

Preliminary 2024 Water Rates

DSRSD Board of Directors Meeting

December 19, 2023



**Dublin San Ramon
Services District**

Water, wastewater, recycled water

Background

» Wholesale and Retail rates

» Fixed vs. Variable charges

» **October 17, 2023 Board Direction:**

- As part of the 2024 Water Cost of Service Study, evaluate:
 - Establishing separate fixed and variable Zone 7 wholesale charges
 - Reallocating DSRSD retail fixed and variable revenues to a maximum 30% fixed/70% variable ratio



Rate Scenarios

	Zone 7 Wholesale Rate	DSRSD Retail Rate
1	Status Quo (blended)	Status Quo (20/80)
2	Status Quo (blended)	Reallocated (30/70)
3	Separate Fixed (30%)	Status Quo (20/80)
4	Separate Fixed (30%)	Reallocated (30/70)
5	Separate Fixed (100%)	Status Quo (20/80)
6	Separate Fixed (100%)	Reallocated (30/70)

Residential Consumption Demographics

	Bi-Monthly Consumption (CCF)	Percent of Total Accounts
Low	0-10	24%
Medium	11-25	58%
High	26-30+	17%

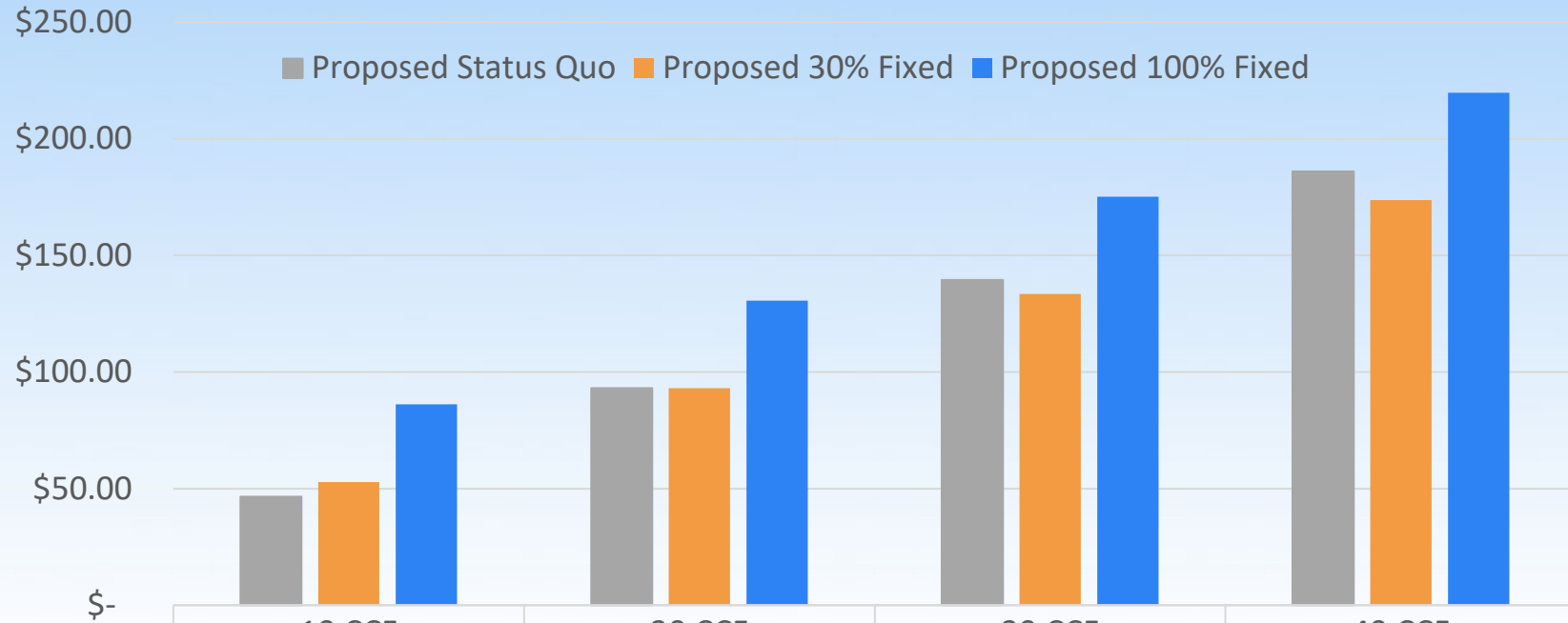


Wholesale Charge – Zone 7

Methodology	Proposed Consumption	Proposed Fixed Bi-Monthly
Status Quo	\$4.65/CCF	n/a
30% Fixed Charge	\$4.03/CCF	\$12.49
100% Fixed Charge	\$2.58/CCF	\$41.62



Wholesale Water Rates: Bi-Monthly Bill Impacts



■ Proposed Status Quo	\$46.50	\$93.00	\$139.50	\$186.00
■ Proposed 30% Fixed	\$52.79	\$93.09	\$133.39	\$173.69
■ Proposed 100% Fixed	\$86.12	\$130.62	\$175.12	\$219.62

