



TOWN OF DISCOVERY BAY
A COMMUNITY SERVICES DISTRICT
SDLF Platinum-Level of Governance



President – Bryon Gutow • Vice-President – Kevin Graves • Director – Ashley Porter • Director – Michael Callahan • Director – Carolyn Graham

TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
AGENDA PACKET

Regular Board Meeting
Wednesday, March 17, 2021

7:00 P.M. Regular Board Meeting

Community Center
1601 Discovery Bay Boulevard





TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



PLATINUM LEVEL

President – Bryon Gutow • Director – Kevin Graves • Director – Ashley Porter • Director – Michael Callahan • Director – Carolyn Graham

**NOTICE OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY
Wednesday, March 17, 2021
REGULAR MEETING 7:00 P.M.**

**NOTICE
Coronavirus COVID-19**

In accordance with the Governor's Executive Order N-33-20, and for the period in which the Order remains in effect, the Town of Discovery Bay Community Services District Board Chambers will be closed to the public.

To accommodate the public during this period of time that the Board's Chambers are closed to the public, the Town of Discovery Bay Community Services District Board of Directors has arranged for members of the public to observe and address the meeting telephonically.

**TO ATTEND BY TELECONFERENCE:
Toll-Free Dial-In Number: (877)778-1806
CONFERENCE CODE 891949**

Download Agenda Packet and Materials at <http://www.todb.ca.gov/>

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 7:00 p.m.
2. Pledge of Allegiance.
3. Roll Call.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)

During Public Comments, the public may address the Board on any issue within the District's jurisdiction which is not on the Agenda. The public may comment on any item on the Agenda at the time the item is before the Board for consideration. Any person wishing to speak will have 3 minutes to make their comment. There will be no dialog between the Board and the commenter as the law strictly limits the ability of Board members to discuss matters not on the agenda. We ask that you refrain from personal attacks during comment, and that you address all comments to the Board only. Any clarifying questions from the Board must go through the President. Comments from the public do not necessarily reflect the viewpoint of the Directors.

C. CONSENT CALENDAR

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion.

1. Approve DRAFT minutes of March 3, 2021 Regular Board of Director's meeting.
2. Approve DRAFT minutes of March 4, 2021 Special Annual Board Planning Meeting.
3. Approve Register of District Invoices.

D. PRESENTATIONS

E. MONTHLY WATER AND WASTEWATER REPORT- VEOLIA

1. Veolia Report – None to report.

F. BUSINESS AND ACTION ITEMS

1. Discussion and Possible Action Regarding the Presentation of 2020 Audited Financial Statements.
2. Discussion and Possible Action Approving the Scope of Work with HERWIT Engineering for Engineering Support, Construction Management and Inspection Services for the Denitrification and Master Plan Improvement Project in the amount of \$967,800.
3. Discussion and Possible Action Regarding the Replacement of the ORION CDMA Water Meter Endpoints ("Readers") with ORION LTE-M Water Meter Readers.
4. Discussion and Possible Action to Purchase the AirBurners 2021 T-24 BurnBoss Firebox.
5. Discussion and Possible Action Regarding the Approval of Park and Recreation 2021 Program, Activities, and Event Fee Waivers.
6. Discussion and Possible Action Regarding the 2021 Parks and Recreation Public Event Calendar.

G. DIRECTOR'S TRAINING AND REGIONAL MEETING REPORTS

1. Report of Liberty Union High School District Regular Board Meeting – March 10, 2021- Vice President Kevin Graves.
2. Report East Contra Costa Fire Protection District Regular Board Meeting – March 10, 2021 – Vice President Kevin Graves.

H. MANAGER'S REPORT

I. GENERAL MANAGER'S REPORT

J. DIRECTORS' REPORTS

K. CORRESPONDENCE RECEIVED (Information Only)

L. FUTURE AGENDA ITEMS

**M. OPEN SESSION DISCLOSURE OF CLOSED SESSION AGENDA
(Government Code Section 54957.7)**

N. CLOSED SESSION:

1. Public Employee Appointment
Title: General Manager

**O. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION
(Government Code Section 54957.1)**

P. ADJOURNMENT

1. Adjourn to the next regular meeting on April 7, 2021 at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

"This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the American with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Town of Discovery Bay, at (925) 634-1131, during regular business hours, at least forty-eight hours prior to the time of the meeting."

"Materials related to an item on the Agenda submitted to the Town of Discovery Bay after distribution of the agenda packet are available for public inspection in the District Office located at 1800 Willow Lake Road during normal business hours."



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



PLATINUM LEVEL

President – Bryon Gutow • Director – Kevin Graves • Director – Ashley Porter • Director – Michael Callahan • Director – Carolyn Graham

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY
Wednesday March 3, 2021
REGULAR MEETING 7:00 P.M.**

**NOTICE
Coronavirus COVID-19**

In accordance with the Governor's Executive Order N-33-20, and for the period in which the Order remains in effect, the Town of Discovery Bay Community Services District Board Chambers will be closed to the public.

To accommodate the public during this period of time that the Board's Chambers are closed to the public, the Town of Discovery Bay Community Services District Board of Directors has arranged for members of the public to observe and address the meeting telephonically.

**TO ATTEND BY TELECONFERENCE:
Toll-Free Dial-In Number: (877)778-1806
CONFERENCE CODE 891949**

Download Agenda Packet and Materials at <http://www.todb.ca.gov/>

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 7:00 p.m. by President Bryon Gutow.
2. Pledge of Allegiance - Led by President Bryon Gutow.
3. Roll Call – All Present, with the exception of Director Ashley Porter joining the meeting via teleconference.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)
None.

C. CONSENT CALENDAR

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion.

1. Approve February 17, 2021 Regular Board of Directors DRAFT Meeting minutes.
2. Approve Register of District Invoices.

Motion made by Vice President Kevin Graves to approve the Consent Calendar as presented.
Second by Director Ashley Porter.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

D. AREA AGENCIES REPORTS / PRESENTATION

1. Assembly Member Jim Frazier, District 11 – Not in attendance.
2. Supervisor Diane Burgis, District III Report – Not in attendance.
3. Sheriff's Office Report.

Sheriff Lieutenant Mark Johnson explained that crime is extremely low. Sheriff units are in Discovery Bay making traffic stops and staying visible. The Automated License Plate Reader (ALPR) has identified some stolen vehicles which Sheriffs have been able to recover. More ALPRs are going to be installed in Discovery Bay. Reported a homicide in Newport. Shoplifting continues to be a concern in Safeway and CVS Pharmacy. Retail employees at these stores have been advised to call Sheriff for each crime.

4. CHP Report – Not in attendance.
5. East Contra Costa Fire Protection District Report.

East Contra Costa Fire Department Battalion Chief Ross Macumber advised average call response time is 9:33 minutes. No vegetation fires since last update. One fatality on Bethel Island due to a boat fire. Update given on annexation of fire stations. Reminder to the community to unplug space heaters. Public is invited to attend the monthly meeting held every second Wednesday of each month at 6:30 p.m. available through stream on the ECCFPD website. Updated the Board on the status of COVID-19 vaccination sites.

E. LIAISON REPORTS

F. PRESENTATIONS

G. BUSINESS AND ACTION ITEMS

1. Public Hearing to Review and Adopt the Water Shortage Contingency Plan.

Water Engineer Justin Shobe discussed the Water Shortage Contingency Plan and explained its purpose and contents to the Board. This plan is a required part of the Urban Water Management Plan and will need to be submitted together.

Staff recommends the Board approve to open this report for a public hearing, and then adopt the report as required by the Department of Water Resources by July 1, 2021.

No public comments during public hearing.

Moved by Vice President Kevin Graves to move forward with the process to accept the Water Shortage Contingency Plan.

Second by Director Carolyn Graham.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

2. Discussion and Possible Action Regarding Discovery Bay Recreation and Sports Inc. (“DBRS”) Request for a TUFF Shed, Benches and Temporary Pop-up Shade at the Pickleball Courts.

Recreation Program Supervisor Monica Gallo advised the Board of requests made by Discovery Bay Recreation and Sports to allow a 4’x12’ Tuff Shed and a permanent bench on the pickleball courts.

Discussion between Vice President Kevin Graves, Recreation Program Supervisor Monica Gallo, and General Manager Mike Davies regarding the location of the proposed shed.

President Bryon Gutow and Director Ashley Porter advised the Board that this item was presented at the Parks and Recreation Committee Meeting and both Committee Members agreed it was a reasonable request.

Another request made by DBRS was to allow pop up canopies for shade. These canopies will be removed by DBRS at the end of each pickleball session.

Lastly, DBRS requests permission to permanently install benches for players. DBRS plans to fundraise for the purchase of the benches and donate them to Town of Discovery Bay.

Public comment regarding:

- Maintenance of the benches and shed.

President Bryon Gutow replied that DBRS would be responsible for maintenance of benches and shed.

Vice President Kevin Graves requested clarification about resurfacing the pickleball courts.

Staff is requesting the Board approve the recommendation of the Parks and Recreation Committee to allow DBRS to bring a shed, some benches and some pop up shade structures to the pickleball courts.

Motion made by Director Ashley Porter to take staff’s recommendation.

Second by Director Carolyn Graham.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

3. Discussion and Possible Action Regarding a “Town Hall” and/or Open House Event at the Community Center.

General Manager Mike Davies discussed organizing a Town Hall and/or Open House at the Community Center with the recommended date of June 26, 2021 from 11:00 a.m. until 1:00 p.m. Events planned will depend on existing COVID-19 restrictions. Staff is requesting approval for the date selected.

Director Ashley Porter asked if consideration was given to invite the Area Agencies to participate in this event.

General Manager Mike Davies advised that it is planned to extend the invitation to the local agencies and legislative representatives.

Motion made by Vice President Kevin Graves to move staff’s recommendation.

Second by Director Ashley Porter.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

4. Discussion and Possible Action Regarding Activity Guide Publication.

Recreation Program Supervisor Monica Gallo discussed reducing the amount of Activity Guide copies printed to reduce the waste of paper and to help the environment. Alternative is to provide the public with a digital copy and have paper copies available upon the request of community members. Paper copies would be available at the Community Center and local businesses. This proposal would save the Town over \$11,000 a year.

Advertising cost will be assessed. Activity Guide will also be promoted on the Town's electronic board and water bill inserts.

Vice President Kevin Graves asked how many people are signed up to receive email from Town of Discovery Bay.

Administrative Assistant Yesenia Monarrez advised there are approximately 800 emails at the moment.

Director Michael Callahan mentioned that followers on Facebook are also receiving Town information.

Motion made by Director Ashley Porter to accept staff's recommendation.

Second by President Bryon Gutow.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

5. Discussion and Possible Action Regarding Filing a Notice of Exemption for the Clipper Drive Linear Park Prop 68 Competitive Grant.

Parks and Landscape Manager Bill Engelman advised the Board that the final application is being submitted next week for Prop 68 Competitive Grant. Staff is requesting permission to submit a Notice of Exemption to the County.

Motion to accept staff's recommendation made by Vice President Kevin Graves.

Second by Director Michael Callahan.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

H. DIRECTORS' REPORTS

1. Standing Committee Reports.

- a. Communications Committee Meeting (Committee Members Carolyn Graham and Michael Callahan) March 3, 2021.

Director Carolyn Graham gave an update about discussing the Town Hall/ Open House at the Special Communications Committee Meeting on February 17, 2021. Also discussed were better ways to communicate with all Town residents.

At the Communications Committee Meeting on March 3, 2021, there was discussion regarding the extension of access to the Town's electronic board to the schools. This item was set aside to be discussed at a later time. Finally, there were updates given about new efforts to reach out to the community via Eye on Water and the Like Us on Facebook campaigns.

- b. Parks and Recreation Committee Meeting (Committee Members Bryon Gutow and Ashley Porter) March 3, 2021.

Director Ashley Porter informed the Board of discussion regarding the installation of benches and a shed at the pickleball courts. Director Ashley Porter gave update about the request to open restrooms at Cornell Park. Budgets for Zones 35, 57 and 61 were discussed and possible new projects for these county-owned zones.

- c. Water and Wastewater Committee Meeting (Committee Members Kevin Graves and Ashley Porter) March 3, 2021.

Vice President Kevin Graves advised the Board that this is a busy time for the Water and Wastewater Departments. The Denitrification Project will go out to bid on April 1, 2021. Management of the Denitrification Project and the proposal of new water meter readers were also reviewed.

2. Other Reportable Items.

I. DIRECTOR'S TRAINING AND REGIONAL MEETING REPORTS

1. Report of East County Code Enforcement Meeting- February 25, 2021- Director Porter.

Director Ashley Porter gave the Board an update of the Regional Meeting she attended. At this meeting there was discussion about a fence which needs repair on Discovery Bay Boulevard. The district officer will request a fence ordinance.

J. MANAGER'S REPORT

Water and Wastewater Manager Aaron Goldsworthy provided update on the Denitrification Project. This project is scheduled to go out to bid on May 6, 2021 and then submitting a Notice of Intent with Contra Costa County.

K. GENERAL MANAGER'S REPORT

1. Discussion Regarding Opening of Restrooms at Cornell Park.

General Manager Mike Davies updated the Board regarding the decision to not open the restrooms at Cornell Park due to lack of funds to keep them sanitized. Also, there has been a lot of damage and vandalism done to these restrooms in the past and that has created extra work for the landscape team.

2. Groundwater Sustainability Plan Update.

Discussed the agencies which draw water from an aquifer. We have a Memorandum of Understanding with six (6) other institutions. A plan is in the process of being written to cooperate with each other. The plan is scheduled to be ready next year, and a final will be available in 2022. Brentwood has taken the lead and invoices Town of Discovery Bay.

L. CORRESPONDENCE RECEIVED

M. FUTURE AGENDA ITEMS

N. ADJOURNMENT

1. Adjourned at 8:35 to the regular meeting on March 17, 2021 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

"This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the American with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Town of Discovery Bay, at (925) 634-1131, during regular business hours, at least forty-eight hours prior to the time of the meeting."

"Materials related to an item on the Agenda submitted to the Town of Discovery Bay after distribution of the agenda packet are available for public inspection in the District Office located at 1800 Willow Lake Road during normal business hours."

//ym//031121

DRAFT



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



PLATINUM LEVEL

President – Bryon Gutow • Director – Kevin Graves • Director – Ashley Porter • Director – Michael Callahan • Director – Carolyn Graham

**MINUTES OF THE SPECIAL ANNUAL BOARD PLANNING MEETING
OF THE TOWN OF DISCOVERY BAY
THURSDAY, MARCH 4, 2021
SPECIAL BOARD PLANNING MEETING – 4:00 P.M.**

**NOTICE
Coronavirus COVID-19**

In accordance with the Governor's Executive Order N-33-20, and for the period in which the Order remains in effect, the Town of Discovery Bay Community Services District Committee Chambers will be closed to the public.

To accommodate the public during this period of time that the Committee's Chambers are closed to the public, the Town of Discovery Bay Community Services District Committee Members have arranged for members of the public to observe and address the meeting telephonically.

**TO ATTEND BY TELECONFERENCE:
Toll-Free Dial-In Number: (866) 848-2216
CONFERENCE ID **5193676302#****

Download Agenda Packet and Materials at www.todb.ca.gov/

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 4:00 p.m. – By President Bryon Gutow.
2. Roll Call – All present with the exception of Finance Manager Julie Carter. Director Ashley Porter participating via teleconference.

B. PUBLIC COMMENTS (Public Comments will be limited to a 3-minute time limit)

None.

C. PRESENTATION, DISCUSSION, AND ACTION ITEMS

1. Review of Mission, Vision, Values and Goals.
General Manager Mike Davies verified Board Member's term dates for accuracy. The District's mission, vision, goals and values were reviewed.
Director Carolyn Graham suggested reviewing the District's Mission, Vision, Goals and Values and adding wording for inclusion and diversity.
2. Looking Back 2020 Year Review.
Updates were provided for projects in each quarter of 2020.
Director Carolyn Graham asked for clarification on SB998.
 - a. Primary Issues
 - b. Accomplishments
General Manager Mike Davies provided a presentation to the Board to highlight issues and accomplishments for the year 2020.
The town has a Platinum District of Distinction. There are only 12 Districts in the state that hold that title. The presentation displayed the Resolutions passed each quarter, awards and recognitions.
General Manager Mike Davies commented on the employees hired by the District in 2020. He gave a brief update on how they have been doing and their accomplishments. He addressed past and future retirees. He recapped that there were technology updates at the District.
Vice President Kevin Graves asked about anomalies with the UV system.

Water and Wastewater Manager Aaron Goldsworthy advised there have not been any violations.

General Manager Mike Davies spoke about Director Ashley Porter, Director Michael Callahan and Director Carolyn Graham joining the Board in the fourth quarter.

General Manager Mike Davies emphasized that 2020 had an aggressive list of accomplishments in Town of Discovery Bay history and it was all done while in a historic pandemic. He thanked the staff and the Board for their hard work during a difficult time.

President Bryon Gutow asked about the storm drain project at Well 4A.

Water and Wastewater Manager Aaron Goldsworthy advised that this project is currently being worked on.

There was discussion about current projects such as zone study to help determine budgets for each zone.

Looking Forward 2021

c. Key Issues and Projects

There was discussion about current projects such as zone study to help determine budgets for each zone.

Director Carolyn Graham asked if there is help in funding the Denitrification Project.

General Manager Mike Davies advised funds can come from bonds, funding for government financing or loans. Once the bids for the Denitrification Project are received, further discussion about funding will be addressed.

General Manager Mike Davies spoke about contracting a firm to assist in filtering candidates to replace General Manager Mike Davies.

d. Key Planning Efforts

President Bryon Gutow asked about landscaping efforts on Discovery Bay Blvd.

General Manager Mike Davies spoke about the retirement of Administrative Assistant Carol McCool in June. There will be a few modifications to the job description.

General Manager Mike Davies touched on projects for Water and Wastewater, Parks and Landscape and Financing that are planned for 2022.

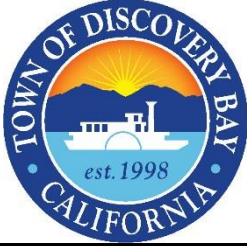
D. ADJOURNMENT

Adjourned at 4:48 p.m. to the next Regular meeting on March 17, 2021 beginning at 7:00 p.m. at the Community Center.

"This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the American with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Town of Discovery Bay, at (925) 634-1131, during regular business hours, at least forty-eight hours prior to the time of the meeting."

"Materials related to an item on the Agenda submitted to the Town of Discovery Bay after distribution of the agenda packet are available for public inspection in the District Office located at 1800 Willow Lake Road during normal business hours."

//ym//031221



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

March 17, 2021

Prepared By: Julie Carter, Finance Manager & Lesley Marable, Accountant
Submitted By: Michael R. Davies, General Manager

Agenda Title

Approve Register of District Invoices.

Recommended Action

Staff recommends that the Board approve the listed invoices for payment.

Executive Summary

District invoices are paid on a regular basis, and must obtain Board authorization prior to payment. Staff recommends Board authorization in order that the District can continue to pay warrants in a timely manner.

Fiscal Impact:

Amount Requested \$ 375,793.13

Sufficient Budgeted Funds Available?: Yes (If no, see attached fiscal analysis)

Prog/Fund # See listing of invoices. **Category:** Operating Expenses and Capital Improvements

Previous Relevant Board Actions for This Item

Attachments

Request For Authorization to Pay Invoices for the Town of Discovery Bay CSD 2020/2021

AGENDA ITEM: C-3

Request for Authorization to Pay Invoices

For The Meeting On March 17, 2021

Town of Discovery Bay CSD

Fiscal Year 7/20 - 6/21

Veolia Water North America	\$141,326.29
Herwit Engineering	\$108,400.92
Empower Retirement	\$33,450.00
Town of Discovery Bay CSD	\$27,743.69
CaliforniaChoice Benefit Admin	\$20,032.42
Stantec Consulting Services Inc	\$10,188.25
Badger Meter	\$5,466.38
City Of Brentwood	\$4,333.96
Precision IT Consulting	\$4,231.30
Trugreen	\$3,950.00
Pacific Landscape Supply, Inc.	\$2,634.75
Watersavers Irrigation Inc.	\$2,222.12
SDRMA	\$1,746.92
Benefit Resources, Inc.	\$1,202.08
Verizon Wireless	\$923.05
Mt. Diablo Resource Recovery	\$825.49
Office Depot	\$818.55
Kevin Graves	\$690.00
Express Employment Professionals	\$685.58
Brentwood Ace Hardware	\$529.59
Univar Solutions USA Inc.	\$525.87
Quadient Leasing USA, Inc.	\$517.85
Ashley Porter	\$460.00
Carolyn Graham	\$460.00
Michael Callahan	\$460.00
Bryon Gutow	\$345.00
United States Postal Services	\$245.00
The Dig Safe Board Program	\$230.92
Bay Area News Group	\$216.00
Geotab USA, Inc.	\$177.75
Water Utility Refund Customers	\$154.63
ULINE	\$117.40
Alhambra	\$109.67
UniFirst Corporation	\$103.78
Lesley Marable	\$95.42
Discovery Pest Control	\$70.00
County Of Contra Costa, Dept of Info Tec	\$57.00
Upper Case Printing, Inc.	\$45.50

\$375,793.13



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

March 17, 2021

Prepared By: Julie Carter, Finance Manager
Submitted By: Dina Breitstein, Assistant General Manager

Agenda Title

Discussion and Possible Action Regarding the Presentation of 2020 Audited Financial Statements

Recommended Action

Consider the acceptance and approval of the FY20 Audited Financial Statements.

