

AGENDA

NOTICE OF REGULAR MEETING

TIME: 6 p.m.

DATE: Tuesday, May 16, 2023

PLACE: Regular Meeting Place
7051 Dublin Boulevard, Dublin, CA
www.dsrsd.com

Our mission is to protect public health and the environment by providing reliable and sustainable water, recycled water, and wastewater services in a safe, efficient, and fiscally responsible manner.

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL – Members: Goel, Govindarao, Halket, Johnson, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)

At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight’s agenda. Comments should not exceed five minutes. Speaker cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment. Written comments received by 3 p.m. on the day of the meeting will be provided to the Board.
6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS)
7. CONSENT CALENDAR

Matters listed under this item are considered routine and will be enacted by one Motion, in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board or the public prior to the time the Board votes on the Motion to adopt.

 - 7.A. Approve Regular Meeting Minutes of May 2, 2023
Recommended Action: Approve by Motion
 - 7.B. Authorize the General Manager to Execute Contract with Chemtrade Chemicals US LLC for the Supply and Delivery of Aluminum Sulfate
Recommended Action: Authorize by Motion
 - 7.C. Authorize the General Manager to Execute Contract with Kemira Water Solutions Inc. for the Supply and Delivery of Ferrous Chloride
Recommended Action: Authorize by Motion
 - 7.D. Authorize the General Manager to Execute Contract with Hasa Inc. for the Supply and Delivery of Sodium Hypochlorite
Recommended Action: Authorize by Motion

8. BOARD BUSINESS

- 8.A. Receive Report of District's Emergency Preparedness and Response Program Overview and Update
Recommended Action: Receive Report and Provide Direction
- 8.B. Accept Annual Report on Rate Stabilization Fund Reserves and (1) Approve Transfer from the Water Rate Stabilization Fund (Fund 605) to the Water Operations Fund (Fund 600), and (2) Defer Transfers from the Local and Regional Wastewater Operations Funds (Funds 200 and 300) to the Local and Regional Rate Stabilization Funds (Funds 205 and 305)
Recommended Action: Accept by Motion
- 8.C. Receive Presentation on Zone 7 Water Agency 2023 Annual Sustainability Report
Recommended Action: Receive Presentation
- 8.D. Receive Presentation on Long-term Water Resiliency Efforts
Recommended Action: Receive Presentation and Provide Direction
- 8.E. Adopt Revised Budget Accountability Policy and Rescind Resolution No. 44-22
Recommended Action: Adopt Policy by Resolution

9. REPORTS

9.A. Boardmember Items

- 9.A.1. Joint Powers Authority and Committee Reports
9.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors
9.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda

9.B. Staff Reports

- 9.B.1. Event Calendar
9.B.2. Correspondence from the Board

10. CLOSED SESSION

- 10.A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957
Title: General Manager

11. REPORT FROM CLOSED SESSION

12. ADJOURNMENT

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

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

May 2, 2023

1. CALL TO ORDER

A regular meeting of the Board of Directors was called to order at 6 p.m. by President Vonheeder-Leopold.

2. PLEDGE TO THE FLAG

3. ROLL CALL

Boardmembers present at start of meeting: President Georgean M. Vonheeder-Leopold, Vice President Ann Marie Johnson, Director Arun Goel (teleconference location), Director Dinesh Govindarao, and Director Richard M. Halket.

District staff present: Dan McIntyre, General Manager; Jan Lee, Assistant General Manager; Carol Atwood, Administrative Services Director/Treasurer; Steve Delight, Engineering Services Director/District Engineer; Jeff Carson, Operations Director; Douglas E. Coty, General Counsel; and Nicole Genzale, Executive Services Supervisor/District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:01 p.m. No public comment was received.

6. AGENDA MANAGEMENT (CONSIDER ORDER OF ITEMS) – No changes were made.

7. CONSENT CALENDAR

Director Govindarao inquired as to the agenda placement of Item 7.C (on Consent Calendar) and Item 8.A (on Board Business), given both items relate to approving customer charges or rates. General Manager McIntyre explained that Item 7.C pertains to the Board's intent to set a public hearing to consider an assessment at a future date, whereas Item 8.A requires a public hearing and the Board's determination on proposed rates this evening.

Director Johnson MOVED for approval of the items on the Consent Calendar. Director Govindarao SECONDED the MOTION, which CARRIED with FIVE AYES, per roll call vote.

7.A. Approve Special Meeting Minutes of April 17, 2023 – Approved

7.B. Approve Regular Meeting Minutes of April 18, 2023 – Approved

7.C. Approve Intention to Levy Annual Assessments in the Dougherty Valley Standby Charge District 2001-1 for Fiscal Year Ending 2024 – Approved – Resolution No. 13-23.

8. BOARD BUSINESS

8.A. Public Hearing: Adopt the 2023 Local and Regional Wastewater Rates and Rescind Resolution No. 33-17 and Resolution No. 36-22

President Vonheeder-Leopold announced the item and declared the Public Hearing open. She asked for the staff presentation. Financial Analyst II Corinne Ferreyra reviewed the item for the Board.

The Board and staff discussed that by approving this item, the allowable maximum local and regional wastewater rates will be set for the next five years, but noted that the rates can be revisited at any time, if deemed necessary. They also clarified the methodology used to arrive at the proposed wastewater rates, and affirmed that the rates to be charged are based on the cost to provide service, as they are not permitted to be subsidized nor based on income or residential type, per Proposition 218.

President Vonheeder-Leopold inquired if there were any comments from the public. There was no public comment received.

District Secretary Genzale stated that a total of one (1) apparent written protest has been received through the end of the public hearing held this evening. She also reported that two (2) written comments were received. All written correspondence received was sent to the Board for its review ahead of this evening's meeting.

President Vonheeder-Leopold reported that the District has 26,060 parcels, and that in order to have a successful majority protest, 13,031 validated protests must have been received. The number of protests numbering one (1) is deemed unsuccessful and under the Board's policy on "Proposition 218 Receipt, Tabulation and Validation of Written Protests" there is no need for the District Secretary to validate the apparent written protest. She stated that the Board can proceed with its deliberations on the wastewater rate proposal.

Vice President Johnson MOVED to Close the Public Hearing. Director Govindarao SECONDED the MOTION, which CARRIED with FIVE AYES, per roll call vote.

President Vonheeder-Leopold declared the Public Hearing closed.

Director Govindarao MOVED to Adopt Resolution No. 14-23, Establishing Local and Regional Wastewater Rates Under Section 5.30.020 (Service and Demand Charges) of the District Code and Rescinding Resolution No. 33-17 and Resolution No. 36-22. Director Halket SECONDED the MOTION, which CARRIED with FIVE AYES, per roll call vote.

9. REPORTS

9.A. Boardmember Items

9.A.1. Joint Powers Authority and Committee Reports
Tri-Valley Water Liaison – April 25, 2023
DERWA – April 24, 2023

President Vonheeder-Leopold invited comments on recent JPA and Committee activities. Directors felt the available staff reports adequately covered the many matters considered at the JPA and Committee meetings and made a few comments about some of the JPA and Committee activities.

9.A.2. Submittal of Written Reports for Day of Service Events Attended by Directors

Director Govindarao submitted a written report to Executive Services Supervisor/District Secretary Genzale. He reported that he attended the Dublin Chamber of Commerce State of the City Address held on April 19 at the Shannon Community Center. He summarized the activities and discussions at the meeting.

President Vonheeder-Leopold submitted written reports to Executive Services Supervisor/District Secretary Genzale. She reported that she attended the Dublin Chamber of Commerce State of the City Address on April 19, the virtual California Association of Sanitation Agencies (CASA) Nominating Committee and DERWA Board meetings on April 24, the Tri-Valley Water Liaison Committee on April 25 at the City of Pleasanton, the virtual CASA Board of Directors meeting on April 26, and the Contra Costa Special Districts Chapter 30th Anniversary event on April 27 at the Pleasant Hill Community Center. She summarized the activities and discussions at the meetings.

9.A.3. Request New Agenda Item(s) Be Placed on a Future Board or Committee Agenda – None

9.B. Staff Reports

9.B.1. Event Calendar – None

9.B.2. Correspondence from the Board – None

10. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 6:23 p.m.

Submitted by,

Nicole Genzale, CMC
Executive Services Supervisor/District Secretary



TITLE: Authorize the General Manager to Execute Contract with Chemtrade Chemicals US LLC for the Supply and Delivery of Aluminum Sulfate

RECOMMENDATION:

Staff recommends the Board of Directors authorize, by Motion, the General Manager to execute a contract with Chemtrade Chemicals US LLC for the supply and delivery of aluminum sulfate for the fiscal year period July 1, 2023 through June 30, 2024 and approve the purchase in the amount of \$297,000.