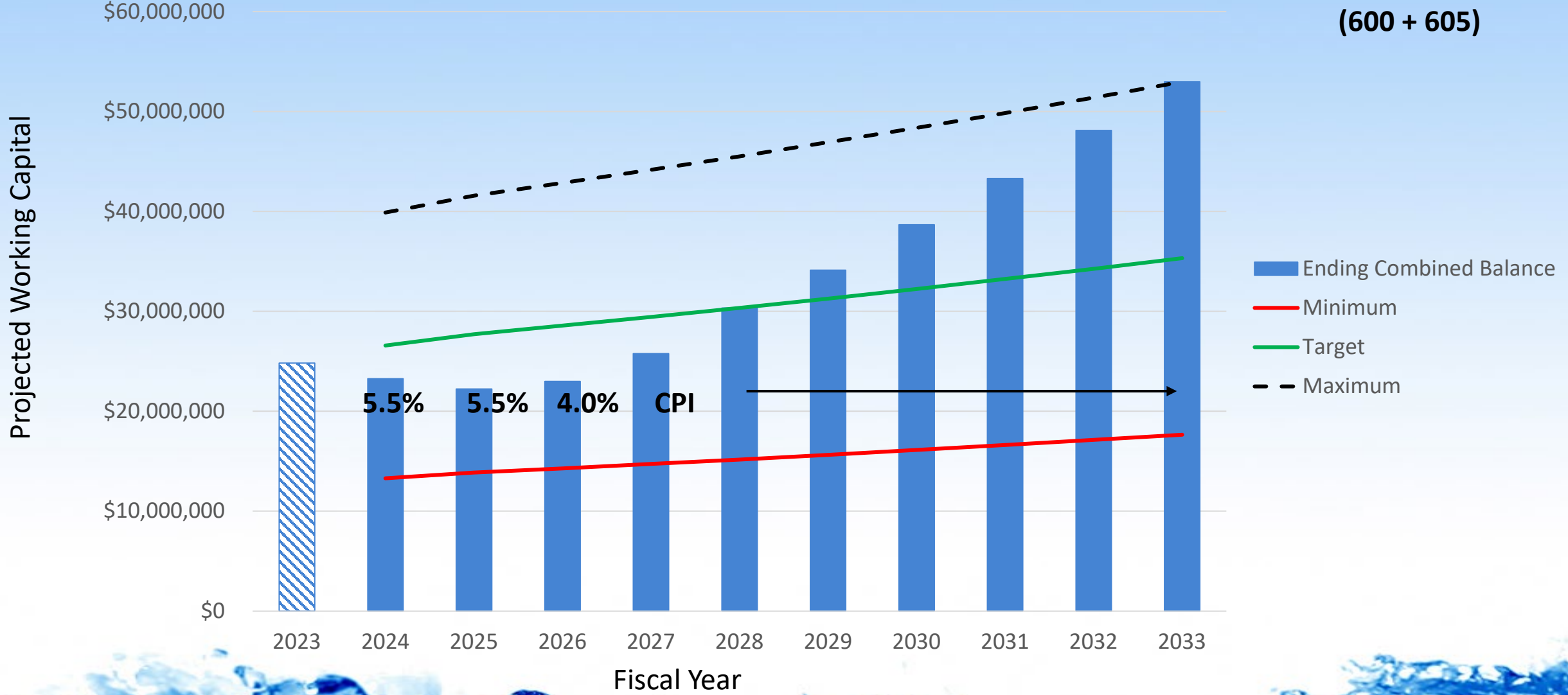


Revenue Requirement

	Fiscal Year 2024	Fiscal Year 2025
Revenue at Present Rates	\$41.3M	\$42.2M
Revenue Requirement	\$45.5M	\$47.9M
Balance/Deficiency	-\$4.2M	-\$5.5M
Adjustment	10%	10%
Use of Reserves	\$3.9M	\$3.3M
Adjustment (Use of Reserves)	5.5%	5.5%



Combined Enterprise & Rate Stabilization Fund (600 + 605)



