

Public Hearing 2024 Water Rates

*DSRSD Board of Directors Meeting
April 16, 2024*



**Dublin San Ramon
Services District**

Water, wastewater, recycled water

Outline

» **Proposed rates**

» **Recommended Board action**

- Hold Public Hearing and adopt water rates

» **Next Steps**



Process Recap

» December 19, 2023 Board Direction:

- Establish separate fixed and variable Zone 7 wholesale charges
- Continue retail fixed and variable revenue ratio 20% fixed/80% variable
- Use of Water Rate Stabilization Fund (reserves)

» February 6, 2024 Board Action:

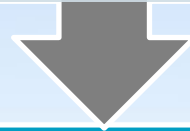
- Set Public Hearing for April 16 and authorized Proposition 218 Notice



Summary of the Rate Study Analysis

Revenue Requirement

Compares the revenue of the utility to the expenses to evaluate the level of overall rates



Cost of Service

Proportionally distributes the revenue requirement between the customer classes of service (rate schedules)



Rate Design

Design rates for each class of service to meet the revenue needs of the utility, cost of service, and rate design goals and objectives



Proposed Revenue Requirement Adjustments

- » Rate adjustments for FY 2024 and FY 2025 are proposed to be increased overall by 5.5 percent annually
- » The remaining three years are proposed to be limited to inflation



Current and Proposed Retail Rates

Consumption Rates (\$/CCF)	Current	Effective 5/1/2024	Effective 1/1/2025
Residential/Commercial	\$1.45	\$1.59	\$1.67
Potable Irrigation	1.86	2.02	2.13
Recycled Water	4.45	5.23	5.51
Power	0.29	0.43	0.45

Bimonthly Charge by Meter Size	Current	Effective 5/1/2024	Effective 1/1/2025
5/8"	\$39.37	\$40.68	\$42.92
3/4"	54.88	59.62	62.90
1"	85.93	97.50	102.87
1-1/2"	163.53	192.21	202.78
2"	256.67	305.85	322.68
3"	683.51	826.73	872.20
4"	1,172.45	1,423.36	1,501.65
6"	2,491.79	3,033.33	3,200.17
8"	4,354.40	5,306.23	5,598.07
10"	6,527.43	7,957.95	8,395.63

Adjustments for 2026, 2027, and 2028 would will be calculated annually based on the August-to-August change in CPI – All Urban Consumers for San Francisco/Oakland/Hayward and take effect January 1 of each year.

Current and Proposed Wholesale Pass Through Rates

Consumption Rates (\$/CCF)	Current	Effective 5/1/2024
Zone 7	\$4.45	\$3.83

Adjustments for 2025, 2026, 2027, and 2028 will be calculated annually based on the actual changes in wholesale rates charged by Zone 7 and take effect January 1 of each year.

Zone 7 Bimonthly Charge by Meter Size	Current	Effective 5/1/2024
5/8"	n/a	\$12.93
3/4"	n/a	19.39
1"	n/a	32.32
1-1/2"	n/a	64.64
2"	n/a	103.42
3"	n/a	281.17
4"	n/a	484.78
6"	n/a	1,034.19
8"	n/a	1,809.84
10"	n/a	2,714.76



Water Shortage Condition Rates

Stage	Water Reduction Goal		Current (Per CCF)	Proposed (Per CCF)
	Current	Revised		
1	10%	10%	\$1.62	\$1.81
2	20%	20%	\$1.83	\$2.11
3	35%	30%	\$2.24	\$2.54
4	50%	40%	\$2.92	\$3.17
5	n/a	50%	n/a	\$4.22
6	n/a	>50%	n/a	\$6.33

- » Effective in a declared water shortage emergency **ONLY**
- » **Aligns to Water Shortage Contingency Plan**
 - Current: 4 stages
 - Proposed: 6 stages
- » **Baseline Usage – Residential/Commercial**
 - First 5 CCF/billing period = no change
 - Certain water uses are essential
 - Recognizes conservation limitations





California Aqueduct

Dougherty Valley Incremental State Water Project Charge

» **Zone 7 recovers SWP costs through:**

- Wholesale water charges
- Property taxes

Alameda County
(Dublin)

- Ad valorem

Contra Costa County
(Dougherty Valley)