Executive Summary

Government Code 53891. (a) States that the officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles if this data is available. The report shall be furnished within seven months after the close of each fiscal year and shall be in the form required by the Controller. A local agency shall submit to the Controller information on annual compensation, as described in subdivision (l) of Section 53892, for the previous calendar year no later than April 30th. The Town of Discovery Bay, CSD, and the Discovery Bay Public Financing Authority complies with this requirement on an annual basis and hires an independent auditing firm to perform the annual financial audit.

On November 18, 2020 the Board of Directors approved contracting with Croce, Sanguinetti and Vandeer Veen to perform the Annual Audit for Fiscal Year 2019-2020 for the Town of Discovery Bay Community Services District and the Discovery Bay Public Financing Authority, under the direction of Marc Croce.

- Annual Audit for the Town of Discovery Bay, Community Services District
- Preparation and submission of the Town of Discovery Bay, CSD Financial Transaction Reports
- Preparation and submission of the Discovery Bay Public Financing Authority Financial Transaction Reports

Croce, Sanguinetti and Vandeer Veen prepared and submitted the Financial Transactions Records on January 31, 2021 as required for both the Town of Discovery Bay Community Services District and the Discovery Bay Public Financing Authority.

Croce, Sanguinetti and Vandeer Veen conducted the Annual Audit for FY20 in December 2020 and have subsequently prepared Audited Financial Statements for review by the Board.

Staff has reviewed the financial statements and recommends the acceptance and approval by the Board of Directors.

Fiscal Impact:

Amount Requested

Sufficient Budgeted Funds Available? (If no, see attached fiscal analysis)

Prog/Fund # Category:

Previous Relevant Board Actions for This Item

Attachments

1. Draft Financial Statements
2. Draft SAS No. 114
3. Draft Management Letter

AGENDA ITEM: F-1



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2020

Working Draft



CROCE, SANGUINETTI, & VANDER VEEN

INC.

CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Governmental Funds	
Balance Sheet	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	16
Proprietary Funds	
Statement of Net Position	17
Statement of Revenues, Expenses, and Changes in Fund Net Position	18
Statement of Cash Flows	19
Notes to Basic Financial Statements	20
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Major Special Revenue Fund	45
Notes to Required Supplementary Information	46
Other Independent Auditors' Report	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	47

Independent Auditors' Report

To the Board of Directors
Town of Discovery Bay Community
Services District
Discovery Bay, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Discovery Bay Community Services District** (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Discovery Bay Community Services District** as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Town of Discovery Bay Community Services District's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants
Stockton, California
March 8, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Working Draft

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2020

This narrative overview and analysis of the Town of Discovery Bay Community Services District's (District) financial activities for the fiscal year ended June 30, 2020 has been provided by the management of the District. The management's discussion and analysis is intended to serve as an introduction to the District's financial statements which follow this section and is recommended to be reviewed in conjunction with them.

Financial Highlights

- The District's net position increased by \$1,854,440 over the prior year, including a \$44,530 decrease in net position of governmental activities, and a \$1,898,970 increase in net position of business-type activities. The District's net position is now \$51,122,613.
- Total assets of the District were \$72,781,433 with capital assets at \$46,399,823 net of accumulated depreciation. Current, non-current and other assets were \$26,381,610.
- Total liabilities were \$21,658,820 consisting of long-term liabilities of \$20,495,866 and other current liabilities of \$1,162,954.
- Assets of the District exceeded liabilities at the close of the most recent fiscal year by \$51,122,613 (net position). Of this amount, \$25,162,790 (unrestricted net position) may be used to meet the District's ongoing obligations, and \$25,959,823 is net investment in capital assets.
- On the current financial resources basis, the District's governmental fund revenues exceeded expenditures (including \$67,742 in capital outlay expenditures) by \$115,955. The proprietary fund revenues exceeded expenses by \$1,898,970.
- At year-end, there was \$2,376,770 in cash and investments to fund future governmental activities, and \$22,757,952 in cash and investments to fund future business-type activities.

Overview of the Financial Statements

The District's financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to financial statements including required supplementary information.

Government-wide and fund financial statements present the results of operations for different functions of the District as follows:

1. **Government-wide financial statements** provide both long-term and short-term information about the District's overall financial position in a manner similar to private-sector business.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2020

Overview of the Financial Statements (Continued)

The **Statement of Net Position** displays all of the District's assets and liabilities, with the difference between the two reported as net position. The **Statement of Activities** provides all current year revenues and expenses on an accrual basis of accounting regardless of when cash is received or paid. These two government-wide statements report the District's net position and how they have changed during the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening.

The government-wide financial statements separately present the District's functions as follows:

- **Governmental activities** include services financed mainly through property taxes. The District's general, lighting and landscaping and community center services comprise its governmental activities.
 - **Business-type activities** include services financed, in whole or in part, by fees paid by those who directly benefit from the service. The District's business-type activities include providing water and wastewater services to the residents of the District.
2. **Fund financial statements** focus on the individual functions of the District, and report the District's operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used by state and local governments to control their resources that are legally restricted or otherwise earmarked for special purposes. The District reports its fund financial statements in the following two categories:
- **Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 1) short-term inflows and outflows of expendable resources, and 2) the resources remaining at the end of the fiscal year that are available for future use. Because the focus of governmental funds is narrower than the government-wide financial statements, a reconciliation that explains the relationship (or differences) between them is presented following each of the governmental fund statements.
 - **Proprietary funds** are used to report the same functions presented as business-type activities in the government-wide financial statements in more detail.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2020

Financial Analysis of the Government-wide Financial Statements

A review of net position over time may serve as a useful indicator of the District's financial position. Net position represents the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. As of June 30, 2020, the District's net position was \$51,122,613, an increase of \$1,854,440 from prior year. The following table outlines the District's net position by function for the current and prior fiscal years.

Town of Discovery Bay Community Services District Net Position
(rounded to the nearest dollar)
As of June 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total		Variance \$
	2020	2019	2020	2019	2020	2019	
Assets							
Current and other assets	\$ 2,626,512	\$ 2,341,315	\$ 23,315,145	\$ 19,441,435	\$ 25,941,657	\$ 21,782,750	\$ 4,158,907
Non-current assets	393,827	525,102	46,126	48,222	439,953	573,324	(133,371)
Capital assets, net	<u>1,877,194</u>	<u>2,029,615</u>	<u>44,522,629</u>	<u>46,868,013</u>	<u>46,399,823</u>	<u>48,897,628</u>	<u>(2,497,805)</u>
Total assets	<u>4,897,533</u>	<u>4,896,032</u>	<u>67,883,900</u>	<u>66,357,670</u>	<u>72,781,433</u>	<u>71,253,702</u>	<u>1,527,731</u>
Deferred outflows of resources	-	-	-	-	-	-	-
Liabilities							
Current liabilities	173,689	135,722	989,265	844,340	1,162,954	980,062	182,892
Non-current liabilities	<u>22,034</u>	<u>13,970</u>	<u>20,473,832</u>	<u>20,991,497</u>	<u>20,495,866</u>	<u>21,005,467</u>	<u>(509,601)</u>
Total liabilities	<u>195,723</u>	<u>149,692</u>	<u>21,463,097</u>	<u>21,835,837</u>	<u>21,658,820</u>	<u>21,985,529</u>	<u>(326,709)</u>
Deferred inflows of resources	-	-	-	-	-	-	-
Net Position							
Invested in capital assets	1,877,194	2,029,615	24,082,629	25,923,013	25,959,823	27,952,628	(1,992,805)
Unrestricted	<u>2,824,616</u>	<u>2,716,725</u>	<u>22,338,174</u>	<u>18,598,820</u>	<u>25,162,790</u>	<u>21,315,545</u>	<u>3,847,245</u>
Total net position	<u>\$ 4,701,810</u>	<u>\$ 4,746,340</u>	<u>\$ 46,420,803</u>	<u>\$ 44,521,833</u>	<u>\$ 51,122,613</u>	<u>\$ 49,268,173</u>	<u>\$ 1,854,440</u>

By far the largest portion of the District's net position (51%) reflects its net capital assets (e.g., land, buildings and improvements, equipment, etc.). The District uses its capital assets to provide the services it is responsible for and those assets don't represent future expendable resources. The second largest portion of the District's net position, approximately 49%, reflects its unrestricted net position, which may be used to meet the government's ongoing obligations.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2020

Financial Analysis of the Government-wide Financial Statements (Continued)

The following table displays the change in the District's net position for the year ended June 30, 2020.

Town of Discovery Bay Community Services District Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program revenues						
Charges for services	\$ 68,938	\$ 140,153	\$11,211,962	\$10,182,000	\$11,280,900	\$10,322,153
Operating grants and contributions	-	-	61,716	-	61,716	-
Capital grants and contributions	-	1,312,755	-	-	-	1,312,755
General revenues						
Property taxes	703,401	679,564	-	-	703,401	679,564
Assessments	145,637	133,680	-	-	145,637	133,680
Investment income	32,819	-	2,161	4,438	34,980	4,438
Other	237,944	252,885	207,392	174,221	445,336	427,106
Total revenues	<u>1,188,739</u>	<u>2,519,137</u>	<u>11,483,231</u>	<u>10,360,659</u>	<u>12,671,970</u>	<u>12,879,696</u>
Expenses						
General government	111,187	154,905	-	-	111,187	154,905
Community center	2,110	2,110	-	-	2,110	2,110
Lighting and landscaping						
Zone 8	939,219	1,042,642	-	-	939,219	1,042,642
Lighting and landscaping						
Zone 9	120,423	119,018	-	-	120,423	119,018
Water	-	-	3,420,693	3,325,682	3,420,693	3,325,682
Sewer	-	-	5,405,964	5,028,413	5,405,964	5,028,413
Financing authority	-	-	817,934	829,697	817,934	829,697
Total expenses	<u>1,172,939</u>	<u>1,318,675</u>	<u>9,644,591</u>	<u>9,183,792</u>	<u>10,817,530</u>	<u>10,502,467</u>
Transfers	<u>(60,330)</u>	<u>(36,810)</u>	<u>60,330</u>	<u>36,810</u>	<u>-</u>	<u>-</u>
Change in net position	(44,530)	1,163,552	1,898,970	1,213,677	1,854,440	2,377,229
Net position, beginning of year	<u>4,746,340</u>	<u>3,582,788</u>	<u>44,521,833</u>	<u>43,308,156</u>	<u>49,268,173</u>	<u>46,890,944</u>
Net position, end of year	<u>\$ 4,701,810</u>	<u>\$ 4,746,340</u>	<u>\$46,420,803</u>	<u>\$44,521,833</u>	<u>\$51,122,613</u>	<u>\$49,268,173</u>

The \$1,854,440 increase in net position is attributed to each function as follows:

Governmental Activities

- Charges for services decreased by \$71,215 due to a decrease in Community Center program fees and rental revenue.
- Capital grants and contributions decreased by \$1,312,755 as such amounts were received in the prior year from the Hofmann Land Development Company.
- Property tax revenue increased by \$23,837 due to an increase in assessed values of properties during the year related to more positive economic conditions than in the past.
- Other revenue decreased by \$14,941 due to a decrease in reimbursements.
- Expenses decreased \$145,736 (11%) due to a decrease in payroll expenses, repairs and maintenance and facility maintenance-landscaping related expenses.

(Continued)

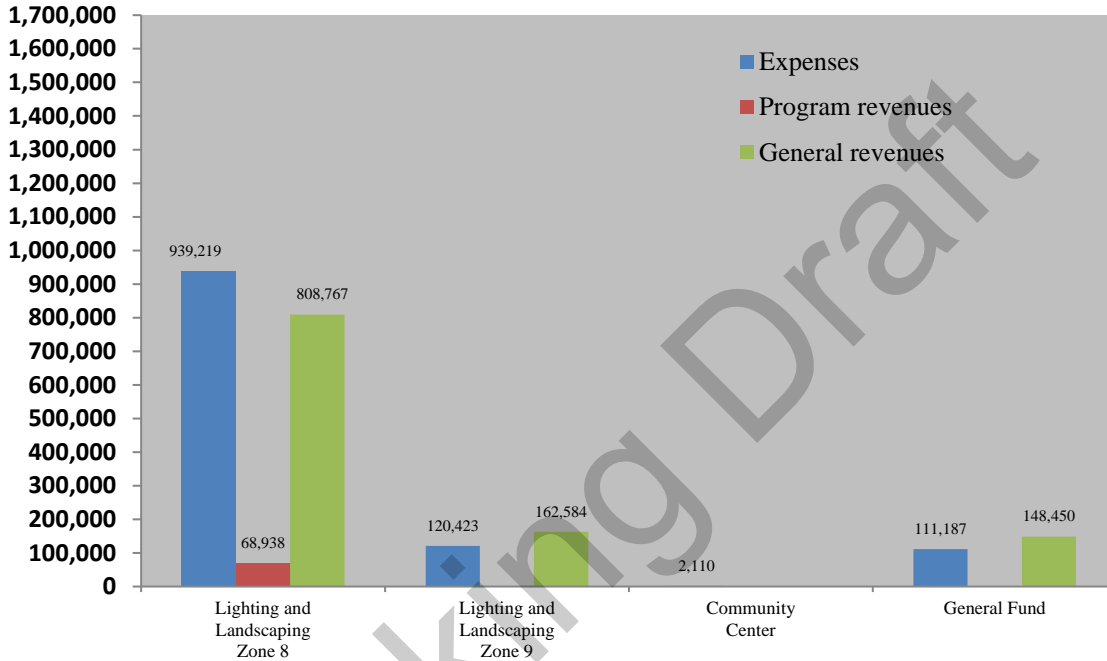
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management’s Discussion and Analysis

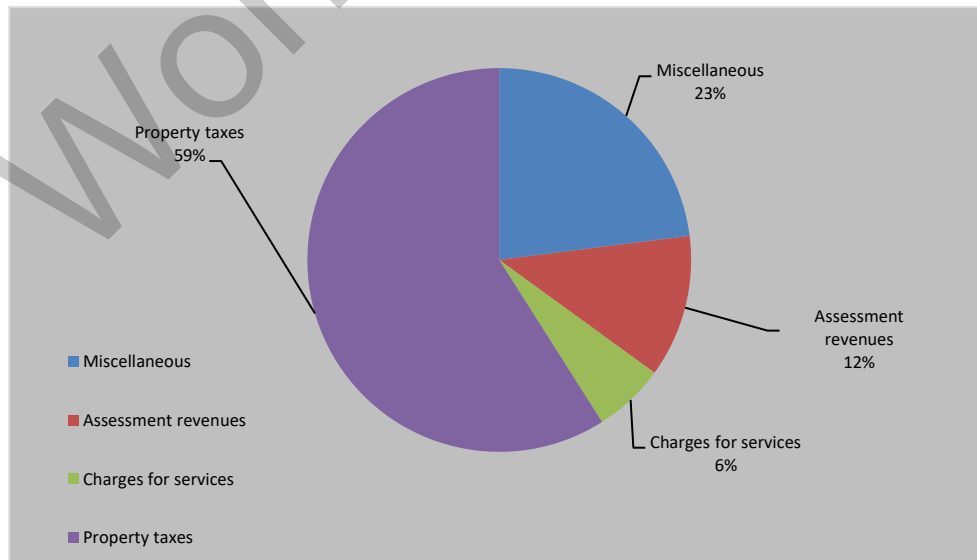
June 30, 2020

Financial Analysis of the Government-wide Financial Statements (Continued)

Expenses and Revenues - Governmental Activities



Revenues by Source - Governmental Activities



(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

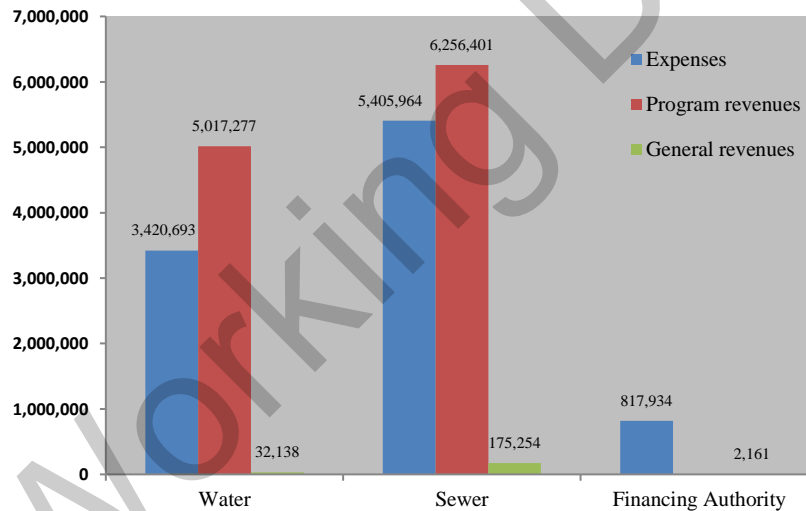
June 30, 2020

Financial Analysis of the Government-wide Financial Statements (Continued)

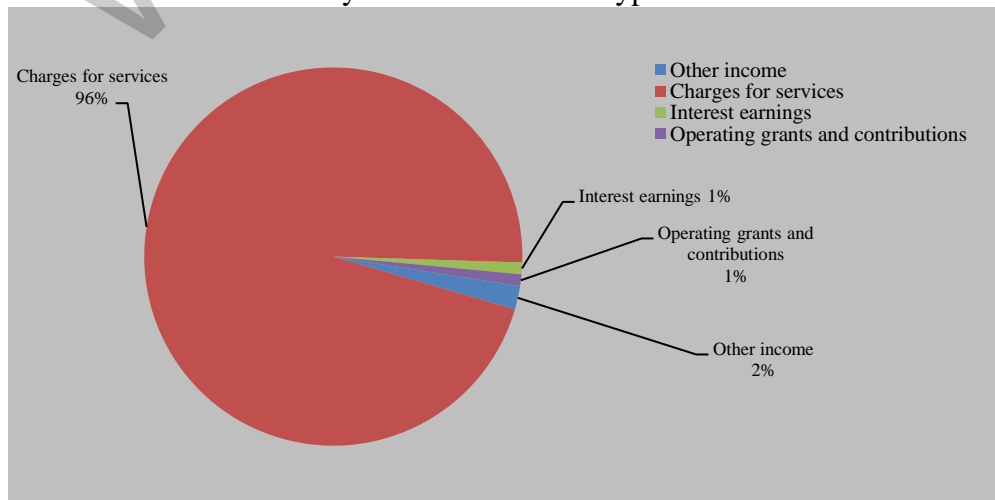
Business-type Activities

- Charges for services increased \$1,029,962 (10%) due to an increase in water and sewer rates and connection fees.
- Operating grants and contributions increased \$61,716 as the District received a water sustainability grant.
- Other revenues increased \$33,171 (19%) due to an increase in reimbursement revenue.
- Expenses increased \$460,799 (5%) primarily due to an increase in professional fees, chemicals, payroll, and insurance.

Expenses and Revenues - Business-type Activities



Revenues by Source - Business-type Activities



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2020

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on the short-term inflows and outflows and balances of current expendable resources. In particular, the *unassigned fund balance* presented in the balance sheet may serve as a useful measure of the District's resources available for spending at the end of its fiscal year.

