

AGENDA

NOTICE OF REGULAR MEETING

TIME: 6 p.m.

DATE: Tuesday, July 16, 2024

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
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
 - 4.A. New Employee Introductions
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 District 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. 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 June 18, 2024
Recommended Action: Approve by Motion
 - 7.B. Approve Amendment to the Capital Improvement Program (CIP) Ten-Year Plan and Two-Year Budget for Fiscal Years 2024 and 2025 to Advance the Wastewater Treatment and Biosolids Facilities Master Plan Update (CIP 25-P001, Formerly CIP T20-14) to Fiscal Year 2025 and Increase Fund Limits
Recommended Action: Approve by Resolution

Board of Directors

Division 1 ♦ Dinesh Govindarao | Division 2 ♦ Ann Marie Johnson | Division 3 ♦ Richard Halket
Division 4 ♦ Georgean Vonheeder-Leopold | Division 5 ♦ Arun Goel

- 7.C. Adopt New Capital Assets Policy
Recommended Action: Adopt Policy by Resolution
- 7.D. Adopt Revised Budget Accountability Policy and Rescind Resolution No. 15-23
Recommended Action: Adopt Policy by Resolution
- 8. BOARD BUSINESS
 - 8.A. Adopt Revised Rate Policies and Guidelines Policy and Rescind Resolution 35-16
Recommended Action: Adopt Policy by Resolution
 - 8.B. Approve Mid-Cycle Operating Budget Adjustments for Fiscal Years Ending 2024 and 2025
Recommended Action: Approve by Resolution
- 9. REPORTS
 - 9.A. Boardmember Items
 - 9.A.1. Joint Powers Authority and Committee Reports
DERWA Special Board Meeting of July 1, 2024
 - 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
- 10. CLOSED SESSION
 - 10.A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957
Title: General Manager
 - 10.B. Conference with Legal Counsel – Consideration of Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4): One Case
- 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**

Tuesday, June 18, 2024

1. CALL TO ORDER

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

2. PLEDGE TO THE FLAG

3. ROLL CALL

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

District staff present: Jan Lee, General Manager/Treasurer; Dan Gill, Operations Director; Michelle Gallardo, Special Assistant to the General Manager/Interim Administrative Services Director; Douglas E. Coty, General Counsel; and Vivian Chiu, Management Analyst II/Acting District Secretary.

4. SPECIAL ANNOUNCEMENTS/ACTIVITIES – None

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

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

7. CONSENT CALENDAR

Director Govindarao MOVED for approval of the items on the Consent Calendar. Director Vonheeder-Leopold SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSTENTION (Goel).

7.A. Approve Regular Meeting Minutes of June 4, 2024 – Approved

7.B. Authorize the General Manager to Execute Contracts with Hasa Inc. for the Supply and Delivery of Sodium Hypochlorite, Chemtrade Chemicals US LLC for the Supply and Delivery of Aluminum Sulfate, and Kemira Water Solutions Inc. for the Supply and Delivery of Ferrous Chloride for Fiscal Year Ending 2025 – Approved

7.C. Approve Amendment to the Capital Improvement Program Ten-Year Plan and Two-Year Budget for Fiscal Years 2024 and 2025 to Add the Cross Valley Trail Sewer Main Rehabilitation Project (CIP 24-S053), and Award Construction Agreement for the Project to WestRock Engineering – Approved – Resolution No. 20-24

8. BOARD BUSINESS

- 8.A. Public Hearing: Approve the Annual Wastewater Service Charges Levy Report and Direct the Levy and Collection of Wastewater Service Charges on the 2024–2025 Alameda County and Contra Costa County Secured Property Tax Rolls

President Johnson announced the item and declared the Public Hearing open. She asked for the staff presentation. Special Assistant to the General Manager/Interim Administrative Services Director Gallardo introduced Finance Supervisor Alberto Hernandez, who reviewed the item for the Board and provided a revised Summary of Comments and Protests (handed out to the Board and posted to the website as supplemental materials).

President Johnson inquired if there were any comments from the public. There was no public comment received. President Johnson declared the Public Hearing closed.

The Board and staff discussed the majority protest procedures under the Health and Safety Code.

Director Halket MOVED to adopt Resolution No. 21-24, Approving the Annual Wastewater Service Charges Levy Report and Directing the Levy and Collection of Wastewater Service Charges on the Alameda County and Contra Costa County Secured Property Tax Rolls for 2024–2025. Vice President Goel SECONDED the MOTION, which CARRIED with FIVE AYES.

- 8.B. Accept Regular and Recurring Report: Quarterly Financial Report

General Manager Lee introduced Finance Team members in attendance, Consulting Administrative Services Director Ken Spray and Financial Analyst Thinh Lucero, and reviewed the item for the Board. She remarked that this report for the third quarter of fiscal year ending 2024 is the first report generated from Tyler Munis, the District's new enterprise resource planning (ERP) system, and only includes the operating funds. The report will likely evolve and be refined over time until the system conversion is complete. The next report, to be presented to the Board in September for the fourth quarter, will include the capital funds.

Vice President Goel recognized implementing a new ERP system is a big undertaking and congratulated staff on the progress made. The Board and staff discussed various aspects of the report, including adding back the year completed as a percentage on the report for benchmarking and confirming the level of confidence in the data quality. Ms. Lee commended the Finance Team for their tireless work in verifying the data and Senior Information Technology Analyst Jonathan Penaflo, who was in the audience, for his efforts as the project manager of the system conversion project. She noted trend analysis will improve when there is more data in the new ERP system and mentioned a budget adjustment item is forthcoming.

Vice President Goel MOVED to Accept the Quarterly Financial Report for the Third Quarter of Fiscal Year Ending 2024. Director Govindarao SECONDED the MOTION, which CARRIED with FIVE AYES.

8.C. Discuss Proposed New Capital Assets Policy

Consulting Administrative Services Director Spray reviewed the item for the Board. He explained that recently issued accounting standards classify leases and subscription-based information technology arrangements as capital assets, necessitating a new District policy to define capital assets, depreciation, and amortization.

The Board and staff discussed the types of contracts that would fall under the new definitions. Staff will bring the new Capital Assets policy and a revised Budget Accountability policy to the Board for consideration.

9. REPORTS

9.A. Boardmember Items

9.A.1. Joint Powers Authority and Committee Reports

DSRSD/Central Contra Costa Sanitary District Liaison Committee Meeting of June 11, 2024

President Johnson invited comments on recent Committee activities. Directors felt the available staff reports adequately covered the many matters considered at the Committee meeting and made a few comments about some of the Committee activities.

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

Director Vonheeder-Leopold submitted a written report to Management Analyst II/Acting District Secretary Chiu. She reported that she attended the virtual Alameda County Special Districts Association Executive Committee meeting on June 12. She summarized the activities and discussions at the meeting.

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

9.B. Staff Reports

General Manager Lee reported on the following:

- The Board can still sign up for Central San's Flip the Switch ceremony for its solar array project on Thursday, June 20.
- The third and last session of the Citizens Water Academy will be held on Thursday, June 20, with Vice President Goel as a speaker.
- A special DERWA Board meeting will be held on Monday, July 1, at 6 p.m.
- The July 2 Board meeting is cancelled.

General Counsel Coty reported the California Supreme Court will be issuing a decision this Thursday, June 20, as to whether Secretary of State Initiative No. 1935, the Taxpayer Protection and Government Accountability Act, will stay on or be pulled from

the November 5, 2024, general election ballot. The Board requested that staff keep the Board apprised.

10. ADJOURNMENT

President Johnson adjourned the meeting at 6:28 p.m.

Submitted by,

Vivian Chiu, MMC
Management Analyst II/Acting District Secretary

FOR: Nicole Genzale, CMC
Executive Services Supervisor/District Secretary



TITLE: Approve Amendment to the Capital Improvement Program (CIP) Ten-Year Plan and Two-Year Budget for Fiscal Years 2024 and 2025 to Advance the Wastewater Treatment and Biosolids Facilities Master Plan Update (CIP 25-P001, Formerly CIP T20-14) to Fiscal Year 2025 and Increase Fund Limits

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Resolution, an amendment to the Capital Improvement Program (CIP) Ten-Year Plan and Two-Year Budget for Fiscal Years 2024 and 2025 to:

1. Advance the WWTP/Biosolids Master Plan Update (CIP T20-14) to fiscal year 2025 and retitle it to the Wastewater Treatment and Biosolids Facilities Master Plan Update (CIP 25-P001).
2. Increase the Regional Wastewater Replacement (Fund 310) and Regional Wastewater Expansion (Fund 320) fund limits for fiscal year 2025.

