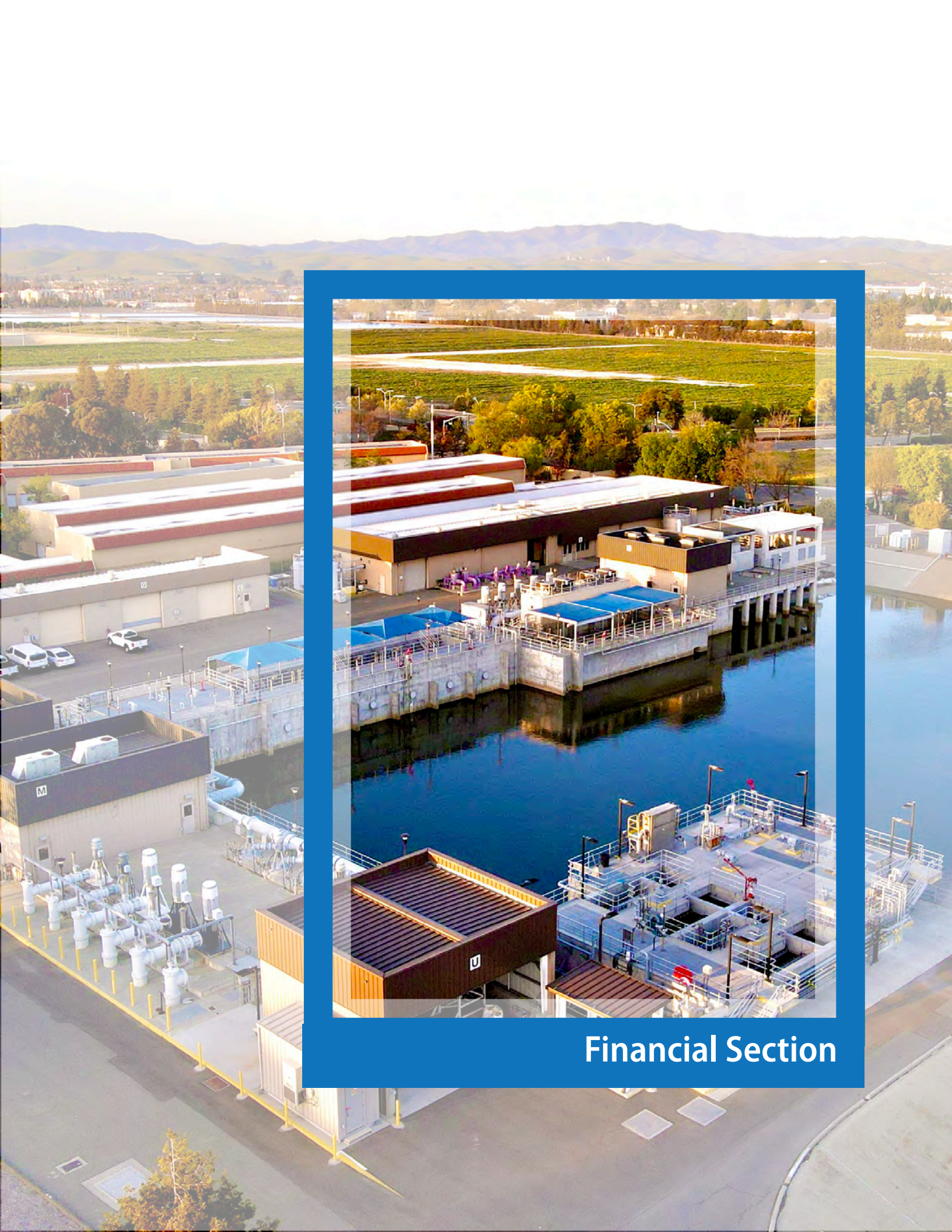


Steve Delight  
*Engineering Services  
Director*

# Organization Chart

AS OF JUNE 30, 2022





**Financial Section**





## INDEPENDENT AUDITORS' REPORT

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

### *Opinions*

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

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, 2022, 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.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management's 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Report on Summarized Comparative Information***

We have previously audited the District's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Maze & Associates*

Pleasant Hill, California  
December 5, 2022

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DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2022 and 2021

Financial Highlights for Fiscal Year 2022

- ✓ The District's net position increased \$19.8 million or 3.9% from \$514.5 million to \$534.3 million
- ✓ Service charge revenues decreased \$7.4 million or 11.6% from \$63.6 million to \$56.3 million
- ✓ Capacity reserve fees increased \$8.8 million or 100.0% from \$8.7 million to \$17.5 million
- ✓ Operating expenses (excluding depreciation) decreased \$2.1 million or 3.3% from \$63.7 million to \$61.6 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, 2022 and 2021

TABLE 1

Period ended June 30	Condensed Statements of Net Position							
			Change in 2022				Change in 2021	
	2022	2021	\$ Change	% Change	2020	\$ Change	% Change	
Current and restricted assets	\$ 242,746,894	\$ 229,579,002	\$ 13,167,892	5.7%	\$ 226,027,745	\$ 3,551,257	1.6%	
Investment in JPA	52,786,028	52,308,093	477,935	0.9%	-	52,308,093	-	
Capital assets	299,230,577	291,655,789	7,574,788	2.6%	325,840,467	(34,184,678)	-10.5%	
Other assets	8,129,128	4,444,646	3,684,482	82.9%	4,203,680	240,966	5.7%	
<b>Total assets</b>	<b>602,892,627</b>	<b>577,987,530</b>	<b>24,905,097</b>	<b>4.3%</b>	<b>556,071,892</b>	<b>21,915,638</b>	<b>3.9%</b>	
<b>Deferred outflow of resources</b>	<b>7,045,885</b>	<b>10,288,601</b>	<b>(3,242,716)</b>	<b>-31.5%</b>	<b>12,154,141</b>	<b>(1,865,540)</b>	<b>-15.3%</b>	
Current and restricted liabilities	21,307,153	17,798,489	3,508,664	19.7%	15,173,538	2,624,951	17.3%	
Long-term liabilities	34,731,605	49,101,830	(14,370,225)	-29.3%	74,606,544	(25,504,714)	-34.2%	
<b>Total liabilities</b>	<b>56,038,758</b>	<b>66,900,319</b>	<b>(10,861,561)</b>	<b>-16.2%</b>	<b>89,780,082</b>	<b>(22,879,763)</b>	<b>-25.5%</b>	
<b>Deferred inflow of resources</b>	<b>19,627,029</b>	<b>6,917,820</b>	<b>12,709,209</b>	<b>183.7%</b>	<b>10,099,227</b>	<b>(3,181,407)</b>	<b>-31.5%</b>	
Net Position								
Net investment in capital assets	267,360,577	259,330,789	8,029,788	3.1%	264,272,071	(4,941,282)	-1.9%	
Restricted for expansion	149,174,040	145,173,609	4,000,431	2.8%	91,656,612	53,516,997	58.4%	
Restricted for debt service	2	2	-	-	-	2	-	
Restricted for assessment district	203,996	423,586	(219,590)	-51.8%	783,517	(359,931)	-45.9%	
Unrestricted	117,534,111	109,530,006	8,004,105	7.3%	111,634,524	(2,104,518)	-1.9%	
<b>Total net position</b>	<b>\$ 534,272,726</b>	<b>\$ 514,457,992</b>	<b>\$ 19,814,734</b>	<b>3.9%</b>	<b>\$ 468,346,724</b>	<b>\$ 46,111,268</b>	<b>9.8%</b>	

During the fiscal year ended June 30, 2022 (FYE 2022), total assets increased \$24.9 million or 4.3% from June 30, 2021 (FYE 2021) compared to an increase of \$21.9 million or 3.9% over June 30, 2020 (FYE 2020). The increase is primarily due to strong investment performance and increased capital assets.

Total liabilities decreased \$10.9 million or 16.2% during the FYE 2022 compared to a decrease of \$22.9 million or 25.5% during the FYE2020. The decrease was due to strong pension and OPEB investment performance resulting in a net pension asset instead of a net pension liability.

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 \$19.8 million or 3.9% during FYE 2022 compared to an increase of \$46.1 million or 9.8% during FYE 2021.

DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2022 and 2021

TABLE 2

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

Period ended June 30			Change in 2022				Change in 2021	
	2022	2021	\$	%	2020	\$	%	
			Change	Change		Change	Change	
Operating revenues	\$ 56,253,389	\$ 63,603,757	\$ (7,350,368)	-11.6%	\$ 61,338,554	\$ 2,265,203	3.7%	
Other revenues	19,498,775	6,607,008	12,891,767	195.1%	10,072,084	(3,465,076)	-34.4%	
Investment income	(8,604,613)	(663,326)	(7,941,287)	1197.2%	7,102,863	(7,766,189)	-109.3%	
Capacity reserve fees	17,528,816	8,748,665	8,780,151	100.4%	14,631,802	(5,883,137)	-40.2%	
Contributions	3,828,960	2,802,000	1,026,960	36.7%	1,534,964	1,267,036	82.5%	
<b>Total revenues</b>	<b>88,505,327</b>	<b>81,098,104</b>	<b>7,407,223</b>	<b>9.1%</b>	<b>94,680,267</b>	<b>(13,582,163)</b>	<b>-14.3%</b>	
Operating expenses	61,567,386	63,693,579	(2,126,193)	-3.3%	71,657,864	(7,964,285)	-11.1%	
Depreciation	9,086,272	8,980,372	105,900	1.2%	11,727,255	(2,746,883)	-23.4%	
Non-operating expenses	1,415,958	1,438,263	(22,305)	-1.6%	1,453,820	(15,557)	-1.1%	
<b>Total expenses</b>	<b>72,069,616</b>	<b>74,112,214</b>	<b>(2,042,598)</b>	<b>-2.8%</b>	<b>84,838,939</b>	<b>(10,726,725)</b>	<b>-12.6%</b>	
<b>Changes in net position</b>	<b>19,814,733</b>	<b>8,255,528</b>	<b>11,559,205</b>	<b>140.0%</b>	<b>9,841,328</b>	<b>(1,585,800)</b>	<b>-16.1%</b>	
<b>Beginning net position</b>	<b>514,457,992</b>	<b>468,346,724</b>	<b>46,111,268</b>	<b>9.8%</b>	<b>458,505,396</b>	<b>9,841,328</b>	<b>2.1%</b>	
Prior period adjustment	-	37,855,740	(37,855,740)	-	-	37,855,740	0.0%	
Beginning net position, as restated	514,457,992	506,202,464	8,255,528	1.6%	458,505,396	47,697,068	10.4%	
<b>Ending net position</b>	<b>\$ 534,272,725</b>	<b>\$ 514,457,992</b>	<b>\$ 19,814,733</b>	<b>3.9%</b>	<b>\$ 468,346,724</b>	<b>\$ 46,111,268</b>	<b>9.8%</b>	

In FYE 2022, the District had an increase in total revenues of \$7.4 million or 9.1% compared to FYE 2021, while FYE 2021 total revenues were \$13.6 million or 14.3% lower than FYE 2020. The increase in FYE 2022 was primarily due to easing of COVID restriction resulting in higher development activity.

Total expenses decreased by \$2.0 million or 2.8% during FYE 2022 compared to a \$10.7 million or 12.6% decrease during FYE 2021. The decrease in FYE 2022 was primarily due lower personnel expenses from staff retirements and turnover.

Capital Assets and Debt

During FYE 2022, the District purchased, had contributed, or transferred from construction in progress the following assets:

Contributed sub-surface lines	\$3,830,460
Facility Improvement	52,276
Vehicles and equipment	553,354
	\$4,436,090

In FYE 2022, the District had 27,395 linear feet of potable water line, 385 linear feet of recycled water line, and 18,226 linear feet of sewer line contributed by developers valued at \$3.8 million. Facility improvements of \$52,276 is primarily due to costs related to replacement of boiler and HVAC system at the District Office.

DUBLIN SAN RAMON SERVICES DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS OF  
BASIC FINANCIAL STATEMENTS  
Fiscal Years Ended June 30, 2022 and 2021

Vehicles and equipment of \$553,354 includes purchase of a biosolids harvesting tractor, two vehicles, and various equipment. For additional information on capital assets see Financial Statement Note 4 – Capital Assets.

In FYE 2022 the District had the following additions to construction in progress:

Construction in Progress	
Primary sedimentation expansion/improvements	1,807,791
Wastewater system expansion and improvements	3,266,812
Camp park water mains water replacment	3,429,829
Water system expansion and improvements	3,720,537
	\$12,224,970

Wastewater system improvements include the Primary Sedimentation Expansion and East Dublin Trunk Sewer Rehabilitation projects. Water system expansion and improvements include Camp Parks Water Mains, 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.

Debt Payable	Balance at 6/30/2021	Additions	Principal Payments	Balance at 6/30/2022
2017 Water Revenue Refunding Bonds	\$32,325,000	-	\$455,000	\$31,870,000

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, 2022  
 WITH SUMMARIZED TOTALS AS OF JUNE 30, 2021

	2022			2021
	Wastewater	Water	Totals	
<b>ASSETS</b>				
<b>Current assets:</b>				
Pooled cash	\$6,827,040	\$6,173,300	\$13,000,340	\$14,039,919
Pooled investments	108,248,341	103,339,504	211,587,845	199,856,119
Restricted cash - debt service	-	2	2	2
Accounts receivable	6,866,043	8,494,947	15,360,990	15,152,745
Lease receivable	-	2,068,914	2,068,914	-
Interest receivable	340,230	324,414	664,644	482,209
Deferred capacity reserve fees receivable	31,269	-	31,269	44,228
Prepaid expenses	19,047	13,843	32,890	3,780
<b>Total current assets</b>	<b>122,331,970</b>	<b>120,414,924</b>	<b>242,746,894</b>	<b>229,579,002</b>
<b>Non-current assets:</b>				
DERWA & LAVWMA investments in JPA	13,979,769	38,806,259	52,786,028	52,308,093
<b>Capital assets:</b>				
Property, plant and equipment	238,798,442	178,962,068	417,760,510	413,482,894
Less accumulated depreciation	110,484,111	70,109,879	180,593,990	171,666,192
<b>Net property, plant and equipment</b>	<b>128,314,331</b>	<b>108,852,189</b>	<b>237,166,520</b>	<b>241,816,702</b>
Land and construction in progress	31,153,581	30,910,476	62,064,057	49,839,087
<b>Total capital assets</b>	<b>159,467,912</b>	<b>139,762,665</b>	<b>299,230,577</b>	<b>291,655,789</b>
<b>Other assets:</b>				
Net Pension asset	(272,885)	1,435,264	1,162,379	-
Net OPEB asset	4,014,468	2,917,786	6,932,254	4,339,653
Deferred capacity reserve fees receivable - long term	34,495	-	34,495	104,993
<b>Total other assets</b>	<b>3,776,078</b>	<b>4,353,050</b>	<b>8,129,128</b>	<b>4,444,646</b>
<b>Total non-current assets</b>	<b>177,223,759</b>	<b>182,921,974</b>	<b>360,145,733</b>	<b>348,408,528</b>
<b>Total assets</b>	<b>299,555,729</b>	<b>303,336,898</b>	<b>602,892,627</b>	<b>577,987,530</b>
<b>Deferred outflows of resources</b>				
Deferred outflows pension related amounts	2,014,477	1,167,580	3,182,057	5,906,489
Deferred employer pension contributions	1,494,707	1,110,402	2,605,109	2,935,170
Deferred outflows OPEB related amounts	728,924	529,795	1,258,719	549,018
Deferred employer OPEB contributions	-	-	-	897,924
<b>Total deferred outflows of resources</b>	<b>4,238,108</b>	<b>2,807,777</b>	<b>7,045,885</b>	<b>10,288,601</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
COMPARATIVE STATEMENTS OF NET POSITION  
JUNE 30, 2022  
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2021