DISCUSSION:

The District participates in the annual competitive bid process for several chemicals, including aluminum sulfate, under the Bay Area Chemical Consortium (BACC) program administered by Bay Area Clean Water Agencies (BACWA). Chemtrade Chemicals US LLC was determined to be the lowest responsive bid for the supply and delivery of aluminum sulfate for the period July 1, 2023 through June 30, 2024, per BACC Bid No. 01-2023. The contract cost for the District is \$0.89 per gallon, and the total estimated amount based on estimated usage requirements for the contract period is \$297,000. The cost per gallon for aluminum sulfate has increased about 10% per year from \$0.74 per gallon in fiscal year 2021–2022 to \$0.89 per gallon for fiscal year 2023–2024.

Aluminum sulfate is used in recycled water production; the cost for the chemical is reimbursed to the District by the Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA). The anticipated expense for the chemical used in recycled water production is included in the DERWA adopted budget for fiscal year 2023–2024. Additionally, beginning in fiscal year 2023–2024, a small amount of the purchased chemical will be used at the Regional Wastewater Treatment Plant to improve overall aeration process performance. The anticipated expense for the chemical used for plant operations will be included in the District’s proposed fiscal year 2023–2024 budget.

As the contract amount exceeds the General Manager’s authority limit of \$175,000, the Board must authorize the General Manager to execute the contract and approve the purchase, as follows:

- \$260,000 DERWA operations and maintenance budget
- \$ 37,000 Plant operations, Regional Wastewater Operations (Fund 300)
- \$297,000

Originating Department: Operations	Contact: E. Steffen/J. Carson	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: \$260,000 from DERWA Operations and Maintenance Budget and \$37,000 from Regional Wastewater Operations (Fund 300)	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	6 of 36	



TITLE: Authorize the General Manager to Execute Contract with Kemira Water Solutions Inc. for the Supply and Delivery of Ferrous Chloride

RECOMMENDATION:

Staff recommends the Board of Directors authorize, by Motion, the General Manager to execute a contract with Kemira Water Solutions Inc. for the supply and delivery of ferrous chloride for the fiscal year period July 1, 2023 through June 30, 2024 and approve the purchase in the amount of \$210,400.

DISCUSSION:

The District participates in the annual competitive bid process for several chemicals, including ferrous chloride, under the Bay Area Chemical Consortium (BACC) program administered by Bay Area Clean Water Agencies (BACWA). Kemira Water Solutions Inc. was determined to be the lowest responsive bid for the supply and delivery of ferrous chloride for the period July 1, 2023 through June 30, 2024, per BACC Bid No. 07-2023. The contract cost for the District is \$1,185.48 per dry ton, and the total estimated cost based on approximate usage requirements for the contract period is \$210,400.

Over the past few years, the cost per gallon for ferrous chloride and other chlorine chemical compounds has increased significantly industrywide. The cost for ferrous chloride has increased from \$891.48 per dry ton in fiscal year 2021–2022 to \$1,185.48 per dry ton for fiscal year 2023–2024, an increase of 33%. District staff is working with other water and wastewater agencies to investigate the cause of the increase and explore options to address the matter.

Ferrous chloride is used in the wastewater treatment process. The anticipated expenses, including chemicals, for wastewater treatment will be included in the District’s proposed fiscal year 2023–2024 budget.

As the contract amount for ferrous chloride exceeds the General Manager’s authority limit of \$175,000, the Board must authorize the General Manager to execute the contract and approve the purchase.

Originating Department: Operations	Contact: E. Steffen/J. Carson	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: \$210,400 from Regional Wastewater Operations (Fund 300)	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		



TITLE: Authorize the General Manager to Execute Contract with Hasa Inc. for the Supply and Delivery of Sodium Hypochlorite

RECOMMENDATION:

Staff recommends the Board of Directors authorize, by Motion, the General Manager to execute a contract with Hasa Inc. for the supply and delivery of sodium hypochlorite for the fiscal year period July 1, 2023 through June 30, 2024 and approve the purchase in the amount of \$929,050.

DISCUSSION:

The District participates in the annual competitive bid process for several chemicals, including sodium hypochlorite, under the Bay Area Chemical Consortium (BACC) program administered by Bay Area Clean Water Agencies (BACWA). Hasa Inc. was determined to be the lowest responsive bid for the supply and delivery of sodium hypochlorite for the period July 1, 2023 through June 30, 2024, per BACC Bid No. 13-2023. The contract cost for the District is \$2.69 per gallon, and the total estimated cost based on approximate usage requirements for the contract period is \$929,050.

Over the past few years the cost per gallon for sodium hypochlorite and other chlorine chemical compounds has increased significantly industrywide. District costs rose from \$0.70 per gallon in fiscal year 2021–2022 to \$2.69 per gallon for fiscal year 2023–2024. District staff is working with other impacted water and wastewater agencies to investigate the cause of the increase and explore options to address the matter.

Sodium hypochlorite is primarily used in the wastewater treatment process but also is used in field operations for water distribution application as well as in recycled water production. The anticipated expenses for wastewater treatment and field operations will be included in the District’s proposed fiscal year 2023–2024 budget. The cost for recycled water application is reimbursed to the District by the Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA). The anticipated expense for recycled water application is already within the DERWA adopted budget for fiscal year 2023–2024.

As the contact amount exceeds the General Manager’s authority limit of \$175,000, the Board must authorize the General Manager to execute the contract and approve the purchase, as follows:

- \$820,450 Plant operations, Regional Wastewater Operations (Fund 300)
- \$ 13,600 Field operations, Water Enterprise (Fund 600)
- \$ 95,000 DERWA operations and maintenance budget
- \$929,050

Originating Department: Operations	Contact: E. Steffen/J. Carson	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: \$820,450 Regional Wastewater Operations (Fund 300), \$13,600 Water Enterprise (Fund 600), and \$95,000 DERWA Operations and Maintenance Budget	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)	8 of 36	



TITLE: Receive Report of District’s Emergency Preparedness and Response Program Overview and Update

RECOMMENDATION:

Staff recommends the Board of Directors receive a report of the District’s Emergency Preparedness and Response Program overview and update and provide direction.

DISCUSSION:

In accordance with the District’s Fiscal Years Ending (FYE) 2024–2028 Strategic Plan goal to “Enhance our ability to respond to emergencies and maintain business continuity,” the District’s emergency preparedness and response planning efforts are ongoing and continuous in all areas of the organization, including updates to operational procedures and plans, energy resiliency projects, communications, network and technology, interagency coordination, building and maintenance of emergency supplies, and continuing staff training and exercises.

In July 2021, the District completed a comprehensive update to its Emergency Response Plan, in conjunction with the requirements of America’s Water Infrastructure Act of 2018 (AWIA). Training provided to District staff following this update included training on emergency evacuation procedures and the following courses with the Federal Emergency Management Agency (FEMA): IS-100 Introduction to the Incident Command System (ICS) and IS-700 Introduction to the National Incident Management System (NIMS).

In January 2023, the General Manager appointed the Special Assistant to the General Manager to lead the planning efforts on the District’s Emergency Preparedness and Response Program. Since that time, an initial assessment of the District’s current preparedness levels has been completed. The initial assessment indicates good progress in the areas of technology and communications, power resiliency, and building and maintenance of emergency supplies. Opportunities for building increased capabilities are in the areas of staff training and exercise activities; role clarity; specialized, advanced training for staff assigned to the Emergency Operations Center (EOC) functions; and further development of emergency incident action plans and checklists. In the upcoming fiscal year, staff will also focus on improving interagency coordination efforts within the Tri-Valley and with Alameda County’s Office of Emergency Services (OES). Staff is also planning to retain the services of a consulting firm that specializes in the areas of emergency management and preparedness functions this summer to assist with these continuing and future efforts.

On May 16, 2023, staff will provide a presentation to the Board on the District’s Emergency Preparedness and Response Program, which will include an overview of the District’s program, updates on recent efforts, and proposed next steps to continue to increase the District’s capacity and ability to prepare and respond to emergencies.

Originating Department: Office of the General Manager	Contact: M. Gallardo/D. McIntyre	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: N/A	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		9 of 36



TITLE: Accept Annual Report on Rate Stabilization Fund Reserves and (1) Approve Transfer from the Water Rate Stabilization Fund (Fund 605) to the Water Operations Fund (Fund 600), and (2) Defer Transfers from the Local and Regional Wastewater Operations Funds (Funds 200 and 300) to the Local and Regional Rate Stabilization Funds (Funds 205 and 305)

RECOMMENDATION:

Staff recommends the Board of Directors accept, by Motion, the annual report on Rate Stabilization Fund (RSF) reserves and (1) approve a transfer from the Water Rate Stabilization Fund (Fund 605) to the Water Operations Fund (Fund 600), and (2) defer transfers from the Local and Regional Wastewater Operations Funds (Funds 200 and 300) to the Local and Regional Rate Stabilization Funds (Funds 205 and 305).