SUMMARY:

The District’s Local and Regional Wastewater Capacity Reserve Fee Study is scheduled to be updated in 2025. The financial analyses for the study will be informed, in part, by the information contained in the Wastewater Treatment and Biosolids Facilities Master Plan. The Capital Improvement Program Ten-Year Plan for Fiscal Years 2024 through 2033 (Ten-Year CIP Plan) includes an update to the 2017 Wastewater Treatment and Biosolids Facilities Master Plan, with funding programmed in fiscal year 2026. To facilitate the update to the Local and Regional Wastewater Capacity Reserve Fee Study, staff recommends advancing the update to the Wastewater Treatment and Biosolids Facilities Master Plan from the Ten-Year CIP Plan to the Capital Improvement Program Two-Year Budget for Fiscal Years 2024 and 2025 (Two-Year CIP Budget).

DISCUSSION:

Wastewater capacity reserve fees ensure that new customers pay their fair share of the costs associated with providing wastewater treatment and collection system capacity. In November 2018, the District completed a Local and Regional Wastewater Capacity Reserve Fee Study to calculate the capacity reserve fees that new customers must pay to connect to the District’s wastewater treatment (Regional) and collection (Local) systems. Staff plans to update the Local and Regional Wastewater Capacity Reserve Fee Study in 2025.

Capacity reserve studies are typically performed concurrently with or directly after the completion of master facility plans. A master plan is a strategic document that provides a comprehensive overview of the functions and capacities of a particular system and recommends capital improvements over a long-term planning horizon, typically 10 to 20 years. For the Local and Regional Wastewater Capacity Reserve Fee Study, information from the Wastewater Collection System Master Plan and the Wastewater Treatment and Biosolids Facilities Master Plan will inform the financial analyses of the next capacity reserve fee study.

The District’s Wastewater Collection System Master Plan and Wastewater Treatment and Biosolids Facilities Master Plan were both completed in 2017. Staff anticipates updating the two master plans in parallel with the 2025 Local and Regional Wastewater Capacity Reserve Fee Study. The Two-Year CIP Budget includes \$450,000 in funding to update the Wastewater Collection Systems Master Plan. However, funding for the Wastewater Treatment and Biosolids Facilities Master Plan is not included in the Two-Year CIP Budget.

Originating Department: Engineering and Technical Services	Contact: E. Schnupp/S. Delight	Legal Review: Not Required
Financial Review: Not Required	Cost and Funding Source: \$855,000 with 85% from Regional Wastewater Expansion (Fund 320) and 15% from Regional Wastewater Replacement (Fund 310)	
Attachments: <input type="checkbox"/> None <input type="checkbox"/> Ordinance <input type="checkbox"/> Other (see list on right)	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Task Order <input type="checkbox"/> Proclamation	7 of 42

The update to the Wastewater Treatment and Biosolids Facilities Master Plan is included in the Ten-Year CIP Plan as the WWTP/Biosolids Master Plan Update (CIP T20-14). This project will update the wastewater treatment facility plans and costs based on: (1) current and future projected wastewater flows and loading data, (2) new effluent nutrient limits proposed in the third San Francisco Bay Nutrients Watershed Permit anticipated for adoption in July 2024, and (3) relevant changes in biosolids regulations and technology. To facilitate the update to the Local and Regional Wastewater Capacity Reserve Fee Study, staff recommends advancing the WWTP/Biosolids Master Plan Update (CIP T20-14) from the Ten-Year CIP Plan to the current Two-Year CIP Budget and retitling the project to the Wastewater Treatment and Biosolids Facilities Master Plan Update (CIP 25-P001).

The Wastewater Treatment and Biosolids Facilities Master Plan Update budget is \$855,000 and is funded 85% by Regional Wastewater Expansion (Fund 320) and 15% by Regional Wastewater Replacement (Fund 310). In addition to advancing and retitling the project, staff requests that the Board approve an adjustment to the Regional Wastewater Replacement (Fund 310) and Regional Wastewater Expansion (Fund 320) budget for fiscal year 2025 by \$128,250 and \$726,750, respectively. The revised capital fund limits are shown below.

Fund	Adopted FY25	Proposed Adjustment FY25	Revised Fund Limit FY25
Regional Expansion (Fund 320)	\$1,343,000	\$726,750	\$2,069,750
Regional Replacement (Fund 310)	\$15,298,190	\$128,250	\$15,426,440

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AN AMENDMENT TO THE CAPITAL IMPROVEMENT PROGRAM TEN-YEAR PLAN FOR FISCAL YEARS 2024 THROUGH 2033 AND THE TWO-YEAR BUDGET FOR FISCAL YEARS 2024 AND 2025 TO ADVANCE THE WWTP/BIOSOLIDS MASTER PLAN UPDATE (CIP T20-14) TO FISCAL YEAR 2025, RETITLE THE WWTP/BIOSOLIDS MASTER PLAN UPDATE (CIP T20-14) TO THE WASTEWATER TREATMENT AND BIOSOLIDS FACILITIES MASTER PLAN UPDATE (CIP 25-P001), AND INCREASE THE REGIONAL WASTEWATER REPLACEMENT (FUND 310) AND REGIONAL WASTEWATER EXPANSION (FUND 320) FUND LIMITS FOR FISCAL YEAR 2025

WHEREAS, the Board of Directors approved the District’s Capital Improvement Program (“CIP”) Ten-Year Plan for Fiscal Years 2024 through 2033 (“CIP Plan”) by Resolution No. 26-23 on June 20, 2023, to serve as a budgetary planning document providing direction and guidance, in accordance with District policies, for the replacement and improvement of existing District facilities and the construction of new facilities; and

WHEREAS, the Board of Directors adopted the current CIP Two-Year Budget for Fiscal Years 2024 and 2025 (“CIP Budget”) by Resolution No. 26-23 on June 20, 2023, to authorize fund limits for fiscal years 2024 and 2025 to meet the District’s capital infrastructure needs; and

WHEREAS, the CIP Plan includes the WWTP/Biosolids Master Plan Update (CIP T20-14) with funding programmed for fiscal year 2024; and

WHEREAS, staff recommends advancing the WWTP/Biosolids Master Plan Update (CIP T20-14) from the CIP Plan to the CIP Budget to facilitate the update to the Local and Regional Wastewater Capacity Reserve Fee Study scheduled for 2025; and

WHEREAS, staff recommends increasing the Regional Wastewater Expansion (Fund 320) and Regional Wastewater Replacement (Fund 310) fund limits by \$855,000 in fiscal year 2025.

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, as follows:

1. The WWTP/Biosolids Master Plan Update (CIP T20-14), retitled to the Wastewater Treatment and Biosolids Facilities Master Plan Update (CIP 25- P001), is hereby advanced from the CIP Ten-Year Plan for Fiscal Years 2024 through 2033 and incorporated into the CIP Two-Year Budget for Fiscal Years 2024 and 2025, in accordance with the project description sheet attached as Exhibit “A.”
2. The fiscal year 2025 fund limit for the Regional Wastewater Expansion (Fund 320) is hereby increased by \$726,750, a change from \$1,343,000 to \$2,069,750, and incorporated into the CIP Two-Year Budget for Fiscal Years 2024 and 2025.

Res. No. _____

3. The fiscal year 2025 fund limit for the Regional Wastewater Replacement (Fund 310) is hereby increased by \$128,250, a change from \$15,298,190 to \$15,426,440, and incorporated into the CIP Two-Year Budget for Fiscal Years 2024 and 2025.

