

RESOLUTION NO. 9-24

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT ESTABLISHING WATER RATES UNDER CHAPTER 4.40 OF THE DISTRICT CODE AND RESCINDING, IN PART, RESOLUTION NO. 21-19

WHEREAS, District Code Chapter 4.40 allows the Board of Directors to establish bimonthly fixed water service charges and water consumption rates by ordinance or resolution; and

WHEREAS, the Board of Directors last approved a Comprehensive Water Cost of Service Study on June 18, 2019, by the adoption of Resolution No. 21-19; and

WHEREAS, on February 6, 2024, the Board of Directors received the Draft 2024 Water Cost of Service Study, dated February 1, 2024, which described recommendations for cost allocation and rate setting for the fiscal years 2024 through 2028; and

WHEREAS, the Board of Directors has considered the recommendations therein and agrees that adjustments to water and recycled water rates are necessary to fairly and equitably allocate costs among customer classes and to maintain desired levels of water service within the District's water service area; and

WHEREAS, in 2019 the Board of Directors established the Dougherty Valley Incremental State Water Project Charge to recover the increment of State Water Project costs, which are in excess of the revenues associated with the Dougherty Valley Standby Charge District 2001-1, to be paid by the District to Zone 7 Water Agency (Zone 7) for customers in Dougherty Valley with the amount established in a separate Engineer's Report as a pass-through charge for the fiscal years 2024 through 2028; and

WHEREAS, the Board of Directors conducted a duly noticed public hearing on April 16, 2024, and notice of the hearing was provided to all property owners and tenants in the District's water service area by mail at least 45-days prior to the hearing date, and the Board has considered all of the information received by the Board regarding proposed water and recycled rates, including written protests and comments received prior to or at the public hearing; and

WHEREAS, the Board of Directors accepted and caused a tabulation of all written protests received by the District, in accordance with Article XIII D of the California Constitution (Proposition 218) and the District's Proposition 218 Receipt, Tabulation, and Validation of Written Protes policy (P100-23-3), and based upon the results of the tabulation a majority protest against the proposed rates does not exist; and

WHEREAS, the Board of Directors finds and determines that the District has complied with the procedural and substantive requirements set forth in Proposition 218 and all relevant statutes that provide for revisions to property-related rates and charges, and the Board further finds and determines that the recommended revisions to the water rates are in the best interests of the District and will pay for ongoing operations, maintenance, repairs, and improvements to the District's facilities; and

WHEREAS, Section 53756 of the California Government Code authorizes the District to adopt a schedule of user charges authorizing automatic adjustments that pass through increases in wholesale charges for water (including certain Zone 7 and State Water Project charges), and to include a clearly defined formula for adjusting user charges for inflation, and pursuant to that authority, this Board has determined to delegate the implementation of those adjustments to the General Manager as specified below; and

WHEREAS, the California Environmental Quality Act (CEQA), at California Public Resources Code Section 21080(b)(8) and CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits;
- (2) Purchasing or leasing supplies, equipment, or materials;
- (3) Meeting financial reserve needs and requirements;
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas; or
- (5) Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter; and

WHEREAS, the proposed water rates are explicitly for the purposes above, as described in detail in the DRAFT 2024 Water Cost of Service Study.

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 Board of Directors hereby declares each of the foregoing recitals true and correct and fully incorporated herein; and

BE IT FURTHER RESOLVED THAT THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, hereby adopts the 2024 Water Cost of Service Study, dated February 1, 2024, prepared by HDR Engineering, Inc., including the water, recycled water, and water shortage condition rate schedules for fiscal years 2024 through 2028 as presented therein; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT as follows:

1. This resolution shall be effective immediately upon its adoption and the water and recycled water rates, as shown in the attached Exhibit "A," including both fixed and consumption-based rates, are hereby established as operative for all billing periods commencing on and after May 1, 2024, unless and until subsequently revised as provided for herein.

2. The water shortage rates, as shown in the attached Exhibit "A," are hereby established and shall become operative as provided for in the Water Shortage Contingency Plan and 2024 Water Cost of Service Study.