SUMMARY:

The District’s auditors, Maze and Associates, presented the Annual Comprehensive Financial Report (AFCR) to the Board on December 20, 2022. The annual report on RSF reserves is developed based on the ending working capital from the financial statements. The fiscal year ending (FYE) 2022 ending working capital for the Water Operations Fund (\$9,930,863) is below the policy target of four months. In accordance with the Financial Reserves policy (Attachment 1), staff recommends a transfer for the shortfall below four months (\$1,345,756) from the Water RSF. The FYE 2022 ending working capital for the Local and Regional Wastewater Operations Funds are above the policy maximum. Due to the performance of the California Public Employees' Retirement System (CalPERS) investment portfolio for the past two years (projections available August 2023), staff recommends retaining the surplus in the Wastewater Funds for anticipated funding of the CalPERS Unfunded Actuarial Liability (UAL).

BACKGROUND:

The District maintains four funds (Operations, Rate Stabilization, Replacement, and Expansion) for each of its three enterprises (Local Wastewater Collection, Regional Wastewater Treatment, and Water). The Board of Directors last adopted its Financial Reserves policy (P400-15-1) in 2015, which provides fund reserve guidance for all enterprises.

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

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

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

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

Originating Department: Administrative Services	Contact: C. Atwood	Legal Review: Not Required
Financial Review: Yes	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Financial Reserves policy (P400-15-1)	
		10 of 36

The Financial Reserves policy further notes that the General Manager shall report annually to the Board of Directors on the status of each of these funds in meeting reserve targets. The Financial Reserves policy authorizes the General Manager to make certain transfers to meet various criteria. If the combined working capital of the Operations and Rate Stabilization Funds are greater than the policy maximum, the General Manager will make a recommendation to the Board of Directors as to how the funds should be used.

DISCUSSION:

Based on the RSF analysis below, staff recommends the following transfer:

1. **Transfer \$1,345,756 from the Water Rate Stabilization Fund (Fund 605) to the Water Operations Fund (Fund 600):** The FYE 2022 ending working capital for the Water Operations Fund (\$9,930,863) is below the policy target of four months. In accordance with the Financial Reserves policy, staff recommends a transfer of the shortfall below four months (\$1,345,756) from the Water RSF Fund to the Water Operations Fund.
2. **No transfers are proposed for the Local and Regional Wastewater Operations Funds (Funds 200 and 300):** Both enterprises ended the fiscal year above the policy maximum, however, due to the performance of the CalPERS investment portfolio for the past two years (projections available August 2023), staff recommends retaining the surplus in the Wastewater Funds for anticipated funding of the CalPERS UAL.

Rate Stabilization Fund Analysis

June 30, 2022

Operations Funds	Local Wastewater	Regional Wastewater	Water
Operating Expense Budget (FYE 2022)	\$ 3,504,344	\$ 20,918,045	\$ 33,829,857
Target (four months)	1,168,115	6,972,682	11,276,619
Target + Two Months (six months)	1,752,172	10,459,023	16,914,929
From Audited Financials (with PPA):			
Current Assets	\$ 4,313,079	\$17,259,511	\$22,452,580
Less: Current Liabilities	238,812	4,784,372	12,521,717
Working Capital	4,074,267	12,475,139	9,930,863
Months of Working Capital (if between 4-6, no action)	13.95	7.16	3.52

Surplus to Transfer (excess of target + two months)	\$ 2,322,095	\$ 2,016,116	\$ -
Funding Needed (if working capital is below 4)	None	None	1,345,756

Rate Stabilization Funds	Local Wastewater	Regional Wastewater	Water
Current Balance in RSF	\$ 712,691	\$ 9,707,687	\$ 16,286,697
Amount to Add	-	-	-
Amount to Subtract	-	-	1,345,756
New Balance in RSF	\$ 712,691	\$ 9,707,687	\$ 14,940,941
Amount Over Six Months Working Capital	\$ 3,034,786	\$ 11,723,803	\$ 7,956,875
Total Between Operations and RSF	16.39	12.73	8.82

Operations Funds	Local Wastewater	Regional Wastewater	Water
Working Capital (pre-RSF transfer)	\$ 4,074,267	\$ 12,475,139	\$ 9,930,863
RSF Transfer	-	-	1,345,756
Working Capital (post-RSF transfer)	\$ 4,074,267	\$ 12,475,139	\$ 11,276,619
Months of Working Capital	13.95	7.16	4.00



Policy

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

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

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

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

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

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

Operating Reserves

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

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

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

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

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

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

Rate Stabilization Fund Reserves

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

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

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

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

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

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

Policy No.: P400-15-1	Policy Title: Financial Reserves
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Maximum: If the combined total of the Operating and the corresponding RSF exceeds 12 months working capital, the General Manager will make a recommendation to the Board of Directors as to how the funds should be used.

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

Capital Asset Replacement & Improvement Reserves

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

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

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

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

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

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

Capital Expansion Reserves

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

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

Policy No.: P400-15-1

Policy Title: Financial Reserves

- Target:** Two years of average debt service (or for any debt that has less than two years remaining, the entire remaining amount) charged to the Expansion Fund, plus two years of expansion project spending as projected in the District’s most current two-year Capital Improvement budget.
- Minimum:** A minimum reserve consists the greater of the reserve for the debt service or the next two years of planned expansion projects.
- Maximum:** There is no maximum reserve in this fund; Capacity Reserve Fees may be accumulated and used for their intended purpose with no maximum reserve limitation.
- Reporting:** The General Manager shall report annually to the Board of Directors on the results of the assessment.



TITLE: Receive Presentation on Zone 7 Water Agency 2023 Annual Sustainability Report

RECOMMENDATION:

Staff recommends the Board of Directors receive a presentation on the Zone 7 Water Agency 2023 Annual Sustainability Report.

DISCUSSION:

The Zone 7 Water Agency (Zone 7) Water Supply Reliability Policy requires an annual review of sustainable water supplies and demonstration of Zone 7’s ability to meet water delivery requests over the next five years. The findings of this review are summarized in the Annual Sustainability Report that is presented to the Zone 7 Board each April and used by Zone 7 to determine whether a water shortage condition exists, and the associated response actions that may need to be implemented. Any such actions would be coordinated with the Tri-Valley’s treated water retailers, including DSRSD.

Zone 7 receives 90% of its water supplies from the State Water Project (SWP), which is owned and operated by the California Department of Water Resources (DWR). Zone 7’s contract with DWR provides for up to 80,619 acre feet of SWP Table A water (“Table A Allocation”) in any given year. However, the amount of water that Zone 7 actually receives from DWR each year is highly dependent on hydrology and other factors such as regulatory requirements, which impact the amount of water that can be pumped from the South Delta for delivery to the Tri-Valley. Generally, if incoming water supplies are insufficient to meet projected water demands, Zone 7 relies more heavily on stored water and, if needed, customer conservation to address the water shortage and balance supply and demand for that year.

After three consecutive dry years, water supply conditions in California have dramatically improved. Over the past five months, much of California has experienced a drastic swing from drought conditions to heavy snowpack and flooding. This year’s Sierra snowpack is one of the largest on record and most of California’s major reservoirs are still making mandatory flood control releases. On April 20, 2023, DWR announced an increase in the SWP Table A Allocation from 75% to 100% for 2023. The last time the SWP had a 100% allocation was in 2006. The 100% allocation for 2023 will allow Zone 7 to meet 100% of treated water delivery requests in 2023 and have surplus supplies available to recharge and store water in the local groundwater basin and Kern County groundwater banks.

Zone 7’s 2023 Annual Sustainability Report was prepared in early April, prior to DWR’s latest increase in the SWP Table A Allocation. Assuming the more conservative 75% allocation, the Annual Sustainability Report shows that Zone 7 will be able to meet 100% of retailer delivery requests over the next five years. In a normal year, the Annual Sustainability Report uses the retailers’ delivery requests in the analysis. However, given the recent drought and extremely wet start to 2023, 5% conservation was assumed in 2023 and 2024 to represent a slower rebound in demands. The last three years assume full retailer delivery requests. To illustrate Zone 7’s ability to meet demands in 2024 through 2027 even if drought conditions return, the Annual Sustainability Report shows a five-year stress test that assumes critically dry conditions in 2024, continuing dry conditions in 2025, and normal conditions in years 2026 and 2027. Even with these conservative assumptions, Zone 7 projects it will be able to meet 100% of projected demands for the next five years.