ADOPTED by the Board of Directors of 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 July, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

Ann Marie Johnson, President

ATTEST: _____
Nicole Genzale, District Secretary

DSRSD CIP 10-Year Plan for FYEs 2024 through 2033

CATEGORY: REGIONAL WASTEWATER TREATMENT

Regional Wastewater Expansion (Fund 320)

CIP No. 25-P001 Wastewater Treatment and Biosolids Facilities Master Plan Update

Funding Allocation: 85% 320 15% 310

Project Manager: Roger Chu

Status: New Project

Project Summary:

The Wastewater Treatment Plant (WWTP) and Biosolids Facility Master Plan was completed in 2017. The master plan recommended future facilities based on flow projections and potential regulatory scenarios. This project will update the facility plans and costs based on 1) recent WWTP flow and loading data, 2) the effluent nutrient limits proposed for the third San Francisco Bay Nutrients Watershed Permit anticipated for adoption July 2024, and 3) relevant changes in biosolids regulations and technology.

Anticipated CEQA: Categorical Exemption [CEQA Guideline 15262 Feasibility and Planning].

Reference: WWTP and Biosolids Facility Master Plan 2017.

Fund Allocation Basis: Fund split based on ADWF that initiates project vs. buildout flowrate.

10-Year Cash Flow and Estimated Project Cost:

Prior	FYE 24	FYE 25	FYE 26	FYE 27	FYE 28	FYE 29	FYE 30	FYE 31	FYE 32	FYE 33	Future
0	0	855,000	0	0	0	0	0	0	0	0	0

Total Estimated Project Cost \$855,000

Current Adopted Budget \$0

Increase/(Decrease) \$855,000

TITLE: Adopt New Capital Assets Policy

RECOMMENDATION:

Staff recommends the Board of Directors adopt, by Resolution, the new Capital Assets policy.

DISCUSSION:

At the regular meeting of the Board of Directors on June 18, 2024, staff discussed the proposed new Capital Assets policy (Exhibit A to the resolution), which describes the accounting treatment for capital assets.

Capital assets being depreciated historically consisted of long-lived tangible assets that are capitalized and depreciated over their useful lives that can span from three (3) to fifty (50) years. Depreciable capital asset classifications for the District consist of land improvements, buildings, equipment, and sub-surface lines. The Governmental Accounting Standards Board (GASB) recently issued two new standards, Statement No. 87 for Leases and Statement No. 96 for Subscription-Based Information Technology Arrangements (SBITAs) that are effective for fiscal years beginning 2020–21 and 2022–23, respectively. The Statements classify leases and SBITAs as capital assets. Statement No. 87 defines leases as a contract that conveys control of the right to use another entity’s nonfinancial assets for a specified period of time for District lessee contracts, and Statement No. 96 defines SBITAs as noncancellable right to use IT assets.

As required by the Statements, the present value of the contractual lease or SBITA payments become the cost basis of the capital assets that are reflected on the balance sheet, and in the notes to the financial statements, and these capital assets are amortized over the life of the lease or SBITA contract. Lease or SBITA contracts less than one (1) year should not be capitalized, but rather treated as an operating expense. Lease and SBITA assets and their accumulated amortization are carried on the balance sheet and in the capital assets note to the financial statements. The capital assets note previously contained only depreciable long-lived assets and did not contain amortizable assets. With these new GASB requirements, it became necessary to develop a new policy to account for the change in capital assets and to define capital assets, depreciation, and amortization.

The new policy would direct staff to refer to the standards for Statement Nos. 87 and 96 when applying accounting treatment to lease and SBITA contracts. The new policy would also incorporate the definition of capital assets as “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,” which is currently included in the Budget Accountability policy (P400-23-2). A revision to the Budget Accountability policy to address this change is being considered as a separate item on this evening’s agenda.

The District’s current practice is to review each of its policies at least once every four years. If adopted, the Capital Assets policy would be scheduled for review again in 2028.

Originating Department: Administrative Services	Contact: K. Spray/M.Gallardo	Legal Review: Not Required
Financial Review: Not Required	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 type="checkbox"/> Other (see list on right)	12 of 42	

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ADOPTING THE NEW CAPITAL ASSETS POLICY

WHEREAS, the Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting standards for U.S. state and local governments that follow generally accepted accounting principles (GAAP); and

WHEREAS, the GASB recently issued two new standards that classify certain leases and subscription-based information technology arrangements (SBITAs) as capital assets for amortization over the life of contractual arrangement to enhance comparability, reliability, and consistency of financial statements; and

WHEREAS, Statement No. 87, Leases, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset; and

WHEREAS, Statement No. 96, SBITAs, establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; and

WHEREAS, staff recommends that a new Capital Assets policy be adopted to account for the change in capital assets and to define capital assets, depreciation, and amortization.

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 new Capital Assets policy, attached as Exhibit “A,” is hereby adopted.

ADOPTED by the Board of Directors of 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 July, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

Ann Marie Johnson, President

ATTEST: _____
Nicole Genzale, District Secretary



Policy

Policy No.:	Type of Policy: Finance
Policy Title: Capital Assets	
Policy Description: Defines capital assets, depreciation, and amortization for regular audits of the District's accounts and financial records	
Approval Date: 7/16/2024	Last Review Date: 2024
Approval Resolution No.:	Next Review Date: 2028
Rescinded Resolution No.: N/A	Rescinded Resolution Date: N/A

The purpose of this policy of the Board of Directors of Dublin San Ramon Services District is to define capital assets, depreciation, and amortization as they relate to DSRSD in accordance with Generally Accepted Accounting Principles for purposes of audits of special districts, pursuant to California Government Code Section 26909 as required by California Government Code Section 61118, part of the Community Services District Law.

There are two types of capital assets:

1. Depreciable Water and Wastewater Facilities and Equipment

Depreciable water and wastewater facilities capital assets include real or personal property, purchased new, with a unit acquisition cost equal to or greater than \$20,000, and an estimated life greater than three years. Common examples of plant and facilities assets include land improvements, buildings, equipment, and subsurface pipelines. Depreciation of an asset begins when the capital asset is placed in service and is provided over its useful life on a straight-line basis. Depreciable asset lives are generally as follows:

Land improvements	15–25 years
Buildings	10–50 years
Equipment	3–25 years
Sub-surface lines	25–50 years

2. Amortizable Right of Use and Subscription-Based IT Arrangements (SBITAs)

Right-of-use assets include leases as lessee, such as cellular lease agreements. SBITA assets include the use of software and IT-related equipment for the specified term of a contract. District lessor contracts are not capital assets but rather are income producing arrangements. Right-of-use assets and SBITA assets are recorded at the present value of the payment stream based upon terms of the contract, with amortization of these assets provided over the life of the asset when greater than one year. There may be certain special situations with accounting for right-of-use assets and SBITA assets such as for modifications, terminations, and others. The District shall follow Governmental Accounting Standards Board Statement No. 87 for leases and Statement No. 96 for SBITAs for special situations in connection with contract terms.



TITLE: Adopt Revised Budget Accountability Policy and Rescind Resolution No. 15-23

RECOMMENDATION:

Staff recommends the Board of Directors adopt, by Resolution, the revised Budget Accountability policy and rescind Resolution No. 15-23.

DISCUSSION:

The purpose of the Budget Accountability policy (P400-23-2) is to provide guidelines for the implementation and monitoring of the District’s adopted Operating and Capital Improvement Program (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 budget monitoring, budget adjustment authority, and reporting requirements. The policy was last reviewed in 2023 in parallel with the preparation of the Operating Budget and Two-Year CIP Budget for fiscal years ending 2024 and 2025 and revised to move the capital assets budget from the Operating Budget to the CIP Budget.

On June 18, 2024, the Board and staff discussed a proposed new Capital Assets policy, which defines and describes the accounting treatment of capital assets. The new Capital Assets policy is being presented for adoption as a separate agenda item. Staff is proposing a minor revision to the Budget Accountability policy to reference the new Capital Assets policy for the definition of capital assets and to make several non-substantive edits.

The District’s current practice is to review each of its policies at least once every four years. If adopted, the Budget Accountability policy would be scheduled for review in 2028.

Originating Department: Office of the General Manager	Contact: V. Chiu/J. Lee	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	
		15 of 42



Policy No.: P400-23-2	Type of Policy: Finance
Policy Title: Budget Accountability	
Policy Description: <u>Establishes controls and monitoring for</u> Operations and Capital Improvement Program Budget Controls	
Approval Date: 5/16/2023 <u>7/16/2024</u>	Last Review Date: 2023 <u>2024</u>
Approval Resolution No.: 15-23	Next Review Date: 2027 <u>2028</u>
Rescinded Resolution No.: 44-22 <u>15-23</u>	Rescinded Resolution Date: 8/16/2022 <u>5/16/2023</u>

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

Operating Budget

The Operating Budget determines funding for the operations of the District's three enterprises. 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 (FTE) and Limited-Term staff positions

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.: ~~P400-23-2~~

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, and programs, ~~and capital assets~~.