3. The Consumer Price Index — All urban Consumers for the San Francisco-Oakland-San Jose, California area (CPI) (calculated August to August), provides an appropriate and accurate measure of the increases in operating costs of the sort used to calculate the amount of the District's water and recycled water rates and charges, and the Board therefore adopts said Consumer Price Index as the index for measuring increases in the cost of such costs for the purpose of future adjustments to the District's water and recycled water rates and charges, including fixed, consumption-based, and water shortage condition rates.

4. Unless otherwise acted upon by the Board, the amount the District's fixed water and recycled water service charges and water consumption rates will be automatically adjusted effective January 1 of each year as shown in the attached Exhibit "A," commencing in fiscal year 2026 and ending with fiscal year 2028 and as described in the sentence that follows. The General Manager is authorized and directed to increase each water and recycled water rate by the percentage by which the most recent CPI available as of the last day of August for that calendar year has increased in relation to the most recent corresponding CPI available the last day of August of the preceding calendar year. These automatic increases shall apply to fiscal years 2026, 2027 and 2028, unless further authorized pursuant to the procedures specified in Section 6 of Article XIID of the California Constitution and Government Code Section 53755.

5. The General Manager is authorized and directed to adjust the Wholesale Pass-through Charge identified in Exhibit "A," including the Dougherty Valley Incremental State Water Project Charge, no more than once annually, to pass through the proportionate share of increases in the State Water Project costs as provided annually by Zone 7, and as determined in the annual Dougherty Valley Incremental State Water Project Charge Report.

6. The General Manager shall provide timely notification to the Board of all automatic adjustments per this resolution, post the water rates on the District's website, and provide notification to customers thereof in accordance with California Government Code Section 53756.

7. The actions provided for in this resolution are subject to the statute of limitations provided for in California Government Code Section 53759.

8. For the purposes of the water rates set forth therein, Resolution No. 21-19, included as Exhibit "B" to this document, is rescinded as of the date upon which the rates and charges described herein first become operative and this resolution shall thereafter supersede any prior resolutions of the Board of Directors setting water rates, to the extent contrary to this resolution. Notwithstanding the foregoing, Resolution No. 21-19 shall remain effective with respect to the establishment of the Dougherty Valley Incremental State Water Project Charge.

9. The actions provided for in this resolution are exempt from CEQA pursuant to California Public Resources Code Section 21080(b)(8) and CEQA Guidelines Section 15273.

10. If any provision of this resolution, or any part thereof, is for any reason held to be ultra vires, invalid, unenforceable, or unconstitutional, the remaining provisions shall not be affected but shall remain in full force and effect, and to this end the provisions of this resolution are severable.

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 April, 2024, and passed by the following vote:

AYES: 5 – Directors Richard M. Halket, Arun Goel, Georgean M. Vonheeder-Leopold,
Dinesh Govindarao, Ann Marie Johnson

NOES: 0

ABSENT: 0

ATTEST:


Nicole Genzale, District Secretary

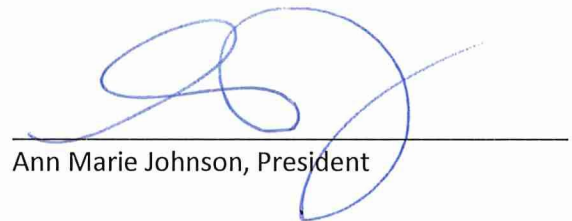

Ann Marie Johnson, President

Exhibit A

**DSRSD Fixed Water Service Charge
Established under Dublin San Ramon Services District Code Section 4.40.010**

1. Bimonthly fixed water service charges for all potable and recycled water services, and payable irrespective of the quantity of water used, are established in the following amounts:

Meter Size	Fixed Service Charge Per Bimonthly Billing Effective 5/1/24	Fixed Service Charge Per Bimonthly Billing Effective 1/1/25
5/8"	40.68	42.92
3/4"	59.62	62.90
1"	97.50	102.86
1-1/2"	192.21	202.78
2"	305.85	322.67
3"	826.73	872.20
4"	1,423.36	1,501.64
6"	3,033.33	3,200.16
8"	5,306.23	5,598.07
10"	7,957.95	8,395.64

2. A bimonthly fixed water service charge for fire protection service lines installed with use detection meters is hereby established at the rate of the 5/8" water meter noted above.
3. Single family dwellings that do not have separate fire service connections, but which are required, by the agency or department providing fire prevention and protections services, to install fire sprinklers systems that in turn necessitate the installation of a larger water meter (up to one inch in diameter) to provide sufficient flow to operate the sprinkler systems, shall pay the fixed water service charges established for a 5/8" water meter.