As of the end of the current fiscal year, the District's combined governmental fund revenues exceeded expenditures by \$115,955 primarily due to decreased revenues and decreased expenditures. This resulted in a \$115,955 increase in the combined ending fund balance of the District's governmental funds. The fund balance of the Lighting and Landscaping Zone 8 fund increased by \$106,674, the fund balance of the Lighting and Landscaping Zone 9 fund increased by \$54,657, there was no change to the fund balance of the community center fund, and the fund balance of the general fund decreased by \$45,376. At year-end, the combined fund balance of the governmental funds was \$2,846,650, consisting of committed and unassigned funds.

Proprietary Funds

The District's proprietary fund statements provide the same type of information, in more detail, on the business-type activities presented in the government-wide financial statements.

The net position of the proprietary funds increased by \$1,898,970 from \$44,521,833 to \$46,420,803. The net position included \$22,338,174 in unrestricted net position which has increased by \$3,739,354 or 20% from the previous year. The increase in unrestricted net position is primarily due to an increase in operating revenues.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2020, the District's investment in capital assets amounted to \$25,959,823 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, structures and improvements, and treatment and collection.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2020

Capital Asset and Debt Administration (Continued)

The District's total investment in capital assets before depreciation increased by \$395,658 from \$69,997,299 to \$70,392,957. Significant additions to capital assets included:

- Water Treatment Plant - Well #4 Motor Replacement (\$114,115)
- Willow Lake Underwater Pipeline Crossing Replacement (\$22,855)
- Wastewater Distribution Diffuser Improvements (\$56,027)
- Wastewater Treatment Operations and Maintenance Manual (\$30,651)
- Wastewater Denitrification Project (\$26,670)
- Wastewater Lift Station "R" Control Panel Updates (\$20,787)
- L&L #8 Dog Park Improvements (\$31,676)

The following table displays the changes in District's capital assets, net of accumulated depreciation.

Town of Discovery Bay Community Services District's Capital Assets
(net of depreciation, in rounded dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 415,930	\$ 415,930	\$ 307,000	\$ 307,000	\$ 722,930	\$ 722,930
Buildings and improvements	3,098,724	3,036,441	710,404	700,440	3,809,128	3,736,881
Treatment and collection	-	-	54,384,886	53,992,519	54,384,886	53,992,519
Structure and improvements	-	-	9,141,916	9,141,916	9,141,916	9,141,916
Equipment	338,501	338,501	895,788	883,333	1,234,289	1,221,834
Office furniture and equipment	20,766	15,307	138,044	105,583	158,810	120,890
Vehicles	80,133	80,133	439,910	412,999	520,043	493,132
Construction in progress	<u>92,859</u>	<u>131,109</u>	<u>328,096</u>	<u>436,088</u>	<u>420,955</u>	<u>567,197</u>
Total	4,046,913	4,017,421	66,346,044	65,979,878	70,392,957	69,997,299
Less accumulated depreciation	<u>(2,169,719)</u>	<u>(1,987,806)</u>	<u>(21,823,415)</u>	<u>(19,111,865)</u>	<u>(23,993,134)</u>	<u>(21,099,671)</u>
Net capital assets	<u>\$ 1,877,194</u>	<u>\$ 2,029,615</u>	<u>\$44,522,629</u>	<u>\$46,868,013</u>	<u>\$46,399,823</u>	<u>\$ 48,897,628</u>

Additional information on the District's capital assets can be found in Note F of the "Notes to Financial Statements" section.

Debt Administration

At June 30, 2020, the District had \$20,440,000 in debt outstanding as compared to \$20,945,000 for the prior year. During fiscal year 2014, the District received Series 2012 Enterprise Revenue Bonds to finance the acquisition and construction of certain improvements to the water and wastewater systems. During fiscal year 2018, the District received series 2017 Enterprise Revenue Bonds to finance the costs of certain improvements to the water and wastewater enterprise systems. Additional information regarding the District's debt can be found in Note G of this report.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2020

Economic Factors and Next Year's Budgets and Rates

The District has experienced moderate growth which is expected to continue over the next 3-5 years. This growth will further create demand for water and wastewater services and additional capital facilities. These demands have been addressed in the District's capital improvement program. The District is currently in the process of reviewing rates for water and wastewater services to evaluate the District's financial needs and rate structure.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's financial accountability and compliance with applicable laws for all those with an interest in the District's finances. Questions concerning any of the information provided in this report, or requests for additional financial information can be addressed to Town of Discovery Bay Community Services District, Attention: General Manager, 1800 Willow Lake Road, Discovery Bay, California 94505.

BASIC FINANCIAL STATEMENTS

Working Draft

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Statement of Net Position

June 30, 2020

	<u>Governmental</u> <u>activities</u>	<u>Business-type</u> <u>activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 2,376,770	\$ 22,757,952	\$ 25,134,722
Accounts receivable, net of allowance for doubtful accounts	108,572	540,800	649,372
Advances on taxes	5,315	832	6,147
Note receivable	131,276	-	131,276
Prepaid expenses	-	15,561	15,561
Inventory	4,579	-	4,579
Non-current assets:			
Note receivable	393,827	-	393,827
Debt issuance costs-prepaid insurance, net	-	46,126	46,126
Capital assets, net of accumulated depreciation	<u>1,877,194</u>	<u>44,522,629</u>	<u>46,399,823</u>
Total assets	<u>4,897,533</u>	<u>67,883,900</u>	<u>72,781,433</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Current liabilities:			
Accounts payable	173,689	399,151	572,840
Interest payable	-	70,011	70,011
Other accrued liabilities	-	103	103
Bonds payable-current	-	520,000	520,000
Non-current liabilities:			
Compensated absences	22,034	72,623	94,657
Bonds payable	-	19,920,000	19,920,000
Unamortized bond premium	<u>-</u>	<u>481,209</u>	<u>481,209</u>
Total liabilities	<u>195,723</u>	<u>21,463,097</u>	<u>21,658,820</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net investment in capital assets	1,877,194	24,082,629	25,959,823
Unrestricted	<u>2,824,616</u>	<u>22,338,174</u>	<u>25,162,790</u>
Total net position	<u>\$ 4,701,810</u>	<u>\$ 46,420,803</u>	<u>\$ 51,122,613</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT OF ACTIVITIES

Working Draft

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Statement of Activities

For the year ended June 30, 2020

		Program revenues		
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>
Governmental activities				
General government	\$ 111,187	\$ -	\$ -	\$ -
Community center	2,110	-	-	-
Lighting and landscaping Zone 8	939,219	68,938	-	-
Lighting and landscaping Zone 9	120,423	-	-	-
Total governmental activities	1,172,939	68,938	-	-
Business-type activities				
Water	3,420,693	4,955,561	61,716	-
Sewer	5,405,964	6,256,401	-	-
Financing Authority	817,934	-	-	-
Total business-type activities	9,644,591	11,211,962	61,716	-
Total government	\$ 10,817,530	\$ 11,280,900	\$ 61,716	\$ -

General revenues

Taxes

Property taxes

Homeowners property tax relief

Other income

Assessments

Investment income

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

Net (expense) revenue and changes in net position

<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Totals</u>
\$ (111,187)	\$ -	\$ (111,187)
(2,110)	-	(2,110)
(870,281)	-	(870,281)
<u>(120,423)</u>	<u>-</u>	<u>(120,423)</u>
<u>(1,104,001)</u>	<u>-</u>	<u>(1,104,001)</u>
-	1,596,584	1,596,584
-	850,437	850,437
<u>-</u>	<u>(817,934)</u>	<u>(817,934)</u>
<u>-</u>	<u>1,629,087</u>	<u>1,629,087</u>
<u>(1,104,001)</u>	<u>1,629,087</u>	<u>525,086</u>
699,330	-	699,330
4,071	-	4,071
237,944	207,392	445,336
145,637	-	145,637
32,819	2,161	34,980
<u>(60,330)</u>	<u>60,330</u>	<u>-</u>
<u>1,059,471</u>	<u>269,883</u>	<u>1,329,354</u>
(44,530)	1,898,970	1,854,440
<u>4,746,340</u>	<u>44,521,833</u>	<u>49,268,173</u>
<u>\$ 4,701,810</u>	<u>\$ 46,420,803</u>	<u>\$ 51,122,613</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Balance Sheet
Governmental Funds**

June 30, 2020

		Special revenue funds			
	General fund	Community center	Lighting and landscaping Zone 8	Lighting and landscaping Zone 9	Total governmental funds
Assets					
Cash and investments	\$ 131,864	\$ 338,756	\$ 1,516,352	\$ 389,798	\$ 2,376,770
Note receivable	-	-	525,103	-	525,103
Accounts receivable	75,572	-	33,000	-	108,572
Advances on taxes	-	-	5,315	-	5,315
Inventory	-	4,579	-	-	4,579
Total assets	\$ 207,436	\$ 343,335	\$ 2,079,770	\$ 389,798	\$ 3,020,339
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 590	\$ -	\$ 136,635	\$ 36,464	\$ 173,689
Total liabilities	590	-	136,635	36,464	173,689
Fund balances					
Committed to:					
Community center	-	343,335	-	-	343,335
Lighting and landscaping Zone 8	-	-	1,943,135	-	1,943,135
Lighting and landscaping Zone 9	-	-	-	353,334	353,334
Unassigned	206,846	-	-	-	206,846
Total fund balances	206,846	343,335	1,943,135	353,334	2,846,650
Total liabilities and fund balances	\$ 207,436	\$ 343,335	\$ 2,079,770	\$ 389,798	\$ 3,020,339
Reconciliation to statement of net position					
Total governmental fund balances					\$ 2,846,650
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds					1,877,194
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the balance sheet of governmental funds					(22,034)
Net position of governmental activities					\$ 4,701,810

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

For the year ended June 30, 2020

	General fund	Special revenue funds			Total governmental funds
		Community center	Lighting and landscaping Zone 8	Lighting and landscaping Zone 9	
Revenues					
Property taxes	\$ -	\$ -	\$ 699,330	\$ -	\$ 699,330
Reimbursements	148,450	-	67,787	16,947	233,184
Assessment income	-	-	-	145,637	145,637
Other	-	-	73,698	-	73,698
Interest income	-	-	32,819	-	32,819
Homeowners property tax relief	-	-	4,071	-	4,071
Total revenues	<u>148,450</u>	<u>-</u>	<u>877,705</u>	<u>162,584</u>	<u>1,188,739</u>
Expenditures					
Payroll expenses	92,119	-	339,488	35,553	467,160
Utilities	-	-	166,339	25,489	191,828
Repairs and maintenance	18,984	-	94,483	17,902	131,369
Other	85	-	104,949	18,618	123,652
Professional fees	-	-	16,075	3,800	19,875
Insurance	-	-	7,948	2,880	10,828
Capital outlay	-	-	66,177	1,565	67,742
Total expenditures	<u>111,188</u>	<u>-</u>	<u>795,459</u>	<u>105,807</u>	<u>1,012,454</u>
Excess of revenues over expenditures	<u>37,262</u>	<u>-</u>	<u>82,246</u>	<u>56,777</u>	<u>176,285</u>
Other financing sources (uses)					
Operating transfers in	128,451	-	450,226	58,574	637,251
Operating transfers out	(211,089)	-	(425,798)	(60,694)	(697,581)
Total other financing sources (uses)	<u>(82,638)</u>	<u>-</u>	<u>24,428</u>	<u>(2,120)</u>	<u>(60,330)</u>
Net change in fund balances	(45,376)	-	106,674	54,657	115,955
Fund balances, beginning of year	<u>252,222</u>	<u>343,335</u>	<u>1,836,461</u>	<u>298,677</u>	<u>2,730,695</u>
Fund balances, end of year	<u>\$ 206,846</u>	<u>\$ 343,335</u>	<u>\$ 1,943,135</u>	<u>\$ 353,334</u>	<u>\$ 2,846,650</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities**

For the year ended June 30, 2020

Net change in fund balances - governmental funds	\$ 115,955
Amounts reported for governmental activities in the statement of activities are different because of the following:	
Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds.	(181,913)
Governmental funds report capital outlays as expenditures, while in the governmental statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	67,742
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	(38,249)
Changes in compensated absences are recorded as an expense in the statement of activities, but are not reported in the funds.	<u>(8,065)</u>
Change in net position of governmental activities	<u><u>\$ (44,530)</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Net Position
Proprietary Funds**

June 30, 2020

	<u>Water fund</u>	<u>Sewer fund</u>	<u>Financing Authority fund</u>	<u>Total</u>
<u>Assets and Deferred Outflows of Resources</u>				
Current assets				
Cash and investments	\$ 7,524,513	\$ 15,233,418	\$ 21	\$ 22,757,952
Accounts receivable, net	436,099	104,701	-	540,800
Interest receivable	-	-	70,011	70,011
Prepaid expenses	6,224	9,337	-	15,561
Advances on taxes	<u>333</u>	<u>499</u>	-	<u>832</u>
Total current assets	<u>7,967,169</u>	<u>15,347,955</u>	<u>70,032</u>	<u>23,385,156</u>
Non-current assets				
Debt issuance cost - prepaid insurance	-	-	46,126	46,126
Debt service - installment receivable	-	-	20,440,000	20,440,000
Capital assets, net of accumulated depreciation	<u>9,618,824</u>	<u>34,903,805</u>	-	<u>44,522,629</u>
Total non-current assets	<u>9,618,824</u>	<u>34,903,805</u>	<u>20,486,126</u>	<u>65,008,755</u>
Deferred outflows of resources				
Total assets and deferred outflows of resources	<u>\$17,585,993</u>	<u>\$ 50,251,760</u>	<u>\$ 20,556,158</u>	<u>\$ 88,393,911</u>
<u>Liabilities, Deferred Inflows of Resources and Net Position</u>				
Current liabilities				
Accounts payable	\$ 150,033	\$ 249,118	\$ -	\$ 399,151
Interest payable	7,701	62,310	70,011	140,022
Bonds payable - current	-	-	<u>520,000</u>	<u>520,000</u>
Total current liabilities	<u>157,734</u>	<u>311,428</u>	<u>590,011</u>	<u>1,059,173</u>
Non-current liabilities				
Other accrued liabilities	103	-	-	103
Debt service - installment payable	2,248,400	18,191,600	-	20,440,000
Compensated absences	30,443	42,180	-	72,623
Bonds payable	-	-	19,920,000	19,920,000
Unamortized bond premium	-	-	<u>481,209</u>	<u>481,209</u>
Total non-current liabilities	<u>2,278,946</u>	<u>18,233,780</u>	<u>20,401,209</u>	<u>40,913,935</u>
Deferred inflows of resources				
Total liabilities, deferred inflows of resources and net position	-	-	-	-
Net Position				
Net investment in capital assets	7,370,424	16,712,205	-	24,082,629
Unrestricted				
Board designated	1,200,400	1,800,600	-	3,001,000
Undesignated	<u>6,578,489</u>	<u>13,193,747</u>	<u>(435,062)</u>	<u>19,337,174</u>
Total net position	<u>15,149,313</u>	<u>31,706,552</u>	<u>(435,062)</u>	<u>46,420,803</u>
Total liabilities, deferred inflows of resources and net position	<u>\$17,585,993</u>	<u>\$ 50,251,760</u>	<u>\$ 20,556,158</u>	<u>\$ 88,393,911</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds**

For the year ended June 30, 2020

	Water fund	Sewer fund	Financing Authority fund	Total
Operating revenues				
Charges for services	\$ 4,754,321	\$ 5,991,642	\$ -	\$ 10,745,963
Connection fees	201,240	264,759	-	465,999
Other	32,138	175,254	-	207,392
Grants	61,716	-	-	61,716
Total operating revenues	<u>5,049,415</u>	<u>6,431,655</u>	-	<u>11,481,070</u>
Operating expenses				
Depreciation	669,172	2,042,378	-	2,711,550
Contract services	666,143	999,214	-	1,665,357
Utilities	506,996	496,443	-	1,003,439
Payroll expenses	428,150	520,000	-	948,150
Repairs and maintenance	493,755	286,561	-	780,316
Professional fees	243,942	532,019	-	775,961
Insurance	150,995	226,493	2,097	379,585
Permits and fees	33,329	94,443	-	127,772
Chemicals	27,353	50,633	-	77,986
Supplies	21,011	54,120	-	75,131
Miscellaneous	30,968	27,774	-	58,742
Telephone and communications	14,285	27,393	-	41,678
Directors' expenses	13,871	20,826	-	34,697
Contract mailings	33,455	-	-	33,455
Rent	13,200	19,800	-	33,000
Bank fees and merchant charges	23,837	118	-	23,955
Memberships	7,982	6,352	-	14,334
Public communication	5,680	-	-	5,680
Staff training	525	375	-	900
Total operating expenses	<u>3,384,649</u>	<u>5,404,942</u>	<u>2,097</u>	<u>8,791,688</u>
Operating income (loss)	<u>1,664,766</u>	<u>1,026,713</u>	<u>(2,097)</u>	<u>2,689,382</u>
Nonoperating revenues (expenses)				
Investment income	-	-	1,011	1,011
Bad debt expense	(35,916)	-	-	(35,916)
Interest expense	-	-	(815,837)	(815,837)
Total nonoperating revenues (expenses)	<u>(35,916)</u>	<u>-</u>	<u>(814,826)</u>	<u>(850,742)</u>
Operating transfers in (out)	<u>(238,886)</u>	<u>(368,076)</u>	<u>667,292</u>	<u>60,330</u>
Change in net position	1,389,964	658,637	(149,631)	1,898,970
Net position, beginning of year	<u>13,759,349</u>	<u>31,047,915</u>	<u>(285,431)</u>	<u>44,521,833</u>
Net position, end of year	<u>\$ 15,149,313</u>	<u>\$ 31,706,552</u>	<u>\$ (435,062)</u>	<u>\$ 46,420,803</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Cash Flows
Proprietary Funds**

For the year ended June 30, 2020

	Water <u>fund</u>	Sewer <u>fund</u>	Financing Authority <u>fund</u>	<u>Total</u>
Cash flows from operating activities				
Receipts from customers	\$ 5,007,658	\$ 6,338,929	\$ -	\$11,346,587
Payments to vendors and suppliers	(2,183,009)	(2,591,565)	-	(4,774,574)
Payments to employees and directors	<u>(434,459)</u>	<u>(531,077)</u>	-	<u>(965,536)</u>
Net cash provided by operating activities	<u>2,390,190</u>	<u>3,216,287</u>	-	<u>5,606,477</u>
Cash flows from non-capital financing activities				
Principal payments on bonds payable	-	-	(505,000)	(505,000)
Interest payments on bonds payable	-	-	(816,987)	(816,987)
Premium on bonds	-	-	(30,044)	(30,044)
Transfers in (out)	<u>(294,436)</u>	<u>(817,526)</u>	<u>1,172,292</u>	<u>60,330</u>
Net cash used in non-capital financing activities	<u>(294,436)</u>	<u>(817,526)</u>	<u>(179,739)</u>	<u>(1,291,701)</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	<u>(175,435)</u>	<u>(190,731)</u>	-	<u>(366,166)</u>
Net cash used in capital and related financing activities	<u>(175,435)</u>	<u>(190,731)</u>	-	<u>(366,166)</u>
Cash flows from investing activities				
Interest income	-	-	2,160	2,160
Net cash provided by investing activities	-	-	2,160	2,160
Net increase (decrease) in cash and investments	1,920,319	2,208,030	(177,579)	3,950,770
Cash and investments, beginning of year	<u>5,604,194</u>	<u>13,025,388</u>	<u>177,600</u>	<u>18,807,182</u>
Cash and investments, end of year	<u>\$ 7,524,513</u>	<u>\$15,233,418</u>	<u>\$ 21</u>	<u>\$22,757,952</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 1,664,766	\$ 1,026,713	\$ (2,097)	\$ 2,689,382
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	669,172	2,042,378	-	2,711,550
Other	(127)	(1,023)	-	(1,150)
Change in assets and liabilities				
Accounts receivable	(41,757)	(92,726)	-	(134,483)
Prepaid expenses	64,218	111,409	-	175,627
Debt issuance costs - prepaid insurance	-	-	2,097	2,097
Accounts payable	27,693	119,787	-	147,480
Accrued payroll	(6,303)	(8,765)	-	(15,068)
Other accrued liabilities	(1,337)	-	-	(1,337)
Compensated absences	<u>13,865</u>	<u>18,514</u>	-	<u>32,379</u>
Net cash provided by operating activities	<u>\$ 2,390,190</u>	<u>\$ 3,216,287</u>	<u>\$ -</u>	<u>\$ 5,606,477</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies

This summary of significant accounting policies of the Town of Discovery Bay Community Services District (the District) is presented to assist in understanding the District's financial statements.