	2022			2021
	Wastewater	Water	Totals	
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	\$2,999,016	\$10,076,434	\$13,075,450	\$9,510,900
Contractor bonds and deposits	2,037,022	2,486,373	4,523,395	4,324,425
Accrued expenses	495,903	65,991	561,894	581,032
Accrued compensated absences	993,220	692,280	1,685,500	1,918,779
Interest payable	-	589,192	589,192	598,672
Current portion of long-term debt	-	475,000	475,000	455,000
Unearned revenue and other liabilities	396,722	-	396,722	409,681
<b>Total current liabilities</b>	<b>6,921,883</b>	<b>14,385,270</b>	<b>21,307,153</b>	<b>17,798,489</b>
<b>Long term liabilities:</b>				
Long-term debt				
less current portion	-	31,395,000	31,395,000	31,870,000
Net pension liability	-	-	-	14,089,817
DLD remediation reserve	2,145,663	-	2,145,663	1,880,573
Unearned revenue and other liabilities	34,495	1,156,447	1,190,942	1,261,440
<b>Total long term liabilities</b>	<b>2,180,158</b>	<b>32,551,447</b>	<b>34,731,605</b>	<b>49,101,830</b>
<b>Total liabilities</b>	<b>9,102,041</b>	<b>46,936,717</b>	<b>56,038,758</b>	<b>66,900,319</b>
<b>Deferred inflows of resources</b>				
Deferred inflows of resources - Pension	7,232,105	4,957,417	12,189,522	3,040,922
Deferred inflows of resources - OPEB	3,144,115	2,285,198	5,429,313	3,876,898
Deferred inflows of resources - Leases	-	2,008,194	2,008,194	-
<b>Total deferred inflows of resources</b>	<b>10,376,220</b>	<b>9,250,809</b>	<b>19,627,029</b>	<b>6,917,820</b>
<b>NET POSITION</b>				
Net investment in capital assets	159,467,912	107,892,665	267,360,577	259,330,789
Restricted for:				
Expansion	62,304,328	86,869,711	149,174,039	145,173,609
Debt service	-	2	2	2
Assessment district	-	203,996	203,996	423,586
Unrestricted	62,543,336	54,990,775	117,534,111	109,530,006
<b>Total net position</b>	<b>\$284,315,576</b>	<b>\$249,957,149</b>	<b>\$534,272,725</b>	<b>\$514,457,992</b>

See accompanying notes to basic financial statements

DUBLIN SAN RAMON SERVICES DISTRICT  
 COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022  
 WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Wastewater	Water	Total	
<b>OPERATING REVENUES</b>				
Wastewater service charges	\$27,795,077	\$ -	\$27,795,077	\$26,415,616
Water sales	-	28,458,312	28,458,312	37,188,141
Other revenues	4,790,549	14,708,226	19,498,775	6,607,008
Total operating revenues	<u>32,585,626</u>	<u>43,166,538</u>	<u>75,752,164</u>	<u>70,210,765</u>
<b>OPERATING EXPENSES</b>				
Personnel	10,932,365	8,242,469	19,174,834	23,304,574
Materials	3,734,033	17,985,916	21,719,949	21,619,639
Contractual services	11,707,567	8,237,014	19,944,581	18,043,734
Other	350,181	377,840	728,021	725,630
Overhead charges	-	1	1	1
Depreciation	5,442,626	3,643,646	9,086,272	8,980,372
Total operating expenses	<u>32,166,772</u>	<u>38,486,886</u>	<u>70,653,658</u>	<u>72,673,950</u>
OPERATING INCOME (LOSS)	<u>418,854</u>	<u>4,679,652</u>	<u>5,098,506</u>	<u>(2,463,185)</u>
<b>NONOPERATING REVENUES (EXPENSE)</b>				
Net (changes) in fair value of investments	(5,008,712)	(3,595,901)	(8,604,613)	(663,326)
Gain on sale of assets	34,217	18,903	53,120	9,197
Gain/Loss on investments in JPA	1,405,112	(927,176)	477,936	1,260,441
State grant	1,587,521	1,260,445	2,847,966	-
Interest expense	-	(1,415,958)	(1,415,958)	(1,438,263)
Total non-operating revenues (expense), net	<u>(1,981,862)</u>	<u>(4,659,687)</u>	<u>(6,641,549)</u>	<u>(831,951)</u>
(LOSS) BEFORE CONTRIBUTIONS	(1,563,008)	19,965	(1,543,043)	(3,295,136)
Non-cash contributions	1,369,460	2,459,500	3,828,960	2,802,000
Capital contributions - capacity reserve fees	9,504,729	8,024,087	17,528,816	8,748,665
Transfers in	2,142,870	7,618,381	9,761,251	45,669,828
Transfers (out)	(2,803,412)	(6,957,839)	(9,761,251)	(45,669,828)
Changes in net position	<u>8,650,639</u>	<u>11,164,094</u>	<u>19,814,733</u>	<u>8,255,529</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>275,664,937</u>	<u>238,793,055</u>	<u>514,457,992</u>	<u>506,202,463</u>
TOTAL NET POSITION, END OF YEAR	<u>\$284,315,576</u>	<u>\$249,957,149</u>	<u>\$534,272,725</u>	<u>\$514,457,992</u>

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, 2022  
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Wastewater	Water	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers, users and joint powers authorities	\$31,183,075	\$43,738,732	\$74,921,807	\$68,823,265
Payments for services and supplies	(15,940,924)	(22,442,155)	(38,383,079)	(36,204,685)
Payments to or on behalf of employees	(13,180,168)	(7,258,484)	(20,438,652)	(22,942,161)
Net Cash Provided (Used) by Operating Activities	<u>2,061,983</u>	<u>14,038,093</u>	<u>16,100,076</u>	<u>9,676,419</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on long-term debt	-	(455,000)	(455,000)	(435,000)
Proceeds from sale of capital assets	34,217	18,903	53,120	9,197
Acquisition and construction of capital assets	(6,996,918)	(9,664,142)	(16,661,060)	(16,795,999)
State grant	1,587,521	1,260,445	2,847,966	-
Capacity reserve fees collected	9,504,729	8,024,087	17,528,816	8,660,209
Net Cash Provided (Used) by Financing Activities	<u>4,129,549</u>	<u>(2,241,145)</u>	<u>1,888,404</u>	<u>(10,007,106)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	81,708	78,003	159,711	647,215
Purchase of investment securities	(45,021,282)	(44,489,640)	(89,510,922)	(57,000,738)
Redemptions of investment securities	38,196,554	32,126,598	70,323,152	48,337,448
Proceeds of other investments	-	-	-	1,974,375
Proceeds (purchases) of LAIF investments	-	-	-	647,215
Net Cash Provided (Used) by Investing Activities	<u>(6,743,020)</u>	<u>(12,285,039)</u>	<u>(19,028,059)</u>	<u>(5,394,485)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(551,488)</u>	<u>(488,091)</u>	<u>(1,039,579)</u>	<u>(5,725,172)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>7,378,528</u>	<u>6,661,391</u>	<u>14,039,919</u>	<u>19,765,091</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$6,827,040</u>	<u>\$6,173,300</u>	<u>\$13,000,340</u>	<u>\$14,039,919</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$418,854	\$4,679,652	\$5,098,506	(\$2,463,185)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	5,442,626	3,643,646	9,086,272	8,980,372
Decrease (increase) in accounts receivable	86,017	(294,262)	(208,245)	(350,149)
(Increase) in lease receivable	-	(2,068,914)	(2,068,914)	-
(Increase) decrease in investments in JPA	(1,405,111)	927,176	(477,935)	(1,260,441)
Decrease (increase) in deferred outflows of resources - employer contributions - pension	285,606	44,455	330,061	(220,396)
Decrease in deferred outflows of resources - employer contributions - OPEB	564,794	333,130	897,924	589,871
Decrease in deferred outflows of resources - pension related amounts	1,577,719	1,146,713	2,724,432	596,039
(Increase) decrease in deferred outflows of resources - other OPEB amounts	(383,592)	(326,109)	(709,701)	900,026
(Decrease) increase in accounts payable	(571,208)	4,135,758	3,564,550	1,294,805
Increase in contractor bonds and deposits payable	184,162	14,808	198,970	2,843,474
(Decrease) increase in accrued expenses	(27,187)	8,049	(19,138)	(14,937)
(Decrease) increase in compensated absences	(178,459)	(54,820)	(233,279)	318,921
(Decrease) in unearned revenue and other liabilities	(83,457)	-	(83,457)	(44,228)
Increase in DLD remediation reserve	265,090	-	265,090	60,976
(Decrease) increase in net pension liability	(8,832,546)	(3,549,122)	(12,381,668)	1,911,872
(Increase) in net OPEB asset	(1,284,826)	(1,307,775)	(2,592,601)	(285,194)
Increase (decrease) in deferred inflows of resources - pension related amounts	5,297,955	3,850,645	9,148,600	(1,011,361)
Increase (decrease) in deferred inflows of resources - OPEB related amounts	705,546	846,869	1,552,415	(2,170,046)
Increase in deferred inflows of resources - Leases	-	2,008,194	2,008,194	-
Total adjustments	<u>1,643,129</u>	<u>9,358,441</u>	<u>11,001,570</u>	<u>12,139,604</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$2,061,983</u>	<u>\$14,038,093</u>	<u>\$16,100,076</u>	<u>\$9,676,419</u>
<b>NON CASH TRANSACTIONS:</b>				
Fair market value adjustment increase	(\$4,908,317)	(\$4,685,735)	(\$9,594,052)	\$2,857,756
Contributed assets	1,369,460	2,459,500	3,828,960	2,802,000
Gain on sale of capital assets	34,217	18,903	53,120	9,197

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, 2022

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. General

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

#### B. Basis of Accounting

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

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

The District reports the following major Proprietary Funds:

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

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

#### C. Measurement Focus

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

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

#### D. Reporting Entity

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

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

#### E. Capital Assets

Capital assets, which include property, plant, and equipment are recorded at historical costs or estimated historical cost, if actual cost is not available. Contributed assets are recorded at acquisition 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 \$20,000 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, 2022

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

#### G. Accounts Receivable

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

#### H. Accrued Compensated Absences

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

#### I. Estimates

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

#### J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets 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 assets 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, 2021, from which the summarized information was derived.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

#### L. Pension

The purposes of measuring the net pension liability (asset) 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 (asset), 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. Lease Accounting

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. The District has recorded a lease receivable and deferred inflows related to leases as required (see Note 1.O.).

#### O. New Governmental Accounting Standards Board Statement Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this Statement were implemented during fiscal year 2022. As part of the implementation of this Statement, the District reviewed its inventory of leases and determined that one lease met the District's established threshold for recording leases under this Statement and therefore, the District has recorded a lease receivable offset with a deferred inflows of resources related to leases.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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### 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, 2022, 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	\$13,000,340
Investments	211,587,845
Restricted cash	2
Total cash and investments	<u><u>\$224,588,187</u></u>

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

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

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

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

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
\$75 Million	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

### 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
Corporate Bonds	\$12,965,137	\$3,478,892	\$23,020,287	\$39,464,316
Municipal Bonds	7,920,024		23,922,216	31,842,240
<i>Not rated</i>				
US Treasuries & Agencies		24,451,165	49,371,307	73,822,472
California Asset Management Program	2,956,491			2,956,491
California Local Agency Investment Fund	57,906,332			57,906,332
Negotiable Certificates of Deposit	3,003,147	986,398	1,606,449	5,595,994
<b>Total Unrestricted Investments</b>	<b>\$84,751,131</b>	<b>\$28,916,455</b>	<b>\$97,920,259</b>	<b>\$211,587,845</b>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

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, 2022, these investments matured in an average of 311 days.

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, 2022, the fair value approximated is the District's cost. At June 30, 2022, 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, 2022 for each investment type as provided by Standard and Poor's.

Investment Type	AAA	AA+	AA	A+	A	A-	Total
Corporate Bonds	\$14,468,255	\$2,759,133	\$4,552,736	\$1,808,231	\$4,699,836	\$11,176,125	\$39,464,316
Municipal Bonds	8,911,561	4,615,138		9,414,523	3,978,573	4,922,445	31,842,240
US Treasuries & Agencies	41,652,752	17,712,689					59,365,441
<i>Not rated</i>							
California Local Agency Investment Fund	57,906,332						57,906,332
California Asset Management Program	2,956,491						2,956,491
US Treasuries & Agencies	14,457,031						14,457,031
Negotiable Certificates of Deposit	5,595,994						5,595,994
<b>Total Unrestricted Investments</b>	<b>\$145,948,416</b>	<b>\$25,086,960</b>	<b>\$4,552,736</b>	<b>\$11,222,754</b>	<b>\$8,678,409</b>	<b>\$16,098,570</b>	<b>\$211,587,845</b>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

#### F. Concentration Risk

As of June 30, 2022, significant District investments in the securities of any individual issuers, other than U.S. Treasury securities, LAIF, and mutual funds, are set forth below:

Reporting Unit	Issuer	Investment Type	Reported Amount
District	Federal Farm Credit Bureau	Securities of U.S. Government Agencies	\$13,259,644
	Federal Home Loan Bank	Securities of U.S. Government Agencies	31,857,217

#### 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, 2022 are described below.

	Level 2	Total
<b>Investments by Fair Value</b>		
Corporate Bonds	\$39,464,316	
Municipal Bonds	31,842,240	
US Treasuries and Agencies Securities	73,822,472	
Negotiable Certificates of Deposit	5,595,994	
	<u>\$150,725,022</u>	\$150,725,022
<b>Investments Measured at Net Asset Value Per Share:</b>		
California Asset Management Program		2,956,491
<b>External Investment Pool (Exempt):</b>		
California Local Agency Investment Fund		57,906,332
<b>Cash in Banks and On Hand</b>		<u>13,000,342</u>
Total Cash and Investments		<u>\$224,588,187</u>

US Treasuries and Agencies Securities, Corporate Bonds, Municipal Bonds, 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, 2022

### 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, 2022</u>	<u>June 30, 2021</u>
Local Sewer Expansion	\$9,010,500	\$9,151,284
Regional Sewer Expansion	53,293,828	52,219,586
Water Expansion	86,869,711	83,802,739
	<u>149,174,039</u>	<u>145,173,609</u>
 <u>Debt Service</u>	 <u>2</u>	 <u>2</u>
 <u>Assessment District</u>		
Dougherty Valley Assessment District	203,996	423,586
	<u>203,996</u>	<u>423,586</u>
 <b>Total Restriction on Net Position</b>	 <b><u>\$149,378,037</u></b>	 <b><u>\$145,597,197</u></b>

### NOTE 4 – CAPITAL ASSETS

Changes in capital assets accounts are summarized below:

	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2022</u>
Capital assets being depreciated:				
Land Improvements	\$23,618,090	\$52,276		\$23,670,366
Buildings	131,514,355			131,514,355
Equipment	87,703,388	553,354	(\$158,474)	88,098,268
Sub-surface lines	170,647,061	3,830,460		174,477,521
Total capital assets being depreciated:	<u>413,482,894</u>	<u>4,436,090</u>	<u>(158,474)</u>	<u>417,760,510</u>
Less accumulated depreciation for:				
Land Improvements	(6,667,812)	(608,815)		(7,276,627)
Buildings	(54,318,419)	(2,707,706)		(57,026,125)
Equipment	(50,006,637)	(2,592,108)	158,474	(52,440,271)
Sub-surface lines	(60,673,324)	(3,177,643)		(63,850,967)
Total accumulated depreciation	<u>(171,666,192)</u>	<u>(9,086,272)</u>	<u>158,474</u>	<u>(180,593,990)</u>
Net capital assets being depreciated	<u>241,816,702</u>	<u>(4,650,182)</u>		<u>237,166,520</u>
Capital assets not being depreciated:				
Land	7,712,945			7,712,945
Construction in progress	42,126,142	12,224,970		54,351,112
Total capital assets not being depreciated	<u>49,839,087</u>	<u>12,224,970</u>		<u>62,064,057</u>
Total capital assets, net	<u>\$291,655,789</u>	<u>\$7,574,788</u>		<u>\$299,230,577</u>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 4 – CAPITAL ASSETS (Continued)

The District had outstanding construction commitments on capital projects totaling \$7,226,119 at June 30, 2022.