¹Beginning January 1, 2026, and through January 1, 2028, pursuant to Government Code Section 53756, the General Manager is authorized and directed to adjust those user charges by the percentage increase by which the most recent August Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-Hayward, CA area as increased in relation to the preceding August Consumer Price Index. The General Manager shall provide timely notification to the Board of Directors of the new charges and post them on the District's website. Customers will be notified on their October or November billing statements of the new rates that will be effective on January 1st of the following year.

Res. No. _____

DSRSD Water Consumption Charges
Established under Dublin San Ramon Services District Code Section 4.40.020

1. In addition to the fixed water service charge specified under Section 4.40.010, the District's water consumption charges are established in the following amounts¹:

Service	Rate Effective 5/1/24 Per 100 Cubic Feet (CCF)	Rate Effective 1/1/25 Per 100 Cubic Feet (CCF)
Potable Water Consumption Charge	1.59	1.68
Potable Irrigation	2.02	2.13
Recycled Water	5.23	5.51
Power Charge (District Pressure Zones 2, 3, and 4)	0.43	0.45

DSRSD Water Shortage Condition Rates***Potable Consumption Charge***

1. The Board of Directors may from time to time declare a water shortage emergency or water shortage condition based on local, regional, or statewide water supply availability. Following such a declaration, the Water Shortage Condition Rates identified below are required to generate sufficient revenue to cover the cost of providing water when water deliveries are reduced. Water Shortage Condition Rates go into effect only when the Board of Directors declares a water shortage emergency or Water Shortage Condition. The first five (5) hundred cubic feet per bimonthly billing period used by a potable water customer, excluding potable irrigation, are not subject to these rates in recognition that certain water uses are essential. The Water Shortage Condition Rates for consumption greater than five (5) hundred cubic feet per bimonthly billing period are established in the following amounts¹:

	Rate Effective 5/1/24 Per 100 Cubic Feet (CCF)	Rate Effective 1/1/25 Per 100 Cubic Feet (CCF)
Stage 1	1.81	1.91
Stage 2	2.11	2.23
Stage 3	2.54	2.68
Stage 4	3.17	3.34
Stage 5	4.22	4.46
Stage 6	6.33	6.68

Potable Irrigation Charge

2. The Water Shortage Condition Rates for potable irrigation are established in the following amounts¹:

	Rate Effective 5/1/24 Per 100 Cubic Feet (CCF)	Rate Effective 1/1/25 Per 100 Cubic Feet (CCF)
Stage 1	2.24	2.36
Stage 2	2.52	2.66
Stage 3	2.88	3.04
Stage 4	3.36	3.55
Stage 5	4.03	4.26
Stage 6	5.04	5.32

¹Beginning January 1, 2026, and through January 1, 2028, pursuant to Government Code Section 53756, the General Manager is authorized and directed to adjust those user charges by the percentage increase by which the most recent August Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-Hayward, CA area as increased in relation to the preceding August Consumer Price Index. The General Manager shall provide timely notification to the Board of Directors of the new rates and post them on the District's website. Customers will be notified on their October or November billing statements of the new rates that will be effective on January 1st of the following year.

Wholesale Passthrough Charges

1. The Zone 7 wholesale water consumption charge is established in the following amount¹:

	Rate Effective 5/1/24 Per 100 Cubic Feet (CCF)
Zone 7 Cost of Water	3.83

2. The Zone 7 wholesale fixed water charge is established in the following amount¹:

Meter Size	Fixed Service Charge Per Bimonthly Billing Effective 5/1/24
5/8"	12.93
3/4"	19.39
1"	32.32
1-1/2"	64.64
2"	103.42
3"	281.17
4"	484.78
6"	1,034.19
8"	1,809.84
10"	2,714.76

3. The Dougherty Valley Incremental State Water Project Charge is established in the following amount²:

	Fixed Service Charge Per Bimonthly Billing Effective 7/1/24
Per Dwelling Unit Equivalent	21.61

Governmental potable water customers in the Dougherty Valley Standby Charge District will be charged a proportionate share of the costs of the State Water Project collected directly through utility bills, which share will be comprised of the sum of the amount of the standby charge assessment and the amount of the Dougherty Valley Incremental SWP Charge. Non-governmental parcel owners in the Dougherty Valley Standby Charge District will be levied the DV Incremental SWP Charge separately from the standby charge assessment on the Contra Costa County property tax roll.