On May 16, 2023, the DSRSD Board will receive a presentation on Zone 7’s 2023 Annual Sustainability Report. This report was provided to Zone 7’s Board of Directors on April 19, 2023. Based on the findings of the 2023 Annual Sustainability Report and Governor Newsom’s Executive Order N-5-23, which rescinded the State’s call for voluntary 15% conservation and the requirement for urban water agencies to implement Stage 2 of their Water Supply Contingency Plans, the Zone 7 Board declared an end to the drought emergency and found that a water shortage no longer exists locally.

Originating Department: Office of the General Manager	Contact: J. Lee, I. Suroso/S. Delight	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: N/A	
Attachments: <input checked="" type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input type="checkbox"/> Other (see list on right)		

TITLE: Receive Presentation on Long-term Water Resiliency Efforts

RECOMMENDATION:

Staff recommends the Board of Directors receive a presentation on long-term water resiliency efforts and provide direction.

BACKGROUND:

The District’s 2024-2028 Strategic Plan includes the following goal and action items in support of the District’s mission and vision:

“Improve the resiliency of the District’s water supplies against future uncertainties

- *Work collaboratively with our Tri-Valley and regional partners in the development of a more diversified and resilient water supply*
- *Prepare and implement water conservation strategies to reduce water demand, improve system reliability, and comply with state regulations”*

In April 2021, the Board approved the Water Resiliency policy (Attachment 1) to guide DSRSD efforts to build a resilient and sustainable water future for DSRSD customers. The Water Resiliency policy emphasizes the need for collaborative partnerships, advocates for an “all of the above” approach to exploring projects that build water resiliency for the Tri-Valley and prioritizes local and sustainable water projects that contribute to regional self-reliance.

In June 2021, the District finalized the [2021 Alternative Water Supply Study: A Framework for a Resilient and Sustainable Water Future](#) (2021 AWSS). The AWSS includes a high-level assessment of regional and local supply alternatives that DSRSD could explore collaboratively with other neighboring water and wastewater agencies. The results of the 2021 AWSS informed the 2021 update of the Water Resiliency policy and were used to develop a recommended framework that outlines near-term and long-term strategies, and guides DSRSD advocacy and collaborative efforts (Attachment 2). The 2021 AWSS recommended that DSRSD review the framework in 2023 and, if needed, incorporate new information (e.g., Zone 7 Water Agency’s [Zone 7] Water Supply Evaluation Update) and/or lessons learned from early efforts.

DISCUSSION:

On May 16, 2023, the Board will receive a presentation on long-term water resiliency efforts and progress made towards implementing the District’s Water Resiliency policy and Strategic Plan goal. The presentation will include updates on the following efforts:

- **Zone 7 Long-term Water Projects** – In April 2023, Zone 7 completed its 2022 Water Supply Evaluation (WSE) Update. The 2022 WSE Update uses a new water supply risk model with enhanced capabilities to evaluate a mix of water supply, conveyance, and storage projects that could be implemented to diversify and increase the long-term resiliency of the Tri-Valley’s water supplies. The 2022 WSE incorporates new information from the various projects that have become available since the 2019 WSE Update. A summary of the projects being explored by Zone 7 is provided in Table 1. Similar to the 2019 WSE, the 2022 WSE concludes that multiple projects are required long-term to meet Zone 7’s Water Supply Reliability policy goals, which are to supply water that meets 100% of Municipal and Industrial (M&I) demands 90% of the time and at least 85% of M&I demands 99% of the time. These water reliability goals are also mirrored in the District’s Water Resiliency policy (see Attachment 1).

Originating Department: Office of the General Manager	Contact: J. Lee, I. Suroso/S. Delight	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – DSRSD Water Resiliency policy Attachment 2 – 2021 AWSS Recommended Framework	
		17 of 36

- Near-term Pilot Projects – The 2021 AWSS recommended that the District explore two potential near-term projects that could complement and support Zone 7’s ongoing water supply efforts: (1) Purified Water Pilot Project with Alameda County Water District and other water and wastewater partner agencies and (2) pilot transfer with the East Bay Municipal Utility District (EBMUD) and Zone 7 utilizing DSRSD’s existing emergency interties with EBMUD.
- Supplemental Recycled Water Supplies – In partnership with EBMUD and the DSRSD-EBMUD Recycled Water Authority (DERWA), the District is continuing to pursue additional supplemental supplies needed to expand the recycled water program. In early 2023, DERWA initiated work on a Recycled Water Supply and Operations Plan Update. The purpose of this study is to update long-term recycled water demand and supply projections and create a roadmap for implementing strategies and projects needed to meet future recycled water demands. The study is anticipated to be completed by the end of 2023.
- Long-term Conservation Framework – In May 2018, Governor Brown signed Senate Bill 606 (Hertzberg) and Assembly Bill 1668 (Friedman) into law to establish a new foundation for long-term improvements in water conservation and drought planning to adapt to climate change and the resulting longer and more intense droughts in California. These bills, along with Senate Bill 1157 (Hertzberg) that was signed into law in September 2022 and further lowers the indoor residential water use standard, provide a framework for setting water use targets and implementing and enforcing the new water use requirements. Beginning January 1, 2024, each urban retail water agency will annually calculate and report its water use objective. Water agencies must achieve their urban water use objective by January 1, 2027, or they may be required by the State Water Board to enact additional policies and projects to achieve water savings.

Table 1. Summary of Zone 7 Potential Long-term Water Reliability Projects

Reference: Zone 7 Draft 2022 Water Supply Evaluation Update, March 2023

Potential Project	Description	Zone 7 Average New Supply	Zone 7 New Storage	New Conveyance	Estimated Online Date
Delta Conveyance Project (DCP)	The DCP involves construction of two new intake facilities in the North Delta and a single tunnel under the Delta to convey water from the new intakes to the existing Bethany Reservoir on the California Aqueduct. The purpose of the DCP is to modernize aging State Water Project infrastructure and restore and protect the reliability of State Water Project deliveries. The Delta is a critical conveyance component of the State Water Project, which diverts water in the South Delta for delivery to State Water Project contractors south of the Delta, such as Zone 7.	6,500 AFY of restored SWP supply	—	Single tunnel with total capacity of 6,000 cfs	2040
Sites Reservoir	Sites is a new off-stream reservoir located in Glenn and Colusa counties that would capture and store excess stormwater flows from the Sacramento River. Sites has a proposed storage capacity of 1.5 million acre-feet. Sites can be operated in coordination with the State Water Project and Central Valley Project reservoirs (e.g., Oroville, Shasta, Folsom), thereby increasing the flexibility and reliability of statewide water supplies. In addition to water supply and storage benefits, Sites will also provide a dedicated allocation of water for the environment.	8,000 AFY	62,340 AF	—	2030
Los Vaqueros Expansion (LVE)	The Los Vaqueros Reservoir is an off-stream reservoir located in Contra Costa County and is owned and operated by Contra Costa Water District. LVE proposed to expand the reservoir by an additional 115,000 acre-feet, bringing the new total capacity to 275,000. In addition to the expansion of the reservoir, LVE intends to construct the Transfer-Bethany Pipeline and other supporting facilities. The Transfer-Bethany Pipeline provides Zone 7 with an alternative conveyance route to bring water supplies into the Tri-Valley.	—	10,000 AF	Transfer-Bethany Pipeline with total capacity of 300 cfs	2030
Bay Area Regional Desalination Project (BARDP)	BARDP is a regional project that seeks to desalinate brackish water from the Delta to provide water supply to participating Bay Area water agencies. The project proposes construction of a desalination plant in eastern Contra Costa County. Brackish water would be diverted using Contra Costa Water District’s existing Mallard Slough Pump Station and the desalination plant would remove the salts from the source water to produce fresh water. The proposed desalination plant has a planned production capacity of up to 20 million gallons per day.	5,600 AFY	—	None, but likely would be paired with LVE and/or EBMUD Reliability Intertie for conveyance	2030
Potable Reuse	Potable reuse involves constructing advanced treatment and supporting facilities needed to purify wastewater effluent to a level suitable for augmenting drinking water supplies either through indirect methods (e.g., groundwater recharge) or direct methods (e.g., raw water augmentation upstream of Zone 7’s Del Valle Water Treatment Plant). Potable reuse in the Tri-Valley would include a partnership between Zone 7 and its retailers. Potable reuse operations were assumed to occur year-round with Livermore providing year-round wastewater supplies and DSRSD providing seasonal wastewater supplies. The assumed yields do not account for the potential reduction of wastewater flows due to conservation regulations that have set statewide lower indoor water use targets.	8,800 – 9,600 AFY	—	—	2030 with expansion in 2040