Description of the reporting entity

The Town of Discovery Bay Community Services District, formerly known as Discovery Bay Community Services District was formed by the residents of Discovery Bay under the authority of the Cortese-Knox Act (Gov. C. Sec. 56000). This newly formed special district was formed as a result of a petition of residents to provide services to the residents of Discovery Bay. Effective July 1, 1998, the District assumed the responsibilities, funding, and assets previously held by the dissolved Sanitation District #19. During November 1998, the residents of Discovery Bay voted to activate the latent powers of the District to include recreation; specifically, to acquire, fund, and operate a Community Center.

Effective August 13, 2003, the Local Agency Formation Commission (LAFCO) of Contra Costa County dissolved County Service Area M-8 and annexed the territory to the Town of Discovery Bay Community Services District. The District is responsible for maintaining the lighting, landscaping, and parks within Service Area M-8 of the Town of Discovery Bay.

The Town of Discovery Bay Community Services District formed an assessment district known as Ravenswood Improvement District - Discovery Bay Lighting and landscaping Zone 9 for the purpose of providing for the operation and maintenance of landscaping, parks and open space in the subdivision known as Ravenswood.

The purpose of the Town of Discovery Bay Community Services District, a multipurpose independent district, is to represent the residents of Discovery Bay in any matters covered under the California Government Code relating to a Community Services District. In addition to the purposes listed in the Government Code, the District has been ordered by LAFCO and the Board of Supervisors to perform an advisory role for the residents of Discovery Bay. This role includes, but is not limited to, advising the County in matters of land use planning, zoning, compliance, roads and streets, lighting, landscaping, parks and public safety services. The District also provides water and sewer services to the Town of Discovery Bay.

As required by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

The District's financial reporting entity is composed of the following:

Primary Government:	Town of Discovery Bay Community Services District
Blended Component Unit:	Discovery Bay Public Financing Authority

In determining the financial reporting entity, the District complies with the provisions of Government Accounting Standards Board (GASB) Statements No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*.

Blended Component Units

The Town of Discovery Bay Community Services District (the District) and the Byron Bethany Irrigation District entered into a Joint Exercise of Powers Agreement dated July 1, 2012, forming the Discovery Bay Public Financing Authority (the Authority). The Authority is authorized to borrow money for the purpose of assisting the District in financing various public capital improvements and facilities. The Authority issued revenue bonds in order to fund such expenditures. The Authority is controlled by the District and has the same governing body as the District, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority have been included (termed "blended") in these financial statements in the business-type activities. The Authority does not issue separate financial statements.

Government-wide financial statements

The Statement of Net Position and Statement of Activities display information about the primary government, the District and its blended component unit. These statements include the financial activities of the overall District government, except for fiduciary activities.

Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The District presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and enterprise categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the District. The reporting entity includes the following special revenue funds, all of which are reported as major funds:

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

<u>Fund</u>	<u>Brief description</u>
Community Center	Accounts for revenues and expenditures of acquiring, funding, and operating a community center.
Lighting and landscaping Zone 8	Accounts for revenues and expenditures related to maintenance of street lighting and landscaping facilities and services; local parks and recreation facilities and services; parkway facilities and services; and open space facilities and services Zone 8.
Lighting and landscaping Zone 9	Accounts for revenues and expenditures related to operation and maintenance of landscaping, parks and open space in the subdivision known as Ravenswood.

Proprietary Funds

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds, all of which are reported as major funds:

<u>Fund</u>	<u>Brief description</u>
Water Fund	Accounts for the activities of providing water services to the residents of the District. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.
Sewer Fund	Accounts for the activities associated with operating and maintaining the District's collection and treatment of wastewater. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.
Financing Authority Fund	Accounts for facilitating the financing of public capital improvements and facilities for the District's water and wastewater system. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt, and billing and collection.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The District's operating revenues include all revenues derived from water and sewage services. The enterprise funds also recognize as operating revenue, the portion of tap fees, connection fees and impact fees intended to recover the cost of connecting new customers to the system. Operating expenses include all costs related to water and sewage services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, except for capital contributions, which represent capital contributions collected for the acquisition or construction of capital assets.

As allowed by Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the District's proprietary funds follow all GASB pronouncements currently in effect as well as Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict with GASB pronouncements.

Measurement focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Basis of accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

All proprietary funds utilize the *accrual basis of accounting*. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Cash and investments

For the purpose of financial reporting “cash and cash investments” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Accounts receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The District provides for losses on accounts receivable using the allowance method. The allowance is based on historical experience and management’s evaluation of outstanding accounts receivable.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Debt service installment receivable

The District and the Authority have installment sale agreements whereby the District is obligated to pay to the Authority installment payments equal to the debt service requirements of the Authority's long-term debt. The debt service installment receivable represents the amount due from the District to meet the Authority's debt service requirements, which includes principal and accrued interest.

Inventory

Inventory held in the special revenue fund is carried at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital assets

Capital assets are reported in the applicable governmental or business-type activities columns of the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost. The District's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the statement of net position as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets.

Buildings and improvements	7-40 years
Equipment	5-25 years
Structures and improvements	10-50 years
Treatment and collection	5-40 years
Vehicles	5 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Compensated absences

Compensated absences are accrued as earned by employees, and consist of accruals for vacation time. The District's liability for compensated absences is reported in the Statement of Net Position for governmental activities in the government-wide financial statements.

Net position

Equity in the financial statements is classified as net position and displayed in three components as follows:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.
- c. Unrestricted - Amounts not required to be reported in other components of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Nonspendable - Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision making authority.

Assigned - Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Directors, District manager or their designee.

Unassigned - Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

2. Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

Property taxes

Property taxes and property assessments were levied January 1, 2019, assessed July 1, 2019 and were payable in two installments on December 10, 2019 and April 10, 2020. The County of Contra Costa bills and collects property taxes on behalf of the District.

Utility sales

Utility sales are billed on a monthly basis. Estimated unbilled utility revenue through June 30 has been accrued at year-end for the enterprise funds.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Contributed capital

Effective August 13, 2003, the District recorded contributed capital to transfer funds from County Service M-8 to Lighting and landscaping Zone 8. The Lighting and landscaping Zone 8 district became the responsibility of the District on August 13, 2003. The contributed capital represents all capital assets and assets transferred to the District.

The District has received \$18,757,813 of noncash capital contributions from developers consisting of water and sewer infrastructure.

Budgetary accounting

The District does not adopt appropriated budgets. However, the District does adopt non-appropriated budgets annually, which are approved by the Board of Directors.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

New accounting pronouncements

Standards adopted

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The District implemented the provisions of this Statement for the year ended June 30, 2020. The adoption of this Statement had no impact on the District's financial statements.

Standards not yet adopted

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The District will be required to implement the provisions of this Statement for the year ended June 30, 2022. The District has not determined the effect on the financial statements.

In January 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The District will be required to implement the provisions of this Statement for the year ended June 30, 2021. The District has not determined the effect on the financial statements.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 2,376,770	\$ 22,757,952	\$ 25,134,722
Total cash and investments	\$ 2,376,770	\$ 22,757,952	\$ 25,134,722

At June 30, 2020, the District's total cash and investments at fair value were as follows:

Cash:	
Cash on hand	\$ 500
Deposits with financial institutions	<u>6,324,031</u>
Total cash	<u>6,324,531</u>
Investments:	
Certificate of deposit	6,782
Contra Costa County Treasurer	<u>18,803,409</u>
Total investments	<u>18,810,191</u>
Total cash and investments	<u>\$ 25,134,722</u>

Investment policy

The District maintains a cash and investment pool that is available for use by all funds except for the Lighting and landscaping fund whose investments were directed by Contra Costa County. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "cash and investments". Cash balances from all participating funds are combined and invested to the extent possible, pursuant to the Board of Directors approved Investment Policy and guidelines, and the California Government Code, Section 53600, Division 2, Chapter 4 - Financial Affairs.

California statutes authorize special districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. As specified in Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of the District's investment policy shall be (1) safety,

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments (Continued)

(2) liquidity, and (3) yield. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600-53609 (authorized investments), 53630-53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity.

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that addresses interest rate risk, credit risk, and concentrations of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Bills, Notes, and Bonds	5 years	None	None
U.S. Government Agency obligations	5 years	None	None
California Local Agency debt	5 years	None	None
Repurchase Agreements	1 year	20%	None
State Registered Warrants, Notes or Bonds	5 years	None	None
Bankers Acceptances	180 days	40%	30%
High Grade Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Medium Term Corporate Notes	5 years	30%	5%
Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	20%	5%
Collateralized Negotiable Instruments	5 years	15%	5%
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investment Pools	N/A	None	None

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments (Continued)

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statuses pertaining to public deposits and investments.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities as necessary to provide the cash flow and liquidity needed for operations. The District's investment policy does not contain any provisions limiting interest rate risk other than what is specified in the California Government Code.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>12 months or less</u>	<u>13 - 24 months</u>	<u>25-36 months</u>	<u>37 - 48 months</u>	<u>49 - 60 months</u>	<u>More than 60 months</u>
Certificate of Deposit Contra Costa County Treasurer	\$ 6,782	\$ -	\$ 6,782	\$ -	\$ -	\$ -	\$ -
	<u>18,803,409</u>	<u>18,803,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$18,810,191</u>	<u>\$ 18,803,409</u>	<u>\$ 6,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
Certificate of Deposit Contra Costa County Treasurer	\$ 6,782	N/A	\$ -	\$ -	\$ -	\$ -	\$ 6,782
	<u>18,803,409</u>	<u>N/A</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,803,409</u>
Total	<u>\$18,810,191</u>	<u>N/A</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$18,810,191</u>

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments (Continued)

Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in certain types of investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2020, the District's bank balance was \$6,390,462 and \$373,732 of that amount was insured by the Federal Deposit Insurance Corporation and collateralized as required by state law and the remaining amount of \$6,016,730 was secured by a pledge of securities by the financial institution.

Investment in Contra Costa County Treasurer

The District's investment in the Contra Costa County investment pool is managed by the Contra Costa County Treasurer and is stated at fair value or amortized cost, which approximates fair value. Cash held by the Contra Costa County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at <http://www.co.contra-costa.ca.us/>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained by the Pool. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits,

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments (Continued)

adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. In accordance with applicable State laws, the Contra Costa County Treasurer may invest in derivative securities. However, at June 30, 2020, the Contra Costa County Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Fair value hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District's investment in the certificate of deposit is held with a commercial bank and is classified as Level 1. The District's investment in the County of Contra Costa Treasury Pool is classified as Level 2 and its value is based on the fair value factor provided by the Treasurer of the County of Contra Costa, which is calculated as the fair value divided by the amortized cost of the investment pool.

Note C - Accounts Receivable, Net

The accounts receivable, net balance consists of the following balances as of June 30, 2020:

	<u>General</u>	<u>Lighting & Landscaping Zone 8</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Accounts receivable	\$ 75,572	\$ 33,000	\$ 507,380	\$ 106,584	\$ 722,536
Allowance for uncollectible	<u>-</u>	<u>-</u>	<u>(71,281)</u>	<u>(1,883)</u>	<u>(73,164)</u>
Accounts receivable, net	<u>\$ 75,572</u>	<u>\$ 33,000</u>	<u>\$ 436,099</u>	<u>\$ 104,701</u>	<u>\$ 649,372</u>

Note D - Note Receivable

The District entered into a promissory note agreement with the Hofmann Land Development Company totaling \$656,378 as of June 30, 2020 with an interest rate of 5.00%. The District will receive annual principal payments of \$131,276. The note is secured and scheduled to mature in December 2023.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note E - Interfund Transactions

Interfund transactions consist of the following:

Transfers between funds

Resources may be transferred from one District fund to another with approval. The purpose of the majority of transfers is to reimburse a fund which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the year ended June 30, 2020 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General fund	\$ 128,451	\$ 211,089
Lighting and landscaping zone 8	450,226	425,797
Lighting and landscaping zone 9	58,574	60,694
Major Proprietary Funds		
Water fund	53,958	292,844
Sewer fund	1,063,888	1,431,964
Financing authority	<u>1,172,291</u>	<u>505,000</u>
Total interfund transfers	<u>\$ 2,927,388</u>	<u>\$ 2,927,388</u>

In general, the District uses interfund transfers to:

- Transfer unrestricted revenues collected in the water and sewer fund to help finance various programs and capital projects accounted for in other funds
- Fund operations (move revenues from the funds that collect them to the funds that statute or budget requires to expend them)
- Fund interdepartmental cost reimbursement
- Fund capital projects

The effect of the interfund activity has not been eliminated from the government-wide financial statements as the amounts relate to transfers between governmental and business-type activities. The transfers have resulted from deposits made by Contra Costa County into the Sewer and Water Fund for revenues of the General Fund.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note F - Capital Assets

Capital asset activity for the year ended June 30, 2020, is as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental activities					
Nondepreciable capital assets					
Land	\$ 415,930	\$ -	\$ -	\$ -	\$ 415,930
Construction in progress	<u>131,109</u>	<u>-</u>	<u>(38,250)</u>	<u>-</u>	<u>92,859</u>
Total nondepreciable capital assets	<u>547,039</u>	<u>-</u>	<u>(38,250)</u>	<u>-</u>	<u>508,789</u>
Depreciable capital assets					
Equipment	338,501	-	-	-	338,501
Buildings and improvements	3,036,441	62,283	-	-	3,098,724
Office furniture and equipment	15,307	5,459	-	-	20,766
Vehicles	<u>80,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,133</u>
Total depreciable capital assets	3,470,382	67,742	-	-	3,538,124
Less accumulated depreciation	<u>(1,987,806)</u>	<u>(181,913)</u>	<u>-</u>	<u>-</u>	<u>(2,169,719)</u>
Net depreciable capital assets	<u>1,482,576</u>	<u>(114,171)</u>	<u>-</u>	<u>-</u>	<u>1,368,405</u>
Net capital assets	<u>\$ 2,029,615</u>	<u>\$ (114,171)</u>	<u>\$ (38,250)</u>	<u>\$ -</u>	<u>\$ 1,877,194</u>
Business-type activities					
Nondepreciable capital assets					
Land	\$ 307,000	\$ -	\$ -	\$ -	\$ 307,000
Construction in progress	<u>436,088</u>	<u>149,703</u>	<u>-</u>	<u>(257,695)</u>	<u>328,096</u>
Total nondepreciable capital assets	<u>743,088</u>	<u>149,703</u>	<u>-</u>	<u>(257,695)</u>	<u>635,096</u>
Depreciable capital assets					
Buildings and improvements	700,440	-	-	9,964	710,404
Treatment and collection	53,992,519	144,636	-	247,731	54,384,886
Structures and improvements	9,141,916	-	-	-	9,141,916
Equipment	883,333	12,455	-	-	895,788
Office equipment	105,583	32,461	-	-	138,044
Vehicles	<u>412,999</u>	<u>26,911</u>	<u>-</u>	<u>-</u>	<u>439,910</u>
Total depreciable capital assets	65,236,790	216,463	-	257,695	65,710,948
Less accumulated depreciation	<u>(19,111,865)</u>	<u>(2,711,550)</u>	<u>-</u>	<u>-</u>	<u>(21,823,415)</u>
Net depreciable capital assets	<u>46,124,925</u>	<u>(2,495,087)</u>	<u>-</u>	<u>257,695</u>	<u>43,887,533</u>
Net capital assets	<u>\$ 46,868,013</u>	<u>\$ (2,345,384)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,522,629</u>

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note F - Capital Assets (Continued)

Depreciation expense was charged to function and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental activities:

Lighting and landscaping Zone 8	\$	165,053
Lighting and landscaping Zone 9		14,750
Community center		<u>2,110</u>
Total depreciation expense - Governmental activities	\$	<u>181,913</u>

Business-type activities:

Water	\$	669,172
Sewer		<u>2,042,378</u>
Total depreciation expense - Business-type activities	\$	<u>2,711,550</u>

Note G - Long-Term Debt

The District generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method.

Fund Financial Statements

The Governmental Fund Financial Statements do not include the long-term debt, as this liability is not payable in the current period. The face amount of debt issued and any premiums received are reported as other financing sources.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note G - Long-Term Debt (Continued)

Bond Issuance Costs and Premiums

For proprietary fund types, bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium. With the implementation of Government Accounting Standards Board (GASB) Statement No. 65, the bond issuance costs, other than prepaid insurance, are required to be expensed in the year incurred.

Current year business-type transactions and balances

The District's debt issues and transactions are summarized below and discussed in detail thereafter:

	<u>Original Amount</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Due within one year</u>
Business-type Activity Debt						
Discovery Bay Public Financing Authority Series 2012 Enterprise Revenue Bonds	\$ 14,150,000	\$ 12,325,000	\$ -	\$ (320,000)	\$ 12,005,000	\$ 330,000
Discovery Bay Public Financing Authority Series 2017 Enterprise Revenue Bonds	8,825,000	8,620,000	-	(185,000)	8,435,000	190,000
Unamortized Premium	<u>659,405</u>	<u>511,253</u>	<u>-</u>	<u>(30,044)</u>	<u>481,209</u>	<u>-</u>
Totals	<u>\$ 23,634,405</u>	<u>\$ 21,456,253</u>	<u>\$ -</u>	<u>\$ (535,044)</u>	<u>\$ 20,921,209</u>	<u>\$ 520,000</u>

2012 Enterprise Revenue Bonds

In August 2012, the Discovery Bay Public Financing Authority issued \$14,150,000 in enterprise revenue bonds Series 2012 to finance the acquisition and construction of certain improvements to the water and wastewater systems.

Pursuant to an Installment Purchase Agreement between the Authority and the District, the District has pledged the net revenues of the District's municipal water enterprise and wastewater enterprise.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note G - Long-Term Debt (Continued)

The bonds carry coupon interest rates ranging from 1.00%-5.00% and are scheduled to mature in fiscal year 2043. Interest is payable semi-annually on December 1st and June 1st each year, while principal installments ranging from \$290,000 to \$805,000 are payable each year on December 1st.

2017 Enterprise Revenue Bonds

In April 2017, the Discovery Bay Public Financing Authority issued \$8,825,000 in enterprise revenue bonds Series 2017 to finance the costs of certain improvements to the water and wastewater systems.

Pursuant to an Installment Purchase Agreement between the Authority and the District, the District has pledged the net revenues of the District's municipal water enterprise and wastewater enterprise.

The bonds carry coupon interest rates ranging from 2.00%-5.00% and are scheduled to mature in fiscal year 2048. Interest is payable semi-annually on December 1st and June 1st each year, while principal installments ranging from \$30,000 to \$1,075,000 are payable each year on December 1st.

Annual debt service requirements for business-type debt are shown below:

<u>For the year ending June 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 520,000	\$ 827,998
2022	540,000	806,731
2023	560,000	784,665
2024	580,000	764,496
2025	600,000	743,748
2026-2030	3,035,000	3,350,421
2031-2035	3,095,000	2,778,854
2036-2040	3,810,000	2,037,497
2041-2045	4,595,000	1,092,546
2046-2048	3,105,000	179,150
Total	\$ 20,440,000	\$ 13,366,106

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note H - Deferred Compensation Plan

Employees of the District may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan is available to all full-time employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. Total employer and employee contributions to the plan during the year ended June 30, 2020 were \$35,744.

Note I - Compensated Absences

Employees accrue vacation leave based on length of service. Accumulated vacation leave is subject to maximum accruals for all employees. As of June 30, 2020, the District's accrued liability for accumulated unused vacation leave is \$94,657. Employees are paid for their accumulated unused vacation leave upon separation from service. The liability is expected to be liquidated with future resources and not with expendable available financial resources.

Note J - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; risk of loss to employees; and natural disasters. The District is a member of the Special Districts Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs for the pooling of self-insured losses to purchase excess insurance or reinsurance and to arrange for group-purchased insurance and administrative expenses. At June 30, 2020, the District participated in the property, general and auto liability, and workers' compensation programs of the SDRMA.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2020, 2019, and 2018. Liabilities of the District are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. The District considers claims insured and reported, as well as claims incurred but not reported, to be immaterial and has not accrued an estimate of such claims payable.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note J - Risk Management (Continued)

The District is covered by the following types of insurance through the SDRMA as of June 30, 2020:

<u>Coverage</u>	<u>Limits of liability</u>
General liability	\$ 10,000,000
Public officials and employees errors	10,000,000
Elected officials personal liability	500,000
Employment practices liability	10,000,000
Employee benefits liability	10,000,000
Employee and public officials dishonesty coverage	1,000,000
Auto liability	10,000,000
Uninsured/underinsured motorists	1,000,000
Property coverage	1,000,000,000
Boiler and machinery	100,000,000
Statutory workers' compensation	Statutory

Note K - Governing Board

The powers of the District are exercised by a Board of Directors consisting of five directors each elected for a term of four years by the qualified electors within the District.