Projects: A CIP project is defined as an infrastructure project which: (1) is non-recurring in nature; (2) has a minimum cost of \$20,000; (3) results in a new capital asset (as defined in the District’s Capital Assets policy) 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 Assets:** 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 Program 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.

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

Policy No.: P400-23-2	Policy Title: Budget Accountability
---	--

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.

Monitoring: 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. 15-23

WHEREAS, on June 15, 2004, the Board of Directors adopted a Budget Accountability policy, which was last revised by Resolution No. 15-23 on May 16, 2023; and

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

WHEREAS, the Budget Accountability policy defines capital assets as 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; and

WHEREAS, the Board adopted a Capital Assets policy on July 16, 2024, which defines and describes the accounting treatment of capital assets; and

WHEREAS, staff recommends that the Budget Accountability policy be revised to reference the Capital Assets policy for the definition of capital assets.

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. 15-23, 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 July, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

Ann Marie Johnson, President

ATTEST: _____
Nicole Genzale, District Secretary



Policy

Policy No.:	Type of Policy: Finance
Policy Title: Budget Accountability	
Policy Description: Establishes controls and monitoring for Operations and Capital Improvement Program Budgets	
Approval Date: 7/16/2024	Last Review Date: 2024
Approval Resolution No.:	Next Review Date: 2028
Rescinded Resolution No.: 15-23	Rescinded Resolution Date: 5/16/2023

The purpose of this policy of the Board of Directors of Dublin San Ramon Services District is to provide guidelines for the implementation and monitoring of the District’s adopted Operating and Capital Improvement Program Budgets.

Operating Budget

The Operating Budget determines funding for the operations of the District’s three enterprises. 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 (FTE) and Limited-Term staff positions

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 and programs.

Projects: A CIP project is defined as an infrastructure project which: (1) is non-recurring in nature; (2) has a minimum cost of \$20,000; (3) results in a new capital asset (as defined in the District’s Capital Assets policy) 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.

By adopting the Capital Improvement Program 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

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.

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.

Policy No.:

Policy Title: Budget Accountability

Monitoring: 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. 15-23

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.

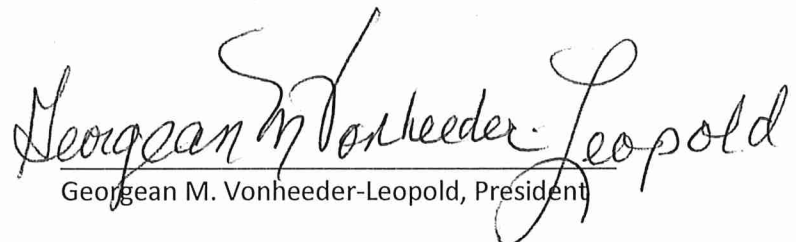
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the Counties of Alameda and Contra Costa, California that the revised Budget Accountability policy, attached as Exhibit “A,” is hereby adopted; and Resolution No. 44-22, attached 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: 5 – Directors Dinesh Govindarao, Arun Goel, Richard M. Halket, Ann Marie Johnson, Georgan M. Vonheeder-Leopold

NOES: 0

ABSENT: 0


Georgan M. Vonheeder-Leopold, President

ATTEST: 
Nicole Genzale, District Secretary



TITLE: Adopt Revised Rate Policies and Guidelines Policy and Rescind Resolution 35-16

RECOMMENDATION:

Staff recommends the Board of Directors adopt, by Resolution, the revised Rate Policies and Guidelines policy and rescind Resolution 35-16.

SUMMARY:

District policies are generally reviewed on a rotating four-year cycle to ensure that they remain current and that the Board seated at the time concurs with that policy. The Rate Policies and Guidelines policy (P400-16-1) (“Policy”) was originally adopted on November 7, 2006, and last reviewed by the Board of Directors in 2016. The purpose of the Policy is to provide guidance and consistency in decision-making for developing and adopting rates, with the goal of achieving financial and rate stability from year to year in the water and wastewater enterprises. Many statements contained in the Policy are largely duplicative of legal requirements, Board direction outlined in the District’s Strategic Plan or other District policies, and standard industry practices. Staff recommends the Board adopt a revised Policy to provide concise and focused policy direction for establishing rates and remove duplication with other policy documents or standard practices.

BACKGROUND:

The District Code authorizes the Board of Directors to periodically establish water and wastewater service charges, commonly referred to as “rates.” The current Rate Policies and Guidelines policy (Attachment 1) is structured into four topic areas:

- Rate Setting Methodology** – This section of the Policy states that rates should be established using “generally accepted” rate setting methodology, and that rate setting must “conform to all legal constraints.” The section then provides details of the “generally accepted” approach, which consists of three analyses: (1) revenue requirement, (2) cost of service, and (3) rate design. The purpose of these statements is to assure legally defensible rates, as well as consistent methodology.
- Financial Stability** – This section of the Policy provides direction to maintain financial stability and develop policies and measures to both evaluate and achieve financial stability. Those measures include guidance on reserves, cash flow, debt service coverage, and capital improvement funding from rates.
- Rate Stability** – This section of the Policy provides direction to review rate revenue for a minimum six-year planning period, to minimize impacts to customers when rate adjustments are needed, and to conduct a comprehensive rate study at least every five years.
- Public Well-Being and Safety** – This section of the Policy provides direction to maintain District facilities “at a level that will provide for the public well-being and safety of the residents.” The purpose of the statements covered in this section are to prioritize a renewal and replacement program to extend the life of District infrastructure and reduce costs in the long term.

DISCUSSION:

Over the last 18 months, the Board has reviewed and adopted revised water and wastewater rates, along with the associated cost of service studies. Both studies cited the Policy as a reference and were consistent with the direction contained within the Policy. However, the current Policy does not generally provide guidance beyond legal requirements, Board direction outlined in the District’s Strategic Plan or other District policies, and standard industry

Originating Department: Office of General Manager	Contact: C. Ferreyra/J. Lee	Legal Review: Yes
Financial Review: Not Required	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 – Current Rate Policies and Guidelines Policy (P400-16-1)	

practices. Therefore, staff is recommending the Board adopt a revised Policy (Exhibit A to Resolution) that provides concise and focused policy direction for establishing rates and removes duplication with other policy documents or standard practices, as described below:

- Many statements in the Policy reiterate the concepts and requirements of Proposition 218. Establishment of or increases to charges for “property related fees and charges” are subject to the provisions of Article XIII(D), Section 6 of the California Constitution (known as “Proposition 218”), and require that rate setting methodology be sound, the costs of service be established, and the rates charged to customers be proportional to the costs of service. In addition to duplication, restating legal requirements, as opposed to citing them, runs the risk of having Board policy that is outdated or inconsistent with legal requirements should they change. Staff has proposed alternative language in the revised Policy to concisely state that rates shall be developed in accordance with all applicable laws, as well as a statement to only recover the ratepayers’ proportional share of costs through rate revenue.
- The District’s [Strategic Plan](#) provides policy direction regarding financial stability, and includes the goal to “maintain our financial stability and sustainability,” along with associated action items to “manage the District’s finances to meet funding needs and maintain fair and reasonable water and wastewater rates, while striving to limit increases to general inflation trends.” The goal provides succinct and clear guidance to limit increases to inflation, where possible, making it a more appropriate reference for policy direction on this topic. For this reason, proposed revisions to the Policy do not include substantive statements related to financial stability.
- The Policy includes a statement to “adequately fund costs for meeting current industry standards and regulations,” while the Strategic Plan contains a goal to “meet or exceed regulatory requirements while preparing for the future regulatory landscape,” and elaborates with specific action items. For consistency, staff has proposed to include a revision to the Policy to state that rates would be established “at a level which will fund the reliable delivery of water and wastewater services and the renewal and replacement of capital assets.” The proposed revision makes a clear statement to staff and customers as to what rate revenue shall fund and provides the Board with the flexibility to define priorities in the Strategic Plan (e.g., regulatory compliance and asset replacement).
- In some cases, existing Board policies provide more specific and comprehensive Board direction on certain topics contained within the Policy. For instance, the current Policy contains statements regarding debt coverage, when the Board’s [Capital Financing and Debt Management policy \(P400-17-3\)](#) serves to address debt capacity, and obligates the District to set user rates at levels needed to fully cover costs to meet debt coverage covenants. Proposed revisions to the Policy remove statements which are already addressed in existing Board policy.
- The current Policy directs various rate related actions based on working capital levels (e.g., below minimum, above target, etc.). Staff has proposed those specific actions be deleted and replaced with revised statements which require a minimum of one policy work session prior to undertaking a cost of service study to allow the Board the opportunity to provide study-specific direction, and the requirement to review projected rate revenue as part of the biennial budget process. The purpose of these revisions is to formalize Board opportunities to direct rate related actions both as part of the rate study and budget processes. In addition, rate policy direction may be provided when working capital for each enterprise is reviewed annually as part of the Annual Report on Rate Stabilization Fund Reserves.
- Staff proposes a minor revision to an existing statement in the Policy that acknowledges the role of rates as a communication channel to customers and maintains that rates should therefore be easy to understand.
- Staff proposes the addition of a statement to provide a customer assistance program for low-income water customers, consistent with applicable law. This is in continued support of the District’s current Low Income Assistance Program.