Potential Project	Description	Zone 7 Average New Supply	Zone 7 New Storage	New Conveyance	Estimated Online Date
Chain of Lakes (COLs) and COLs Pipeline	The COLs are a series of former and active gravel quarry pits located in the Tri-Valley in Pleasanton and Livermore. The COLs will ultimately consist of ten lakes named Lakes A through I and Cope Lake, connected through a series of conduits. Zone 7 currently owns Lake I and Cope Lake and expects Lakes A and H to be transferred to Zone 7 within the next few years once reclamation is completed. The remaining lakes will be transitioned to Zone 7 over the next decades, likely through 2060. Zone 7 envisions using the COLs for water management and building a pipeline to connect the COLs to Zone 7's water system. The COLs could store State Water Project water and also capture additional stormwater and local runoff.	3,000 AFY	150,572 AFY	Pipeline with total capacity of 20 MGD	N/A
EBMUD Reliability Intertie	This project is a proposed 30-inch diameter treated water pipeline to connect EBMUD and Zone 7's systems on the west side of Zone 7's transmission system. The reliability intertie provides alternative conveyance and could be used to deliver imported treated water to Zone 7 in case the Delta and/or South Bay Aqueduct are experiencing an outage.	—	—	10 MGD	N/A
Water Transfers	Transfers involve the purchase of water from willing sellers to supplement Zone 7's existing water supplies. The availability and pricing of water transfers are subject to water market conditions. Generally, water transfers are less expensive in wet years when extra water is available and more expensive in dry years when extra water is scarce. The 2022 WSE Update results show that transfers are likely to be needed near-term to meet Zone 7's Water Supply Reliability goals, prior to long-term projects coming online.	10,000 AFY	—	—	2023 to 2030

Abbreviations:

AF = acre-feet

AFY = acre-feet per year

cfs = cubic feet per second

MGD = million gallons per day



Policy

Policy No.: P300-21-1	Type of Policy: Operations
Policy Title: Water Resiliency	
Policy Description: Provides guidance for building a resilient and sustainable water supply future for District customers	
Approval Date: 4/20/2021	Last Review Date: 2021
Approval Resolution No.: 22-21	Next Review Date: 2023
Rescinded Resolution No.: 89-15	Rescinded Resolution Date: 10/20/2015

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

1. Reliably meet existing and projected water demands within the District's water service area by supplying water to meet 100% of customer water demands 90% of the time and at least 85% of customer water demands 99% of the time.
2. Collaborate with local and regional partners to build a resilient and sustainable water supply through implementation of a diverse portfolio of water supply, conveyance, and storage projects that provides flexibility to manage our water system against future uncertainties.
3. Advocate for the continued exploration and development of a broad array of projects that have the potential to improve water resiliency for the Tri-Valley, such as Bay Area Regional Desalination, Delta Conveyance, Interties, Los Vaqueros Reservoir and Transfer Bethany Pipeline, Potable Reuse, Sites Reservoir, Water Transfers, and Expanded Recycled Water Programs.
4. Prioritize the use of locally available and sustainable water supply sources and projects that contribute to regional self-reliance.
5. Advance the development of near-term water resiliency projects through local partnerships and seek grant funding to facilitate project implementation and reduce costs to District customers.
6. Support efforts by other agencies to pursue grant funding for statewide and regional projects that improve water resiliency for District customers.

Policy No.: P300-21-1

Policy Title: Water Resiliency

7. Ensure that during droughts and other water supply shortage conditions, Zone 7 Water Agency allocates water between the treated water retailers in an equitable manner that recognizes water use efficiency and investments in new water supplies that reduce potable water demands.
8. Meet the State’s long-term water use and water loss efficiency standards by promoting reasonable and efficient use of water supplies through conservation programs and water optimization tools and technologies.
9. Maximize treated wastewater effluent as a valuable water resource and minimize environmental pollution to the San Francisco Bay by recycling 100% of the flows that enter the Regional Wastewater Treatment Plant, apart from treatment residual (brine).
10. Advocate for programs to protect and enhance the quality of drinking water delivered to District customers.

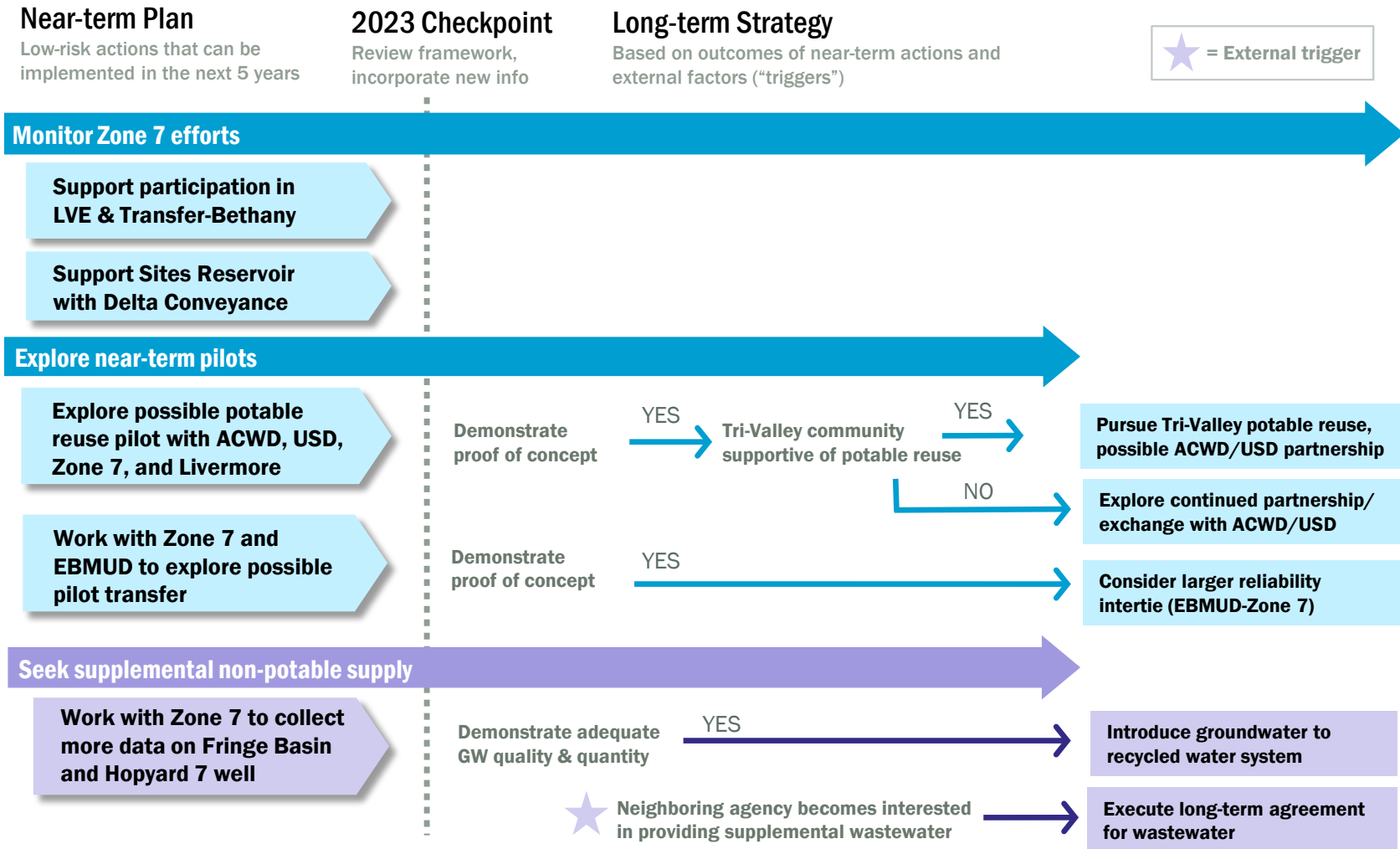


Figure ES-5. Recommended framework



TITLE: Adopt Revised Budget Accountability Policy and Rescind Resolution No. 44-22

RECOMMENDATION:

Staff recommends the Board of Directors adopt, by Resolution, the revised Budget Accountability policy and rescind Resolution No. 44-22.

SUMMARY:

The purpose of the Budget Accountability policy (policy) is to provide guidelines for the implementation and monitoring of the District’s adopted Operating and Capital Improvement Program (CIP) Budgets. Staff began review of the policy in parallel with the preparation of the Fiscal Year 2024 and 2025 Operating Budget and the Two-Year CIP Budget for Fiscal Year 2024 and 2025. Recommended changes to the policy include revisions to (1) clearly define accountability responsibilities of the General Manager and (2) move to budget for capital assets from the Operating Budget to the CIP Budget.