As of June 30, 2020, the members of the District's Board of Directors were as follows:

<u>Director</u>	<u>Term expires</u>
Bill Mayer	December 2020
Bill Pease	December 2020
Kevin Graves	December 2022
Robert Leete	December 2022
Bryon Gutow	December 2022

Note L - Contingencies and Commitments

The District is involved in litigation arising in the ordinary course of operations that, in the opinion of management, will not have a material effect on the financial condition of the District. In addition, the District has entered into construction and service contracts with various companies. Many of the contracts are considered fixed fee arrangements. However, work under these contracts could be discontinued at the direction of the District. Therefore, it is the opinion of management that a fixed commitment does not exist.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note L - Contingencies and Commitments (Continued)

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. Subsequent to the declaration of a pandemic, a variety of federal, state, and local governments have taken actions in response to the pandemic, which have ranged in jurisdiction, but are generally expected to result in a variety of negative economic consequences, the scope of which are not currently known or quantifiable. The duration and intensity of the impact of the coronavirus and resulting impact to the District is unknown.

Working Draft

REQUIRED SUPPLEMENTARY INFORMATION

Working Draft

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Major Special Revenue Fund**

Year ended June 30, 2020

	Lighting and Landscaping Zone 8		
	Budgeted amounts <u>original/final</u>	Actual amounts	Variance with final budget positive/ (negative)
Revenues			
Property taxes	\$ 672,615	\$ 703,401	\$ 30,786
Other	316,475	73,698	(242,777)
Reimbursements	61,000	67,787	6,787
Interest	-	32,819	32,819
Total revenues	<u>1,050,090</u>	<u>877,705</u>	<u>(172,385)</u>
Expenditures			
Payroll expenses	425,000	339,488	85,512
Utilities	179,000	166,339	12,661
Other	145,300	104,949	40,351
Repairs and maintenance	124,250	94,483	29,767
Professional fees	5,700	16,075	(10,375)
Insurance	6,200	7,948	(1,748)
Capital outlay	485,000	66,177	418,823
Total expenditures	<u>1,370,450</u>	<u>795,459</u>	<u>574,991</u>
Excess (deficiency) of revenues over expenditures prior to other financing sources (uses)	<u>(320,360)</u>	<u>82,246</u>	<u>402,606</u>
Other financing sources (uses)			
Operating transfers in	-	450,226	450,226
Operating transfers out	-	(425,798)	(425,798)
Total other financing sources (uses)	<u>-</u>	<u>24,428</u>	<u>24,428</u>
Net change in fund balance	(320,360)	106,674	427,034
Fund balance, beginning of year	<u>1,836,461</u>	<u>1,836,461</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,516,101</u>	<u>\$ 1,943,135</u>	<u>\$ 427,034</u>

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Required Supplementary Information

June 30, 2020

The manager of the District prepares an expenditure budget annually which is approved by the Board of Directors setting forth the contemplated fiscal requirements. The District's budgets are maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual budget as originally adopted. There were no amendments to the budget during the year ended June 30, 2020. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for capital outlay, debt service and contingencies may vary significantly from budget due to timing of such expenditures.

Working Draft

OTHER INDEPENDENT AUDITORS' REPORT

Working Draft

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Town of Discovery Bay Community Services District
Discovery Bay, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Discovery Bay Community Services District** (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants
Stockton, California
March 8, 2021

_____, 2021

Board of Directors
**Town of Discovery Bay Community
Services District**
1800 Willow Lake Road
Discovery Bay, California 94505

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the **Town of Discovery Bay Community Services District** for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the **Town of Discovery Bay Community Services District** are described in Note A to the financial statements. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* as discussed in Note A to the financial statements. The application of existing policies was not changed during the year ended June 30, 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of the allowance for doubtful accounts is based on prior years' experience and management's analysis of accounts receivable. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. We did not identify any sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Accordingly, the following material adjustments were identified during the audit and recorded by management:

General Fund

- Entry of \$93,691 to adjust accounts receivable as of June 30, 2020

Water Fund

- Entry to record \$669,172 of depreciation expense as of June 30, 2020

Sewer Fund

- Entry to record \$2,042,378 of depreciation expense as of June 30, 2020

Lighting & Landscaping Zone 8

- Entry of \$76,811 to adjust capital assets as of June 30, 2020
- Entry of \$37,147 to adjust accounts payable as of June 30, 2020
- Entry to record \$165,053 of depreciation expense as of June 30, 2020

Lighting & Landscaping Zone 9

- Entry to record \$14,750 of depreciation expense as of June 30, 2020

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 10, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplemental information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of **Town of Discovery Bay Community Services District** and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants

March 10, 2021

Croce, Sanguinetti, & Vander Veen, Inc.
3520 Brookside Road, Suite 141
Stockton, California 95219

This representation letter is provided in connection with your audit of the financial statements of **Town of Discovery Bay Community Services District** (the District), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 8, 2021, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 18, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of the accounting principles generally accepted in the United States of America.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government - Specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
20. The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
21. We are responsible for the District's compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
22. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

23. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contract and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
24. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
26. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
27. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
28. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
29. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
30. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
31. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
32. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
33. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

34. Provisions for uncollectible receivables have been properly identified and recorded.
35. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
36. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
37. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
38. Special and extraordinary items are appropriately classified and reported, if applicable.
39. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
41. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
42. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
43. With respect to the Management's Discussion and Analysis (MD&A) and the Budgetary Comparison Schedule - Major Special Revenue Fund (budget to actual report) -
 - a. We acknowledge our responsibility for presenting the MD&A and the budget to actual report in accordance with U.S. GAAP and we believe that the MD&A and the budget to actual report, including form and content, are fairly presented in accordance with U.S. GAAP. The methods and measurement and presentation of the MD&A and the budget to actual report have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the MD&A and the budget to actual report is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and auditors' report thereon.

44. We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
45. We have informed you of all claims or assessments made against the District by the California Regional Water Quality Control Board.
46. In regards to preparing the standard, adjusting, or correcting journal entries, assisting in preparing the financial statements and the preparation of the Special Districts Financial Transactions Report by you, we have -
 1. Assumed all management responsibilities.
 2. Designated an individual with suitable skill, knowledge, or experience to oversee the services.
 3. Evaluated the adequacy and results of the services performed.
 4. Accepted responsibility for the result of the services.
47. The adjusting journal entries for the period ended June 30, 2020, which have been proposed by you, are approved by us and will be recorded on the books of the District.

Signed _____
District Financial Manager

Signed _____
District General Manager



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

March 17, 2021

Prepared By: Mike Yeraka, Projects Manager
Submitted By: Dina Breitstein, Assistant General Manager

Agenda Title

Discussion and Possible Action Approving the Scope of Work with HERWIT Engineering for Engineering Support, Construction Management and Inspection Services for the Denitrification and Master Plan Improvement Project in the amount of \$967,800.

Recommended Action

It is recommended that the Board take the following Action:

- a. Approve the Scope and Budget Contained in the HERWIT Engineering SCOPE OF SERVICES Dated March 6, 2021, to Perform Engineering Construction Support Services and Construction Management and Inspection Services for the Denitrification and Master Plan Improvement Project.
- b. Authorize the General Manager to Execute the Town's Standard Form of Consulting Agreement with HERWIT Engineering to perform the SCOPE OF SERVICES attached as Exhibit A in the Amount Not to Exceed \$967,800.

Executive Summary

At the November 20, 2019, Board Meeting, the Board considered a SCOPE OF SERVICES from HERWIT Engineering to perform Engineering design services; Engineering Construction Support Services; and Construction Management and Inspection Services for the Denitrification and Master Plan Improvement Project. At that time the Board approved only the Engineering Design portion of the project in the amount of \$838,060 and requested that the Engineering Construction Support Services and the Construction Management and Inspection Services portion of the full Scope of Services be postponed until the exact project scope was clearer towards the end of the design.

The original Scope was broken down as follows:

Tasks 1 & 2: 30 % Engineering Design Services & 100 % Engineering Design Services (\$838,060 no change)

Task 3: Engineering Construction Support Services – (\$338,450 no change)

Task 4: Construction Management and Inspection – (Original cost proposal \$519,200)

The revised construction related scope and fee has Tasks 3 and 4 included in it. There is no change in Task 3. However, there is an increase of \$110,050 for Task 4. This is because during the design process, new elements were added from the CIP to the project for efficiency. These elements were either already in the Town CIP as a different project or were added to the project with a cost increase to the project. Due to these efficiencies all of these elements were designed at no additional cost to the Town under HERWIT's current contract. However, additional Construction Management (CM) and Inspection time is needed to cover the additional CM and Inspection work required for these additional elements. New items added to the current project requiring CM/Inspection include:

- 1) Plant 2 Clarifier #3 Rehabilitation
- 2) Install Screen Headworks at Plant #2
- 3) Minor Rehab to PS-W and Influent Pump Station Piping at Plant #1
- 4) Supplemental Cost of new Ox Ditch at Plant # 2

There were other CIP items added to the Denitrification Project that should not impact CM/Inspection time and will be done by HERWIT Engineering at no additional cost.

Given the items that were added to the current project the Construction Management and Inspection costs are now \$629,250. The summary of costs to be approved by the Board are as follows and a Breakdown of hours is attached:

Task 3: Engineering Construction Support Services – (Original cost proposal \$ 338,450)

Task 4: Construction Management and Inspection – (Revised cost proposal \$ 629,250)

TOTAL: \$ 967,800

Staff spoke to a few local agencies and some construction management companies and was told that Construction Management and Inspection services typically run between 10% and 14% of the cost of construction for a project of this nature. For our \$13.5 million construction project that would, at best, put CM/Inspection services at \$1.35 million. As you can see, this would be a much higher cost as compared to the \$629,250 proposal from HERWIT Engineering.

Staff Recommends to:

- a. Approve the Scope and Budget Contained in the HERWIT Engineering SCOPE OF SERVICES Dated March 6, 2021, to Perform Engineering Construction Support Services and Construction Management and Inspection Services for the Denitrification and Master Plan Improvement Project.
- b. Authorize the General Manager to Execute the Town's Standard Form of Consulting Agreement with HERWIT Engineering to perform the SCOPE OF SERVICES attached as Exhibit A in the Amount Not to Exceed \$967,800.

Previous Relevant Board Actions for This Item

The Board previously approved Tasks 1 & 2 at the November 20, 2019, Board Meeting.

Fiscal Impact: Included in the budgeted for this fiscal year.

Amount Requested: \$967,800

Sufficient Budgeted Funds Available?: Yes

Prog/Fund # Category: TBD

Attachment

1. HERWIT SCOPE OF SERVICES, Dated March 6, 2021.
2. Engineering Cost Estimate and Breakdown of Hours.
3. November 20, 2019 Staff Report
4. Original HERWIT SCOPE OF SERVICES, dated October 31, 2019

AGENDA ITEM: F-2

Exhibit A

**Town of Discovery Bay Community Services District
Discovery Bay, California**

Denitrification & Master Plan Improvements Project Construction

SCOPE OF SERVICES

Task 1 and Task 2: Design services included in separate contract.

Task 3 – Engineering Construction Support Services – Denitrification & Master Plan Improvements Project

- A. Review shop drawings.
- B. Answer project Requests for Information (RFI's)
- C. Prepare base information for Project Change Orders prepared by Construction Manager.
- D. Conduct periodic site specialty inspections.
- E. Assist with project start up.
- F. Conduct final inspection for acceptance.

Task 4 – Construction Management and Inspection – Denitrification & Master Plan Improvements Project

- A. Act as Primary contact for all documentation.
 - a. Log and track correspondence for the project.
 - b. Coordinate all correspondence with the Contractor.
- B. Review pay requests from Contractor and Vendors and make recommendations for payment to Owner.
- C. Process Requests for Information (RFI's)
- D. Project Change Orders.
 - a. Negotiate cost of Change Orders.
 - b. Prepare and process Change Orders.
 - c. Track and record Change Orders.
- E. Conduct daily site inspections
 - a. Prepare daily inspection reports.
 - b. Take and organize daily construction photos for the project.
- F. Conduct meetings including the following.
 - a. Prepare meeting notes for all meetings.
 - b. Project Kick-Off Meeting.
 - c. Weekly Construction Meetings.
 - d. Bypass Coordination Meetings.
 - e. Project and Process Startup Meetings.

- f. Project Closeout Meetings.
- G. Coordinate project start up activities.
- H. Prepare and track final project punch list.
- I. Issue notices of deficiency to the contractor as required.

Assumptions:

- A. The Construction project scope is based on the 90% Plans and Specs for the Denitrification Project.
- B. All fees for all permits and applications shall be paid by the District.
- C. Should the project construction schedule become extended for reasons outside of HERWIT's control beyond the agreed schedule, and the cost of Design Professional's performance increase materially on account of the delay, the contract cost shall be increased to accommodate the extra time required to complete the project.

Items Not Included:

The following items are not included in this scope of work. It is our understanding that the following items that may be necessary for completion of the project are contracted to others as identified below.

- A. Surveying.
- B. Geotechnical investigation.
- C. Geotechnical testing during construction.
- D. CEQA permitting.
- E. Oxygenation Study
- F. Additional influent sampling
- G. Laboratory costs for influent sampling.
- H. Rate Study.

Miscellaneous:

There will be several subconsultants working under HERWIT Engineering to complete this project. These subconsultants and areas of responsibility are as follows.

- A. Electrical Engineering, Arostegui Engineers, Project Manager Leonel Arostegui
- B. Structural Design, STRUCTCON Engineering, Project Manager Steve Stoll
- C. Process Modeling, Stantec Consulting Services, Inc., Project Manager Steve Beck

Schedule

HERWIT Engineering will begin immediately upon authorization of the Contract. The approximate schedule is as follows:

Date	Action Item
April 2021	Bid project
May 2021	Award Project
June 2021	Begin Construction
June 2023	Construction Complete
June 2023	Denitrification Startup
December 2023	Denitrification Required.

FEE

HERWIT Engineering will complete tasks identified below on a Not to Exceed Basis unless otherwise indicated. The costs for all subconsultants are included in these costs. Subconsultant costs will be broken out separately on all invoices. Because of the variability in estimating the work load between tasks and subconsultants for a project of this size, the subconsultants costs are an approximate breakdown and budget assignments may be moved between subconsultants and the Prime Consultant as needed as long as the total project cost is not exceeded.

Task 3 - Engineering Construction Services During Construction	\$338,450
Task 4 - Construction Management & Inspection	<u>\$629,350</u>
TOTAL	\$967,800

DBCSD Denitrification Master Plan Improvements Project
HERWIT Engineering Cost Estimate

Staff Hours at Indicated Rate												
	Process Model Engineer	Supervising Engineer	Senior Engineer	Associate Engineer	Engineer	Supervising Designer	Designer 2	Administrative Assistant	HERWIT Labor Cost	Other Subs	Expenses	Total Cost
Task 3 Engineering Construction Support Services - Denitrification & Master Plan Improvements Project			200				95					
Design Services												
1 Review Shop Drawings / Coordinate Equipment			320						64,000	15,000	\$	79,000
2 Answer RFIs / Field Questions			752						150,400	15,000	\$	165,400
3 Prepare Change Orders			80						16,000		\$	16,000
4 Conduct Specialty Site Inspections & Bi-weekly Mtgs (24 mo, 1 trip / 2wk / 6 hr/trip)			312						62,400		3,000	\$ 65,400
5 Conduct Final Inspection and Acceptance (2 Phases)			40						8,000	1,500	\$	9,500
6 Markup on Subs										3,150	\$	3,150
Subtotal Construction Services			1504						300,800	34,650	3,000	\$ 338,450

Staff Hours at Indicated Rate												
	Process Model Engineer	Supervising Engineer	Senior Engineer	Associate Engineer	Engineer / Inspection	Supervising Designer	Designer 2	Administrative Assistant	HERWIT Labor Cost	Other Subs	Expenses	Total Cost
Task 4 Construction Management & Inspection Services - Denitrification & Master Plan Improvements Project			200				115	80				
Design Services												
1 Project Management, Meetings, Paperwork (24 m,4 hr/wk)			416						83,200		\$	83,200
2 Prepare Change Orders, Paperwork			40						8,000		\$	8,000
3 Conduct Site Inspections (24 mo, 4 hr/d)			2600						520,000	5,500	12,000	\$ 537,500
4 Markup on Subs										550	\$	550
Subtotal Construction Services			3056						611,200	6,050	12,000	\$ 629,250



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

November 20, 2019

Prepared By: Dina Breitstein, Assistant General Manager

Submitted By: Michael R. Davies, General Manager

MRD

Agenda Title

Discussion and Possible Action Regarding Approving the Scope of Work with Herwit Engineering for the Design, Construction Management and Inspection of the Denitrification and Master Plan Improvements Projects.

Recommended Action

Authorize the General Manager to enter into a contract with Herwit Engineering to conduct the design and manage the construction of Denitrification and Master Plan Improvements to Plant #1 in an amount not to exceed \$1,695,710.

Executive Summary

Herwit Engineering provides the needed design and construction management work for District's Denitrification and Master Plan Improvements to Plant #1 through the bid and construction phases of the projects. The District requests services from Herwit Engineering to perform and provide support for the Denitrification and Plant #1 Master Plan Upgrades.

The proposed project scope of work includes the following:

SCOPE OF WORK	BUDGET
Engineering Design & Bid Services	\$838,060
Engineering Construction Services	\$338,450
Construction Management, & Inspection	\$519,200
Total Cost	\$1,695,710

Fiscal Impact:

Amount Requested \$1,695,710

Sufficient Budgeted Funds Available?: (If no, see attached fiscal analysis)

Prog/Fund # Category:

Previous Relevant Board Actions for This Item

Attachments

Herwit Engineering Scope of Work.

Exhibit A

**Town of Discovery Bay Community Services District
Discovery Bay, California**

Denitrification & Master Plan Improvements Project

SCOPE OF SERVICES

Task 1 – 30 % Engineering Design Services – Denitrification & Master Plan Improvements Project

- A. Influent Sampling Analysis & Process Modeling.
- B. Conduct project kick off and coordination meeting.
- C. Review existing design drawings and conduct site visits needed for detailed design.
- D. Preparation of 30% plans and specifications for the Denitrification & Master Plan Improvements Project. Details of the following items are described in more detail in the 2019 Master Plan Update.
 - 1. Plants 1 & 2 - Addition of three (3) Anoxic Basins, one (1) for each Oxidation Ditch.
 - 2. Plants 1 & 2 - Supplemental Aeration in Oxidation Ditches.
 - 3. Plants 1 & 2 - SCADA Network Improvements
 - 4. Plants 1 & 2 - Clarifier Launder Covers.
 - 5. Plant 1 - Influent Pump Station & Headwork Grating Improvements.
 - 6. Plant 1 - Oxidation Ditch Structural Rehabilitation & Guardrail repair.
 - 7. Plant 1 - Clarifier Nos.1 & 2 - Structural Rehabilitation.
 - 8. Plant 1 - Clarifier Nos.1 & 2 - Mechanisms Replacement and Upgrades.
 - 9. Plant 1 - MCC-C Replacement.
 - 10. Plant 1 - MCC-C Standby Power.
 - 11. Plant 1 - Storm Drainage Improvements.
 - 12. Plant 1 - Transfer Pump Station Instrumentation and Controls.
 - 13. Plant 1 - Demolish Existing Abandoned Facilities.
 - 14. Plant 1 - Extend Pump Station "F" Forcemain to Pump Station "W" Manhole.
 - 15. Plant 1 - Coat Electrical Cabinets at Influent Pump Station.
 - 16. Plant 1 - Replace Pump Station "W" Isolation Valve
 - 17. Plant 1 - Oxidation Ditch Rotor Frame Electrical & Structural Rehabilitation.
 - 18. Plant 2 - UV Disinfection Improvements.
 - 19. Plant 2 - Decant Pump Station Improvements.
 - 20. Prepare plans to 30% complete to allow design review with the District and cost estimating of the project.
 - 21. Prepare Electrical Single Line and MCC Line up.
 - 22. Prepare P&IDs for new processes.
 - 23. Identify yard piping and electrical duct banks required for the project.