Depreciation expense for the District for June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Water Fund	\$3,643,646	\$3,617,061
Wastewater Fund	<u>5,442,626</u>	<u>5,363,311</u>
Total Depreciation expense	<u><u>\$9,086,272</u></u>	<u><u>\$8,980,372</u></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 \$65,764 at June 30, 2022, of which \$31,269 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, 2022

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### 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 \$54,790,000 principal amount of 2021 Sewer Revenue Refunding Bonds on August 11, 2021. Proceeds of the issuance were used to refund and retire the 2011 Sewer Revenue Refunding Bonds and to pay costs of issuance. Under the Amended And Restated Sewer Service Contract dated July 1, 2021, between LAVWMA and Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2021 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 2021 Bonds.

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, 2022:

Total assets	\$121,292,819
Total liabilities and deferred inflows of resources	69,929,410
Total net position	51,363,409
Total operating revenue	11,261,431
Total operating expenses	(6,775,191)
Total non-operating revenue	69,075
Total non-operating expenses	<u>(1,368,054)</u>
Net gain	<u>\$3,187,261</u>

As of June 30, 2022, the District’s share of the JPA was \$13,979,769, 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, 2022

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### 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](http://www.srvrwp.org).

Financial information for DERWA summarized below is as of and for the year ended June 30, 2022:

Total assets	\$74,821,767
Total liabilities	6,037,745
Total net position	68,784,022
Total operating revenue	6,340,102
Total non-operating revenue	3,746
Total operating expenses	(6,103,022)
Total non-operating expenses	<u>(2,315,579)</u>
Net loss	<u><u>(\$2,074,753)</u></u>

As of June 30, 2022, the District's share of the JPA was \$38,806,259, 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, 2022**

**NOTE 7 – LONG-TERM DEBT**

	Original Issue Amount	Balance June 30, 2021	Retirements	Balance June 30, 2022	Amount due within one year
2017 Water Revenue Refunding Bonds 2% -5%, due 8/1/2041	\$33,590,000	<u>\$32,325,000</u>	<u>\$455,000</u>	<u>\$31,870,000</u>	<u>\$475,000</u>
Total long-term debt		<u><u>\$32,325,000</u></u>	<u><u>\$455,000</u></u>	<u><u>\$31,870,000</u></u>	<u><u>\$475,000</u></u>

**A. 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 \$48,263,571 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 2022, operating revenues, investment income, and capital grants and contributions amounted to \$45,265,107 and operating costs including operating expenses, but not interest, amounted to \$32,860,160. Net Revenues available for debt service amounted to \$12,404,947 which represents coverage of 660% over the \$1,880,438 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, 2022

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

#### WATER REVENUES:

Water Sales	\$28,458,312
Other Revenues (1)	14,708,226
Interest Income	(3,595,901)
Capacity Reserve Fees	8,024,087
Less Assessment District (2)	(1,772,372)
Less Tax Revenues	(837,336)
Less Cell Tower Lease Revenue	(111,566)
<b>TOTAL WATER REVENUES</b>	<b>\$44,873,450</b>

#### WATER OPERATION & MAINTENANCE COSTS:

Operating Expense	\$38,486,886
Less Depreciation	(3,643,646)
Less Assessment District (2)	(1,983,080)

**TOTAL WATER OPERATION & MAINTENANCE COSTS** 32,860,160

**NET WATER REVENUES** \$12,013,290

#### DEBT SERVICE:

2017 Water Bonds	\$1,880,438
<b>TOTAL DEBT SERVICE</b>	<b>\$1,880,438</b>

**DEBT SERVICE COVERAGE** 6.39

(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, 2022

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

#### B. 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
<b>Condensed Statement of Net Position</b>		
Assets:		
Current	\$42,530,268	\$119,735,377
Capital	16,713,077	139,762,665
Other non current	11,449,544	38,806,259
Total assets	<u>70,692,889</u>	<u>298,304,301</u>
Deferred outflows of resources		2,277,982
Liabilities:		
Current liabilities	660,706	13,996,253
Long term liabilities	25,278	32,551,447
Total liabilities	<u>685,984</u>	<u>46,547,700</u>
Deferred inflows of resources		6,965,611
Net position:		
Net investment in capital assets	16,713,077	107,892,665
Restricted	53,293,828	86,869,711
Unrestricted		53,741,860
Total net position	<u>\$70,006,905</u>	<u>\$248,504,236</u>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>		
Operating revenue	\$1,002,193	\$40,622,698
Operating expenses	(4,030,964)	(35,583,325)
Operating loss (gain)	<u>(3,028,771)</u>	<u>5,039,373</u>
Nonoperating revenues (expenses):		
Interest income	(2,325,366)	(3,584,648)
Interest expense		(1,415,958)
Gain on sale of capital assets		18,903
Gain on investment in JPA	1,148,256	(927,176)
State grant	959,130	1,154,438
Non-cash contributions		2,459,500
Capital contributions - capacity reserve fees	6,106,193	8,024,087
Transfers in		7,618,381
Transfers out		(6,957,839)
Change in net position	2,859,442	11,429,061
Beginning net position	67,147,463	237,075,175
Ending net position	<u>\$70,006,905</u>	<u>\$248,504,236</u>
<b>Condensed Statement of Cash Flows</b>		
Net cash provided (used) by:		
Operating activities	(\$2,612,417)	\$9,933,616
Noncapital financing activities	(1,794,559)	(761,121)
Capital financing activities	6,115,552	2,582,653
Investing activities	(1,896,046)	(11,794,661)
Net cash flows	<u>(187,470)</u>	<u>(39,513)</u>
Beginning cash and cash equivalents	2,685,568	6,421,786
Ending cash and cash equivalents	<u>\$2,498,098</u>	<u>\$6,382,273</u>

**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 7 – LONG-TERM DEBT (Continued)**

**C. Repayment Schedule**

Shown below are maturities for the debt issues:

For The Year Ending June 30	Principal	Interest	Total
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	1,020,000	1,286,063	2,306,063
2028-2032	7,490,000	5,402,565	12,892,565
2033-2037	9,540,000	3,284,315	12,824,315
2038-2042	11,770,000	963,126	12,733,126
Total payments due	<u>\$31,870,000</u>	<u>\$16,393,571</u>	<u>\$48,263,571</u>

**NOTE 8 – UNEARNED REVENUE AND OTHER LIABILITIES**

Total unearned revenue and other liabilities for the year ended June 30, 2022 totaled \$1,587,664.

As of June 30, 2022, 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 \$65,764 (see Note 5). The current portion of this balance at June 30, 2022 is \$31,269.

As of June 30, 2022, 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, 2022, accrued compensated absences are as follows:

	Business Type Activities		Total
	Sewer	Water	
Summary of activity:			
Beginning balance	\$1,171,679	\$747,100	\$1,918,779
Additions	1,142,636	819,719	1,962,355
Payments	<u>(1,321,095)</u>	<u>(874,539)</u>	<u>(2,195,634)</u>
Ending balance - due within one year	<u>\$993,220</u>	<u>\$692,280</u>	<u>\$1,685,500</u>

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 10 – PENSION PLAN

#### A. Plan Description

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

#### B. Benefits provided

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

Active plan members in the Miscellaneous Plan Classic members (Tier 1) for members hired before January 1, 2013 and PEPRAs members (Tier 2) for members hired on or after January 1, 2013 are required to contribute 8% and 6.75%, 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, 2022**

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

The Plan’s provisions and benefits in effect at June 30, 2022, 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	14.02%	7.59%

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 2022, the District paid \$1,016,152 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, 2022, 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, 2022 were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$2,605,109

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

As of June 30, 2022, the District reported net pension asset for its proportionate shares of the net pension asset of the Plan as follows:

	<u>Proportionate Share of Net Pension Asset</u>
Miscellaneous	\$1,162,379
Total Net Pension Asset	<u>\$1,162,379</u>



**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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

The District’s net pension liability (asset) 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, 2021, 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, 2020 rolled forward to June 30, 2021 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 (asset) for the Plan as of June 30, 2020 and 2021 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2020	0.3340%
Proportion - June 30, 2021	-0.0612%
Change - Increase (Decrease)	-0.3952%

For the year ended June 30, 2022, the District recognized pension expense of \$443,993. At June 30, 2022, 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	\$2,605,109	
Differences between actual and expected experience		(\$130,349)
Changes of assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		(2,805,151)
Net differences between projected and actual earnings on plan investments	1,014,694	
Change's in employer's proportion	<u>2,167,363</u>	<u>(9,254,022)</u>
Total	<u>\$5,787,166</u>	<u>(\$12,189,522)</u>

\$2,605,109 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, 2023.

**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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
2023	(\$3,247,224)
2024	(3,498,992)
2025	(2,541,660)
2026	280,411
Total	<u>(\$9,007,465)</u>

**E. Actuarial Assumptions** – For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020, total pension liability. The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions for all benefits tiers:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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, 2022

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

(1) In the CalPERS Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Shortterm 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, 2022**

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

**G. Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability (asset) 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%)
\$15,040,238	(\$1,162,379)	(\$14,556,851)

**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.

# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 11 – OTHER POST EMPLOYMENT HEALTH CARE BENEFITS

#### A. Plan Description and Benefits Provided

The District provides medical and dental benefits for employees, hired before July 1, 2014; that retire from the District and their families under third-party insurance plans under 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, 2022, 100 retirees are receiving medical benefits, 108 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, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was used to determine the total OPEB liability based on the following actuarial methods and assumptions: (a) 5.67% investment rate of return, (b) 3.0% projected annual salary increase, (c) 2.5% inflation rate, and (d) 4.70% 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, 2022**

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

**Discount Rate**

The discount rate used to measure the total OPEB liability was 5.67 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	34%	4.40%	4.50%
Fixed Income	41%	-1.00%	2.20%
TIPS	5%	-1.80%	1.30%
Commodities	3%	0.80%	1.20%
REITs	17%	3.00%	3.90%
Total	100%		
Assumed Long-Term Rate of Inflation		2.50%	
Discount Rate		5.67%	

**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
As of FYE 2021 (Measurement date 6/30/2020)	\$24,399,209	\$28,738,862	(\$4,339,653)
Changes Recognized for the Measurement Period:			
Service Cost	1,041,280		1,041,280
Interest on the total OPEB liability	1,573,687		1,573,687
Changes of assumptions	752,348		752,348
Contributions from the employer		897,924	(897,924)
Net investment income		5,863,962	(5,863,962)
Administrative expenses		(10,821)	10,821
Plan Experience	791,149		791,149
Benefit payments and refunds	(1,316,018)	(1,316,018)	-
Net Changes during fiscal year ended 2022	2,842,446	5,435,047	(2,592,601)
As of FYE 2022 (Measurement date 6/30/2021)	<u>\$27,241,655</u>	<u>\$34,173,909</u>	<u>(\$6,932,254)</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 \$259,311.

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 (4.67 percent) or 1-percentage-point higher (6.67 percent) than the current discount rate:

Plan's Net OPEB Liability (Asset)		
Discount Rate -1% (4.67 % )	Current Discount Rate (5.67% )	Discount Rate +1% (6.67% )
<u>(\$3,396,828)</u>	<u>(\$6,932,254)</u>	<u>(\$9,852,172)</u>

**DUBLIN SAN RAMON SERVICES DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 (4.8 percent) or 1-percentage-point higher (6.8 percent) than the current healthcare cost trend rate:

<b>Plan's Net OPEB Liability (Asset)</b>		
<b>Discount Rate -1%</b>	<b>Health Care Cost</b>	<b>Discount Rate +1%</b>
<b>(4.8%)</b>	<b>Trend Rates (5.8%)</b>	<b>(6.8%)</b>
(\$10,119,883)	(\$6,932,254)	(\$3,033,473)

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

For the year ended June 30, 2022, the District recognized OPEB expense of (\$851,963) as of fiscal year ended June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$613,538	(\$503,416)
Differences between expected and actual experience	645,181	(1,666,076)
Net difference between projected and actual earnings on OPEB plan investments		(3,259,821)
Total	<u>\$1,258,719</u>	<u>(\$5,429,313)</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, 2021 measurement period is 5.42 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 EARSLS period.



# DUBLIN SAN RAMON SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

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
2023	(\$1,602,132)
2024	(1,530,004)
2025	(632,309)
2026	(525,756)
2027	119,607
	<u>(\$4,170,594)</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, 2022

### NOTE 12 – RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies carried by the District as of June 30, 2022:

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
<u>Pooled Insurance Program</u>			
CSRMA Pooled Liability			
Munich American Reinsurance Co.	Errors & omissions and employment practices liability	15,500,000	100,000
CSRMA Pooled Workers' Compensation	Workers' compensation employers' liability	750,000	None

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

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

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

	2022	2021
Balance at July 1	\$581,032	\$595,970
Net change in liability for claims and claims incurred but not reported	282,929	370,127
Claims paid	(458,852)	(385,065)
Balance at June 30	\$405,109	\$581,032

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, 2022

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### NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES

The District purchases water from the Alameda County Flood Control and Water Conservation District (Zone 7) under a thirty-year contract, which expires August 23, 2024. Under the terms of the contract, subject to various exceptions, the District is required to purchase all of its water from Zone 7. During fiscal year ended June 30, 2022, the District's water purchases from Zone 7 amounted to \$14,182,618.

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 \$2,145,663 as of June 30, 2022. 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, 2022 with the establishment of the fully-funded liability for this purpose.

# DUBLIN SAN RAMON SERVICES DISTRICT

## Required Supplementary Information For the year ended June 30, 2022

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

Measurement Date	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	-0.061216%	0.334034%	0.304106%	0.262289%	0.263435%	0.149748%	0.185007%
Proportionate share of the net pension liability (asset)	(\$1,162,379)	\$14,089,817	\$12,177,945	\$9,884,912	\$10,384,742	\$12,957,811	\$12,698,750
Covered payroll	15,115,187	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 (asset) as percentage of covered payroll	-7.69%	101.62%	85.29%	75.74%	82.47%	107.68%	105.74%
Plan's Fiduciary net position	123,880,746	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	88.29%	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 seven years are shown.