DISCUSSION:

The purpose of the policy is to provide guidelines for the implementation and monitoring of the District’s adopted Operating and CIP Budgets. The policy defines the budget elements approved by the Board when adopting the Operating and CIP Budgets, such as approved maximum full-time equivalent staff positions, and addresses the Board’s expectations for budget monitoring, budget adjustment authority, and reporting requirements. Staff began review of the policy in parallel with the preparation of the Fiscal Year 2024 and 2025 Operating Budget and Two-Year CIP Budget for Fiscal Year 2024 and 2025 with a specific focus on the budgetary practices and authority related to capital assets. Resulting recommended changes are discussed in detail below.

Operating Budget Accountability Revisions:

The current policy addresses budget accountability by stating that “The General Manager is responsible for meeting the budgetary objectives set by the Board.” Staff recommends this statement be revised to explicitly authorize the General Manager to approve expenditures and transfers in compliance with the Operating Budget’s approving resolution, which outlines the budgetary objectives set by the Board. This revision eliminates ambiguity and allows the Board’s specific budgetary objectives to be defined in each budget’s approving resolution.

The policy also specifies that in adopting the Operating Budget, the Board approves the budget at the total fund level, since it is impractical and inefficient to control the budget at the line-item level, and authorizes the General Manager to make no-net change budget adjustments within the same fund. Staff proposes the policy be revised to state that in adopting the Operating Budget, the Board “ratifies and approves total operating expenditures at the fund level,” which is more consistent with language included in the Budget’s adopting resolution, and to clarify that it is the General Manager’s responsibility to ensure that the total fund expenditures do not exceed the total fund budget. This revision addresses the intent of controlling the budget at the fund level and clarifies the General Manager’s responsibility.

Originating Department: Engineering and Technical Services	Contact: C. Ferreyra/S. Delight	Legal Review: Not Required
Financial Review: Yes	Cost and Funding Source: N/A	
Attachments: <input type="checkbox"/> None <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation <input checked="" type="checkbox"/> Other (see list on right)	Attachment 1 – Marked-up Budget Accountability policy	

Capital Budget Accountability Revisions:

Staff proposes significant additions to the CIP Budget section of the policy to define the elements of the CIP (e.g., projects, programs, and capital assets). Staff also recommends revisions to the language regarding what the Board specifically authorizes by adopting the CIP Budget, shown side by side below for comparison. One proposed change includes the authorization to initiate CIP expenditures in either fiscal year of the budget. This authority is included in the CIP Budget and adopting resolution but was not explicitly stated in this policy. Another proposed change is to approve funding for the purchase or replacement of capital assets in the CIP. More detail on capital asset budgeting is included later in this report.

Current	Proposed
<p>In adopting the CIP Budget, the Board authorizes new projects and programs, and approves total project and program budgets. Project budgets are broken down by phase to assist the project manager in budgeting and managing the project. Expenses are controlled at the project total level.</p>	<p>By adopting the CIP Budget, the Board:</p> <ol style="list-style-type: none"> 1. Authorizes total budgets for individual capital projects and programs 2. Authorizes initiation of project and program expenditures in either fiscal year of the CIP Budget 3. Establishes the maximum expenditures for each fund for each fiscal year of the CIP Budget 4. Approves funding for the purchase or replacement of capital assets

The policy currently states that the General Manager is responsible for ensuring that the individual project appropriations and total fund appropriations are not exceeded. Staff proposes to expand upon this and include language which also authorizes the General Manager to approve expenditures and transfers in compliance with the CIP Budget’s approving resolution, which outlines the budgetary objectives set by the Board. This is consistent with the proposed changes to the Operating Budget section of the policy and allows the Board’s specific budgetary objectives to be defined in each budget’s approving resolution.

Capital Assets – Operating vs. Capital Budget:

The Operating Budget section of the policy currently states that in adopting the Operating Budget, the Board approves budgets for the purchase or replacement of capital assets. Capital assets, commonly referred to as "capital outlay," are defined as a real or personal property that has a unit acquisition cost equal to or greater than \$20,000 and an estimated life greater than three years. These are generally vehicles and equipment, such as pumps and laboratory equipment, and are typically identified through the District’s asset management replacement model. The table below shows the capital assets approved in the current Operating Budget (found on page 39 of the Adopted Fiscal Year 2022-2023 Operating Budget).

While capital asset budgets are approved as part of the Operating Budget, they are funded as part of the CIP Budget via capital replacement funds. Capital assets are a CIP expense that is distinct from and in addition to traditional (e.g., “public works”) capital project expenditures. The disconnect between how capital assets were funded and where they were budgeted led staff to explore the idea of both budgeting and funding capital assets in the CIP Budget for simplicity. Proposed revisions to the policy include the addition of language in the CIP Budget section of the policy to state that by adopting the CIP Budget, the Board approves funding for the purchase or replacement of capital assets, and the deletion of similar language from the Operating Budget section of the policy. All capital expenditures funded by capital funds will now be budgeted in the CIP Budget.

Fiscal Year 2022 and 2023 Adopted Capital Outlay List

Div	Asset Description	Fund 210	Fund 310	Fund 610	Budget FYE22	Budget FYE23
34	Vehicle - Ford Escape Hybrid	20%	30%	50%	\$35,000	
42	Vehicle - Ranger Supercab 4x4 (Qty 2)	35%	5%	60%	\$74,000	
51	Vehicle - Ford F-250 Trucks (FYE22: Qty 2/FYE23: Qty 4)	10%		90%	\$110,000	\$220,000
51	Vehicle - Transit Connect	20%	30%	50%	\$35,000	
51	Closed-Circuit Television (CCTV) Truck	100%			\$500,000	
51	Valve Truck			100%	\$200,000	
53	Long Reach Forklift		100%		\$150,000	
53	Influent Gate Control		100%		\$120,000	
53	Environmental Compliant Blasting/Removal System		100%		\$50,000	
53	Pump Station 20A Pump #1 and #3 Replacement			100%	\$60,000	
53	D7 Tractor for Bio-Solids Harvesting (carryover)		100%		\$303,210	
53	Facultative Sludge Lagoon Surface Mixers		100%			\$100,000
54	Vehicle - Ford Transit Connect Van	20%	30%	50%		\$30,000
55	Ion Chromatography Unit		40%	60%	\$65,460	
55	Vehicle - Van	50%	50%			\$30,000
Total					\$1,702,670	\$380,000

Capital Assets – CIP Program Funding:

Staff proposes the use of CIP programs as the specific means to budget for the purchase or replacement of capital assets. A CIP program sets aside money to fund projects that are anticipated based on the age and known condition of assets, but do not yet have definitive schedule and budget. This allows the District to adequately set rates and fees to cover the cost of these future needs, and allows flexibility on when the projects are actually implemented. The amounts set aside to fund the program are based on the asset management replacement model, and include a timing consideration that distributes the total cost over several years to acknowledge that some assets may need to be replaced sooner (or later) than anticipated. The asset management model includes assumptions about the useful life of each asset, which identifies when an asset would need to be repaired or replaced and calculates an estimated cost to do so. Existing programs in the adopted CIP Budget include:

1. Fleet Replacement Program – sets aside annual funding to meet the District’s vehicle asset replacement requirements in future years
2. Facilities Asset Replacement Program – sets aside funding to meet the District’s facilities asset replacement requirements in future years (e.g., roof, HVAC, lighting)
3. Local System Replacement and Rehabilitation Program – sets aside funding to replace or repair local system assets
4. Regional Local System Replacement and Rehabilitation Program – sets aside funding to replace or repair regional system assets
5. Water System Replacement and Rehabilitation Program – sets aside funding to replace or repair water system assets

The CIP Budget section of the current policy states that in adopting the CIP Budget, the Board authorizes new projects and programs, and approves total project and program budgets. The current policy authorizes the General Manager to create small unscheduled projects from a program up to a maximum of \$175,000 per project. Projects with original budgets in excess of this amount are approved by the Board. Staff recommends the policy be amended to allow that projects created from a program may include capital assets and not just traditional CIP public works projects, and to add that the District Engineer is responsible for ensuring projects created from programs meet the intention of the program.

Once a specific capital asset has been identified for replacement, a project would be created to accomplish the replacement based on the authority provided in the policy (up to a maximum of \$175,000), provided adequate funding is available in the program. Projects created in this manner, which would use an established administrative process,

would be reported to the Board as a regular and recurring financial report. This process will ensure continued coordination between Operations and Engineering staff to confirm asset management priorities align with the proposed replacement. Creation of a project from a program at the time the asset is needed, as opposed to when it is budgeted, triggers an opportunity to review other capital asset replacement needs to see if the effort can be leveraged or grouped together for efficiency.