The District’s current practice is to review each of its policies at least once every four years. If adopted, the Rate Policies and Guidelines policy would be scheduled for review in 2028.



Policy

Policy No.: P400-16-1	Type of Policy: Finance
Policy Title: Rate Policies and Guidelines	
Policy Description: Provides guidance and consistency in decision-making for developing and adopting rates.	
Approval Date: 6/7/2016	Last Review Date: 2016
Approval Resolution No.: 35-16	Next Review Date: 2020
Rescinded Resolution No.: 38-12	Rescinded Resolution Date: 8/21/2012

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

To ensure that rates are developed using a generally-accepted methodology, to provide financial stability, to achieve rate stability, to ensure public well-being and safety and with consideration of the rate impact as outlined in the following guidelines.

The Rate Policies and Guidelines are attached hereto and made a part hereof as if written in full in this policy.

The following rate policies and guidelines have been developed to provide guidance and consistency in decision-making for the District's management team. These policies and guidelines will assist the District in achieving financial and rate stability from year-to-year for the water and wastewater Enterprises. The proposed policies and guidelines should be reviewed periodically to determine if they are still relevant and appropriate. The policies framework is shown below:

Dublin San Ramon Services District Rate Policies and Guidelines

1. **Rate Setting Methodology**
 - 1.1. Revenue Requirements
 - 1.2. Cost of Service
 - 1.3. Rate Design
2. **Financial Stability**
 - 2.1. Reserves
 - 2.2. Cash Flow
 - 2.3. Debt Services Coverage
 - 2.4. Capital Improvement Funding From Rates
3. **Rate Stability**
4. **Public Well-Being and Safety**
5. **Rate Impacts**

Rate Setting Methodology

1. **Rates Should Be Established Utilizing a “Generally Accepted” Rate Setting Methodology.**

First and foremost, rate setting must conform to all legal constraints established for the District. In addition, when reviewing rates it is important to use a methodology that is “generally accepted” in the financial and rate setting community as well as the water and wastewater industries. This will assure a legally defensible approach as well as consistency of the analysis over time.

- 1.1. It is recommended the District use the following “generally accepted” approaches to establish rates.**

- Revenue requirement analysis
- Cost of service analysis
- Rate design analysis

REVENUE REQUIREMENTS:

- 1.1.1** Revenue requirements will be established on a “cash basis” approach. The “cash basis” approach includes operation & maintenance (O&M) expenses, taxes/transfer payments, debt service (P&I), and funding for replacement of capital assets. The revenue requirements, as defined herein, are the basic components. Revenue requirements should also include any other cost items requiring funding (e.g. bond reserves) or needed to operate the Enterprise on a financially stable basis (e.g. accumulation or reduction in working capital).

- 1.1.2 Currently, revenue requirements include the impact of capacity fee “buy in” revenue. This “buy in” will be eliminated at District buildout. The District should plan accordingly and gradually eliminate the impact of the revenue from the “buy in” component on revenue requirements. The funding for asset replacements should be 100% funded by rate revenue by the end of the 10 year planning period (2027).
- 1.1.3 Costs associated with each of the District’s funds (i.e. Enterprise, Replacement, Expansion, etc.), for both water and wastewater, shall be tracked and budgeted separately for use within the revenue requirements.
- 1.1.4 At a minimum, revenues and costs will be projected for a six-year projected test period.
- 1.1.5 Projections of O&M costs should include any estimated incremental O&M costs associated with future capital improvements.
- 1.1.6 Costs associated with mandated program requirements will be identified and included within the cash basis approach.

COST OF SERVICE:

- 1.2.1 A cost of service study will be utilized to allocate costs equitably to customer classifications of service.
- 1.2.2 The cost allocation methodology will utilize techniques that are “generally accepted” by the industry (e.g. American Water Works Association, American Public Works Association, etc.).
- 1.2.3 The water cost of service will, at a minimum, consider the following cost components:
 - ✓ *Commodity costs* – those costs that vary with the total amount, or flow of water consumed by a customer over an extended period of time (e.g. electricity and chemicals).
 - ✓ *Capacity costs* – those costs that vary with maximum demand, or the maximum rates of flow to customers (e.g. sizing facilities to meet peak demands).
 - ✓ *Public fire protection costs* – those costs related to the public fire protection function (e.g. hydrants and over-sizing of mains).
 - ✓ *Customer related costs* – those costs that vary with the number of customers on the system (e.g. postage, meter maintenance expense).
 - ✓ *Revenue related costs* – those costs associated with the amount of revenue received by the water enterprise fund (e.g. a gross proceeds tax, delinquent fees).
- 1.2.4 The wastewater cost of service will, at a minimum, consider the following cost components:

- ✓ *Volume costs* – those costs that vary with the total flow of wastewater contributed by a customer over an extended period of time.
- ✓ *Strength costs* – those treatment-related costs associated with the strength of wastewater (e.g. biochemical oxygen demand and suspended solids) will be determined separately and will depend on the class of service and type of service provided (local vs. regional).
- ✓ *Customer related costs* – those costs that vary with the number of customers on the system (e.g. postage).
- ✓ *Revenue related costs* – those costs associated with the amount of revenue received by the Wastewater Enterprise fund (e.g. a gross proceeds tax, delinquent fees).

RATE DESIGN:

- 1.3.1 Rate designs will be reflective of the District's needs and also reflect the greater public purpose and policy goals of the District's Board (e.g. economic development, conservation, ability to pay, etc.).
- 1.3.2 Rate structures will recognize the appropriateness of both a fixed charge and a variable charge in order to provide the correct price signal to the District's customers. Fixed charges provide the District with a level of revenue stability and they are preferred by rating agencies as the method to best ensure debt coverage, while customers generally prefer variable charges, which allow them to control the amount of their bill. The balancing of these two competing rate components should be considered when reviewing rate structures. For water rates, variable rates will be established at no less than 70% of the total revenue requirement while the District remains subject to CUWCC BMP 11.
- 1.3.3 Rates will be set at a level that recovers necessary costs, by classification, yet flexible enough to accomplish the District's objectives (e.g. public purpose programs).
- 1.3.4 Rates should be designed to be equitable and detailed to a level to reflect the service provided (e.g., private fire protection, multi-family services, etc.).
- 1.3.5 Rates will be set at a level to ensure that bond covenants are met without reliance on capacity fees.

Financial Stability

2. The District Should Continue to be Managed to Maintain Financial Stability Over Time.

The District, like any other business, should strive to maintain financial stability over time, as it has done in the past. Financial stability is not only a prudent financial management goal; it can also minimize financial costs in the long-term (e.g. unnecessary borrowing). Above all, financial stability

will provide the community with the confidence of knowing a strong, consistent management team is managing the Enterprise.