Task 2 – 100 % Engineering Design Services – Denitrification & Master Plan Improvements Project

- A. Prepare and submit 90 % submittals for review and comment by District Staff.
- B. Incorporate 90 % comments and prepare final plans and specifications for bidding.
- C. Preparation of 100 % Plans and Specifications for bidding of a complete design for the Project.
- D. Attend meetings at the project site.
- E. Print 8 full size sets of plans and specs for the final deliverable to the District.
- F. Provide digital PDF files of the plans and specs.
- G. Provide ACAD files.
- H. Assist District with bidding process, including:
 - 1. Attend pre-bid meeting and job walk.
 - 2. Answer questions during bidding and prepare project addenda as needed.

Task 3 – Engineering Construction Support Services – Denitrification & Master Plan Improvements Project

- A. Review shop drawings.
- B. Answer project Requests for Information (RFI's)
- C. Prepare base information for Project Change Orders prepared by Construction Manager.
- D. Conduct periodic site specialty inspections.
- E. Assist with project start up.
- F. Conduct final inspection for acceptance.

Task 4 – Construction Management and Inspection – Denitrification & Master Plan Improvements Project

- A. Act as Primary contact for all documentation.
 - a. Log and track correspondence for the project.
 - b. Coordinate all correspondence with the Contractor.
- B. Review pay requests from Contractor and Vendors and make recommendations for payment to Owner.
- C. Process Requests for Information (RFI's)
- D. Project Change Orders.
 - a. Negotiate cost of Change Orders.
 - b. Prepare and process Change Orders.
 - c. Track and record Change Orders.
- E. Conduct daily site inspections
 - a. Prepare daily inspection reports.
 - b. Take and organize daily construction photos for the project.
- F. Conduct meetings including the following.
 - a. Prepare meeting notes for all meetings.
 - b. Project Kick-Off Meeting.

- c. Weekly Construction Meetings.
- d. Bypass Coordination Meetings.
- e. Project and Process Startup Meetings.
- f. Project Closeout Meetings.
- G. Coordinate project start up activities.
- H. Prepare and track final project punch list.
- I. Issue notices of deficiency to the contractor as required.

Assumptions:

- A. The project scope is based on the projects described herein as detailed in the 2019 master Plan Update.
- B. All fees for all permits and applications shall be paid by the District.
- C. Should the project design and or construction schedule become extended for reasons outside of HERWIT’s control beyond the agreed schedule, and the cost of Design Professional's performance increase materially on account of the delay, the contract cost shall be increased to accommodate the extra time required to complete the project.

Items Not Included:

The following items are not included in this scope of work. It is our understanding that the following items that may be necessary for completion of the project are contracted to others as identified below.

- A. Surveying.
- B. Geotechnical investigation.
- C. Geotechnical testing during construction.
- D. CEQA permitting.
- E. Oxygenation Study
- F. Additional influent sampling
- G. Laboratory costs for influent sampling.
- H. Rate Study.

Miscellaneous:

There will be several subconsultants working under HERWIT Engineering to complete this project. These subconsultants and areas of responsibility are as follows.

- A. Electrical Engineering, Arostegui Engineers, Project Manager Leonel Arostegui
- B. Structural Design, STRUCTCON Engineering, Project Manager Steve Stoll
- C. Process Modeling, Stantec Consulting Services, Inc., Project Manager Steve Beck

Schedule

HERWIT Engineering will begin immediately upon authorization of the Contract. The approximate schedule is as follows:

Date	Action Item
January 2020	Begin Design
May 2020	30% Submittal and Review
March 2021	100% Submittal and Review
April 2021	Bid project
May 2021	Award Project
June 2021	Begin Construction
June 2022	UV Phase Startup
December 31, 2022	UV Title 22 Required
June 2023	Construction Complete
June 2023	Denitrification Startup
December 2023	Denitrification Required.

FEE

HERWIT Engineering will complete tasks identified below on a Not to Exceed Basis unless otherwise indicated. The costs for all subconsultants are included in these costs. Subconsultant costs will be broken out separately on all invoices. Because of the variability in estimating the work load between tasks and subconsultants for a project of this size, the subconsultants costs are an approximate breakdown and budget assignments may be moved between subconsultants and the Prime Consultant as needed as long as the total project cost is not exceeded.

Task 1, & 2 – 30 % & 100 % Engineering Design Services & Bid Services	\$ 838,060
Task 3 - Engineering Construction Services During Construction	\$ 338,450
Task 4 - Construction Management & Inspection	<u>\$ 519,200</u>
TOTAL	\$ 1,695,710



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

March 17, 2021

Prepared By: Aaron Goldsworthy, Water and Wastewater Manager
Submitted By: Dina Breitstein, Assistant General Manager

Agenda Title

Discussion and Possible Action Regarding the Replacement of the ORION CDMA Water Meter Endpoints ("Readers") with ORION LTE-M Water Meter Readers.

Recommended Action

It is recommended that the Board take the following Action:

- a. Approve the replacement of the current ORION CDMA water meter readers with ORION LTE-M water meter endpoint ("readers"); and
- b. Authorize the General Manager to execute all purchase orders and contracts there witin not to exceed \$300,000.

Executive Summary

In 2014 The Town of Discovery Bay ("the District") purchased CDMA ORION readers to be installed in Discovery Bay West. These readers were utilized to capture water meter reads for monthly billing. The installed readers not only capture reads but they help residents monitor their properties water usage. Residents can use their Eye on Water account to set leak detection notifications which prevents water waste and unexpected and expensive water utility bills.

In 2017, ORION switched from CDMA to LTE-M Readers. CDMA Readers read meters once every hour and communicate that info once a day. LTE-M Readers read meters 4 times an hour and communicate that info 4x a day with 3 of those programmable by the District. This gives the District a larger window to capture reads within a smaller time frame, which allows for more accurate usage monitoring for our residents.

TODB currently has 4,619 CDMA readers. These readers have a 10-year prorated warranty. The last 5 years of the warranty cost 50% of a new reader, the current cost of a new reader is \$334 per unit. The CDMA warranty does not include the network they are on which is 3G. There is no estimated time frame when this network will end as carriers are sunsetting these networks. LTE-M warranty is 20 years prorated including the LTE-M network. Warranty year 11 is 70% cost of new with a 5% decrease every following year.

ORION has offered the District a onetime purchase, this year only, to replace our current CDMA readers with LTE-M readers at a fraction of the price, \$57.50 per reader including shipping both ways. The retail unit cost of the ORION LTE-M readers is \$334 per unit. The total cost to the District to replace the CDMA readers in circulation is estimated at \$293,000 (*see calculation below*):

- 4,619 readers x \$57.50 per reader x 1.10 tax + \$0 Shipping = \$293,000 rounded estimate

Staff recommends to:

- a. Approve the replacement of the current ORION CDMA water meter readers with ORION LTE-M water meter endpoint ("readers").
- b. Authorize the General Manager to execute all purchase orders or contracts up to \$300,000.

Fiscal Impact:

Amount Requested \$ 293,000

Sufficient Budgeted Funds Available?: Yes (If no, see attached fiscal analysis)

Prog/Fund # Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item

N/A

Attachments

1. Customer Loyalty Upgrade Program
2. GSMA-5G-mobile Informational, dated April 2018
3. ORION Water Endpoint (Reader) Product Data Sheet

AGENDA ITEM: F-3



ORION[®] CELLULAR ENDPOINT TECHNOLOGY

Customer Loyalty Upgrade Program



3G NETWORK STATUS IN CELLULAR INDUSTRY

- 1 CDMA endpoints operate on 3G networks still in use by cellular carriers
- 2 Cellular carriers plan to sunset these 3G networks
- 3 An endpoint upgrade is required to move to current cellular networks



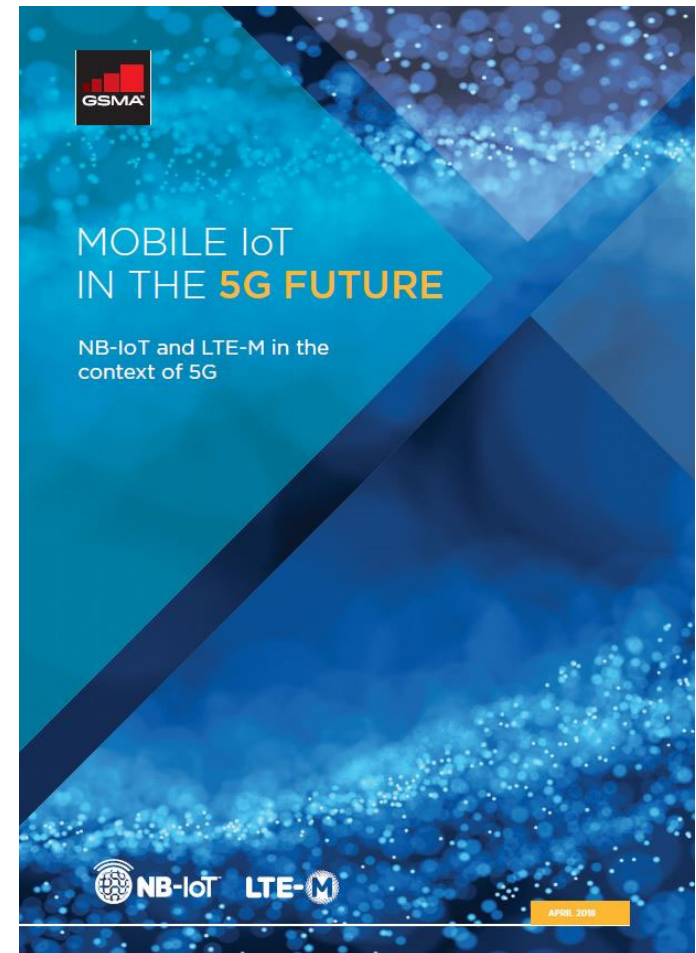


TRENDS IN CELLULAR

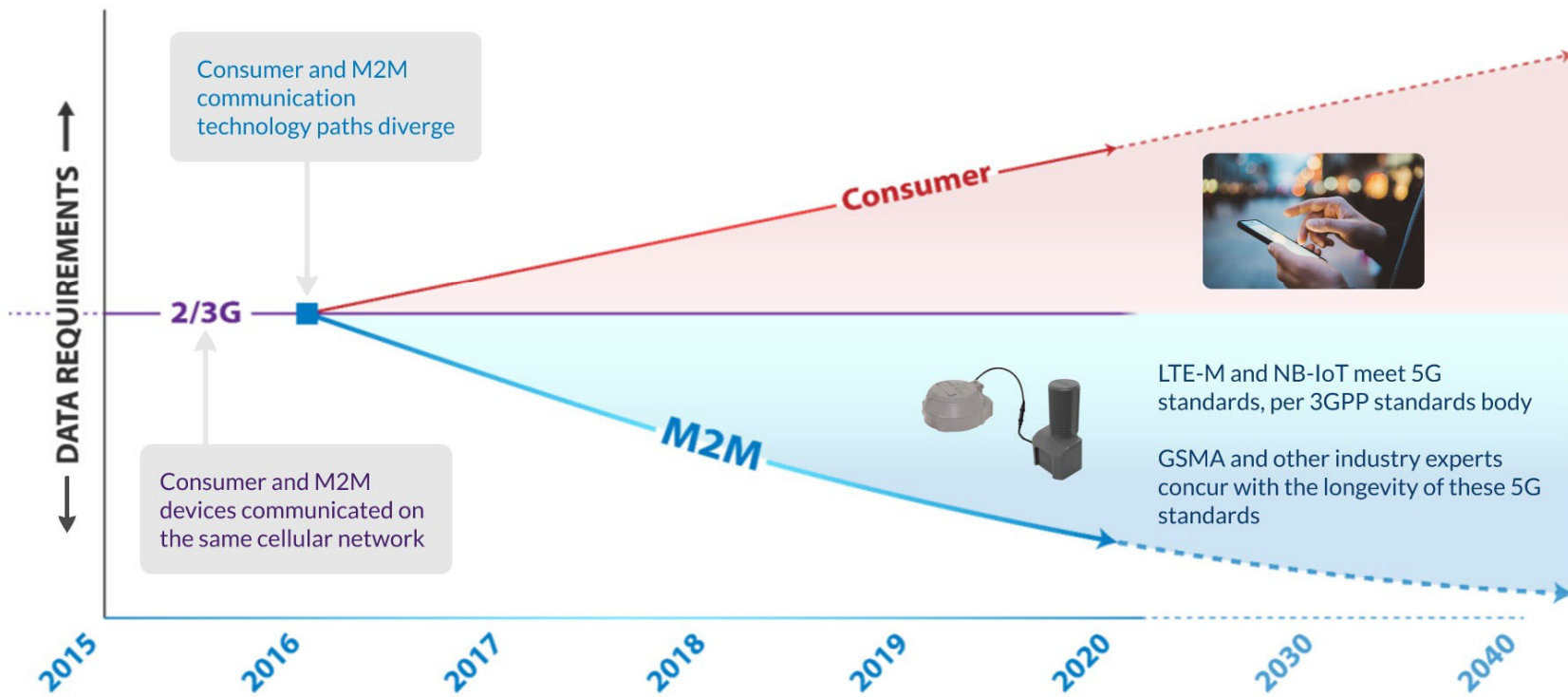
- 1 Carriers are investing in 5G networks to support consumer demands for speed
- 2 Carriers need to re-purpose the bandwidth of legacy networks to meet that demand
- 3 Carriers will sunset 3G to make limited capacity and bandwidth available for 5G buildout
- 4 T-Mobile acquired Sprint in April and shortly after signaled it would sunset the Sprint CDMA network at the end of 2021, far earlier than previously expected

M2M NETWORK LONGEVITY

- 1 Cellular network evolution is supported by 3GPP™ standards body to assure forward and backward compatibility
- 2 Legacy networks were subject to consumer demands, but current approach supports communication on dedicated M2M networks
- 3 LTE-M and NB-IoT networks meet 5G standard per 3GPP standards body
- 4 Industry experts consider these foundational networks to the 5G future, as outlined in this [white paper](#) by the GSMA



DIVERSION OF M2M AND CONSUMER NETWORKS



CUSTOMER LOYALTY UPGRADE PROGRAM

Upgrade your system to current technology for the longevity of a network meeting 5G standards and these added benefits:

- 1 Support of new sensor offerings, including pressure, temperature, and water quality
- 2 Higher-resolution, 15-minute data intervals to support leak and nonrevenue water reduction goals
- 3 More frequent communication to provide enhanced actionable data to drive informed decision-making for you and your customers





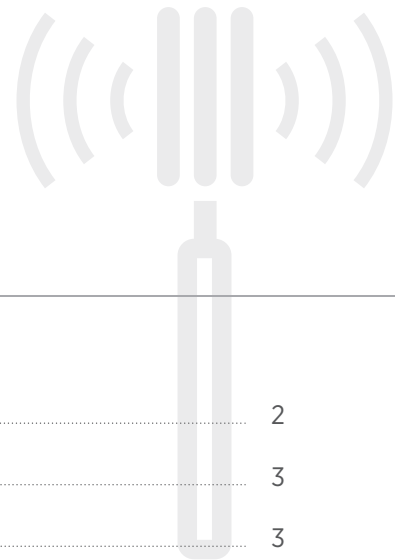
MOBILE IoT IN THE **5G FUTURE**

NB-IoT and LTE-M in the
context of 5G



APRIL 2018

TABLE OF CONTENTS



1	Executive Summary	2
2	Introduction	3
	Scope	3
	Abbreviations	3
3	Mobile IoT and 5G	4
	What is Mobile IoT?	4
	What is 5G?	5
	NB-IoT and LTE-M are part of 5G	7
	NB-IoT and LTE-M will coexist with other 5G components	7
	References	9

1. Mobile IoT in the 5G Future

Mobile operators provide secure connectivity and higher value services enabling a complete range of IoT solutions for consumers and businesses. Mobile IoT delivers trusted, cost effective low power wide area capability today, while forming the foundation of the 5G future and supporting IoT growth on a massive scale.

Leading mobile operators, global vendors and developers are launching NB-IoT and LTE-M networks as an integral part of their long term 5G IoT strategies. Mobile IoT refers to low power wide area (LPWA) 3GPP standardised secure operator managed IoT networks in licensed spectrum. In particular, networks designed for IoT applications that are low cost, use low data rates, require long battery lives and often operate in remote and hard to reach locations. Existing cellular networks are evolving to deliver service to billions of new devices providing complete IoT connectivity in the 5G era.

NB-IoT and LTE-M are 3GPP standards that are both set to coexist with other 3GPP 5G technologies, so fulfilling the long term 5G LPWA requirements.

This future is now assured, as 3GPP has agreed that the LPWA use cases will continue to be addressed by evolving NB-IoT and LTE-M as part of the 5G specifications, so confirming the long term status of both NB-IoT and LTE-M as 5G standards.

In order to complete the 5G system support for NB-IoT and LTE-M, 3GPP is also investigating options for the 5G core network to support NB-IoT and LTE-M radio access network. This will enable a smooth operator migration path to 5G NR frequency bands while preserving NB-IoT and LTE-M deployments. Overall, there are three major use cases for 5G

- Mobile IoT / Massive IoT / LPWA
- Critical communications
- Enhanced mobile broadband

Mobile IoT delivers connectivity on a massive scale today and will continue to do so in the 5G future enabling key IoT applications such as smart metering to help reduce energy consumption, smart logistics to enhance distribution efficiency and smart environmental monitoring to reduce city pollution.

2. Introduction



Since the first 3GPP release of NB-IoT and LTE-M specifications in 2016, the growth in the number of connections and networks across the world has accelerated. At the end of March 2018, there were a total of 43 commercial NB-IoT and LTE-M networks launched¹. Those looking to deploy LPWA solutions can already do so today on these networks.

With the dawn of the 5G era, this paper explains how both NB-IoT and LTE-M technologies are an integral part of 5G, and that 5G from the LPWA perspective, is already here today. This paper goes on to highlight that both NB-IoT and LTE-M will continue to serve LPWA 5G use cases, and will coexist alongside other components of 5G which meet the other various 5G use cases. As the same

operators deploying both NB-IoT and LTE-M will also deploy other components of 5G, these operators are keen to leverage their investment and so 5G was designed exactly with this in mind.

Detailed technical aspects of 5G, NB-IoT and LTE-M are out of scope of this paper.

ABBREVIATIONS

TERM	DESCRIPTION
3GPP	3rd Generation Partnership Project
5G NR	5G New Radio
IoT	Internet of Things
LPWA	Low Power Wide Area
LTE	Long-Term Evolution
LTE-M	Long-Term Evolution Machine Type Communications
MTC	Machine-Type Communications
NB-IoT	Narrowband IoT

¹ Refer to <https://www.gsma.com/iot/mobile-iot-commercial-launches/> for the most up-to-date information

3. Mobile IoT and 5G

WHAT IS MOBILE IoT?

Mobile IoT is a GSMA term which refers to the 3GPP standardised Low Power Wide Area (LPWA) technologies using licensed spectrum bands such as NB-IoT and LTE-M.

LPWA technologies possess the following characteristics:

- Low power consumption that enables devices to operate for many years on a single charge
- Low device unit cost
- Improved outdoor and indoor coverage compared with existing wide area technologies
- Secure connectivity and strong authentication
- Optimised data transfer for small, intermittent blocks of data
- Simplified network topology and deployment
- Network scalability for capacity upgrade

LTE-M is the industry term for the Long-Term Evolution (LTE) machine-type communications (MTC) LPWA technology standard introduced by 3GPP in Release 13. LTE-M supports lower device

complexity, massive connection density, low device power consumption, low latency and provides extended coverage, while allowing the reuse of the LTE installed base. The deployment of LTE-M can be done “in-band” within a normal LTE carrier, or “standalone” in a dedicated spectrum.

Narrowband IoT (NB-IoT) is a 3GPP radio technology standard introduced in Release 13 that addresses the LPWA requirements of the IoT. NB-IoT is characterized by improved indoor coverage, support of massive number of low throughput devices, low delay sensitivity, ultra-low device cost, low device power consumption and optimized network architecture. Like LTE-M, NB-IoT can be deployed “in-band” within a normal LTE carrier, or “standalone” for deployments in dedicated spectrum. Additionally, NB-IoT can also be deployed in an LTE carrier’s guard-band.

“ NB-IoT and LTE-M, as deployed today, are part of the 5G family ”

WHAT IS 5G?

At its conception, 5G was envisioned to enhance the human user experience and to enable various machine-related use cases [1][2][3][4][5]. To this end, one of the pillars of 5G is to allow multiple access technologies such as satellite, WiFi™, fixed line and 3GPP technologies to interwork in order to serve the diverse 5G use cases. This paved the way for 3GPP technologies such as NB-IoT and LTE-M to become part of the 5G family.