Retail Rates – Status Quo (20/80 Fixed/Variable)

Meter Size	Current Fixed (Bi-Monthly)	Proposed Fixed (Bi-Monthly)	\$ Change	% Change
5/8"	\$39.37	\$44.61	\$5.24	13%

Rate	Current Consumption (CCF)	Proposed Consumption (CCF)	\$ Change	% Change
Residential/ Commercial	\$1.45	\$1.49	\$0.04	3%



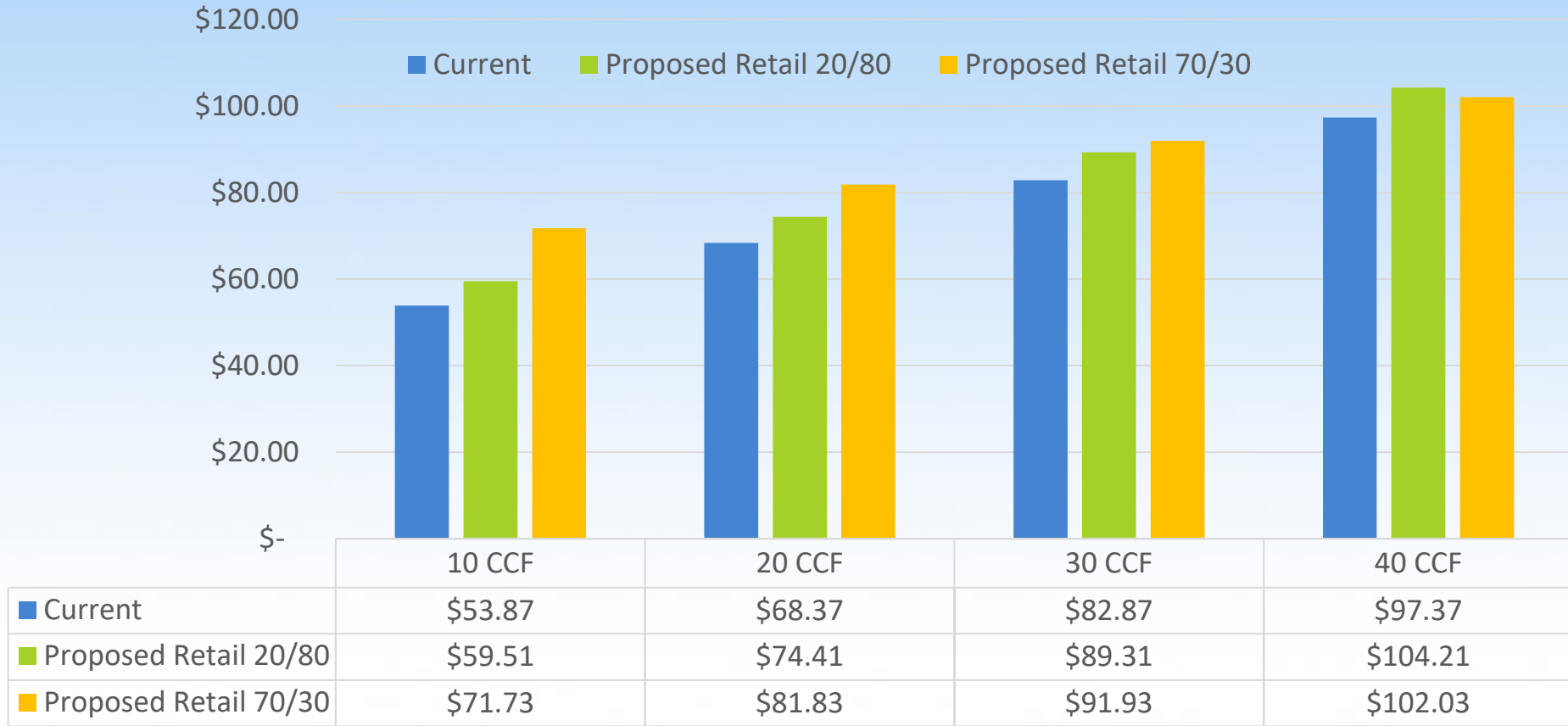
Retail Rates – Status Quo (30/70 Fixed/Variable)