# DUBLIN SAN RAMON SERVICES DISTRICT

## Required Supplementary Information For the year ended June 30, 2022

### SCHEDULE OF CONTRIBUTIONS (PENSION)\*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$2,605,109	\$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	2,605,109	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	\$0	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Covered payroll	\$15,604,785	\$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	16.69%	19.42%	19.58%	13.02%	11.53%	50.84%	59.17%	55.92%

**Notes to Schedule**

Valuation date: June 30, 2020

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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

(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 eight years are shown.

# DUBLIN SAN RAMON SERVICES DISTRICT

## Required Supplementary Information For the year ended June 30, 2022

### SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS AGENT MULTIPLE PLAN\*

Measurement Date	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21
<b>Total OPEB Liability</b>					
Service Cost	\$848,840	\$1,020,504	\$1,053,670	\$1,008,504	\$1,041,280
Interest	1,701,163	1,661,164	1,764,023	1,493,182	1,573,687
Differences between expected and actual experience	(3,586,818)	-	(4,001,696)	-	791,149
Changes in assumptions	4,149,122	-	(1,209,136)	-	752,348
Benefit payments	(1,080,081)	(1,110,367)	(1,154,397)	(1,217,291)	(1,316,018)
Changes in benefits	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<u>2,032,226</u>	<u>1,571,301</u>	<u>(3,547,536)</u>	<u>1,284,395</u>	<u>2,842,446</u>
<b>Total OPEB liability - beginning</b>	<u>23,058,823</u>	<u>25,091,049</u>	<u>26,662,350</u>	<u>23,114,814</u>	<u>24,399,209</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$25,091,049</u>	<u>\$26,662,350</u>	<u>\$23,114,814</u>	<u>24,399,209</u>	<u>27,241,655</u>
<b>OPEB fiduciary net position</b>					
Contributions - employer	\$1,080,081	\$1,212,732	\$1,251,832	\$1,251,832	\$897,924
Net investment income	2,232,198	1,880,973	1,776,771	1,549,013	5,863,962
Administrative expense	(11,330)	(43,338)	(5,441)	(13,965)	(10,821)
Benefit payments, including refunds of employee contributions	(1,080,081)	(1,110,367)	(1,154,397)	(1,217,291)	(1,316,018)
<b>Net change in plan fiduciary net position</b>	<u>2,220,868</u>	<u>1,940,000</u>	<u>1,868,765</u>	<u>1,569,589</u>	<u>5,435,047</u>
<b>Plan fiduciary net position - beginning</b>	<u>21,139,640</u>	<u>23,360,508</u>	<u>25,300,508</u>	<u>27,169,273</u>	<u>28,738,862</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$23,360,508</u>	<u>\$25,300,508</u>	<u>\$27,169,273</u>	<u>\$28,738,862</u>	<u>\$34,173,909</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$1,730,541</u>	<u>\$1,361,842</u>	<u>(\$4,054,459)</u>	<u>(\$4,339,653)</u>	<u>(6,932,254)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>93%</u>	<u>95%</u>	<u>118%</u>	<u>118%</u>	<u>125%</u>
Covered-employee payroll (not based on measure of pay)	<u>\$12,531,924</u>	<u>\$13,112,995</u>	<u>\$14,287,090</u>	<u>\$13,918,661</u>	<u>\$15,148,687</u>
Net OPEB liability (asset) as a percentage of covered-employee payroll	<u>13.81%</u>	<u>10.39%</u>	<u>-28.38%</u>	<u>-31.18%</u>	<u>-45.76%</u>

**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, 2022

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

Fiscal Year Ended June 30,	2018	2019	2020	2021	2022
Actuarially determined contribution	\$1,212,732	\$1,251,832	\$865,816	\$897,924	\$931,328
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	\$931,328
Covered-employee payroll	\$13,112,995	\$14,287,090	\$13,918,661	\$15,148,687	\$15,473,082
Contributions as a percentage of covered-employee payroll (not based on measure of pay)	9.25%	8.76%	10.69%	5.93%	0.00%

**Notes to Schedule**

Valuation date:	7/1/2017	7/1/2017	6/30/2019	6/30/2019	6/30/2021
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Methods and assumptions used to determine contribution rates:

Actuarial Date	June 30, 2021
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	5.8% in 2022, 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, 2022

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Pooled cash	\$5,759,166	\$959,630	(\$5,445)	\$113,689	\$6,827,040
Pooled investments	92,717,794	15,530,547	-	-	108,248,341
Accounts receivable	5,516,832	408,609	147,384	793,218	6,866,043
Interest receivable	291,673	48,557	-	-	340,230
Deferred capacity reserve fees receivable	31,269	-	-	-	31,269
Prepaid expense	-	-	19,047	-	19,047
<b>Total current assets</b>	<b>104,316,734</b>	<b>16,947,343</b>	<b>160,986</b>	<b>906,907</b>	<b>122,331,970</b>
<b>Non-current assets:</b>					
Investment in JPA	13,979,769	-	-	-	13,979,769
<b>Capital assets:</b>					
Property, plant and equipment	169,599,870	69,198,572	-	-	238,798,442
Less accumulated depreciation	79,765,955	30,718,156	-	-	110,484,111
<b>Net property, plant and equipment</b>	<b>89,833,915</b>	<b>38,480,416</b>	<b>-</b>	<b>-</b>	<b>128,314,331</b>
Construction in progress	26,415,704	4,737,877	-	-	31,153,581
<b>Total capital assets</b>	<b>116,249,619</b>	<b>43,218,293</b>	<b>-</b>	<b>-</b>	<b>159,467,912</b>
<b>Other assets:</b>					
Net Pension asset	<i>This page intentionally left blank</i>				61,353
Net OPEB asset	-	-	-	4,014,468	4,014,468
Deferred capacity reserves receivable - long term	34,495	-	-	-	34,495
<b>Total other assets</b>	<b>95,848</b>	<b>-</b>	<b>-</b>	<b>4,014,468</b>	<b>4,110,316</b>
<b>Total non-current assets</b>	<b>130,325,236</b>	<b>43,218,293</b>	<b>-</b>	<b>4,014,468</b>	<b>177,557,997</b>
<b>Total assets</b>	<b>234,641,970</b>	<b>60,165,636</b>	<b>160,986</b>	<b>4,921,375</b>	<b>299,889,967</b>
<b>Deferred outflows of resources</b>					
Deferred outflows pension related amounts	2,046,335	(31,858)	-	-	2,014,477
Deferred employer pension contributions	1,217,723	276,984	-	-	1,494,707
Deferred outflows OPEB related amounts	-	-	-	728,924	728,924
Deferred employer OPEB contributions	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>\$3,264,058</b>	<b>\$245,126</b>	<b>\$ -</b>	<b>\$728,924</b>	<b>\$4,238,108</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2022

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$2,725,755	\$146,498	\$126,763	\$ -	\$2,999,016
Contractor bonds and deposits	2,037,022	-	-	-	2,037,022
Accrued expenses	405,109	-	90,794	-	495,903
Accrued compensated absences	551,231	124,313	317,676	-	993,220
Unearned revenue	31,269	365,453	-	-	396,722
<b>Total current liabilities</b>	<b>5,750,386</b>	<b>636,264</b>	<b>535,233</b>	<b>-</b>	<b>6,921,883</b>
Long term liabilities:					
Net pension liability	-	334,238	-	-	334,238
DLD remediation reserve	2,145,663	-	-	-	2,145,663
Unearned revenue	34,495	-	-	-	34,495
<b>Total long term liabilities</b>	<b>2,180,158</b>	<b>334,238</b>	<b>-</b>	<b>-</b>	<b>2,514,396</b>
<b>Total liabilities</b>	<b>7,930,544</b>	<b>970,502</b>	<b>535,233</b>	<b>-</b>	<b>9,436,279</b>
Deferred inflows of resources					
Deferred inflows of resources - Pension	5,989,494	1,242,611	-	-	7,232,105
Deferred inflows of resources - OPEB	-	-	-	3,144,115	3,144,115
<b>Total deferred inflows of resources</b>	<b>5,989,494</b>	<b>1,242,611</b>	<b>-</b>	<b>3,144,115</b>	<b>10,376,220</b>
<b>NET POSITION</b>					
Net investment in capital assets	116,249,619	43,218,293	-	-	159,467,912
Restricted for:					
Expansion	53,293,828	9,010,500	-	-	62,304,328
Unrestricted	54,442,543	5,968,856	(374,247)	2,506,184	62,543,336
<b>Total net position</b>	<b>\$223,985,990</b>	<b>\$58,197,649</b>	<b>(\$374,247)</b>	<b>\$2,506,184</b>	<b>\$284,315,576</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
WASTEWATER OPERATIONS  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022

	Regional Wastewater Total	Local Wastewater Total	Allocation	Allocation OPEB Fund	Wastewater Total
<b>OPERATING REVENUES</b>					
Wastewater service charges	\$23,410,188	\$4,384,889	\$ -	\$ -	\$27,795,077
Other revenues	3,158,030	571,086	1,061,433	-	4,790,549
Total operating revenues	<u>26,568,218</u>	<u>4,955,975</u>	<u>1,061,433</u>	<u>-</u>	<u>32,585,626</u>
<b>OPERATING EXPENSES</b>					
Personnel	6,093,915	1,193,149	4,139,724	(494,423)	10,932,365
Materials	3,496,503	76,178	161,352	-	3,734,033
Contractual services	10,401,464	393,638	912,465	-	11,707,567
Other	276,580	39,246	34,355	-	350,181
Overhead Charges	2,803,584	683,434	(3,487,018)	-	-
Depreciation	4,063,292	1,379,334	-	-	5,442,626
Total operating expenses	<u>27,135,338</u>	<u>3,764,979</u>	<u>1,760,878</u>	<u>(494,423)</u>	<u>32,166,772</u>
OPERATING INCOME (LOSS)	<u>(567,120)</u>	<u>1,190,996</u>	<u>(699,445)</u>	<u>494,423</u>	<u>418,854</u>
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	(4,469,221)	(536,229)	-	(3,262)	(5,008,712)
Gain on sale of assets	21,750	12,467	-	-	34,217
Gain on investment in JPA	1,405,112	-	-	-	1,405,112
State Grant	1,250,605	191,066	145,850	-	1,587,521
Total non-operating revenues (expense), net	<u>(1,791,754)</u>	<u>(332,696)</u>	<u>145,850</u>	<u>(3,262)</u>	<u>(1,981,862)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,358,874)	858,300	(553,595)	491,161	(1,563,008)
Non-cash contributions	-	1,369,460	-	-	1,369,460
Capital contributions - capacity reserve fees	8,367,483	1,137,246	-	-	9,504,729
Transfers in	2,134,620	8,250	-	-	2,142,870
Transfers (out)	(2,795,162)	(8,250)	-	-	(2,803,412)
Changes in net position	5,348,067	3,365,006	(553,595)	491,161	8,650,639
TOTAL NET POSITION, BEGINNING 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>
TOTAL NET POSITION, END OF YEAR	<u>\$223,985,990</u>	<u>\$58,197,649</u>	<u>(\$374,247)</u>	<u>\$2,506,184</u>	<u>\$284,315,576</u>

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DUBLIN SAN RAMON SERVICES DISTRICT  
REGIONAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2022

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$716,099	\$561,516	\$1,983,453	\$2,498,098	\$5,759,166
Pooled investments	11,595,014	9,119,436	32,119,035	39,884,309	92,717,794
Accounts receivable	5,516,404	-	731	(303)	5,516,832
Interest receivable	36,687	28,655	101,081	125,250	291,673
Deferred capacity reserve fees receivable	-	-	8,355	22,914	31,269
Total current assets	<u>17,864,204</u>	<u>9,709,607</u>	<u>34,212,655</u>	<u>42,530,268</u>	<u>104,316,734</u>
Non-current assets:					
Investment in JPA	2,555,503	-	-	11,424,266	13,979,769
Net pension asset	61,353	-	-	-	61,353
Capital assets:					
Property, plant and equipment	169,599,870	-	-	-	169,599,870
Less accumulated depreciation	<u>79,765,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,765,955</u>
Net property, plant and equipment	89,833,915	-	-	-	89,833,915
Land and construction in progress	<u>56,014</u>	<u>-</u>	<u>9,646,613</u>	<u>16,713,077</u>	<u>26,415,704</u>
Total capital assets	<u>89,889,929</u>	<u>-</u>	<u>9,646,613</u>	<u>16,713,077</u>	<u>116,249,619</u>
Other assets:					
Deferred capacity reserves receivable - long term	-	-	9,217	25,278	34,495
Total other assets	<u>-</u>	<u>-</u>	<u>9,217</u>	<u>25,278</u>	<u>34,495</u>
Total non-current assets	<u>92,506,785</u>	<u>-</u>	<u>9,655,830</u>	<u>28,162,621</u>	<u>130,325,236</u>
Total assets	<u>110,370,989</u>	<u>9,709,607</u>	<u>43,868,485</u>	<u>70,692,889</u>	<u>234,641,970</u>
Deferred outflows of resources					
Deferred outflows pension related amounts	2,046,335	-	-	-	2,046,335
Deferred employer pension contributions	<u>1,217,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,217,723</u>
Total deferred outflows of resources	<u>\$3,264,058</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3,264,058</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
REGIONAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2022

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$1,812,258	\$ 1,920	\$295,033	\$616,544	\$2,725,755
Contractor bonds and deposits	2,015,774	-	-	21,248	2,037,022
Accrued expenses	405,109	-	-	-	405,109
Accrued compensated absences	551,231	-	-	-	551,231
Unearned revenue	-	-	8,355	22,914	31,269
Total current liabilities	<u>4,784,372</u>	<u>1,920</u>	<u>303,388</u>	<u>660,706</u>	<u>5,750,386</u>
Long term liabilities:					
DLD remediation reserve	2,145,663	-	-	-	2,145,663
Unearned revenue	-	-	9,217	25,278	34,495
Total long term liabilities	<u>2,145,663</u>	<u>-</u>	<u>9,217</u>	<u>25,278</u>	<u>2,180,158</u>
Total liabilities	<u>6,930,035</u>	<u>1,920</u>	<u>312,605</u>	<u>685,984</u>	<u>7,930,544</u>
Deferred inflows of resources					
Deferred inflows of resources - Pension	5,989,494	-	-	-	5,989,494
Total deferred inflows of resources	<u>5,989,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,989,494</u>
<b>NET POSITION</b>					
Net investment in capital assets	89,889,929	-	9,646,613	16,713,077	116,249,619
Restricted for:					
Expansion	-	-	-	53,293,828	53,293,828
Unrestricted	<u>10,825,589</u>	<u>9,707,687</u>	<u>33,909,267</u>	<u>-</u>	<u>54,442,543</u>
Total net position	<u>\$100,715,518</u>	<u>\$9,707,687</u>	<u>\$43,555,880</u>	<u>\$70,006,905</u>	<u>\$223,985,990</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
REGIONAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022