2.1 Financial Policies and Measures Will be Developed to Measure, Manage, and Achieve Financial Stability.

RESERVES:

2.1.1 The minimum and target reserve levels in the Enterprise funds (as defined in the Financial Reserves policy) are indicators of the financial health of the Enterprise and will be used to determine when certain actions should be taken.

- ✓ **Fund is below the target working capital level** - If the Enterprise fund's working capital is projected to go below the minimum reserve level and stay below that level in the subsequent year, a rate increase shall be considered in order to maintain the financial stability of that fund.
- ✓ **Fund is above the target working capital level and revenues exceed expenses** - If the Enterprise fund's working capital is projected to be in excess of the working capital target and the rate revenues in the fund exceed the sum of the O&M expenses and replacement transfer, a rate decrease shall be considered to bring the working capital target between the minimum and target levels.
- ✓ **Fund is above the target working capital level and expenses exceed revenues** - If the Enterprise fund's working capital is projected to be in excess of the working capital target and the rate revenues in the fund are less than the sum of the O&M expenses and replacement transfer, the excess reserves will be used to cover expenses. In these circumstances, current rates are not covering current costs, and it is likely that a rate increase will be needed in future periods.

CASH FLOW:

2.2.1 Except as noted in section 2.1, each Enterprise should have annual net income (total revenue less O&M, taxes, debt service, and replacement funding) greater than or equal to zero unless the Board has made a policy decision to utilize Rate Stabilization Reserves.

DEBT SERVICE COVERAGE:

2.3.1 The Debt Service Coverage Ratio is an important financial measure that is reviewed by banks and bond companies to show the Enterprise's ability to make debt payments. The ratio is the Enterprise's Net Operating Income over the Total Debt service. Net Operating Income is gross income less operating and maintenance expense. For financial planning purposes, the annual debt service coverage ratio shall be the highest ratio, by Enterprise, for the District's current debt covenants.

- 2.3.2 For all debt issues with a legal bond covenant, when the debt service coverage ratio falls below the legal requirement the District’s Board will abide by the specific covenants related to the bond issue.
- 2.3.3 While rates will be developed to achieve contractual debt coverage levels, the overall target for debt service coverage is 1.60, and will include revenue received from capacity reserve fees.

CAPITAL IMPROVEMENT FUNDING FROM RATES:

- 2.4.1 Each Enterprise should adequately fund through its rates, an amount sufficient for the replacement of District assets.
- 2.4.2 Replacement funding is determined based upon capital asset replacement needs and Capital Projects to be in compliance with Financial Revenues policy P400-15-1.

Rate Stability

3. Rates Should be Stable Over Time.

Financial stability of an Enterprise also provides rate stability. Rate stability reinforces that costs are being managed and controlled, thereby gaining customers’ confidence of the management team’s credibility.

3.1 Rates Should Not Only be Stable in Their Ability to Generate Sufficient Revenues, but also in the Customer’s Perception of the Rate Changes from Year to Year.

- 3.1.1 The District should review rates during the biennial budget process to assure that they provide sufficient revenues. This does not imply that rates must be adjusted, simply that the rates are reviewed in the context of these policies to assure that they are adequately funding each Enterprise.
- 3.1.2 Rate reviews will consider a six-year projected period to attempt to stabilize and minimize rates over time.
- 3.1.3 The District will attempt to minimize impacts to customers when rate adjustments are needed.
- 3.1.4 A comprehensive rate study will be conducted at least every five years in order to assess the fairness of the rates to the District’s ratepayers and to ensure that the necessary revenue is available for the District’s operating and replacement needs.

Public Well-Being and Safety

- 4. The District will maintain its facilities at a level that will provide for the public well-being and safety of the residents.**

The District's facilities will be maintained at a level that assures system reliability and efficiency. A well thought out renewal and replacement program will extend the life of the system that will in turn reduce infrastructure costs in the long-term.

- 4.1 Sufficient funding should be made available to provide for adequate renewal and replacement of capital assets and equipment.**
 - 4.2 The District will adequately fund costs for meeting current industry standards and regulations (e.g. Safe Drinking Water Act, Clean Water Act, NPDES II, etc.).**
 - 4.3 The District will fund improvements according to an adopted Capital Improvement Program.**
- 5. The District will consider the impacts of rates on their customers and financial and operating needs will be balanced against the rates and financial impacts.**

Rates are one of the most important ways in which the District communicates with its customers, and should follow these guiding principles.

- 5.1 Rates will be easy to understand and the District will attempt to keep the frequency and magnitude of rate adjustments to a minimum.**
- 5.2 Rates will be reviewed for their overall competitiveness.**
- 5.3 Rates will be balanced to meet the varying competing needs.**

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT REVISING THE RATE POLICIES AND GUIDELINES POLICY AND RESCINDING RESOLUTION NO. 35-16

WHEREAS, on June 16, 2016, the Board adopted a revised the Rate Policies and Guidelines policy by Resolution No. 35-16; and

WHEREAS, the purpose of the Rate Policies and Guidelines policy is to provide guidance and consistency in decision making for developing and adopting rates; and

WHEREAS, the statements contained in the Rate Policies and Guidelines policy are largely duplicative of legal requirements, Board direction outlined in the District’s Strategic Plan or other District policies, and standard industry practices; and

WHEREAS, revisions to the Rate Policies and Guidelines policy provide concise and focused policy direction and remove duplication with other policy documents or standard practices.

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 Rate Policies and Guidelines policy, attached as Exhibit “A,” is hereby adopted, and Resolution No. 35-16, attached as Exhibit “B,” is hereby rescinded.

ADOPTED by the Board of Directors of 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 July, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

Ann Marie Johnson, President

ATTEST: _____
Nicole Genzale, District Secretary



Policy

Policy No.: Click here to enter text.	Type of Policy: Finance
Policy Title: Rate Policies and Guidelines	
Policy Description: Provides guidance and consistency in decision-making for developing and adopting rates	
Approval Date: 7/16/2024	Last Review Date: 2024
Approval Resolution No.: Click here to enter text.	Next Review Date: 2028
Rescinded Resolution No.: 35-16	Rescinded Resolution Date: 6/7/2016

The District Code authorizes the Board of Directors to periodically establish water and wastewater service charges, commonly referred to as “rates.” To provide guidance and consistency in the development and adoption of rates, it is the policy of the Board of Directors of Dublin San Ramon Services District to:

1. Establish water and wastewater rates at a level that will fund the reliable delivery of water and wastewater services, renewal and replacement of capital assets, and provide financial stability for each enterprise.
2. Recover the appropriate and proportional share of the costs included in the adopted operating and capital budgets through rate revenue.
3. Ensure that water and wastewater rates are developed and structured in accordance with all applicable laws, including Proposition 218 (California Constitution, Article XIII D, Section 6).
4. Strive to develop water and wastewater rates that are simple and easy for the customer to understand.
5. Prepare a cost of service study for water and wastewater rates that evaluates a ten-year planning period, at least every five years, or as appropriate.
6. Conduct a minimum of one policy work session during preparation of a cost of service study to allow the Board an opportunity to provide study-specific direction.
7. Provide a customer assistance program for low-income water customers, in accordance with applicable law.
8. Consider opportunities to minimize rate change impacts to customers by reviewing projected rate revenue as part of the biennial budget process.

RESOLUTION NO. 35-16

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ADOPTING THE REVISED RATE POLICIES AND GUIDELINES POLICY AND RESCINDING RESOLUTION NO. 38-12

WHEREAS, on August 21, 2012, the Board adopted the revised Rate Policies and Guidelines policy; and

WHEREAS, the Board recognizes that the policy has been working for the benefit of the District and its customers through the development of equitable costs based rates for many years; and

WHEREAS, the Board recognizes that policies are intended to change with changes in the business environment; and

WHEREAS, the Board recognizes the significance on customer rates of the buy-in component of the system capacity fees; and

WHEREAS, the Board recognizes that development within the District may approach buildout during the next ten year planning window, revenue from the buy-in component will cease with buildout and the impact on customer rates could be significant if not planned appropriately; and

WHEREAS, the Board recognizes the need for the Rate Policies and Guidelines policy to memorialize the significance of these anticipated changes and to ensure the District continues to develop rates that are stable over time.