Meter Size	Current Fixed (Bi-Monthly)	Proposed Fixed (Bi-Monthly)	\$ Change	% Change
5/8"	\$39.37	\$61.63	\$22.26	56%

Rate	Current Consumption (CCF)	Proposed Consumption (CCF)	\$ Change	% Change
Residential/ Commercial	\$1.45	\$1.01	-\$0.44	-30%



Retail Water Rates: Bi-Monthly Bill Impacts

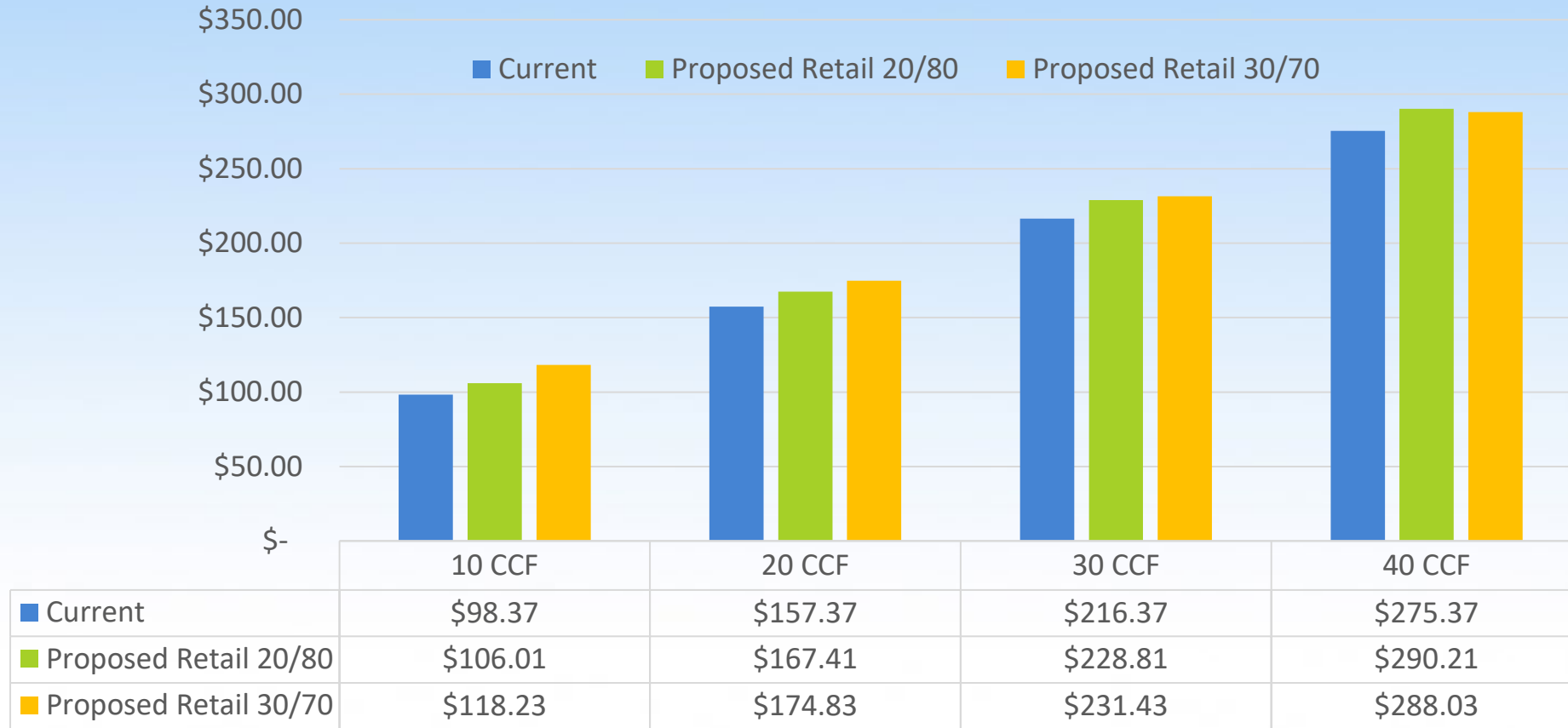


Rate Scenarios

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Total Bi-Monthly Bill Impacts

Zone 7 – “Status Quo”
Scenarios 1 & 2



Total Bi-Monthly Bill Impacts

Zone 7 – 30% Fixed Charge Scenarios 3 & 4



	10 CCF	20 CCF	30 CCF	40 CCF
■ Current	\$98.37	\$157.37	\$216.37	\$275.37
■ Proposed Retail 20/80	\$112.30	\$167.50	\$222.70	\$277.90
■ Proposed Retail 30/70	\$124.52	\$174.92	\$225.32	\$275.72



Total Bi-Monthly Bill Impacts

Zone 7 – 100% Fixed Charge Scenarios 5 & 6



	10 CCF	20 CCF	30 CCF	40 CCF
■ Current	\$98.37	\$157.37	\$216.37	\$275.37
■ Proposed Retail 20/80	\$126.93	\$167.63	\$208.33	\$249.03
■ Proposed Retail 30/70	\$139.15	\$175.05	\$210.95	\$246.85



Staff Recommendation

- » Establish a wholesale fixed charge to collect 30% of the Zone 7 fixed charge
- » Continue collecting 20% from fixed charges and 80% of retail revenue from variable charges