¹ Beginning January 1, 2025, and through January 1, 2028, pursuant to Government Code Section 53756, the General Manager is authorized and directed to adjust those user charges based on the wholesale treated water rate adopted by the Zone 7 Board of Directors. The General Manager shall provide timely notification to the Board of Directors of the new rates and post them on the District's website.

Res. No. _____

Customers will be notified on their October or November billing statements of the new rates that will be effective on January 1st of the following year.

² Beginning July 1, 2025, and through July 1, 2028, pursuant to Government Code Section 53756, the General Manager is authorized and directed to adjust these passthrough charges based the Dougherty Valley Incremental State Water Project Charge Annual Report.

RESOLUTION NO. 21-19

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT
ESTABLISHING WATER RATES UNDER CHAPTER 4.40 OF THE DISTRICT CODE AND RESCINDING
RESOLUTION NO. 2-17

WHEREAS, District Code Chapter 4.40 allows the Board of Directors to establish bi-monthly fixed water service charges and water consumption rates by ordinance or resolution; and

WHEREAS, a study of revenue requirements of the District has shown that additional revenues are sufficient to continue to provide current service levels to its customers; and

WHEREAS, a *Comprehensive Water Cost of Service Study* (Study) has been prepared by Raftelis Financial Consultants, in accordance with Board direction and policies, to establish the costs of providing water service and the rates needed to generate the revenues necessary to pay those costs; and

WHEREAS, the Study recommends a number of restructures to the water rates in accordance with Board direction and policies; and

WHEREAS, the proposed rates are required to ensure that the District is able to meet its minimum debt service coverage obligation for the Water Refinancing debt; and

WHEREAS, the public has received notification of the proposed rate adjustment and Public Hearing in accordance with Proposition 218; and

WHEREAS, the rates, as adopted by this resolution, supersede those previously established in Resolution No. 2-17; and

WHEREAS, on May 1, 2001, the Board adopted Resolution No. 14-01, Resolution Initiating Proceedings for the Levy of Standby Charges, and in it directed the preparation and filing of a report in writing (the "Engineer's Report") in accordance with and pursuant to Article XIII D of the California Constitution and the Uniform Standby Charge Procedures Act, Sections 54984 et seq., of the California Government Code (together, the "Act") in and for the District's Dougherty Valley Standby Charge District 2001-1 (the "Assessment District"); and

WHEREAS, Resolution No. 14-01 contemplated that the Standby Charges to be established based on the Engineer's Report would be used to pay certain costs of the State Water Project incurred by the District under certain agreements between the District and Alameda County Flood Control and Water Conservation District, Zone 7 (Zone 7) regarding the provision of potable water service in Dougherty Valley in Contra Costa County; and

WHEREAS, for all District customers located in Alameda County, the corresponding costs of the State Water Project are collected directly by Zone 7 on the property tax rolls, but because Zone 7 lacks power to collect these costs on the property tax rolls in Contra Costa County, it was necessary for the District to use another mechanism to collect those costs as a condition of the District being allowed to serve to the Dougherty Valley water delivered to Zone 7 from the State Water Project; and

WHEREAS, on June 19, 2001, after a duly-noticed and held public hearing, by Resolution No. 20-01, the Board approved the establishment of the contemplated Assessment District and approved the Engineer's Report with respect thereto and authorized the levy of assessments for standby charges (the "Assessments") in the Assessment District to pay for certain costs of the State Water Project in amounts not to exceed those provided in the Engineer's Report; and

WHEREAS, the Engineer's Report calculated a maximum Standby Charge of \$170.75 for each Equivalent Dwelling Unit (EDU) within the Assessment District, whether residential, commercial or governmental, which was the amount of the Charge for which notice was provided pursuant to Proposition 218 in connection with the June 19, 2001 hearing; and

WHEREAS, beginning in fiscal year 2019/20, these State Water Project costs, when spread over the EDUs within the Assessment District, are projected to require a Charge in excess of the amount of the maximum Standby Charge specified in the notice provided pursuant to Proposition 218 in connection with the June 19, 2001 hearing ; and