Capital Assets – Budget Controls:

Staff also reviewed the language in the policy which addresses capital asset budget controls. The current policy addresses the practices for unbudgeted capital assets and requires that the Board approve a budget adjustment to replace an unbudgeted capital asset if the asset is still “functioning.” This seemed contrary to the concept that while the District’s budget is prepared at the line-item level for internal monitoring purposes, it is impractical and inefficient to control the budget at this level. District Code Chapter 7.40 provides authority for the General Manager to negotiate, execute, and adjust purchase contracts up to a total contract value of \$175,000, yet the policy requires that the Board approve a budget adjustment for anything which meets the definition of a capital asset (i.e., greater than \$20,000). Staff proposes to eliminate this language since the practice seemed to add unnecessary administrative burden to the process to replace assets.

The policy defines the General Manager’s authority for unbudgeted capital assets that have failed and require replacement:

1. *For all “mission critical” items, the General Manager has the authority to spend whatever funds are necessary to rehabilitate or replace the failed item.*
2. *For “non-mission critical” items of \$175,000 or less, the General Manager can approve the expenditure if there are sufficient reserves in the replacement fund.*
3. *For “non-mission critical” items over \$175,000, a budget adjustment must be prepared and approved by the Board prior to purchasing or refurbishing the asset.*

Staff proposes to eliminate this language given the potential subjectivity in determining criticality for failed capital assets, and the lack of clarity with respect to who is responsible for making such determinations. It should be noted that in a declared emergency, as described in the Emergency Response Plan policy, the General Manager will direct and manage all emergency operations and make decisions to allocate resources and expend funds as necessary to meet the needs of the emergency.

Next Steps:

The marked-up policy (Attachment 1) and the proposed policy without the markups (Exhibit A to Resolution) are included for review. In accordance with the District’s practice of reviewing each of its policies on a rotating four-year cycle to ensure that they remain current and that the Board seated at that time continues to concur with that policy, this policy is scheduled for review again in 2027 if the Board adopts a revised policy this year.

Both the Operating Budget and CIP Budget will be reviewed and considered for adoption by the Board in June. If the policy revisions are adopted as proposed, the implication to those documents will be that all discussion of capital asset replacement will occur in the CIP Budget. Staff’s intention is to include a list of requested capital assets in the appropriate program for the Board’s consideration. For example, all vehicle replacement requests will be included as a part of the Fleet Program description, so the Board has an opportunity to review the proposed replacements. Similarly, known pump and/or motor replacements will be included in the Water System Replacement and Rehabilitation Program.



Policy

Policy No.: P400-22-2	Type of Policy: Finance
Policy Title: Budget Accountability	
Policy Description: Operations and Capital Improvement Program Budget Controls	
Approval Date: 8/16/2022 <u>5/16/2023</u>	Last Review Date: 2022 <u>2023</u>
Approval Resolution No.: 44-22	Next Review Date: 2026 <u>2027</u>
Rescinded Resolution No.: 19-1844-22	Rescinded Resolution Date: 3/20/2018 <u>8/16/2022</u>

It is the policy of the Board of Directors of Dublin San Ramon Services District to provide guidelines for the implementation and monitoring of the District's adopted Operating and Capital Budgets as follows:

Operating Budget

There are various "levels of control" within a budget. Although the District's budget is prepared at the line-item level for internal monitoring purposes, it is impractical and inefficient to control the budget at this level.

In adopting the Operating Budget, the Board:

1. Ratifies and approves total operating expenditures at the fund level
2. Approves the maximum number of Full-Time Equivalent and Limited-Term staff positions (FTE's)

Accountability: The General Manager is responsible for ~~e-meeting the budgetary objectives set by the Board~~ ensuring that total fund expenditures do not exceed the total fund budget, except as otherwise permitted by other policy(ies). The General Manager is also authorized to ~~-approve expenditures and transfers in compliance with the Operating Budget's approving resolution, which outlines the budgetary objectives set by the Board.~~

~~— The Board approves the Operating Budget at the total fund level ensuring that it maintains control of rates and fees. In addition, the Board approves the maximum number of Full-Time Equivalent staff positions (FTE's) as well as the number of those FTE's that are limited term positions. Finally, the Board approves budgets for the purchase or replacement of capital assets. A capital asset is defined as a real or personal property that has a unit acquisition cost equal to, or greater than, \$20,000 and an estimated life greater than three years.~~

1. There are various "levels of control" within a budget. Although the District's budget is prepared at the line-item level for internal monitoring purposes, it is impractical and inefficient to control the budget at this level.

Policy No.: ~~P400-22-2~~

Policy Title: Budget Accountability

Monitoring: Financial reports are distributed to the Board and management on a quarterly basis as “Regular and Recurring Reports” to show budget and actual expenses at a level of detail sufficient to monitor accountability.

~~Administrative Adjustments: The General Manager may make ‘no net change’ budget adjustments within the same fund; this ensures that rates will not be affected.~~

~~Reporting: Administrative budget adjustments will be reported to the Board as “Regular and Recurring Reports.”~~

~~CAPITAL ASSETS: The budget contains funding for new capital assets, and for existing assets that are expected to be replaced or refurbished due to wear, age, or obsolescence. The District’s asset management program will typically identify items that are due for replacement or refurbishment.~~

~~***Capital Assets that were not budgeted but need replacement or major refurbishment during the budget cycle:***~~

- ~~1. — Assets that are still functioning but are judged to be in need of replacement or major refurbishment must be addressed by proposing a budget adjustment prior to expending any funds.~~
- ~~2. — Assets that fail and are no longer functioning must be identified as either “mission critical” or “non-mission critical” and then addressed as follows:~~
 - ~~a) For all “mission critical” items, the General Manager has the authority to spend whatever funds are necessary to rehabilitate or replace the failed item.~~
 - ~~b) For “non-mission critical” items of \$175,000 or less, the General Manager can approve the expenditure if there are sufficient reserves in the replacement fund.~~
 - ~~c) For “non-mission critical” items over \$175,000, a budget adjustment must be prepared and approved by the Board prior to purchasing or refurbishing the asset.~~

~~***Budgeted Capital Assets that cost more than the amount approved by the Board:***~~

~~When a budgeted capital item’s cost is determined through the purchasing process to be in excess of the amount approved by the Board, the General Manager may approve the purchase of that item if the adjustment does not exceed \$175,000. If the item exceeds this amount or in total exceeds \$175,000, a budget adjustment is required prior to purchase.~~

~~Reporting: Capital asset purchases or refurbishments approved by the General Manager will be reported to the Board as “Regular and Recurring Reports.”~~

Policy No.: P400-22-2

Policy Title: Budget Accountability

Capital Improvement Program (CIP) Budget

The CIP consists of the Ten-Year Capital Improvement Plan (“Plan”) and the Two-Year Capital Improvement Budget (“Budget”). The Capital Improvement Plan serves to identify, prioritize, and schedule capital projects for the ten-year period, and establish a plan for generating the financial resources needed to complete these capital projects. The first two years of expenditures in the Capital Improvement Plan comprise the District’s Two-Year Capital Improvement Budget.

The CIP includes funding for projects, programs, and capital assets.

Projects: A CIP is defined as an infrastructure project which is: 1) non-recurring in nature; 2) has a minimum cost of \$20,000; 3) results in a new capital asset or extends the useful life of an existing capital asset by at least three years; and 4) requires project management, typically requiring compliance with the California Public Contract Code.

Programs: A CIP program sets aside money to fund projects that are anticipated but do not yet have definitive scope and budget. The amounts set aside are based on asset management replacement models, which include assumptions about the useful life of each asset, identify when assets would need to be repaired or replaced, and an estimated cost to do so.

Capital Asset: A capital asset (also referred to “capital outlay”) is defined as a real or personal property that has a unit acquisition cost equal to, or greater than \$20,000 and an estimated life greater than three years.

By adopting the Capital Improvement Budget, the Board:

1. Authorizes total budgets for individual capital projects and programs
2. Authorizes initiation of project and program expenditures in either fiscal year of the CIP budget
3. Establishes the maximum expenditures for each fund for each fiscal year of the CIP budget
4. Approves funding for the purchase or replacement of capital assets

Accountability: ~~In adopting the CIP Budget, the Board authorizes new projects and programs, and approves total project and program budgets. Project budgets are broken down by phase to assist the project manager in budgeting and managing the project. Expenses are controlled at the project total level. Project Managers are responsible for their assigned projects.~~ The General Manager is responsible for ensuring that the individual project appropriations and total fund appropriations are not exceeded, except as otherwise permitted by other policy(ies). The General Manager is also authorized to approve expenditures and transfers in compliance with the CIP Budget’s approving resolution, which outlines the budgetary objectives set by the Board.