	Regional Wastewater Enterprise	Regional Wastewater RSF	Regional Wastewater Replacement	Regional Wastewater Expansion	Total
<b>OPERATING REVENUES</b>					
Wastewater service charges	\$23,410,188	\$ -	\$ -	\$ -	\$23,410,188
Other revenues	1,864,360	-	291,477	1,002,193	3,158,030
Total operating revenues	<u>25,274,548</u>	<u>-</u>	<u>291,477</u>	<u>1,002,193</u>	<u>26,568,218</u>
<b>OPERATING EXPENSES</b>					
Personnel	6,093,915	-	-	-	6,093,915
Materials	3,496,503	-	-	-	3,496,503
Contractual services	6,090,900	-	279,600	4,030,964	10,401,464
Other	230,321	11,263	34,996	-	276,580
Overhead Charges	2,803,584	-	-	-	2,803,584
Depreciation	4,063,292	-	-	-	4,063,292
Total operating expenses	<u>22,778,515</u>	<u>11,263</u>	<u>314,596</u>	<u>4,030,964</u>	<u>27,135,338</u>
OPERATING INCOME (LOSS)	<u>2,496,033</u>	<u>(11,263)</u>	<u>(23,119)</u>	<u>(3,028,771)</u>	<u>(567,120)</u>
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	(438,404)	(312,903)	(1,392,548)	(2,325,366)	(4,469,221)
State grants	-	-	291,475	959,130	1,250,605
Gain on sale of assets	21,750	-	-	-	21,750
Gain on investment in JPA	256,856	-	-	1,148,256	1,405,112
Total non-operating revenues	<u>(159,798)</u>	<u>(312,903)</u>	<u>(1,101,073)</u>	<u>(217,980)</u>	<u>(1,791,754)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	2,336,235	(324,166)	(1,124,192)	(3,246,751)	(2,358,874)
Capital contributions - capacity reserve fees	-	-	2,261,290	6,106,193	8,367,483
Residual equity transfer	528,122	-	(528,122)	-	-
Transfers in	-	334,620	1,800,000	-	2,134,620
Transfers (out)	<u>(2,795,162)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,795,162)</u>
Changes in net position	69,195	10,454	2,408,976	2,859,442	5,348,067
TOTAL NET POSITION, BEGINNING OF YEAR	<u>100,646,323</u>	<u>9,697,233</u>	<u>41,146,904</u>	<u>67,147,463</u>	<u>218,637,923</u>
TOTAL NET POSITION, END OF YEAR	<u>\$100,715,518</u>	<u>\$9,707,687</u>	<u>\$43,555,880</u>	<u>\$70,006,905</u>	<u>\$223,985,990</u>



DUBLIN SAN RAMON SERVICES DISTRICT  
 LOCAL WASTEWATER OPERATIONS  
 COMBINING STATEMENT OF NET POSITION  
 JUNE 30, 2022

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Elimination	Total
<b>ASSETS</b>						
Current assets:						
Pooled cash	\$231,581	\$35,421	\$242,399	\$450,229	\$ -	\$959,630
Pooled investments	3,808,581	677,081	3,808,581	7,236,304	-	15,530,547
Accounts receivable	408,609	-	-	-	-	408,609
Interest receivable	11,715	2,109	11,981	22,752	-	48,557
Due from Other Funds - Current	-	-	-	833,333	(833,333)	-
Total current assets	<u>4,460,486</u>	<u>714,611</u>	<u>4,062,961</u>	<u>8,542,618</u>	<u>(833,333)</u>	<u>16,947,343</u>
Non-current assets:						
Capital assets:						
Property, plant and equipment	69,198,572	-	-	-	-	69,198,572
Less accumulated depreciation	<u>30,718,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,718,156</u>
Net property, plant and equipment	38,480,416	-	-	-	-	38,480,416
Land and construction in progress	<u>850,893</u>	<u>-</u>	<u>2,957,108</u>	<u>929,876</u>	<u>-</u>	<u>4,737,877</u>
Total capital assets	<u>39,331,309</u>	<u>-</u>	<u>2,957,108</u>	<u>929,876</u>	<u>-</u>	<u>43,218,293</u>
Other assets:						
Due from Other Funds - Long term	-	-	-	833,335	(833,335)	-
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>833,335</u>	<u>(833,335)</u>	<u>-</u>
Total non-current assets	<u>39,331,309</u>	<u>-</u>	<u>2,957,108</u>	<u>1,763,211</u>	<u>(833,335)</u>	<u>43,218,293</u>
Total assets	<u>43,791,795</u>	<u>714,611</u>	<u>7,020,069</u>	<u>10,305,829</u>	<u>(1,666,668)</u>	<u>60,165,636</u>
Deferred outflows of resources						
Deferred outflows pension related amounts	(31,858)	-	-	-	-	(31,858)
Deferred employer pension contributions	<u>276,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,984</u>
Total deferred outflows of resources	<u>245,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,126</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	114,499	1,920	30,079	-	-	146,498
Accrued compensated absences	124,313	-	-	-	-	124,313
Due to Other Funds - Current	-	-	833,333	-	(833,333)	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,453</u>	<u>-</u>	<u>365,453</u>
Total current liabilities	<u>238,812</u>	<u>1,920</u>	<u>863,412</u>	<u>365,453</u>	<u>(833,333)</u>	<u>636,264</u>
Long term liabilities:						
Due to Other Funds - Long term	-	-	833,335	-	(833,335)	-
Net pension liability	<u>334,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,238</u>
Total long term liabilities	<u>334,238</u>	<u>-</u>	<u>833,335</u>	<u>-</u>	<u>(833,335)</u>	<u>334,238</u>
Total liabilities	<u>573,050</u>	<u>1,920</u>	<u>1,696,747</u>	<u>365,453</u>	<u>(1,666,668)</u>	<u>970,502</u>
Deferred inflows of resources						
Deferred inflows pension related amounts	<u>1,242,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,242,611</u>
Total deferred inflows of resources	<u>1,242,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,242,611</u>
<b>NET POSITION</b>						
Net investment in capital assets	39,331,309	-	2,957,108	929,876	-	43,218,293
Restricted for:						
Expansion	-	-	-	9,010,500	-	9,010,500
Unrestricted	<u>2,889,951</u>	<u>712,691</u>	<u>2,366,214</u>	<u>-</u>	<u>-</u>	<u>5,968,856</u>
Total net position	<u>\$42,221,260</u>	<u>\$712,691</u>	<u>\$5,323,322</u>	<u>\$9,940,376</u>	<u>\$ -</u>	<u>\$58,197,649</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
LOCAL WASTEWATER OPERATIONS  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022

	Local Wastewater Enterprise	Local Wastewater RSF	Local Wastewater Replacement	Local Wastewater Expansion	Total
<b>OPERATING REVENUES</b>					
Wastewater service charges	\$4,384,889	\$ -	\$ -	\$ -	\$4,384,889
Other revenues	571,086	-	-	-	571,086
Total operating revenues	<u>4,955,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,955,975</u>
<b>OPERATING EXPENSES</b>					
Personnel	1,193,149	-	-	-	1,193,149
Materials	75,973	-	-	205	76,178
Contractual services	262,126	-	131,512	-	393,638
Other	27,784	11,263	199	-	39,246
Overhead charges	683,434	-	-	-	683,434
Depreciation	1,379,334	-	-	-	1,379,334
Total operating expenses	<u>3,621,800</u>	<u>11,263</u>	<u>131,711</u>	<u>205</u>	<u>3,764,979</u>
OPERATING INCOME (LOSS)	<u>1,334,175</u>	<u>(11,263)</u>	<u>(131,711)</u>	<u>(205)</u>	<u>1,190,996</u>
<b>NONOPERATING REVENUES</b>					
Investment income	(135,407)	(22,937)	(131,914)	(245,971)	(536,229)
Gain on sale of assets	12,467	-	-	-	12,467
State Grant	-	-	90,702	100,364	191,066
Total non-operating revenues	<u>(122,940)</u>	<u>(22,937)</u>	<u>(41,212)</u>	<u>(145,607)</u>	<u>(332,696)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	1,211,235	(34,200)	(172,923)	(145,812)	858,300
Non-cash contributions	1,369,460	-	-	-	1,369,460
Capital contributions - capacity reserve fees	-	-	1,103,584	33,662	1,137,246
Transfers in	-	-	-	8,250	8,250
Transfers (out)	24,731	-	(32,981)	-	(8,250)
Changes in net position	<u>2,605,426</u>	<u>(34,200)</u>	<u>897,680</u>	<u>(103,900)</u>	<u>3,365,006</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>39,615,834</u>	<u>746,891</u>	<u>4,425,642</u>	<u>10,044,276</u>	<u>54,832,643</u>
TOTAL NET POSITION, END OF YEAR	<u>\$42,221,260</u>	<u>\$712,691</u>	<u>\$5,323,322</u>	<u>\$9,940,376</u>	<u>\$58,197,649</u>

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DUBLIN SAN RAMON SERVICES DISTRICT  
WATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2022

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$6,382,273	\$12,965	(\$28,529)	(\$193,409)	\$6,173,300
Pooled investments	103,149,075	190,429	-	-	103,339,504
Restricted Cash - Debt Service Fund	2	-	-	-	2
Accounts receivable	7,811,301	-	107,122	576,524	8,494,947
Lease Receivable	2,068,914	-	-	-	2,068,914
Interest receivable	323,812	602	-	-	324,414
Prepaid expenses	-	-	13,843	-	13,843
<b>Total current assets</b>	<b>119,735,377</b>	<b>203,996</b>	<b>92,436</b>	<b>383,115</b>	<b>120,414,924</b>
Non-current assets:					
Net pension asset	1,435,264	-	-	-	1,435,264
Net OPEB asset	-	-	-	2,917,786	2,917,786
Investment in JPA	38,806,259	-	-	-	38,806,259
Capital assets:					
Property, plant and equipment	178,962,068	-	-	-	178,962,068
Less accumulated depreciation	70,109,879	-	-	-	70,109,879
<b>Net property, plant and equipment</b>	<b>108,852,189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,852,189</b>
Land and construction in progress	30,910,476	-	-	-	30,910,476
<b>Total capital assets</b>	<b>139,762,665</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139,762,665</b>
<b>Total non-current assets</b>	<b>180,004,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,921,974</b>
<b>Total assets</b>	<b>299,739,565</b>	<b>203,996</b>	<b>92,436</b>	<b>3,300,901</b>	<b>303,336,898</b>
Deferred outflows of resources					
Deferred outflows pension related amounts	1,167,580	-	-	-	1,167,580
Deferred employer pension contributions	1,110,402	-	-	-	1,110,402
Deferred outflows OPEB related amounts	-	-	-	529,795	529,795
Deferred employer OPEB contributions	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>\$2,277,982</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$529,795</b>	<b>\$2,807,777</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER OPERATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2022

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	\$9,984,301	\$ -	\$ 92,133	\$ -	\$10,076,434
Contractor bonds and deposits	2,486,373	-	-	-	2,486,373
Accrued expenses	-	-	65,991	-	65,991
Accrued compensated absences	461,387	-	230,893	-	692,280
Interest payable	589,192	-	-	-	589,192
Bonds payable - current portion	475,000	-	-	-	475,000
Total current liabilities	<u>13,996,253</u>	<u>-</u>	<u>389,017</u>	<u>-</u>	<u>14,385,270</u>
<b>Long term liabilities:</b>					
Bonds payable - less current portion	31,395,000	-	-	-	31,395,000
Unearned revenue	1,156,447	-	-	-	1,156,447
Total long term liabilities	<u>32,551,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,551,447</u>
Total liabilities	<u>46,547,700</u>	<u>-</u>	<u>389,017</u>	<u>-</u>	<u>46,936,717</u>
<b>Deferred inflows of resources</b>					
Deferred inflows of resources - Pension	4,957,417	-	-	-	4,957,417
Deferred inflows of resources - OPEB	-	-	-	2,285,198	2,285,198
Deferred inflows of resources - Leases	2,008,194	-	-	-	2,008,194
Total deferred inflows of resources	<u>6,965,611</u>	<u>-</u>	<u>-</u>	<u>2,285,198</u>	<u>9,250,809</u>
<b>NET POSITION</b>					
Net investment in capital assets	107,892,665	-	-	-	107,892,665
Restricted for:					
Expansion	86,869,711	-	-	-	86,869,711
Assessment district	-	203,996	-	-	203,996
Unrestricted	53,741,860	-	(296,581)	1,545,498	54,990,777
Total net position	<u>\$248,504,236</u>	<u>\$203,996</u>	<u>(\$296,581)</u>	<u>\$1,545,498</u>	<u>\$249,957,149</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, 2022

	Water Total	Dougherty Valley Asmnt Dist	Allocation	Allocation OPEB Fund	Total
<b>OPERATING REVENUES</b>					
Water sales	\$28,458,312	\$ -	\$ -	\$ -	\$28,458,312
Other revenues	12,164,386	1,772,372	771,468	-	14,708,226
Total operating revenues	<u>40,622,698</u>	<u>1,772,372</u>	<u>771,468</u>	<u>-</u>	<u>43,166,538</u>
<b>OPERATING EXPENSES</b>					
Personnel	5,593,002	-	3,008,824	(359,357)	8,242,469
Materials	17,868,642	-	117,274	-	17,985,916
Contractual services	5,590,738	1,983,080	663,196	-	8,237,014
Other	352,871	-	24,969	-	377,840
Overhead charges	2,534,426	-	(2,534,425)	-	1
Depreciation	3,643,646	-	-	-	3,643,646
Total operating expenses	<u>35,583,325</u>	<u>1,983,080</u>	<u>1,279,838</u>	<u>(359,357)</u>	<u>38,486,886</u>
OPERATING INCOME (LOSS)	<u>5,039,373</u>	<u>(210,708)</u>	<u>(508,370)</u>	<u>359,357</u>	<u>4,679,652</u>
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	(3,584,648)	(8,882)	-	(2,371)	(3,595,901)
Gain on sale of assets	18,903	-	-	-	18,903
Gain (loss) on Investment in JPA	(927,176)	-	-	-	(927,176)
State grant	1,154,438	-	106,007	-	1,260,445
Interest (expense)	(1,415,958)	-	-	-	(1,415,958)
Total non-operating revenues (expenses), net	<u>(4,754,441)</u>	<u>(8,882)</u>	<u>106,007</u>	<u>(2,371)</u>	<u>(4,659,687)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	284,932	(219,590)	(402,363)	356,986	19,965
Non-cash contributions	2,459,500	-	-	-	2,459,500
Capital contributions - capacity reserve fees	8,024,087	-	-	-	8,024,087
Transfers in	7,618,381	-	-	-	7,618,381
Transfers (out)	(6,957,839)	-	-	-	(6,957,839)
Changes in net position	11,429,061	(219,590)	(402,363)	356,986	11,164,094
TOTAL NET POSITION, BEGINNING 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>
NET POSITION, END OF YEAR	<u>\$248,504,236</u>	<u>\$203,996</u>	<u>(\$296,581)</u>	<u>\$1,545,498</u>	<u>\$249,957,149</u>