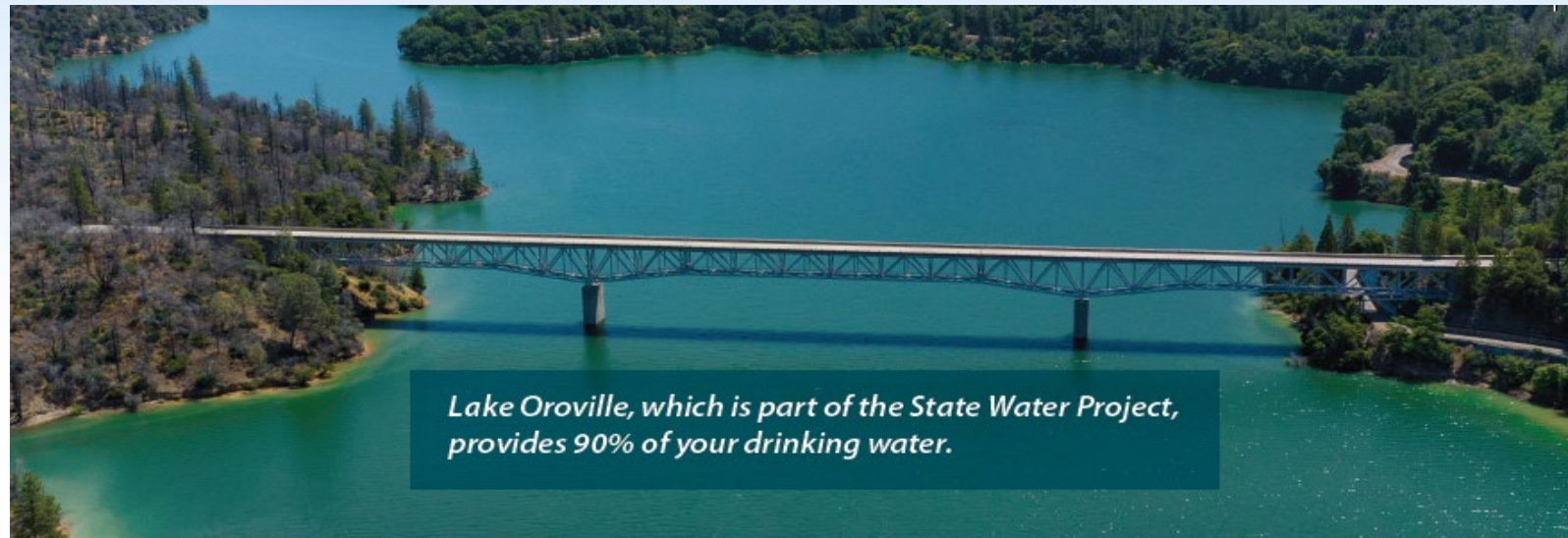
- Standby District Charge
- SWP Incremental Charge



Dougherty Valley Incremental State Water Project Charge

Bimonthly, \$/dwelling unit equivalent

Current	Proposed (7/1/24)
\$19.51	\$21.61



Lake Oroville, which is part of the State Water Project, provides 90% of your drinking water.



Next Steps

- » **Staff recommends the Board of Directors hold a Public Hearing and adopt the proposed water rates by resolution**
- » **Retail & Zone 7 wholesale pass through rates become effective May 1, 2024**
 - Annual adjustments on January 1 of subsequent years (2025-2028)
- » **Dougherty Valley Incremental SWP Charge becomes effective July 1, 2024**
 - Annual adjustments on July 1 of subsequent years (2025-2028)





Questions?

**SUMMARY OF COMMENTS MADE IN PROTEST LETTERS RELATED TO
April 16, 2024 WATER RATE PROPOSAL**

No.	Date Received	Apparent Protest?	Summary of Comments Made
RECEIVED BEFORE AGENDA PREPARATION DEADLINE (SUMMARIZED IN STAFF REPORT FOR WATER RATES)			
1	February 28, 2024	Yes	<ul style="list-style-type: none"> • Raising rates by 5.5% in 2024 and 2025, followed by 3% annual increases in unacceptable. • Economic hardship due to pandemic and inflation make it so increases to water service are an undue burden. • Reconsider your proposal and explore alternatives to balance the budget without placing the burden on ratepayers. • Potential options include internal cost cutting measures, scaling back on non-essential capital projects, and temporary use of reserves.
2	April 5, 2024	Yes	<ul style="list-style-type: none"> • Strongly opposed to proposed water rate changes because they could burden residents in the current economic situation.
RECEIVED AFTER AGENDA PREPARATION DEADLINE (NOT SUMMARIZED IN STAFF REPORT FOR WATER RATES)			
3	April 15, 2024	Yes	<ul style="list-style-type: none"> • The proposed increase is higher than inflation. • DSRSD is not looking at cost containment and should avoid unneeded bureaucracy.