Projects Created from Programs: The General Manager, or designee, is authorized to create a ~~CIP~~ project from a CIP program up to a maximum of \$175,000. Projects with original budgets in excess of this amount are approved by the Board. Projects created from programs may include traditional public works projects or new or replacement capital assets. The District Engineer is responsible for ensuring projects created from programs meet the intention of the program.

Policy No.: P400-22-2

Policy Title: Budget Accountability

Program Budget Adjustments: Any adjustments to a program budget shall be approved by the Board.

Project Budget Adjustments: If an individual project ~~(including a project created from a program)~~ is expected to exceed its total budget, the project manager is responsible for requesting a budget adjustment. The General Manager is authorized to approve budget adjustments of up to \$175,000 per project. If the project was originally funded from a program, program funds shall be used to fund the increase during the two-year budget cycle. Adjustments in excess of the General Manager’s authority are approved by the Board.

Reporting: Financial reports are distributed to the Board and management on a quarterly basis to show budget and actual expenses at a level of detail sufficient to monitor accountability. Any project budget adjustment approved by the General Manager will be reported to the Board as “Regular and Recurring Reports.”

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE BUDGET ACCOUNTABILITY POLICY AND RESCINDING RESOLUTION NO. 44-22

WHEREAS, on June 15, 2004, the Board of Directors adopted a Budget Accountability policy, which was revised on November 1, 2011, June 2, 2015, April 4, 2017, March 20, 2018, and August 16, 2022; and

WHEREAS, the purpose of the policy is to provide guidelines for the implementation and monitoring of the District's adopted Operating and Capital Improvement Program Budgets; and

WHEREAS, the policy addresses authority related to the replacement of capital assets as part of the Operating Budget; and

WHEREAS, staff is recommending the policy be updated to include authority related to the replacement of capital assets as part of the Capital Improvement Program Budget, given capital replacement funds serve as the funding source for capital asset replacement; and

WHEREAS, staff is also recommending the policy provide the authority to create capital asset replacement projects from programs to allow for a coordinated, straightforward process for capital asset replacement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California that the revised Budget Accountability policy, attached as Exhibit "A," is hereby adopted; and Resolution No. 44-22, attached as Exhibit "B," is hereby rescinded.

ADOPTED by the Board of Directors of the Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 16th day of May, 2023, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgean M. Vonheeder-Leopold, President

ATTEST: _____
Nicole Genzale, District Secretary



Policy

Policy No.:	Type of Policy: Finance
Policy Title: Budget Accountability	
Policy Description: Operations and Capital Improvement Program Budget Controls	
Approval Date: 5/16/2023	Last Review Date: 2023
Approval Resolution No.:	Next Review Date: 2027
Rescinded Resolution No.: 44-22	Rescinded Resolution Date: 8/16/2022

It is the policy of the Board of Directors of Dublin San Ramon Services District to provide guidelines for the implementation and monitoring of the District's adopted Operating and Capital Budgets as follows:

Operating Budget

There are various "levels of control" within a budget. Although the District's budget is prepared at the line-item level for internal monitoring purposes, it is impractical and inefficient to control the budget at this level.

In adopting the Operating Budget, the Board:

1. Ratifies and approves total operating expenditures at the fund level
2. Approves the maximum number of Full-Time Equivalent and Limited-Term staff positions (FTE's)

Accountability: The General Manager is responsible for ensuring that total fund expenditures do not exceed the total fund budget, except as otherwise permitted by other policy(ies). The General Manager is also authorized to approve expenditures and transfers in compliance with the Operating Budget's approving resolution, which outlines the budgetary objectives set by the Board.

Monitoring: Financial reports are distributed to the Board and management on a quarterly basis as "Regular and Recurring Reports" to show budget and actual expenses at a level of detail sufficient to monitor accountability.

Policy No.:

Policy Title: Budget Accountability

Capital Improvement Program (CIP) Budget

The CIP consists of the Ten-Year Capital Improvement Plan (“Plan”) and the Two-Year Capital Improvement Budget (“Budget”). The Capital Improvement Plan serves to identify, prioritize, and schedule capital projects for the ten-year period, and establish a plan for generating the financial resources needed to complete these capital projects. The first two years of expenditures in the Capital Improvement Plan comprise the District’s Two-Year Capital Improvement Budget.

The CIP includes funding for projects, programs, and capital assets.

Projects: A CIP is defined as an infrastructure project which is: 1) non-recurring in nature; 2) has a minimum cost of \$20,000; 3) results in a new capital asset or extends the useful life of an existing capital asset by at least three years; and 4) requires project management, typically requiring compliance with the California Public Contract Code.

Programs: A CIP program sets aside money to fund projects that are anticipated but do not yet have definitive scope and budget. The amounts set aside are based on asset management replacement models, which include assumptions about the useful life of each asset, identify when assets would need to be repaired or replaced, and an estimated cost to do so.

Capital Asset: A capital asset (also referred to “capital outlay”) is defined as a real or personal property that has a unit acquisition cost equal to, or greater than \$20,000 and an estimated life greater than three years.

By adopting the Capital Improvement Budget, the Board:

1. Authorizes total budgets for individual capital projects and programs
2. Authorizes initiation of project and program expenditures in either fiscal year of the CIP budget
3. Establishes the maximum expenditures for each fund for each fiscal year of the CIP budget
4. Approves funding for the purchase or replacement of capital assets

Accountability: The General Manager is responsible for ensuring that the individual project appropriations and total fund appropriations are not exceeded, except as otherwise permitted by other policy(ies). The General Manager is also authorized to approve expenditures and transfers in compliance with the CIP Budget’s approving resolution, which outlines the budgetary objectives set by the Board.

Projects Created from Programs: The General Manager, or designee, is authorized to create a project from a CIP program up to a maximum of \$175,000. Projects with original budgets in excess of this amount are approved by the Board. Projects created from programs may include traditional public works projects or new or replacement capital assets. The District Engineer is responsible for ensuring projects created from programs meet the intention of the program.

Policy No.:	Policy Title: Budget Accountability
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Program Budget Adjustments: Any adjustments to a program budget shall be approved by the Board.

Project Budget Adjustments: If an individual project is expected to exceed its total budget, the project manager is responsible for requesting a budget adjustment. The General Manager is authorized to approve budget adjustments of up to \$175,000 per project. If the project was originally funded from a program, program funds shall be used to fund the increase during the two-year budget cycle. Adjustments in excess of the General Manager’s authority are approved by the Board.

Reporting: Financial reports are distributed to the Board and management on a quarterly basis to show budget and actual expenses at a level of detail sufficient to monitor accountability. Any project budget adjustment approved by the General Manager will be reported to the Board as “Regular and Recurring Reports.”

RESOLUTION NO. 44-22

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE BUDGET ACCOUNTABILITY POLICY AND RESCINDING RESOLUTION NO. 19-18

WHEREAS, on June 15, 2004, the Board of Directors adopted a Budget Accountability policy, which was revised on November 1, 2011, June 2, 2015, April 4, 2017, and March 20, 2018; and

WHEREAS, the District’s fixed asset capitalization policy threshold has not been updated for many years; and

WHEREAS, the District intends to set thresholds commensurate to the organization’s infrastructure values and new industry “best practice”; and

WHEREAS, increased capitalization policy limits will reflect more reasonable and less cumbersome fixed asset reporting; and

WHEREAS, increased limits will not compromise our capacity reserve fee study assumptions; and

WHEREAS, staff is recommending increasing the capitalization policy limit to \$20,000 with an estimated life of three years or more to efficiently record infrastructure expenditures.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California that the revised Budget Accountability policy, attached as Exhibit “A,” is hereby adopted; and Resolution No. 19-18, attached as Exhibit “B,” is hereby rescinded.

ADOPTED by the Board of Directors of the Dublin San Ramon Services District, a public agency in the State of California, Counties of Alameda and Contra Costa, at its regular meeting held on the 16th day of August, 2022, and passed by the following vote:

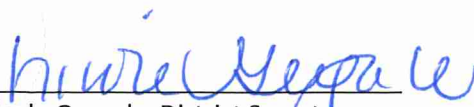
AYES: 5 – Directors Marisol Rubio, Georgan M. Vonheeder-Leopold, Ann Marie Johnson, Arun Goel, Richard M. Halket

NOES: 0

ABSENT: 0



Richard M. Halket, President

ATTEST: 

Nicole Genzale, District Secretary