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2022

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$875,336	\$937,920	\$1,661,116	\$2,907,901	\$6,382,273
Pooled investments	14,282,180	15,255,484	26,871,656	46,739,755	103,149,075
Restricted cash - debt service fund	-	-	-	2	2
Accounts receivable	7,796,821	-	-	14,480	7,811,301
Lease receivable	-	2,068,914	-	-	2,068,914
Interest receivable	44,883	47,931	84,045	146,953	323,812
<b>Total current assets</b>	<b>22,999,220</b>	<b>18,310,249</b>	<b>28,616,817</b>	<b>49,809,091</b>	<b>119,735,377</b>
Non-current assets:					
Investment in JPA	-	-	-	38,806,259	38,806,259
Net pension asset	1,435,264	-	-	-	1,435,264
Capital assets:					
Property, plant and equipment	178,962,068	-	-	-	178,962,068
Less accumulated depreciation	70,109,879	-	-	-	70,109,879
<b>Net property, plant and equipment</b>	<b>108,852,189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,852,189</b>
Land and construction in progress	6,806,038	-	20,291,855	3,812,583	30,910,476
<b>Total capital assets</b>	<b>115,658,227</b>	<b>-</b>	<b>20,291,855</b>	<b>3,812,583</b>	<b>139,762,665</b>
<b>Total non-current assets</b>	<b>117,093,491</b>	<b>-</b>	<b>20,291,855</b>	<b>42,618,842</b>	<b>180,004,188</b>
<b>Total assets</b>	<b>140,092,711</b>	<b>18,310,249</b>	<b>48,908,672</b>	<b>92,427,933</b>	<b>299,739,565</b>
Deferred outflows of resources					
Deferred outflows pension related amounts	1,167,580	-	-	-	1,167,580
Deferred employer pension contributions	1,110,402	-	-	-	1,110,402
<b>Total deferred outflows of resources</b>	<b>2,277,982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,277,982</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	9,573,957	15,358	394,986	-	9,984,301
Contractor bonds and deposits	2,486,373	-	-	-	2,486,373
Accrued compensated absences	461,387	-	-	-	461,387
Interest Payable	-	-	-	589,192	589,192
Bonds payable - current portion	-	-	-	475,000	475,000
<b>Total current liabilities</b>	<b>12,521,717</b>	<b>15,358</b>	<b>394,986</b>	<b>1,064,192</b>	<b>13,996,253</b>
Long term liabilities:					
Bonds payable - less current portion	-	-	-	31,395,000	31,395,000
Unearned revenue	-	-	-	1,156,447	1,156,447
<b>Total long term liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,551,447</b>	<b>32,551,447</b>
<b>Total liabilities</b>	<b>12,521,717</b>	<b>15,358</b>	<b>394,986</b>	<b>33,615,639</b>	<b>46,547,700</b>
Deferred inflows of resources					
Deferred inflows of resources - Pension	4,957,417	-	-	-	4,957,417
Deferred inflows of resources - Leases	-	2,008,194	-	-	2,008,194
<b>Total deferred inflows of resources</b>	<b>4,957,417</b>	<b>2,008,194</b>	<b>-</b>	<b>-</b>	<b>6,965,611</b>
<b>NET POSITION</b>					
Net investment in capital assets	115,658,227	-	20,291,855	(28,057,417)	107,892,665
Restricted for:					
Expansion	-	-	-	86,869,711	86,869,711
Unrestricted	9,233,332	16,286,697	28,221,831	-	53,741,860
<b>Total net position</b>	<b>\$124,891,559</b>	<b>\$16,286,697</b>	<b>\$48,513,686</b>	<b>\$58,812,294</b>	<b>\$248,504,236</b>

DUBLIN SAN RAMON SERVICES DISTRICT  
WATER FUNDS  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022

	Water Enterprise	Water RSF	Water Replacement	Water Expansion	Total
<b>OPERATING REVENUES</b>					
Water sales	\$28,458,312	\$ -	\$ -	\$ -	\$28,458,312
Other revenues	9,868,419	1,009,594	-	1,286,373	12,164,386
<b>Total operating revenues</b>	<b>38,326,731</b>	<b>1,009,594</b>	<b>-</b>	<b>1,286,373</b>	<b>40,622,698</b>
<b>OPERATING EXPENSES</b>					
Personnel	5,593,002	-	-	-	5,593,002
Materials	17,868,642	-	-	-	17,868,642
Contractual services	4,860,499	-	32,653	697,586	5,590,738
Other	207,923	142,460	738	1,750	352,871
Overhead Charges	2,534,426	-	-	-	2,534,426
Depreciation	3,643,646	-	-	-	3,643,646
<b>Total operating expenses</b>	<b>34,708,138</b>	<b>142,460</b>	<b>33,391</b>	<b>699,336</b>	<b>35,583,325</b>
<b>OPERATING INCOME (LOSS)</b>	<b>3,618,593</b>	<b>867,134</b>	<b>(33,391)</b>	<b>587,037</b>	<b>5,039,373</b>
<b>NONOPERATING REVENUES (EXPENSE)</b>					
Investment income	(510,284)	(524,828)	(925,049)	(1,624,487)	(3,584,648)
Gain on sale of assets	18,903	-	-	-	18,903
Gain (loss) on investment in JPA	-	-	-	(927,176)	(927,176)
State Grant	-	-	355,789	798,649	1,154,438
Interest Expense	-	-	-	(1,415,958)	(1,415,958)
<b>Total non-operating revenues (expenses)</b>	<b>(491,381)</b>	<b>(524,828)</b>	<b>(569,260)</b>	<b>(3,168,972)</b>	<b>(4,754,441)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	3,127,212	342,306	(602,651)	(2,581,935)	284,932
Non-cash contributions	2,459,500	-	-	-	2,459,500
Capital contributions - capacity reserve fees	-	-	2,503,857	5,520,230	8,024,087
Residual equity transfer	52,776	-	(52,776)	-	-
Transfers in	660,542	-	6,216,416	741,423	7,618,381
Transfers (out)	(6,957,839)	-	-	-	(6,957,839)
<b>Changes in net position</b>	<b>(657,809)</b>	<b>342,306</b>	<b>8,064,846</b>	<b>3,679,718</b>	<b>11,429,061</b>
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>125,549,368</b>	<b>15,944,391</b>	<b>40,448,840</b>	<b>55,132,576</b>	<b>237,075,175</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$124,891,559</b>	<b>\$16,286,697</b>	<b>\$48,513,686</b>	<b>\$58,812,294</b>	<b>\$248,504,236</b>

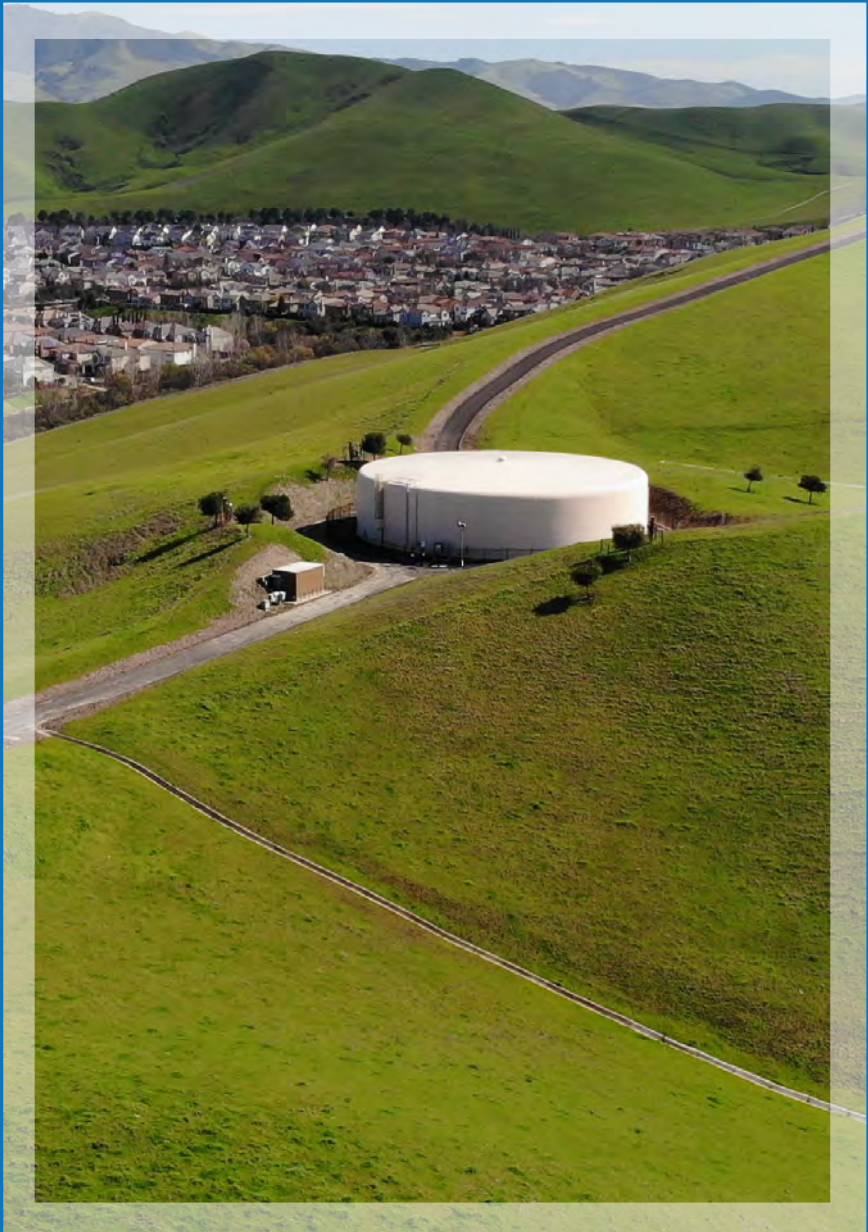


DUBLIN SAN RAMON SERVICES DISTRICT  
ALLOCATIONS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2022

	<u>Administrative Cost Center</u>	<u>OPEB Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Pooled cash	(\$33,974)	(\$79,720)	(\$113,694)
Accounts receivable	254,506	1,369,742	1,624,248
Prepaid expense	32,890	-	32,890
Total current assets	<u>253,422</u>	<u>1,290,022</u>	<u>1,543,444</u>
Other assets:			
Net OPEB asset	-	6,932,254	6,932,254
Total assets	<u>253,422</u>	<u>8,222,276</u>	<u>8,475,698</u>
Deferred outflows of resources			
Deferred outflows OPEB related amounts	-	1,258,719	1,258,719
Deferred employer OPEB contributions	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>1,258,719</u>	<u>1,258,719</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	218,896	-	218,896
Accrued expenses	156,785	-	156,785
Accrued compensated absences	548,569	-	548,569
Total current liabilities	<u>924,250</u>	<u>-</u>	<u>924,250</u>
Total liabilities	<u>924,250</u>	<u>-</u>	<u>924,250</u>
Deferred inflows of resources			
Deferred inflows of resources - OPEB	-	5,429,313	5,429,313
Total deferred inflows of resources	<u>-</u>	<u>5,429,313</u>	<u>5,429,313</u>
<b>NET POSITION</b>			
Unrestricted	<u>(670,828)</u>	<u>4,051,682</u>	<u>3,380,854</u>
Total net position	<u><u>(\$670,828)</u></u>	<u><u>\$4,051,682</u></u>	<u><u>\$3,380,854</u></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, 2022

	Administrative Cost Center	OPEB Fund	Total
OPERATING REVENUES			
Other revenues	\$1,832,901	\$ -	\$1,832,901
Total operating revenues	<u>1,832,901</u>	<u>-</u>	<u>1,832,901</u>
OPERATING EXPENSES			
Personnel	7,148,548	(853,780)	6,294,768
Materials	278,626	-	278,626
Contractual services	1,575,661	-	1,575,661
Other	59,324	-	59,324
Overhead charges	(6,021,443)	-	(6,021,443)
Total operating expenses	<u>3,040,716</u>	<u>(853,780)</u>	<u>2,186,936</u>
OPERATING INCOME	<u>(1,207,815)</u>	<u>853,780</u>	<u>(354,035)</u>
NONOPERATING REVENUES			
Investment income	251,857	(5,633)	246,224
Total non-operating revenues	<u>251,857</u>	<u>(5,633)</u>	<u>246,224</u>
Changes in net position	<u>(955,958)</u>	<u>848,147</u>	<u>(107,811)</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>285,130</u>	<u>3,203,535</u>	<u>3,488,665</u>
TOTAL NET POSITION, END OF YEAR	<u><u>(\$670,828)</u></u>	<u><u>\$4,051,682</u></u>	<u><u>\$3,380,854</u></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.*



*Construction continues on the Boulevard development on the former site of Parks Reserved Forces Training Area in Dublin.*

## **Demographic and Economic Information**

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

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

## **Financial Trends**

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

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

## **Revenue Capacity**

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

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

## **Debt Capacity**

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

1. Pledged revenue coverage
2. Outstanding debt by type

## **Operating Information**

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

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

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

**CITY OF DUBLIN PRINCIPAL EMPLOYERS**

Fiscal Year 2022 and Nine Years Prior

Employer	2012		2022 <sup>1</sup>	
	Employees	Rank	Employees	Rank
U.S. Government & Federal Correctional Institution	2,100	1	1,608	1
County of Alameda	465	6	1,165	2
Ross Store Headquarters	N/A		1,100	3
Dublin Unified School District	675	4	1,070	4
Zeiss Meditec	973	2	620	5
Kaiser Permanente	N/A		600	6
Patelco Credit Union	N/A		404	7
TriNet	N/A		363	8
Target Corporation	N/A		350	9
City of Dublin	205	9	250	10
SAP (Formerly: Sybase, Inc.)	725	3	N/A	
Micro Dental Laboratories	550	5	N/A	
Safeway	400	7	N/A	
Taleo	250	8	N/A	
Franklin Templeton Investments	200	10	N/A	
Total	6,543		7,530	

Source: <sup>1</sup> City of Dublin, Comprehensive Annual Financial Report, Fiscal Year ended June 30, 2021**CITY OF SAN RAMON PRINCIPAL EMPLOYERS**

Fiscal Year 2022 and Nine Years Prior

Employer	2012		2022 <sup>1</sup>	
	Employees	Rank	Employees	Rank
Chevron USA, Inc.	3,500	1	4,000	1
PG&E	604	6	2,346	2
Bank of the West	1,600	3	1,600	3
Robert Half International Inc.	1,100	4	1,285	4
Accenture LLP	750	5	750	5
San Ramon Regional Medical Center	500	7	650	6
Primed Management Consulting	413	9	453	7
United Parcel Service	N/A		315	8
GE Digital LLC	N/A		284	9
Pacific Bell Telephone	N/A		265	10
AT&T	1,753	2	N/A	
IBM Corporation	408	10	N/A	
General Electric Company	500	7	N/A	
Total	11,128		11,948	

Source: <sup>1</sup> City of San Ramon, Comprehensive Annual Financial Report, Fiscal Year 2020-2021

**DEMOGRAPHIC AND ECONOMIC INDICATORS**

Last Ten Calendar Years

Calendar Year	City of Dublin Population <sup>2,4</sup>	Alameda County Personal Income <sup>1</sup>	Alameda County Per Capita Personal Income <sup>1</sup>	City of Dublin Unemployment Rate <sup>3</sup>
2013	49,932	86,325,365	53,798	4.60%
2014	53,462	93,163,772	56,261	3.70%
2015	55,844	102,412,663	61,879	2.90%
2016	57,349	109,572,257	67,356	2.60%
2017	59,686	116,802,392	71,282	2.70%
2018	63,241	125,583,845	76,644	2.50%
2019	64,577	131,535,494	81,171	2.10%
2020	65,716	144,751,041	87,078	7.40%
2021	64,695	n-a <sup>4</sup>	n-a <sup>4</sup>	4.00%
2022	72,932	n-a <sup>4</sup>	n-a <sup>4</sup>	2.40%

Calendar Year	City of San Ramon Population <sup>2</sup>	Contra Costa County Personal Income <sup>1</sup>	Contra Costa County Per Capita Personal Income <sup>1</sup>	City of San Ramon Unemployment Rate <sup>3</sup>
2013	76,429	66,756,974	60,885	5.00%
2014	77,270	70,278,089	63,752	4.10%
2015	77,470	76,805,095	66,348	3.30%
2016	78,363	81,451,804	67,356	2.90%
2017	80,550	86,986,057	76,527	3.00%
2018	82,643	91,653,896	82,506	2.50%
2019	83,957	97,550,344	85,324	2.20%
2020	83,118	106,318,748	92,264	7.30%
2021	83,863	n-a <sup>4</sup>	n-a <sup>4</sup>	4.00%
2022	83,820	n-a <sup>4</sup>	n-a <sup>4</sup>	2.40%