WHEREAS, Sections 4.40.010 and 4.40.020 of the District Code allow the Board of Directors to establish periodic water service charges and water quantity use charges by separate ordinance or resolution; and

WHEREAS, Section 53756 of the California Government Code authorizes the District to adopt a schedule of user charges authorizing automatic adjustments that pass through increases in wholesale charges for water, and to include a clearly defined formula for adjusting user charges for inflation, and pursuant to that authority, this Board has determined to delegate the implementation of those adjustments to the General Manager as specified below; and

WHEREAS, the Board desires to establish a Dougherty Valley Incremental State Water Project Charge (DV Incremental SWP Charge) to recover the increment of these State Water Project costs that, when spread over the EDUs within the Assessment District, would exceed the maximum Standby Charge.

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, effective immediately:

1. The periodic fixed water service charges are hereby established as authorized under Section 4.40.010 of the District Code, as shown in the attached Exhibit "A", irrespective of the quantity of water used, and shall be operative on July 1, 2019, and applicable to all potable water accounts and recycled water accounts.

2. The consumption rates, as authorized under Section 4.40.020 of the District Code, are hereby established as described in the attached Exhibit "B", and shall become operative on July 1, 2019.

3. The tiers and water shortage consumption rates, as authorized under Section 4.40.020 of the District Code, are hereby established and shall become operative as described in the attached Exhibit "C", and thereafter throughout the period during which a resolution declaring the existence of any stage of a water shortage condition pursuant to Resolution No. 20-09, approving a Water Conservation Program in accordance with Ordinance No. 323, and Ordinance No. 323, are both effective.

4. Beginning in January 2021, and continuing annually through January 2024, for all periodic fixed water service charges in Exhibit "A", all water consumption rates as identified as "District Component" in Exhibit "B", and all water consumption rates during a water shortage in Exhibit "C", the General Manager is authorized and directed to adjust those user charges by the percentage increase by which the most recent June Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-Hayward, CA area as increased in relation to the preceding June Consumer Price Index.

5. For all additional periodic fixed water service charges in Exhibit "D", the General Manager is authorized and directed to adjust those water service charges, no more than once annually, to passthrough the proportionate share of increases in the State Water Project costs as determined by the Dougherty Valley Incremental State Water Project Charge (the "DV Report").

6. Resolution No. 2-17 is rescinded effective as follows: (a) with respect to the tiers and water shortage rates, when the new tiers and water shortage rates described in the attached Exhibit "C" first become operative; (b) with respect to all other components of the water rates, when those components first become operative.

7. The DV Incremental SWP Charge, as authorized under Section 4.40.020 of the District Code, is hereby established as described in the attached Exhibit "D", and shall become

Res No. 21-19

operative on July 1, 2019. This charge shall apply to all potable users including residential, commercial and governmental users.

8. Non-governmental parcel owners in the Assessment District will be levied the DV Incremental SWP Charge separately from the standby charge assessment on the Contra Costa County property tax roll.

9. Governmental potable water customers in Dougherty Valley will be charged a proportionate share of the costs of the State Water Project to be collected through utility bills, which will be comprised of the sum of the Standby Charge assessments and DV Incremental SWP charge.

10. A DV Report will be prepared with a similar methodology as the above referenced Engineer's Report for the purposes of levying the DV Incremental SWP Charge for Fiscal Year 2019/20. The DV Report will determine the amount of the DV Incremental SWP Charge based on cost estimates provided by Zone 7, applied to all potable users as defined above.

11. Unless otherwise acted upon by the Board, the amount of the DV Incremental SWP Charge will be adjusted automatically, no more than once annually, to pass-through increases in State Water Project cost estimates.

12. Resolution No. 2-17 attached as Exhibit "E" is rescinded effective July 1, 2019.

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 18th day of June, 2019, and passed by the following vote.

AYES: 5 - Directors Georgean M. Vonheeder-Leopold, Ann Marie Johnson,
Richard M. Halket, Edward R. Duarte, Madelyne A. Misheloff

NOES: 0

ABSENT: 0


Madelyne A. Misheloff, President

ATTEST:


Nicole Genzale, District Secretary