While 5G headlined with ever higher data rates and lower latency, this aspect is mainly focused on the human user enhanced mobile broadband and real-time control use cases. Conversely, for the machine-related use cases considered as low power wide area (LPWA), the requirements are at the other end of the spectrum where low bit rates and latency tolerance are the norm.

In order for 5G to serve the variety of use cases, often with diametrically opposing requirements, 5G systems manage this by dynamically allocating

the network resources depending on the use case.

The 5G requirements defined by ITU-R [1][2][3] and 3GPP [6] broadly cover three main use cases [4]:

- **Mobile IoT/Massive IoT/LPWA:** improved network coverage, long device operational lifetime and a high density of connections. This is also known as mMTC (Massive MTC)
- **Critical Communications:** high performance, ultra-reliable, low latency industrial IoT and mission critical applications. This is also known as Critical IoT, URLLC (Ultra Reliable Low Latency Communications)
- **Enhanced Mobile Broadband:** improved performance and a more seamless user experience accessing multimedia content for human-centric communications

The 5G use cases are also depicted with a few examples in the following diagram.



All the three main use cases are covered by 3GPP in the 5G specifications. However, in the initial phase of 5G specifications, the main focus was on the support of Enhanced Mobile Broadband use cases [4].

For Mobile IoT LPWA, a range of use case categories is presented in the figure below. NB-IoT and LTE-M have already been designed to address the requirements from these use cases,

including requirements on support of large numbers of devices, low device cost, ultra-long battery life, and coverage in challenging locations, and these requirements [6] still apply for Massive IoT in the 5G context. In addition, there is an ITU-R requirement on supporting a high connection density in terms of number of connections [1][2][3] that can be supported in a given geographical area and spectrum allocation [10][11].



NB-IoT AND LTE-M ARE PART OF 5G

As it is expected that both NB-IoT and LTE-M will fulfill the 5G LPWA requirements, 3GPP has indicated to ITU-R [7][8] that both NB-IoT and LTE-M will be proposed to ITU-R as meeting the ITU-R requirements. The results from initial studies are available in [9][10][11], and a number of other studies are currently being conducted as part of the 3GPP assessment of the ITU-R requirements.

To further support the view that NB-IoT and LTE-M support the 5G LPWA requirements, 3GPP has agreed that the LPWA use cases will continue to be addressed by evolving NB-IoT and LTE-M as part of the 5G specifications [12].

As a consequence, NB-IoT and LTE-M as deployed today are part of the 5G family.

NB-IoT AND LTE-M WILL COEXIST WITH OTHER 5G COMPONENTS

As new 5G components that support 5G use cases in addition to LPWA are specified and rolled out in future, it is envisaged that NB-IoT and LTE-M will continue to coexist alongside these other 5G components.

5G New Radio (NR) was designed to support diverse deployment models, spectrum usage and device capabilities. One of the deployment scenarios that is supported from the start of 5G NR work in 3GPP is to allow LTE-M and NB-IoT transmissions to be placed directly into a 5G NR frequency band [14].

“

5G NR was designed to support diverse deployment models, spectrum usage and device capabilities

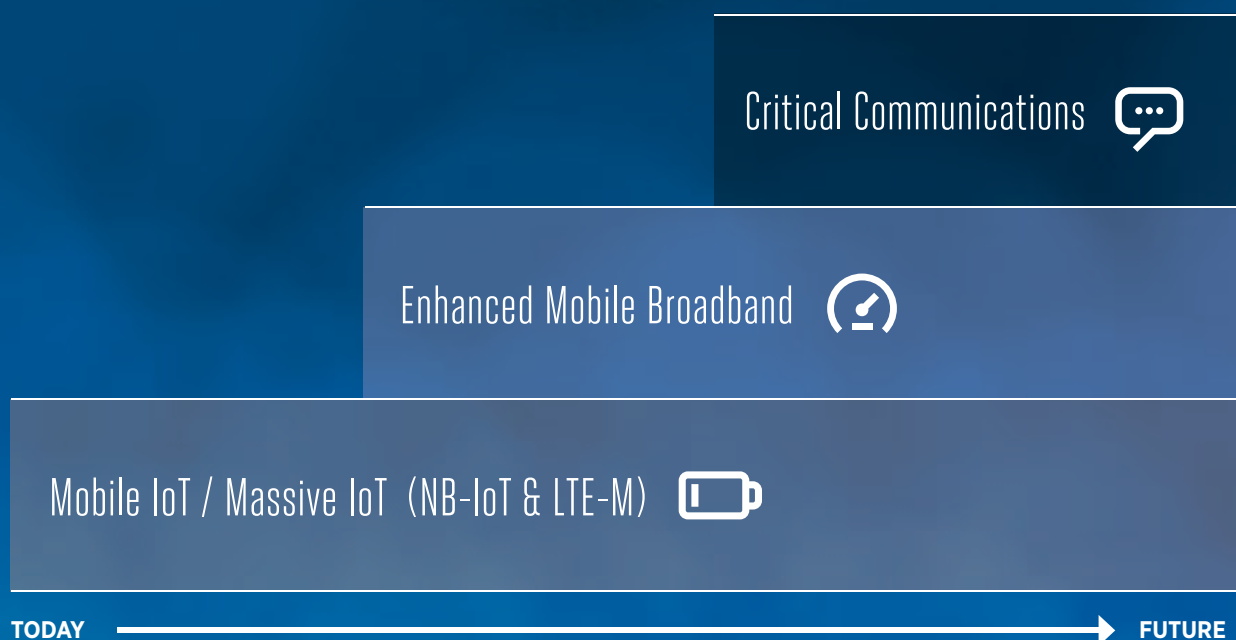
”

In order to complete the 5G system support for NB-IoT and LTE-M, 3GPP is also investigating options for the 5G core network to support LTE-M and NB-IoT radio access networks [13]. This will enable a smooth operator migration path to 5G NR frequency bands while preserving NB-IoT and LTE-M deployments.

To further illustrate this point, the following diagram shows the various 5G network

components that are built up and deployed over time. It highlights that NB-IoT and LTE-M network components already operational today will continue to do so and eventually coexist as other 5G NR components, e.g. enhanced mobile broadband and critical communications, are deployed in the same networks at a later point in time.

Timeline of introduction of 5G components



REFERENCES

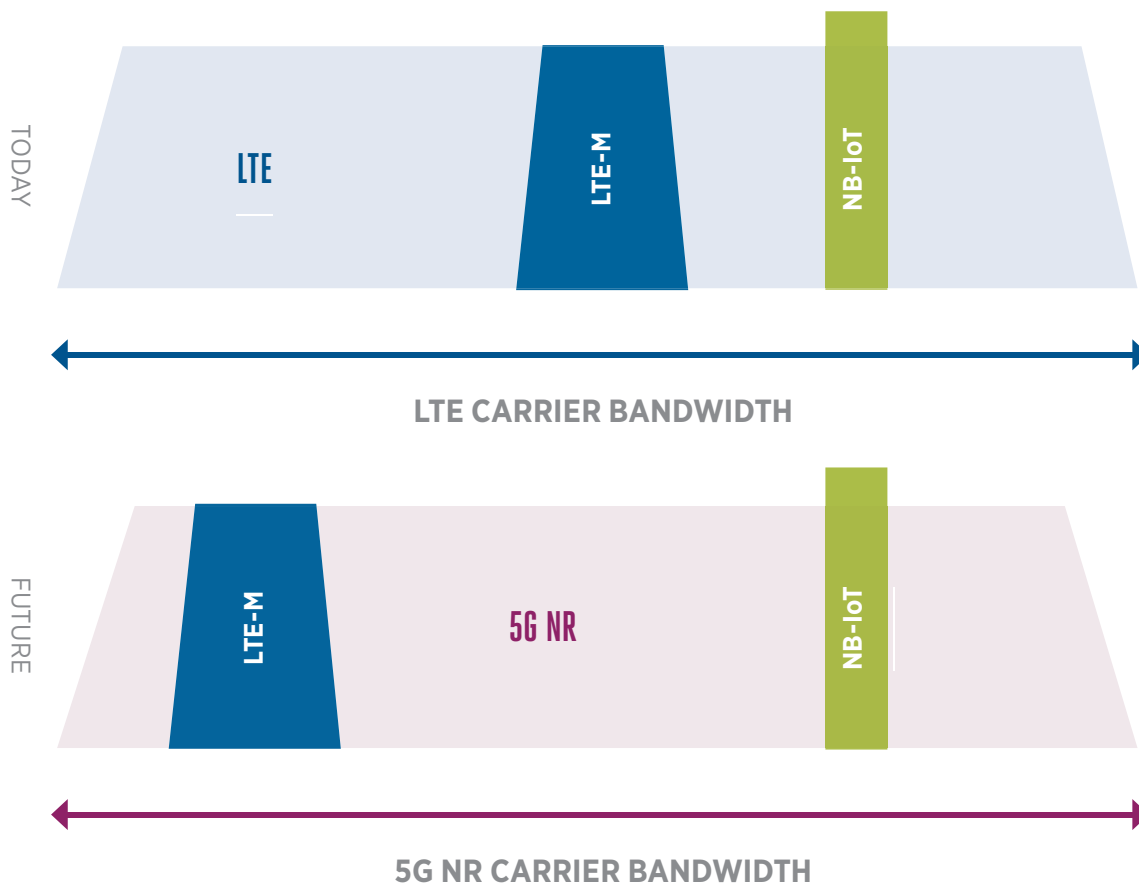
REF	DOC NUMBER	TITLE
[1]	ITU-R M.2083	"IMT 2020 Vision - Framework and overall objectives of the future development of IMT for 2020 and beyond", ITU-R https://www.itu.int/rec/R-REC-M.2083
[2]	ITU-R M.2412-0	"Guidelines for evaluation of radio interface technologies for IMT-2020", ITU-R https://www.itu.int/pub/R-REP-M.2412-2017
[3]	ITU-R M.2410-0	"Minimum requirements related to technical performance for IMT-2020 radio interface(s)", ITU-R https://www.itu.int/pub/R-REP-M.2410-2017
[4]		"The 5G Era", GSMA https://www.gsmainelligence.com/research/2017/02/the-5g-era-ageof-boundless-connectivity-and-intelligent-automation/614/
[5]	3GPP TS 22.261	"Service requirements for the 5G system; Stage 1", 3GPP http://www.3gpp.org/DynaReport/22261.htm
[6]	3GPP TR 38.913	"Study on Scenarios and Requirements for Next Generation Access Technologies" http://www.3gpp.org/dynareport/38913.htm
[7]	3GPP PCG40_11 (ITU-R 5D/817)	"Liaison statement to External Organizations on Further progress in development of the ITU-R Recommendation for the terrestrial components of the IMT-2020 radio interface(s)", 3GPP http://www.3gpp.org/ftp/PCG/Docs/PCG40_11.zip
[8]	3GPP RP-172098	"3GPP submission towards IMT-2020" http://www.3gpp.org/ftp/TSG_RAN/TSG_RAN/TSGR_77/Docs/RP-172098.zip
[9]		"Evaluation of LTE-M towards 5G IoT requirements", Sierra Wireless, Ericsson, Altair, Sony, Virtuosys, AT&T, Verizon, Orange, Nokia, China Unicom, NTT Docomo, KDDI, KPN, KT, Sequans, SK Telecom, Singtel, Softbank, Sprint, Telenor https://www.sierrawireless.com/resources/white-paper/evaluation-of-lte-m/
[10]	3GPP R1-1802529	"IMT-2020 self-evaluation: mMTC connection density for LTE-MTC and NB-IoT" http://www.3gpp.org/ftp/TSG_RAN/WG1_RL1/TSGR1_92/Docs/R1-1802529.zip
[11]	3GPP R1-1801796	"Consideration on self evaluation of IMT-2020 for mMTC connection density" http://www.3gpp.org/ftp/TSG_RAN/WG1_RL1/TSGR1_92/Docs/R1-1801796.zip
[12]	3GPP RP-180581	"Interim conclusions for IoT in REL-16", 3GPP http://www.3gpp.org/ftp/tsg_ran/TSG_RAN/TSGR_79/Docs/RP-180581.zip
[13]	3GPP TR 23.724	"Study on Cellular Internet of Things (IoT) support and evolution for the 5G System", 3GPP http://www.3gpp.org/DynaReport/23724.htm
[14]	3GPP TS 38.211	clauses 4.2 and 4.3 in "NR - Physical channels and modulation", 3GPP http://www.3gpp.org/DynaReport/38211.htm
[15]	3GPP TS 38.104	clause 5.4.2.1 in "NR - BS radio transmission and reception", 3GPP http://www.3gpp.org/DynaReport/38104.htm
[16]	3GPP TS 38.214	clause 5.1.4 in "NR - Physical layer procedures for data", 3GPP http://www.3gpp.org/DynaReport/38214.htm



ANNEX

5G NR with in-band NB-IoT and LTE-M

The figures below show in-band operation for NB-IoT and LTE-M within LTE and 5G NR carrier bandwidths.



The in-band operation for NB-IoT and LTE-M within 5G NR carrier bandwidths is achieved by including:

- (i) a 5G NR modulation numerology and frame structure compatible with LTE [14],
- (ii) a 5G NR duplex frequency configuration allowing 5G NR, NB-IoT and LTE-M subcarrier grids to be aligned [15], and
- (iii) support for “forward compatibility” configuration making it possible for an 5G NR user equipment (UE) to rate match around radio resources that are taken by non-dynamically scheduled NB-IoT and LTE-M signals [16].

These features help achieve the desired 5G NR, NB-IoT and LTE-M coexistence performance.

About the GSMA

The GSMA represents the interests of mobile operators worldwide, uniting nearly 800 operators with more than 300 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces industry-leading events such as Mobile World Congress, Mobile World Congress Shanghai, Mobile World Congress Americas and the Mobile 360 Series of conferences.

Follow the GSMA on Twitter: @GSMA



Floor 2, The Walbrook Building
25 Walbrook, London EC4N 8AF UK
Tel: +44 (0)207 356 0600

www.gsma.com/MobileIoT
IoT@gsma.com





Badger Meter

ORION® Water Endpoints

Cellular LTE-M and LTE-MS Endpoints

DESCRIPTION

ORION® Cellular LTE-M and LTE-MS endpoints are innovative, two-way water endpoints for smart water applications. The endpoints utilize existing IoT (Internet of Things) cellular infrastructure to efficiently and securely deliver meter reading data to the utility via the reliable cellular network.

Cellular endpoints are members of the time-tested ORION family of products from Badger Meter, designed for maximum flexibility. Since 2002, the ORION product family has provided comprehensive Advanced Metering Analytics (AMA) for interval meter reading and data capture using both one-way and two-way communications.

FUNCTIONALITY

Operation: ORION Cellular LTE-M and LTE-MS endpoints communicate with the encoder and capture 15-minute interval read data and meter status information. The endpoints then automatically broadcast the information, including endpoint status information, via the cellular network to BEACON® AMA. The endpoints are designed to call in four times each workday and feature a configurable schedule that enables utility customers to select call-in times that best support their processes.

Activation: All ORION Cellular LTE-M and LTE-MS endpoints are shipped in an inactive, non-transmitting state. The Badger Meter IR Communication Device can be used to activate the endpoints and verify the encoder connection. Successful endpoint function can be confirmed through a web app demonstrating that communication has been verified to both the encoder and the network.

Alternatively, the endpoints offer a Smart Activation feature. After installation, the endpoints begin broadcasting data when the encoder senses the first usage of water. No field programming or special tools are required.

Broadcast Mode: ORION Cellular LTE-M and LTE-MS endpoints broadcast fixed network reading data through the secure cellular network within the service area. Based on the results of cellular coverage analysis, there are primary and secondary carrier options to support full network coverage. Primary carrier is the LTE-M endpoint. Secondary carrier is the LTE-MS endpoint. The endpoints also transmit a mobile message to facilitate troubleshooting in the field.

Data Storage: The endpoints store 42 days of 15-minute data.

Output Message: ORION Cellular LTE-M and LTE-MS endpoints broadcast a unique serial number, meter reading data, and applicable status indicators. As an advanced data security measure, each message is securely transported to the BEACON AMA software only via private network and never over the public internet.



LTE-M endpoint is pictured

APPLICATION

Configurations: ORION Cellular LTE-M and LTE-MS endpoints are multi-purpose endpoints that can be deployed in indoor, outdoor and pit (non-metal pit lid) applications. The electronics and battery assembly are fully encapsulated in epoxy for environmental integrity. The endpoints are available with a connector assembly for ease of installation.

Meter Compatibility: When attached to Badger Meter High Resolution Encoders, ORION Cellular LTE-M and LTE-MS endpoints are compatible with all current Badger Meter Recordall® Disc, Turbo Series, Compound Series, Combo Series and Fire Service meters and assemblies, and with E-Series® Ultrasonic, E-Series® Ultrasonic Plus, and M-Series® Electromagnetic flow meters.

Encoder Compatibility: ORION Cellular LTE-M and LTE-MS endpoints are suitable for use with Badger Meter High Resolution Encoders as well as the following Badger Meter approved three-wire encoder registers that have a manufacture date of 2005 or newer, are programmed into the AMR/AMI three-wire output mode, and have three-wires connected: Honeywell® (Elster) InVISION encoder and evoQ4 meter (encoder output, Sensus® protocol module only); Master Meter® Octave® Ultrasonic meter encoder output; Metron-Farnier Hawkeye; Mueller Systems 420 Solid State Register (SSR) LCD; Neptune® ProRead, E-Coder® and ARB-V®; and Sensus Electronic Register encoder (ECR) and ICE.

SPECIFICATIONS

Dimensions	5.125 in. (130 mm) (H) 1.75 in. (44 mm) Diameter at top 2.625 in. (W) x 2.875 in. (D) at base 67 mm (W) x 73 mm (D) at base
Broadcast Network	Primary LTE-M cellular network, NB-IoT (Narrow Band-Internet of Things) Mobile backup frequency is FCC-regulated 902...928 MHz frequency hopping modulation
Operating Temperature Range	
<ul style="list-style-type: none"> Storage, Meter Reading and Mobile Backup Cellular Communications 	-40...60° C (-40...140° F) -20...60° C (-4...140° F)
Humidity	0%...100% condensing
Battery	One (1) lithium thionyl chloride D cell (nonreplaceable)

Construction: All ORION Cellular LTE-M and LTE-MS endpoints are housed in an engineered polymer enclosure with an ORION RF board, battery and antenna. To ensure long-term performance, the enclosure is fully potted to withstand harsh environments and to protect the electronics in flooded or submerged pit applications.

Wire Connections: ORION Cellular LTE-M and LTE-MS endpoints are available with in-line connectors (Twist Tight® or Nicor®) for easy installation and connection to compatible encoders/meters. The endpoints are also available with flying leads for field splice connections. Other wire connection configurations may be available upon request.

FEATURES

Smart City Ready	Future-proof technology
Communication Type	Two-way
Application Type	Control/Monitor
Endpoint Communication	Configurable call-in schedule, up to four times each workday
Reading Interval Type	15-minute
Encoder Compatibility	Absolute
Fixed Network Reading	✓
Cut-Wire Indication	✓
Encoder Error	✓
Low Battery Indication	✓
Remote Clock Synchronization	✓
Firmware Upgrades	✓

License Requirements: ORION Cellular LTE-M, LTE-MS and LTE endpoints comply with Part 15, Part 22, Part 24, and Part 27 of the FCC Rules. No license is required by the utility to operate an ORION meter reading system. This device complies with Industry Canada license-exempt RSS standard(s).

Transportation: **WARNING:** The operation of transmitters and receivers on airlines is strictly prohibited by the Federal Aviation Administration. As such, the shipping of radios and endpoints via air is prohibited. Please follow all Badger Meter return and/or shipping procedures to prevent exposure to liability.

Warning: To reduce the possibility of electrical fire and shock hazards, never connect the cable from the endpoint to any electrical supply source. The endpoint cable provides SELV low voltage limited energy power to the load and should only be connected to passive elements of a water meter register.

Caution: The endpoint batteries are *not* replaceable. Users should make no attempt to replace the batteries. Changes or modifications to the equipment that are not expressly approved by Badger Meter could void the user's authority to operate the equipment.

SMART WATER IS BADGER METER

E-Series, M-Series, ORION and Recordall are registered trademarks of Badger Meter, Inc. Other trademarks appearing in this document are the property of their respective entities. Due to continuous research, product improvements and enhancements, Badger Meter reserves the right to change product or system specifications without notice, except to the extent an outstanding contractual obligation exists. © 2020 Badger Meter, Inc. All rights reserved.