**Sources:**

- <sup>1</sup> U.S. Department of Commerce, Bureau of Economic Analysis, "CAINC1 Personal Income Summary" midyear population estimates  
- Last updated: November 16, 2021-- new statistics for 2020; revised statistics for 1998-2019
- <sup>2</sup> State of California, Department of Finance, "E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2021-2022, with 2020 Benchmark"  
- Released: May 2022
- <sup>3</sup> State of California, Employment Development Department, Unemployment Rates (Labor Force) (one-year lag)  
- Last updated: Unemployment rates as of September 2022
- <sup>4</sup> As of October 31, 2022, data for 2021 and 2022 not yet available

**CHANGES IN NET POSITION**

Last 10 Fiscal Years

(Accrual Basis of Accounting)

(Amounts expressed in thousands)

	2013	2014	2015	2016	2017
<b>Operating Revenues</b>					
Water	\$28,557	\$30,576	\$29,043	\$29,627	\$35,293
Wastewater	22,699	22,904	24,333	24,804	24,316
Total operating revenues	\$51,256	\$53,480	\$53,376	\$54,431	\$59,609
<b>Operating Expenses</b>					
Water	26,857	30,994	27,486	26,147	37,635
Wastewater	28,338	28,800	28,754	29,609	31,435
Total operating expenses	\$55,195	\$59,794	\$56,240	\$55,756	\$69,070
<b>Net Operating Revenues (Expenses)</b>	(\$3,939)	(\$6,314)	(\$2,864)	(\$1,325)	(\$9,461)
<b>Non-Operating Revenues (Expenses)</b>					
Interest earnings	149	1,376	958	1,639	354
Interest expense	(2,555)	(2,470)	(2,362)	(1,929)	(1,918)
Non-operating revenue (expenses)	0	0	0	48	(37)
Non-cash contributions	1,294	4,735	4,983	1,461	4,485
Capital contributions	18,786	13,094	29,905	34,462	20,330
Total non-operating revenues (expenses)	\$17,674	\$16,735	\$33,484	\$35,681	\$23,215
<b>Change in Net Position</b>	\$13,735	\$10,421	\$30,620	\$34,356	\$13,754

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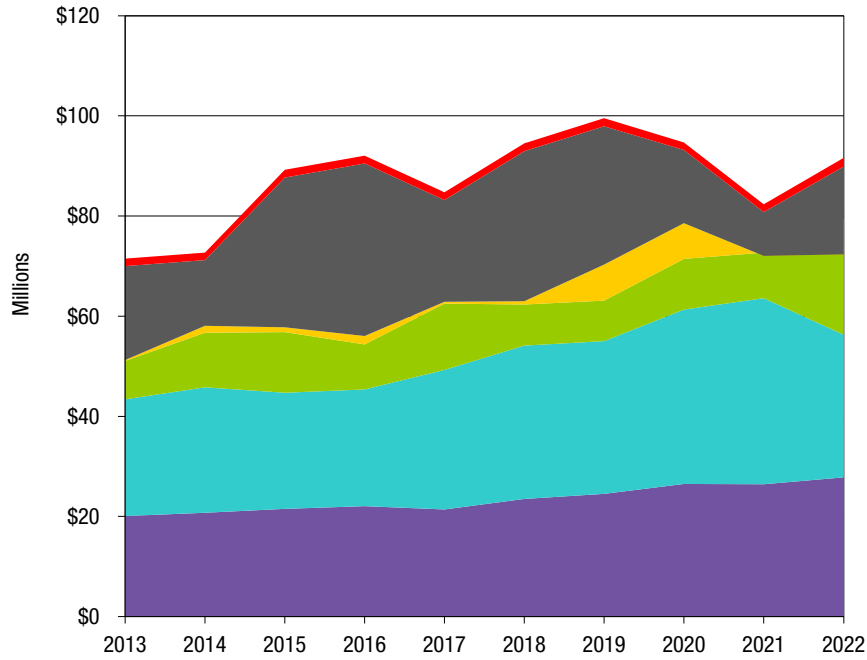


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	2018	2019	2020	2021	2022
<b>Operating Revenues</b>					
Water	\$36,063	\$35,277	42,487	41,249	43,167
Wastewater	26,199	27,107	28,917	28,962	32,586
Total operating revenues	\$62,261	\$62,384	\$71,404	\$70,211	\$75,752
<b>Operating Expenses</b>					
Water	39,012	37,438	46,278	39,293	38,487
Wastewater	31,767	36,093	37,107	33,381	32,167
Total operating expenses	\$70,779	\$73,530	\$83,385	\$72,674	\$70,654
<b>Net Operating Revenues (Expenses)</b>	(\$8,518)	(\$11,146)	(\$11,982)	(\$2,463)	\$5,099
<b>Non-Operating Revenues (Expenses)</b>					
Interest earnings	696	7,137	7,103	(663)	(7,102)
Interest expense	(1,712)	(1,467)	(1,454)	(1,438)	(1,416)
Non-operating revenue (expenses)	652	6	7	1,270	1,633
Non-cash contributions	982	2,360	1,535	2,802	3,829
Capital contributions	29,944	27,667	14,632	8,749	17,529
Total non-operating revenues (expenses)	\$30,562	\$35,703	\$21,823	\$10,719	\$14,473
<b>Change in Net Position</b>	\$22,044	\$24,557	\$9,841	\$8,256	\$19,571

**TOTAL REVENUE BY SOURCE**

Last Ten Fiscal Years



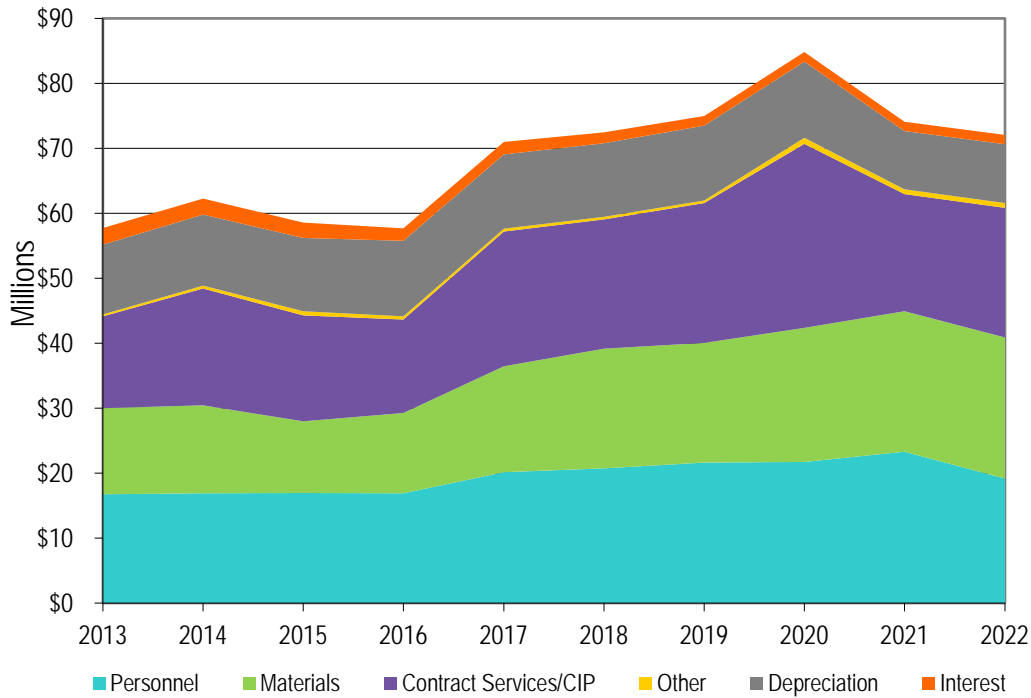
■ Wastewater Service Charges ■ Water Sales ■ Other ■ Interest ■ Capacity Fees ■ Assessment District

**REVENUE SOURCES FOR FISCAL YEARS 2013 THROUGH 2022**

Fiscal Year Ending	Total	Wastewater Service Charges	Water Sales	Other	Interest	Capacity Fees	Assessment District
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
2022	91,640,949	27,795,077	28,458,312	23,188,523	(7,102,151)	17,528,816	1,772,372

Source: Dublin San Ramon Services District audited financial statements

**TOTAL EXPENSE BY TYPE**  
Last Ten Fiscal Years



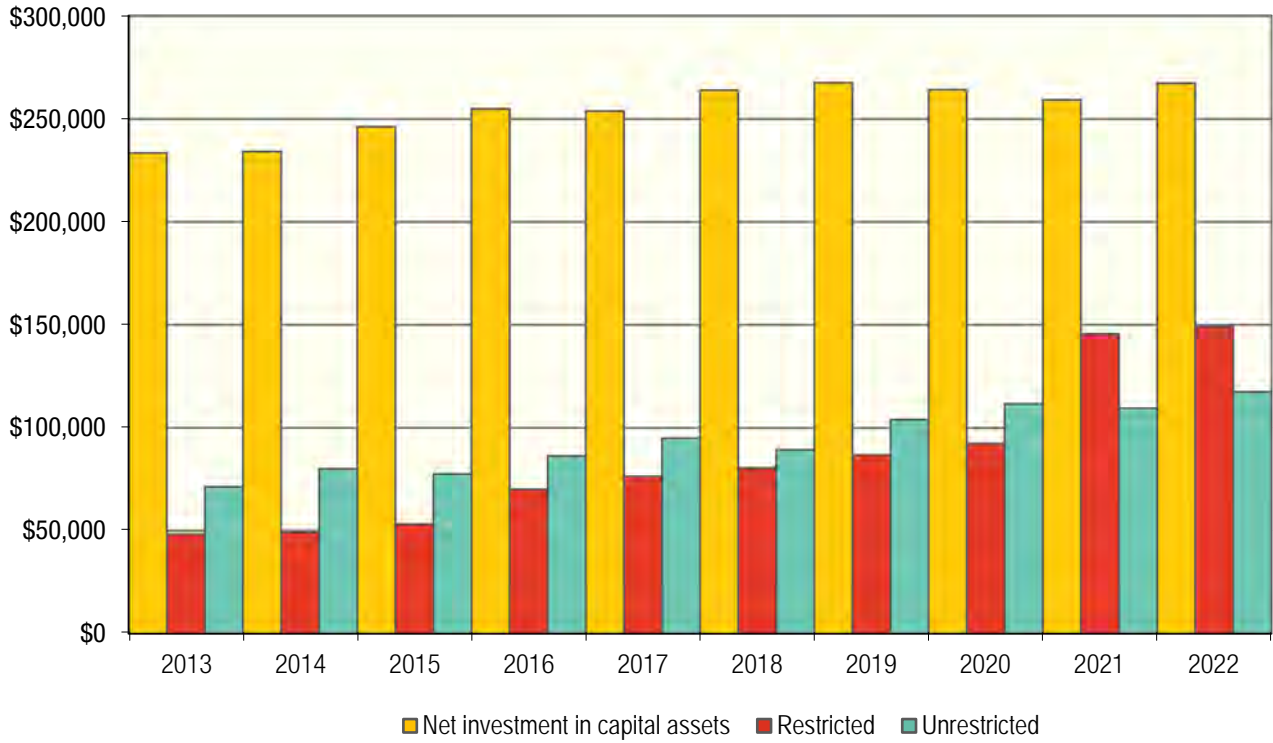
**EXPENSES FOR FISCAL YEARS 2013 THROUGH 2022**

Fiscal Year Ending	Total	Personnel	Materials	Contract Services/CIP	Other	Depreciation	Interest
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
2022	72,069,615	19,174,834	21,719,949	19,944,581	728,021	9,086,272	1,415,958

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

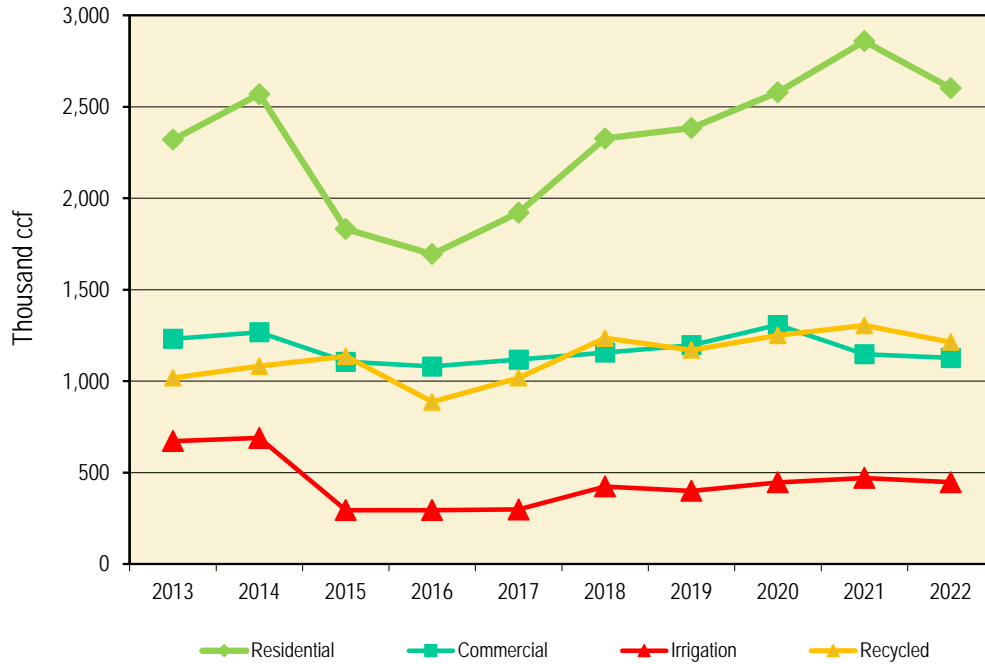
(Accrual basis of accounting, amounts expressed in thousands)



Business-type Activities	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net investment in capital assets	\$233,439	\$234,213	\$246,295	\$254,961	\$253,841	\$264,020	\$267,682	264,272	259,331	267,361
Restricted	48,384	49,300	53,210	70,100	76,395	80,572	86,846	92,440	145,597	149,135
Unrestricted	71,358	80,089	77,530	86,331	94,910	89,357	103,978	111,635	109,530	117,534
Total net position	\$353,181	\$363,602	\$377,035	\$411,392	\$425,145	\$433,949	\$458,505	\$468,347	\$514,458	\$534,029

Source: Dublin San Ramon Services District

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



Fiscal Year Ending	Type of Customer				Total
	Residential	Commercial	Irrigation	Recycled	
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	2,859	1,147	470	1,304	5,780
2022	2,602	1,127	447	1,213	5,389