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 as follows:

That the revised Rate Policies and Guidelines policy, attached as Exhibit "A" be adopted, and Resolution No. 38-12 is hereby rescinded and attached as Exhibit "B."

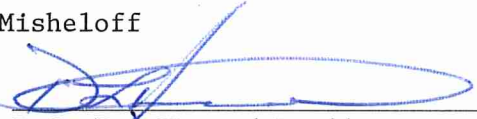
Res. No. 35-16

ADOPTED by the Board of Directors of 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 7th day of June 2016, and passed by the following vote:

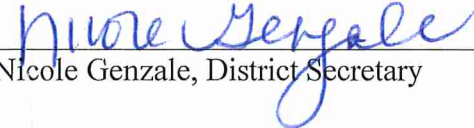
AYES: 4 - Directors Edward R. Duarte, Georgean M. Vonheeder-Leopold,
Richard M. Halket, D.L. (Pat) Howard

NOES: 0

ABSENT: 1 - Director Madelyne A. Misheloff



D. L. (Pat) Howard, President

ATTEST: 

Nicole Genzale, District Secretary



TITLE: Approve Mid-Cycle Operating Budget Adjustments for Fiscal Years Ending 2024 and 2025

RECOMMENDATION:

Staff recommends the Board of Directors approve, by Resolution, the mid-cycle operating budget adjustments for fiscal years ending (FYE) 2024 and 2025.

SUMMARY:

On June 20, 2023, the District adopted a two-year operating budget for FYE 2024 and 2025. At the end of the first year, staff reviewed budget-to-actual expenses to look for material differences from the budget signifying new trends and/or events that were not anticipated at the time of budget adoption. Based on the magnitude of these budget-to-actual variances, staff recommends amendments to the adopted budget. Recommendations include adopting budget adjustments for, among other items, the unanticipated increased costs of chemicals, energy, and supplies; temporary help to cover vacancies and support completion of the Tyler-Munis Enterprise Resource Planning (ERP) software conversion; additional or unbudgeted software costs related to the ERP conversion; increased costs for laboratory equipment rental, repairs, and tests; Livermore-Amador Valley Water Management Agency (LAVWMA) true-up costs for FYE 2023; and pension and other post-employment benefits (OPEB) cost increases.

DISCUSSION:

Staff has completed review of the two-year operating budget for FYE 2024 and 2025 and is proposing several budget adjustments for both fiscal years. As shown in the following tables, these adjustments result in an increase in the total operating appropriation for the three enterprises and Administrative Cost Center of an additional \$668,589 in FYE 2024 and an additional \$2,276,264 in FYE 2025, for a total increase to the two-year operating budget of \$2,944,853, which is a 2% increase over the adopted two-year operating budget for these funds.

Table 1. Proposed Operating Budget Adjustment for FYE 2024

Table with 5 columns: Fund, Net Adjustments FYE 2024, Adopted Operating Expenses FYE 2024, Revised Operating Expenses FYE 2024, Percent Change. Rows include 200 - Local Wastewater Enterprise, 300 - Regional Wastewater Enterprise, 600 - Water Enterprise, 900 - Administrative Cost Center, and Net Total FYE 2024.

Form with fields for Originating Department (Administrative Services), Contact (M. Yee/K. Spray), Legal Review (Not Required), Financial Review (Yes), Attachments (Resolution checked), and Cost and Funding Source (\$2,944,853 in Enterprise Funds and Administrative Cost Center).

Table 2. Proposed Operating Budget Adjustment for FYE 2025

Fund	Net Adjustments FYE 2025	Adopted Operating Expenses FYE 2025	Revised Operating Expenses FYE 2025	Percent Change
200 - Local Wastewater Enterprise	\$350,666	\$4,928,697	\$5,279,363	7.1%
300 - Regional Wastewater Enterprise	\$1,097,952	\$24,490,108	\$25,588,060	4.5%
600 - Water Enterprise	\$533,646	\$40,995,418	\$41,529,064	1.3%
900 - Administrative Cost Center	\$294,000	\$3,696,000	\$3,990,000	8.0%
Net Total FYE 2025	\$2,276,264	\$74,110,223	\$76,386,487	3.1%

A detailed list of the proposed budget adjustments for FYE 2024 and 2025 is included in **Exhibit A** to the resolution, and key highlights are noted below.

- Training** – For FYE 2025, additional training is proposed for laboratory staff to comply with new regulatory requirements and for finance staff to train on the new ERP software system. Group safety training has been centralized and moved to the Administrative Cost Center (Fund 900), which is a more appropriate method for allocating costs for safety training across the enterprises. Centralizing safety training results in a net zero increase to the FYE 2025 budget.
- Temporary Help and Interns** – For FYE 2025, the District needs additional temporary staffing assistance to support the Tyler-Munis ERP system conversion and cover vacancies. The proposed budget adjustments would also cover the increased cost for temporary help hired for summer harvesting of the Facultative Sludge Lagoons and the administrative cost for the District’s Plant Operator-in-Training intern program.
- Chemicals and General Supplies** – The unit cost for sodium hypochlorite increased 22 percent over FYE 2024. The FYE 2025 operating budget assumed a 15 percent overall increase in chemical costs from FYE 2024. Given the unit cost increase exceeds this assumption, staff is requesting a FYE 2025 budget adjustment to accommodate the increase and, in addition, will closely monitor the usage of sodium hypochlorite to manage costs. Additionally, laboratory chemical costs have increased due to a higher frequency of testing.
- Power** – For FYE 2024, gas and electricity costs, especially for natural gas, have outpaced the original budget projections from two years ago. Natural gas prices are highly volatile. At this time, staff is only requesting a budget adjustment for FYE 2024. Staff will continue to closely monitor energy costs and will bring to the Board any necessary budget adjustments at a future time for FYE 2025.
- Professional Services** – For FYE 2024 and FYE 2025 additional consulting costs are anticipated for the biennial OPEB actuarial report, updates to the front-end of the District’s standard construction documents, preparation of the District Workforce Study Phase 2, continued support for the emergency response program, and specialized support for cogeneration engine air permit compliance. These efforts were not included in the original budget that was prepared two years ago. The Sewer System Management Plan (SSMP) update and audit and drinking water regulations review were not able to be completed in FYE 2024 due to staffing limitations but are projected to be completed in FYE 2025. Additional inspection costs are also anticipated for various water and wastewater facilities.
- Equipment** – For FYE 2025, budget adjustments include payment for equipment that will be delivered in FYE 2025 instead of FYE 2024 due to delays and rental of specialized laboratory equipment to cover equipment repairs and specialized analyses and testing.

- **Software Maintenance** – For FYE 2025, budget adjustments include the costs for the new Utility Billing and Customer Service software, which is being fully transitioned from Eden to Tyler-Munis, and the cost for the District’s investment portfolio tracking software and disaster recovery for Tyler-Munis.
- **Other** – For FYE 2025, budget adjustments include Regional Water Board permit costs for the sewer collection system and other building facility costs that were not included in the original budget. The budget for credit card fees has been increased due to higher usage of credit cards for payment.
- **Joint Powers Authorities** – For FYE 2024, a budget adjustment is requested to cover the LAVWMA true-up for FYE 2023. The LAVWMA member agencies pay their proportion of estimated LAVWMA expenses upfront, at the beginning of each fiscal year, based on projected wastewater discharges. At the close of the fiscal year, actual expenses are reconciled based on each member agency’s actual wastewater flows that are discharged through the LAVWMA system. The reconciled costs are credited or billed to the member agencies in the following fiscal year. The winter of 2022/2023 was historically wet and resulted in an unbudgeted true-up charge of \$593,589 that was paid by DSRSD in FYE 2024.
- **Retirement** – In the Quarterly Financial Report for the Third Quarter of FYE 2024 that was presented to the Board on June 18, 2024, it was mentioned that a residual equity transfer is needed to reallocate prior Unfunded Actuarial Liability (UAL) payments from Fund 900 to Funds 200, 300, and 600. The requested budget adjustment would complete that action. This one-time administrative action has no net impact on the operating budget and is only needed for FYE 2024.

CalPERS traditionally uses financial and demographic data from two years prior to the year that it sets the required UAL for the District. A number of factors have contributed to the increased costs of funding including demographic factors such as people living longer, increased medical costs, and in particular lower returns for CalPERS investments than projected. For FYE 2025, there was a net \$653,625 increase to UAL costs.