Recommended Rate Structure

	Current	Proposed
Residential/Commercial - Potable	\$1.45/CCF	\$1.49/CCF
Zone 7 Consumption Charge	\$4.45/CCF	\$4.03/CCF
Zone 7 Fixed Charge	n/a	\$12.49 bi-monthly
5/8" Meter Charge	\$39.37 bi-monthly	\$44.60 bi-monthly

Consumption (CCF)	Current	Proposed
10	\$98.37	\$112.30
20	\$157.37	\$167.50
30	\$216.37	\$222.70
40	\$275.37	\$277.90



Power Charge

» Uniform charge per CCF for applicable pressure zones

- Current: \$0.29/CCF
- Proposed: \$0.43/CCF

» Increase in energy costs (PG&E)



Water Shortage Condition Rates

» Reflects Water Shortage Contingency Plan

- Current: 4 stages
- Proposed: 6 stages

» Baseline Usage

- First 5 CCF/month = no change
- Reflects conservation limitations for low users

Stage	Current (Per CCF)	Proposed (Per CCF)
1	\$1.62	\$1.70
2	\$1.83	\$1.99
3	\$2.24	\$2.39
4	\$2.92	\$2.98
5	n/a	\$3.97
6	n/a	\$5.95



Recycled Water Rates

Current	Proposed	\$ Change	% Change
\$4.45/CCF	\$5.30/CCF	\$0.85	19%



Next Steps

» Finalize Cost of Service Study

» January 16, 2024 Board Meeting

- Review Study
- Draft Proposition 218 Notice
- Set Public Hearing

» March 5, 2024 Board Meeting

- Consider adoption of rates

» April 1, 2024

- Rates become effective





Questions?