**PRINCIPAL CUSTOMERS**

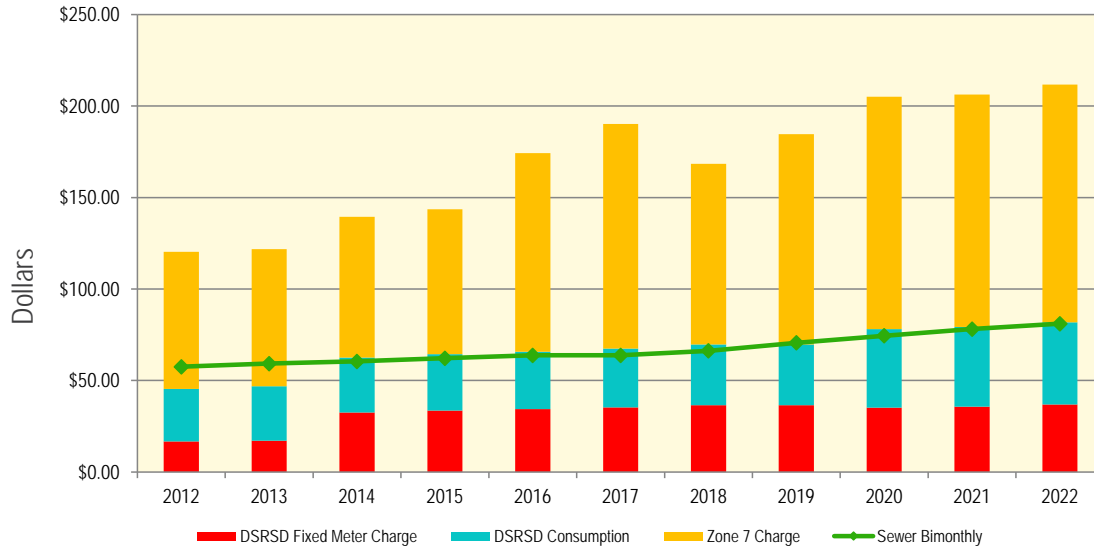
Last Ten Fiscal Years

Customer	2013			2022		
	Annual Billing	Rank	% of Total Annual Billings	Annual Billing	Rank	% of Total Annual Billings
City of Pleasanton	\$9,405,454	1	21.7%	\$10,911,990	1	15.012%
County of Alameda (Santa Rita Jail)	1,452,387	2	3.3%	2,078,311	2	2.859%
City of San Ramon	1,319,677	4	3.0%	1,745,369	3	2.401%
City of Dublin	1,103,855	5	2.5%	1,496,664	4	2.059%
Federal Correctional Institution (FCI)	1,326,764	3	3.1%	1,132,000	5	1.557%
Dublin Ranch Golf Course	509,413	7	1.2%	619,306	6	0.852%
Dublin Unified School District	520,245	6	1.2%	578,542	7	0.796%
Avalon Bay Communities Inc	285,305	9	0.7%	466,880	8	0.642%
San Ramon Unified School District	368,861	8	0.9%	416,822	9	0.573%
Amador Lakes Apartments			0.0%	312,705	10	0.430%
USAG CSTC	282,043	10	0.7%	305,712	11	0.421%
All Others	26,793,6991		61.8%	52,626,2571 <sup>1</sup>		72.4%
Total	\$43,367,704		100.0%	\$72,690,557		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 Ten Fiscal Years



Water Bimonthly <sup>1</sup>					Sewer Bimonthly
DSRSD Fixed Meter Charge	DSRSD Consumption	Zone 7 Charge	33 CCF*	Total Water	Base Rate
16.66	28.74	74.91	\$103.65	120.31	57.51
17.12	29.73	74.91	\$104.64	121.76	59.24
32.56	29.94	76.89	\$106.83	139.39	60.42
33.54	30.83	79.20	\$110.03	143.57	62.16
34.31	31.39	108.57 <sup>1</sup>	\$139.96	174.27	63.73
35.23	32.18	122.76 <sup>2</sup>	\$154.94	190.17	63.73
36.45	33.30	98.67 <sup>3</sup>	\$131.97	168.42	66.23
36.45	33.30	114.84	\$148.14	184.59	70.58
35.16	42.90	127.05 <sup>4</sup>	\$169.95	205.11	74.48
35.73	43.56	127.05	170.61	206.34	78.1
36.86	44.88	130.02	174.9	211.76	81

**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

- In calendar year 2016, Zone 7 changed from four tier rate to single tier rate and added \$0.57/ccf Temporary Conservation Surcharge
- 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.
- 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.
- In calendar year 2020, volumetric rate structure changed from tiered-rates to uniform rates

**Source:** Dublin San Ramon Services District

## PLEGGED REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year Ending	1997 Revenue Refunding Bonds	2009 Sewer Refunding Bonds	2011 Water Bonds	2017 Water Refunding Bonds <sup>1</sup>
2013		7.80	3.95	
2014		7.40	3.33	
2015			4.83	
2016			7.20	
2017			4.48	
2018				9.50 <sup>2</sup>
2019				9.27
2020				5.51
2021				5.10
2022				6.54

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

<sup>1</sup> Net revenues include capacity reserve fees

<sup>2</sup> 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 Revenue Bonds	Sewer Refunding Bonds	2011 Water Bonds	Water Refunding Bonds	2011 LAVWMA Obligation			
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
2022				31,870,000		31,870,000	196,000	163

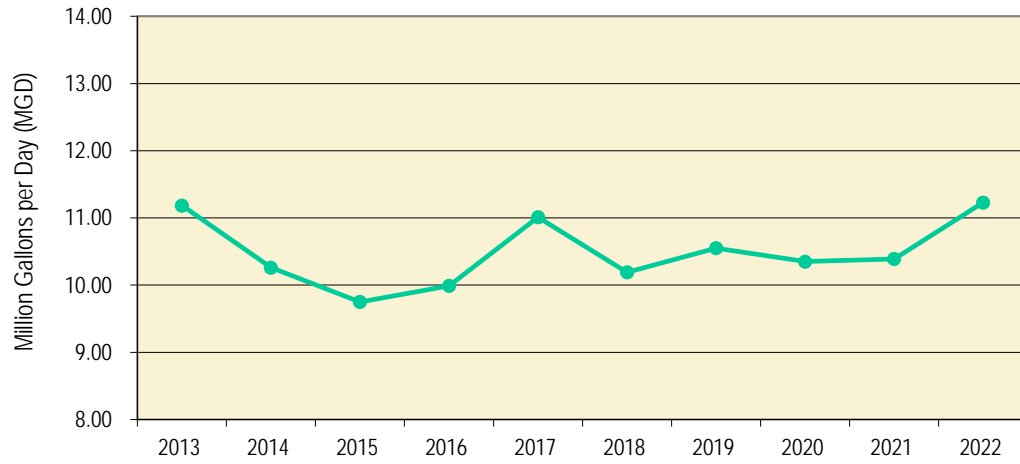
**Note:** Debt amounts exclude any premiums, discounts, or other amortization amounts

**Sources:** Dublin San Ramon Services District audited financial statements



**WASTEWATER AVERAGE DAILY EFFLUENT FLOW**

Last Ten Fiscal Years

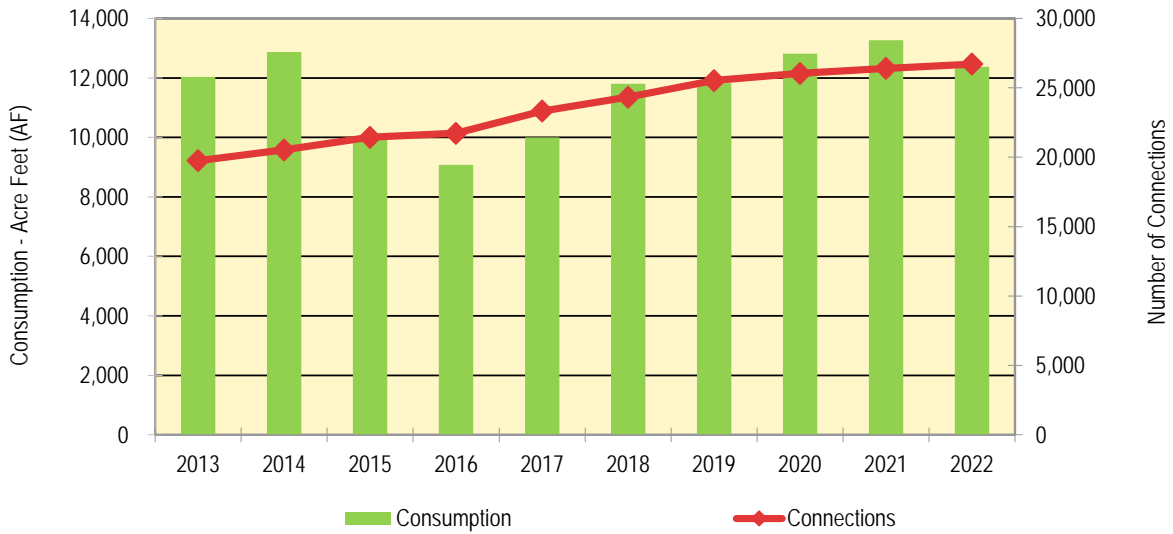


Fiscal Year Ending	Wastewater Avg. Daily Flow (MGD)	Wastewater Total Annual Flow (MG)
2013	11.19	4,083
2014	10.26	3,745
2015	9.75	3,547
2016	9.99	3,646
2017	11.01	4,019
2018	10.19	3,719
2019	10.55	3,852
2020	10.35	3,777
2021	10.39	3,792
2022	11.23	4,100

**Source:** Dublin San Ramon Services District Comprehensive Annual Financial Report

### WATER CONSUMPTION AND CONNECTIONS

Last Ten Fiscal Years



Fiscal Year Ending	Water (AF) Consumption	Number of Connections
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	13,269	26,396
2022	12,371	26,710

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

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

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Office of the General Manager	5.00	5.00	5.00	5.00	5.00	5.00	5.00	2.00	2.00	2.00
Executive Services								4.00	3.00	3.00
Administrative Services		2.00	2.00	1.50	1.50	1.50	1.00	1.00	2.00	3.00
Organizational Services	5.50	4.50	4.50							
Human Resources & Risk Mgmt.				4.50	4.50	4.50	4.50	4.50	5.00	5.00
Public Affairs	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.40	3.40
Safety	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00		
Financial Services	6.00	5.00	5.00	4.00	4.00	5.00	5.00	5.00	6.00	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	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Engineering Services	21.00	22.00	22.00	22.50	21.50	20.50	23.00	23.00	2.60	2.60
Capital Projects									8.00	8.00
Development & Construction Services									7.00	7.00
Planning & Asset Mgmt.									5.00	5.00
Operations Administration	5.00	5.00	5.00	5.00	5.00	6.00	2.00	3.00	1.00	1.00
Field Operations	11.00	11.00	11.00	12.00	12.00	16.00	16.00	17.00	16.00	17.00
Plant Operations	12.00	12.00	12.00	12.00	12.00	12.00	13.00	14.00	13.00	14.00
Mechanical Maintenance									16.00	16.00
Instrumentation, Controls & Electrical									10.00	10.00
Laboratory & Technical Services									8.00	8.00
Operation Support Services	21.00	22.00	22.00	22.00	23.00	25.00	26.00	27.00	7.00	8.00
<b>Total <sup>1</sup></b>	<b>104.00</b>	<b>107.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>115.00</b>	<b>115.00</b>	<b>120.00</b>	<b>128.00</b>	<b>132.00</b>
Retirees <sup>2</sup>	66.00	67.00	69.00	74.00	74.00	84.00	84.00	95.00	95.00	100.00

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

<sup>2</sup> Dublin San Ramon Services District Operating Budget

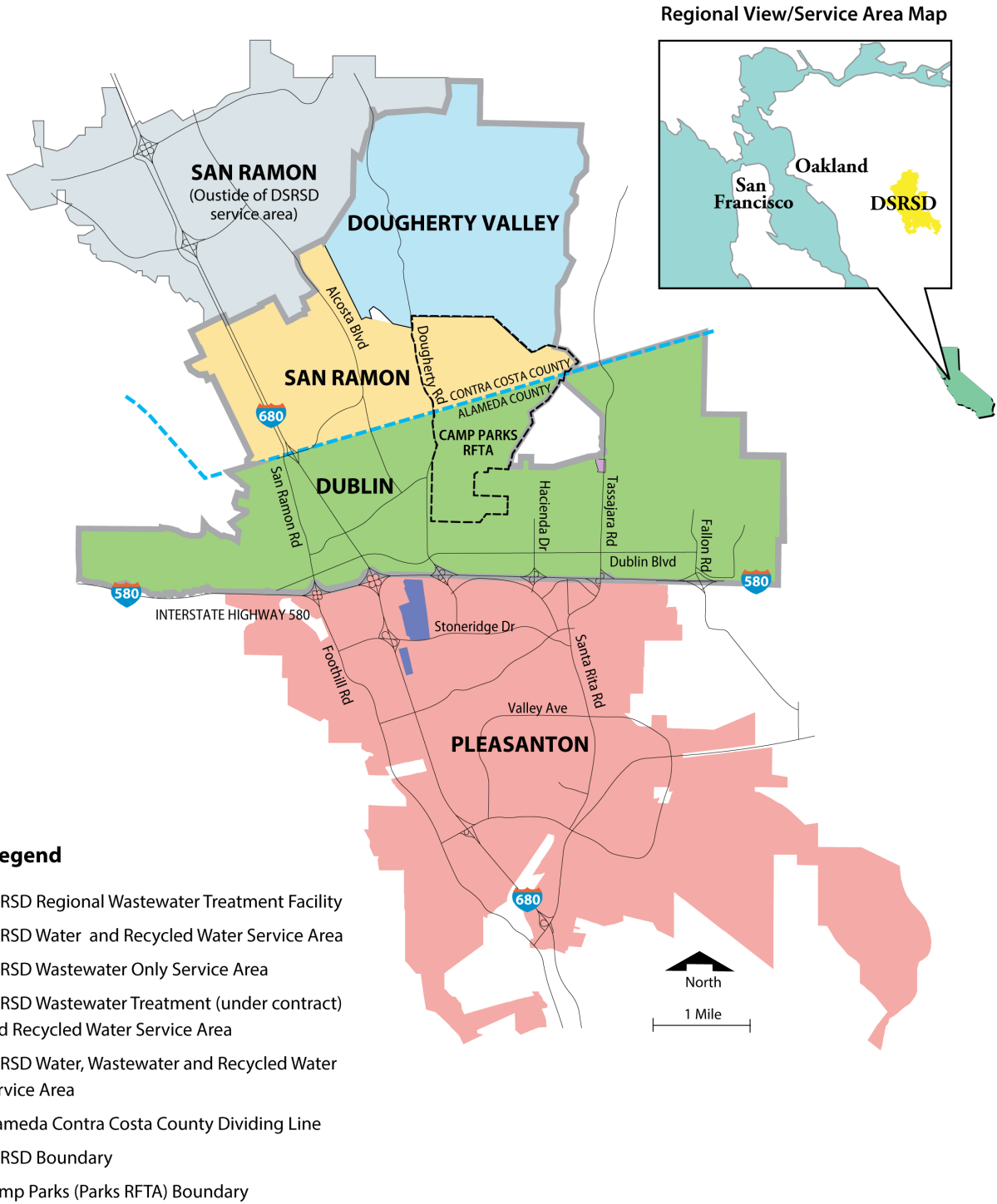
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Water</b>									
Miles of potable water mains	305.1	307.0	307.8	319.0	321.0	331.0	334.0	338.0	341.0
Miles of recycled water mains	61.1	62.0	63.7	66.7	68.0	69.0	72.0	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
Storage capacity potable water (million gallons)	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
Storage capacity recycled water (million gallons)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Wastewater</b>									
Miles of sanitary sewers	205.0	205.0	206.0	207.0	207.0	219.0	220.0	222.0	225.0
Number of treatment plants	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

Source: Dublin San Ramon Services District

# DISTRICT SERVICE AREA MAP



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