- **OPEB** – The District’s latest actuarial report on OPEB benefits indicates a higher cost for such benefits in the amount of \$128,000 than what the previous study calculated. This is a result of increasing costs outpacing original assumptions as well as changes in other demographic data. This additional OPEB cost is first paid out of Fund 965 and then allocated to Funds 200, 300, and 600.

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING MID-CYCLE OPERATING BUDGET ADJUSTMENTS FOR FISCAL YEARS ENDING 2024 and 2025

WHEREAS, the District prepares a two-year operating budget that is reviewed after one year to determine if any substantive changes are needed; and

WHEREAS, the Board of Directors adopted the current Operating Budget for Fiscal Years Ending 2024 and 2025 by Resolution No. 25-23 on June 10, 2023; and

WHEREAS, staff has performed a mid-cycle review of the operating budget and is recommending budget adjustments to cover expenses not anticipated when the operating budget was originally adopted in June 2023; and

WHEREAS, the mid-cycle review includes adjustments to the operating budget to reflect additional costs associated with, among other items, the unanticipated increased costs of chemicals, energy, and supplies; temporary help to cover vacancies and support the Enterprise Resource Planning (ERP) conversion; additional or unbudgeted software costs related to the ERP conversion; increased costs for laboratory equipment rental, repairs, and tests; Livermore-Amador Valley Water Management Agency (LAVWMA) true-up costs for FYE 2023; and pension and other post-employment benefits (OPEB) cost increases; and

WHEREAS, the proposed budget revisions have been reviewed and are supported by the General Manager.

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 Mid-Cycle Budget Adjustments for Fiscal Years Ending 2024 and 2025, attached as Exhibit "A," are hereby approved and adopted.

ADOPTED by the Board of Directors of 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 July, 2024, and passed by the following vote:

AYES:

NOES:

ABSENT:

Ann Marie Johnson, President

ATTEST: _____
Nicole Genzale, District Secretary

FYE 2024 & FYE 2025 Mid-Cycle Budget Adjustments

Exhibit A

Description	Munis GL Number	*Budget Adjustment Requests*		Comment
		FYE2024 Incr/(Decr)	FYE2025 Incr/(Decr)	
<u>Training</u>				
Finance Training	90031000.712100		\$3,500	Tyler Connect Conference
Lab Training	30055552.712100		\$5,000	Microscopy training
Group Safety Training	90056560.712150		\$24,750	Cost centralized in Fund 900
Group Safety Training	20056560.712150		(\$8,250)	Cost centralized in Fund 900
Group Safety Training	30056560.712150		(\$8,250)	Cost centralized in Fund 900
Group Safety Training	60056560.712150		(\$8,250)	Cost centralized in Fund 900
Total Training			\$8,500	
<u>Temporary Help and Interns</u>				
ASD Temp Help	60033000.712300		\$24,000	Munis transition
ASD Temp Help	20033000.712300		\$3,000	Munis transition
ASD Temp Help	30033000.712300		\$3,000	Munis transition
Eng Temp Help	90040000.712300		\$60,000	Misc. projects
Plant Temp Help	30052000.712300		\$62,900	FSL Harvesters
Plant Interns	30052000.712400		\$20,000	Agency markup for OITs
Total Temp Help			\$172,900	
<u>Chemicals</u>				
Water chemicals	60051000.721000		\$10,000	Sodium Hypochlorite increases
Plant chemicals	30052000.721000		\$200,000	Sodium Hypochlorite increases
Lab chemicals	60055552.721000		\$25,000	Increased costs
Lab chemicals	30055552.721000		\$20,000	Increased costs
Total Chemicals			\$255,000	
<u>Power</u>				
Gas and Electric	30052000.721400	\$ 200,000		Natural gas cost increases
		\$ 200,000		
<u>General Supplies</u>				
Fleet supplies	30053532.721500		\$20,000	Increased costs
Lab supplies	60055552.721500		\$11,000	Increased costs
Total General Supplies			\$31,000	
<u>Professional Services</u>				
Actuarial consultant	90031000.731200		\$9,000	OPEB report
Eng consultant	30041000.731200		\$25,000	Construction documents
Eng consultant	90041000.731200		\$7,500	Construction documents
Eng consultant	60041000.731200		\$5,000	Construction documents
Sewer inspection	20042000.731200		\$65,000	CCTV inspection Francis Ranch
Water services	60042000.731200		\$30,000	Water inspection
Recycled water inspection	60043554.731200		\$30,000	Inspection of RW sites
Eng consultant	20051000.731200	(\$125,000)	\$125,000	Carryforward-SSMP update
Eng consultant	60051000.731200		\$50,000	Water regs review
OGM consultant	90012000.731200		\$50,000	Workforce study
Ops consultant	90050000.731200		\$40,000	Emergency response program
Ops consultant	30050000.731200		\$40,000	Professional Services
Ops consultant	30056560.731200		\$50,000	Cogeneration permit
Ops consultant	60056560.731200		(\$65,000)	Fund split
Total Professional Services		(\$125,000)	\$461,500	

Equipment

Equipment <\$20K	30053530.721100	\$80,000	Equipment delays
Lab lease equipment	30055552.731400	\$2,500	Rental to cover repairs
Lab lease equipment	60055552.731400	\$1,500	Rental to cover repairs
Lab maint. Contract	30055552.731500	\$25,000	Equip. maintenance
Lab maint. Contract	60055552.731500	(\$5,500)	Equip. maintenance
Total Equipment		\$103,500	

Software Maintenance

Investment software	90031000.731550	\$5,000	Tracker Portfolio
Software maintenance	60033000.731550	\$46,550	UB/CS software
Software maintenance	20033000.731550	\$5,819	UB/CS software
Software maintenance	30033000.731550	\$5,819	UB/CS software
Software maintenance	90034000.731550	\$24,000	Tyler Disaster Recovery
Software maintenance	20043000.731550	\$17,000	AquaTwin Sewer install
Software maintenance	60043000.731550	\$4,600	Quadient backflow letters
Total Software Maintenance		\$108,788	

Others

Lab monitoring & testing	60055552.731600	\$25,000	EPA 524.2 and 552.3
Lab monitoring & testing	30055552.731600	\$20,000	Outside services
Wastewater Regional Board	20051000.731700	\$25,000	Permit fee
Plant other	30052000.731700	\$64,200	Digester cleaning
Facilities other	90053534.731700	\$70,250	Janitorial and other services
Facilities other	30053534.731700	\$60,000	Regulatory reqt's for facilities
Lab other	30055552.731700	\$11,000	Lab methods & processes
Lab other	60055552.731700	\$2,000	Lab methods & processes
Credit card fees	60033000.741300	\$62,000	Align with actual costs
Credit card fees	20033000.741300	\$7,000	Align with actual costs
Credit card fees	30033000.741300	\$7,000	Align with actual costs
Total Others		\$353,450	

JPAs

LAVWMA	30030000.762000	\$593,589	True-up for FY22/23 O&M
		\$593,589	

Retirement

CalPers-UAL	#0000000.711611	\$653,625	Net UAL increase
Retiree Medical	96500000.712900	\$116,000	Increase >last valuation
Retiree Dental	96500000.713000	\$12,000	Increase >last valuation
OPEB Fund Transfers	20000000.915000	\$11,811	OPEB contribution increase
OPEB Fund Transfers	30000000.915000	\$85,816	OPEB contribution increase
OPEB Fund Transfers	60000000.915000	\$30,374	OPEB contribution increase
OPEB Fund Transfers	96500000.615000	(\$128,000)	OPEB contribution increase
Residual Equity Transfer	20000000.917000	\$228,984	F900 FB & FY23 UAL Allocation
Residual Equity Transfer	30000000.917000	\$926,304	F900 FB & FY23 UAL Allocation
Residual Equity Transfer	60000000.917000	\$839,588	F900 FB & FY23 UAL Allocation
Residual Equity Transfer	90000000.917000	(\$1,994,876)	F900 FB & FY23 UAL Allocation
Total Retirement		\$781,626	

GRAND TOTAL	\$668,589	\$2,276,264
--------------------	------------------	--------------------

FYE 2024 + FYE 2025 Grand Totals

\$2,944,853