Town of Discovery Bay

“A Community Services District”

STAFF REPORT

Meeting Date

March 17, 2021

Prepared By: Bill Engelman, Parks & Landscape Manager
Submitted By: Dina Breitstein, Assistant General Manager

Agenda Title

Discussion and Possible Action to Purchase the AirBurners 2021 T-24 BurnBoss FireBox.

Recommended Action

It is recommended that the Board take the following Action:

- a. Approve the purchase of one AirBurners 2021 T-24 BurnBoss FireBox.
- b. Authorize the General Manager to execute all purchase documents between the Town of Discovery Bay CSD and AirBurners in the amount of \$62,312.46, including shipping and taxes.

Summary

The cost to dispose of green waste is quite costly. Staff from the Landscape Department and from Water and Wastewater Department began researching other options to both help reduce spending and be environmentally responsible.

In early in 2020, the District was paying unusually high costs associated with the removal of green waste. We began to research alternative options and discovered that the Airburners FireBox would be a viable green waste disposal option. FireBoxes burn green waste to nearly 100% waste reduction. This equipment would provide both a cost savings and have a reduced environmental impact compared to pick up and disposal of green waste. The Parks and Landscape Department, along with the Water and Wastewater Department, would like to share in the purchase of a T-24 BurnBoss FireBox.

Financial Benefit

The cost to deliver and pick up a 40-yard green waste container is approximately \$654. In addition to the delivery fees, there is a charge of \$119 per ton of waste. This is an approximate total of \$1,200 - \$1,500 each time a 40-yard green waste container reaches capacity. The following is a breakdown of green waste charges in the Landscaping Department for FY 2018-19 and 2019-20:

Green Waste Funds Spent in FY 2018-19			
	<u>Z8</u>	<u>Z9</u>	<u>Special Zones</u>
Funds Spent	\$6,221.35	\$330.02	\$8,909.80
FY Total			\$15,461.17

Green Waste Funds Spent in FY 2019-20			
	<u>Z8</u>	<u>Z9</u>	<u>Special Zones</u>
Funds Spent	\$3,357.53	\$3,509.77	\$9,394.35
FY Total			\$16,261.65

To reduce waste cost, staff began to utilize Plant 1 to store green waste while researching waste removal options. With the current amount of green waste at Plant 1, the cost to have Mt. Diablo Recovery Service pick up and replace containers would be approximately \$25,000. At this rate, a FireBox would be paid for in roughly 3 years, eliminating any future green waste expense.

Environmental Benefit

From an environmental standpoint, this equipment is as close to an agricultural closed looped system that is available. In addition to the positive impact on the environment because of the reduction in hauling, the limited ash produced can be used as fertilizer for plants and lawns.

Example of Other California Agency's using AirBurners Equipment

The State of California has purchased FireBox machines for use in both the parks department and the forestry department. CAL Fire, the California Department of Forestry and Fire Protection, purchased a large number of FireBoxes to be used in their fuel reduction effort to prevent wildfires.

Staff recommends to:

- a. Approve the purchase of one AirBurners 2021 T-24 BurnBoss Firebox.
- b. Authorize the General Manager to execute all purchase documents between the Town of Discovery Bay CSD and AirBurners in the amount of \$62,312.46, including shipping and taxes.

Fiscal Impact:

Amount Requested \$ 62,312.46

Sufficient Budgeted Funds Available?: Yes (If no, see attached fiscal analysis)

Prog/Fund # Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item

N/A

Attachments

- 1. AirBurner quote,
- 2. BurnBoss Flyer
- 3. Estimated BurnBoss Operating Costs

AGENDA ITEM: F-4



GSA Quotation

DATE 8-Mar-2021

AIR BURNERS, INC.
4390 SW Cargo Way
Palm City, FL 34990 USA
Phone 772-220-7303 Fax 772-220-7302

Our Reference # Q-T24383

GSA# AIR BURNERS, INC [47QMCA20D000B] Training
GSA# AIR BURNERS, INC [47QMCA20D000C] Air Curtain
Incinerators

Bill To:
Town of Discovery Bay
1601 Discovery Bay Blvd
Discovery Bay, CA 94505

Ship To:
Town of Discovery Bay
1601 Discovery Bay Blvd
Discovery Bay, CA 94505

Phone	925.206.9923 Bill Engelman
Email	bengelma@todb.ca.gov

FOB POINT	SHIP DATE	SHIP VIA	PAYMENT TERMS
Palm City, FL	7-8 Weeks	Truck	See Note 1

ITEM	QUANTITY	DESCRIPTION	P/N		AMOUNT USD
1	1	Air Burners 2021 model BurnBoss, Two cylinder liquid cooled Diesel engine, 12.5 HP (Kubota Z482-E3 or equivalent), full enclosure; security locks around power source; Emission certified US EPA Tier4e, with a standard ball hitch	T-24	\$ 57,563.47	\$ 57,563.47
2	LOT	Common Carrier Truck	Shipping	Included	Included
				State Tax 8.25%	\$ 4,748.99
				SUBTOTAL	\$ 62,312.46
				TOTAL DELIVERED TO DESTINATION AREA	\$ 62,312.46

NOTES:

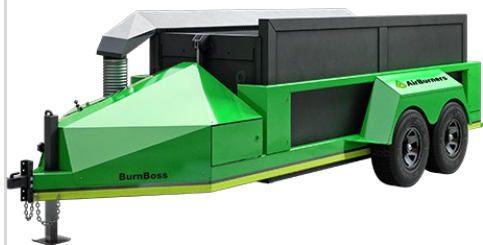
- Note 1** Payment Terms: 50% of payment with PO, 2nd 50% payment prior to shipment.
- Note 2** The T-24 will be shipped as standard load on a Common Carrier Truck. Unloading cost, if any, at destination is not included in Line Item 2 and is to the account of Buyer.
- Note 3** The prices stated in this Quotation are valid for 90 days.
- Note 4** The published specifications for the T-24 applies. Please, see www.airburners.com
- Note 5** We offer optional two-day Virtual Training and Certification at this time. The firm fixed cost is \$800 for training. Please, see also https://www.airburners.com/ab-operator_training.htm

Michael Schmitt
North America
Sales Manager

BURNBOSS[®]**Wood Waste / Green Waste Disposal**
Forestry • Agriculture • Land Clearing • Storm Cleanup**Benefits of the Patented Machine:**

- Low capital investment, long useful life
- High mass reduction: 95% to 98% waste reduction
- No chipping or grinding, waste goes straight into FireBox
- Easy operation: faster and cleaner than open burning; can be hand loaded
- FireBox is lowered & raised by power lift system
- Easy ash clean-out; FireBox has no floor; waste is combusted on earthen ground
- Residue is wood ash and Biochar - ideal to turn back into the soil
- Dramatically reduced operating costs compared to chipping, grinding & trucking
- Street-legal with lights and safety equipment. VIN number.
- Environmentally friendly; exceeds EPA regulations for air curtain incinerators



BURNBOSS® - TRAILER-MOUNTED FIREBOX


General: The T24 is a towable self-contained, completely assembled above ground Air Curtain Burner (also called air curtain incinerator) for mobile applications. It has been fitted with a refractory lined burn-container that is raised and lowered by a hydraulic lift system. Designed for the environmentally sound high temperature reduction of clean wood waste in forestry and agriculture in compliance with the requirements of US EPA 40CFR60, the T24 is also used for disaster recovery and DHS/FEMA contingencies.

Shipped from the factory completely assembled ready for immediate use. The T24 is a street-legal dual-axle "Mobile Machinery Trailer" with VIN.

1	Power	Two cylinder liquid cooled Diesel engine, 12.5 HP (Kubota Z482-E3 or equivalent), full enclosure; security locks around power source; Emission certified US EPA Tier4	
2	Burn Container (FireBox)	4" (101mm) thick side walls; Refractory panels filled with proprietary thermo-ceramic material cast into steel trays; panels kiln cured before assembly with proprietary stress relieving and crack propagation reduction features. FireBox is raised and lowered by hydraulic actuators; FireBox is open to the ground	
3	Running Gear	Patented trailer design includes a fully welded steel frame, dual torsion axles and heavy duty tires for on and off road use; Pintle or ball hitch (2 5/16" (58.75mm) for towing; Mechanical jack stand. Standard trailer lighting package; Heavy duty adjustable hitch	
4	Instrument Panel	Key switch, tachometer, hour meter, fuel gauge, oil pressure and water temperature indicators with safety shutdown feature; Lockable instrument panel	
5	Air Curtain	Custom heavy duty fan; Steel manifold welded in position and ready to use	
6	Fuel Tank	10 Gallon (37L) fuel tank capacity allows for approximately 26 hours of run time	
7	Hydraulics	Hydraulic rams lower the FireBox for operation and raise it for ash removal and transport; Hydraulic system is powered electrically by the onboard 12V battery; ISO32 Synthetic Oil	
8	Set-up	The BurnBoss arrives onsite ready to use	
9	Average Through-put	½ - 1 Ton per Hour (Average – See Note) Typical feedstock: clean wood waste: forest slash, tree trimmings, vineyard/orchard woody debris, tumbleweeds, etc.	
10	Fuel Consumption	Approx. 0.35 gal/hr. (1.30 L/hr.)	
11	Weight	Gross Weight: Approx. 9,983 lbs. (4,528kg) Tongue Weight: Approx. 1,200 lbs. (544kg)	
12	Dimensions	Overall Size L × W × H	FireBox L × W × H
		19' 8" × 7' 8" × 5' 8" 6m × 2.3m × 1.7m	12' × 4' × 4' 3.7m × 1.2m × 1.2m

Note:

Achievable through-put depends on several variables, especially the nature of the waste material, the burn chamber temperature and the loading rate. All weights and



AIR BURNERS, INC.
 4390 SW Cargo Way • Palm City, FL 34990
 Phone 772-220-7303 • FAX 772-220-7302
 E-mail: info@airburners.com • www.AirBurners.com
 © 2020 Air Burners, Inc.



Air Burners, Inc.
4390 SW Cargo Way
Palm City, FL 34990
772-220-7303 Office

AirBurners.com

Estimated BurnBoss Operating Cost Break-Down

100 Hour Standard Maintenance

\$3.78 Oil filter
\$36.50 Oil, 2 gallons
\$40.28 Total

400 Hour Standard Maintenance

\$6.87 Fuel filter
\$20.83 Fuel/water separator filter
\$27.70 Total

BurnBoss operating costs not including labor. BurnBoss FireBox operating costs not including labor. (FireBoxes only require one operator part time. Generally the same operator moving material around in the yard).

Operating costs are based on standard annual operation of 1920 hours or 48 weeks per year.

<i>Fuel (.35 gph@\$2.99 pg)</i>	<i>\$1.04 per hour</i>
<i>Monthly preventative maintenance</i>	<i>\$0.25 per hour</i>
<i>Bi-Monthly preventative maintenance</i>	<i>\$0.08 per hour</i>
<i><u>BurnBoss Total Estimated Operating Costs Per Hour</u></i>	<i><u>\$1.37 per hour</u></i>

Burning 1 ton an hour in a BurnBoss cost is = \$1.37
Dumping at Landfill 1 ton cost is= \$40.00

****Figures are rounded and approximate.**
Subject to change without notice.



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

March 17, 2021

Prepared By: Monica Gallo, Recreation Programs Supervisor

Submitted By: Dina Breitstein, Assistant General Manager

Agenda Title

Discussion and Possible Action Regarding the Approval of Park and Recreation 2021 Program, Activities, and Event Fee Waivers.

Recommended Action

Acceptance of Fees Waivers approved by the General Manager for the following Park and Recreation 2021 Programs, Activities, and Events.

Executive Summary

The Town of Discovery Bay Community Services District Board of Directors (Board) adopted the Park & Facility Usage and Rental Policy #13 on April 20, 2011 and it was Revised on May 3, 2017. The Policy is located on the District Website at www.todb.ca.gov, Town of Discovery Bay Board Policies.

Requirements in the Policy, except those identified as "prohibited", may be waived or modified on a case-by-case basis by the General Manager, or his/her designee, upon the finding of public interest; and any such modification (including modification to fees) shall be summarized on the next available Board Agenda.

Due to COVID-19 there are many restrictions regarding gatherings. The groups and events listed in this report have a long history in working with the District. Staff would like to be prepared to take immediate action once restrictions are lifted. Staff is submitting for Board acceptance the following 2021 Programs, Activities, and Events whose "Fees" are being waived by the General Manager upon the finding of public interest per the Park & Facility Usage and Rental Policy #13.

"Bridge on the Lake" Senior Duplicate Bridge games held every Saturday throughout the year at the Discovery Bay Community Center from 11:30AM to 4:30PM. Effective July 2017, the Town entered into a Memorandum of Understanding with the "Bridge on the Lake" duplicate bridge participants, requiring a fee of \$1 per person/per week in an effort to offset this direct cost to the Town.

"Hand and Foot" Senior Duplicate Bridge games held every Wednesday throughout the year at the Discovery Bay Community Center from 12:00PM to 4:00PM for a fee waiver total amount of \$5,200.

"Boy Scouts of America Troop 514" weekly Monday meetings held throughout the year at the Discovery Bay Community Center from 6:00PM to 8:00PM for a fee total waiver amount of \$1,550. The Boy Scouts Troop 514 annually provides an agreed upon in-kind service project for the Town.

A Contra Costa County Library Program for children utilizing the Discovery Bay Community Center on a Wednesday afternoon from 3:00PM-6:00PM once in June and once in October. The fee waiver total amount is \$150.

"Resisting Aggression Defensively (R.A.D.) Kids" is a Contra Costa County Sheriff's program typically held in July at the Discovery Bay Community Center from 8:00AM to 3:30PM. This free community event for children, provides safety topics that include: Home Safety, School Safety, Out and About Safety, Good and Bad Strangers, What to Do in an Emergency – including How to React. This is a one-week program for a total fee waiver amount of \$937.50.

"Annual Easter Egg Hunt" conducted by the Discovery Bay Lions Club at the Discovery Bay Community Center from 7:00AM to 12:00PM for a fee waiver total amount of \$50.

"Holiday Parade" conducted by the Delta Sun Times and the Discovery Bay Lions Club utilizing the gravel lot adjacent to the parking lot in front of the Discovery Bay Community Center. There is currently no fee schedule for the use of just the gravel lot in front of the Community Center.

Staff recommends acceptance of the above 2021 Programs, Activities, and Event Fee Waivers by the General Manager

for a total amount of \$7,887.50.

Previous Relevant Board Actions for This Item

None.

Attachments

None.

AGENDA ITEM: F-5



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

March 17, 2021

Prepared By: Monica Gallo, Recreation Programs Supervisor
Submitted By: Dina Breitstein, Assistant General Manager

Agenda Title

Discussion and Possible Action Regarding the 2021 Parks and Recreation Public Event Calendar.

Recommended Action

Approve the Parks and Recreation Public Event Calendar for 2021.

Executive Summary

The Community Center proudly opened its doors in January 2014 and 2021 will represent the 8th full year of event programming for the Town of Discovery Bay. The Community Center continues to offer a variety of programming for all age groups, not only at the Community Center itself, but also at other District facilities.

As the Community Center expands as a hub of activity, Staff continues to offer or partner with various community groups to provide a variety of free and paid programming. The improvements completed at the Community Center allows for multiple spaces to hold a variety of private events such as family reunions, anniversary and birthday parties.

Due to COVID-19, many events have had to be cancelled. Staff has developed the attached event calendar for Board consideration. The list includes a total of 14 events, each of these events have been held in the past. Once COVID-19 restrictions are lifted Staff would like to proceed forward as business as usual and work the various community hosts to once again offer these events to the community. Upon approval of the Parks and Recreation Events Calendar for 2021, there will be no need for further board authorization.

All other events are subject to the terms and conditions in the Park Usage Rental Policy (Policy #013) and District Recreation Facilities Alcohol Policy (Policy #022). Both policies are located on the District website at www.todb.ca.gov, Town of Discovery Bay Board Policies.

Staff recommends approving the Parks and Recreations Public Event Calendar for 2021.

Fiscal Impact:

Amount Requested \$ N/A

Sufficient Budgeted Funds Available?: (If no, see attached fiscal analysis)

Prog/Fund # Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item

N/A

Attachments

Proposed 2021 Parks and Recreation Public Event Calendar.

AGENDA ITEM: F-6

2021 Parks and Recreation Public Event Calendar

2021 Event Dates	Times	Location	Event Title	Event Description	Approximate Attendance Numbers	Event Sponsors	Vendors on site	Food on site	Alcohol on site	Town/County Licenses Required	Fees Charged/Waived
	8AM-1PM	DBCC	Easter Egg Hunt	DB Lions Club Easter Egg Hunt	500+	DB Lions Club	No	No	No	TODB Special Event Permit	Fees Waived
April 17	9AM-12PM	DBCC	Paws on Parade	Family friendly event for dogs	100-200	Town & DB Lions Joint Event	Yes	No	No	N/A	N/A Town Event - proceeds back for dog park improvements
May 22-23	8AM-5PM	DBCC	Fundraising Pickleball Tournament	Pickleball Tournament - Resolution #2020-24	100	Discovery Bay Recreation & Sports	No	Yes	No	TODB Special Event Permit	Fees Waived for pickleball courts only
June 5	8AM-10PM	DBCC	Summer Jam	Family friendly event featuring live music, food and alcohol in partnership with the DB Lions Club.	1,000-1,500	Town & DB Lions Joint Event	Yes	Yes	Yes	CCC Health Permit ABC License	N/A Town Event 50% of net proceeds back to Community Center
June 11	7PM-10:30PM	DBCC	Friday Night Movie in the Park	Family friendly movies on the event lawn at the Community Center	50-75	Town Event	No	No	No	Movie Licensing	N/A Town Event
June 25	7PM-10:30PM	DBCC	Friday Night Movie in the Park	Family friendly movies on the event lawn at the Community Center	50-75	Town Event	No	No	No	Movie Licensing	N/A Town Event
	3:00PM-6:00PM	DBCC	Library Program	Family friendly event with a focus on childrens entertainment	80	Town & CCC Library	No	No	No	TODB Facility Permit	Fees Waived
	7PM-10:30PM	DBCC	Friday Night Movie in the Park	Family friendly movies on the event lawn at the Community Center	50-75	Town Event	No	No	No	Movie Licensing	N/A Town Event
	8:00-3:30PM	DBCC	R.A.D. Program	This is a free Contra Costa County Sheriff's program for children that provides education on personal safety.	20-40	CCC Sheriff	No	Yes	No	TODB Facility Permit	Fees Waived
	7PM-10:30PM	DBCC	Friday Night Movie in the Park	Family friendly movies on the event lawn at the Community Center	50-75	Town Event	No	No	No	Movie Licensing	N/A Town Event
September 11	8:00AM - 10:00PM	DBCC	Summer Jam	Family friendly event featuring live music, food and alcohol in partnership with the DB Lions Club.	1,000-1,500	Town & DB Lions Joint Event	Yes	Yes	Yes	CCC Health Permit ABC License	N/A Town Event 50% of net proceeds back to Community Center
October	8AM-5PM	DBCC	Fundraising Pickleball Tournament	Pickleball Tournament - Resolution #2020-24	100	Discovery Bay Recreation & Sports	No	Yes	No	TODB Special Event Permit	Fees Waived for pickleball courts only

2021 Parks and Recreation Public Event Calendar

3:00PM- 6:00PM	DBCC	Library Program	Family friendly event with a focus on childrens entertainment	80	Town & CCC Library	No	No	No	TODB Facility Permit	Fees Waived
		Holiday Parade	Judging tent located in the gravel lot adjacent to CC parking lot	1000+	Delta Sun Times & Discovery Bay Lions Club	No	Yes	No	TODB Facility Permit CCC Health Permit ECCFPD Event Permit General Liability Insurance	No fee scheudle for use of parking lot



Liberty Union High School District

*SUBMITTED BY
V.P. GRAVES.*

Wednesday, March 10, 2021

LUHSD Regular Board Meeting (This meeting is being held pursuant to Executive Order N-29-20 issued by California Governor Newsom on March 17, 2020. Any and all Board members may attend by phone or teleconference.) A link to the live video conference will be available below with the "video" icon at the start of the meeting on the day of the Board Meeting. Persons wishing to make a public comment or comment during a public hearing must email Dianna Pereira at pereirad@luhsd.net 30 minutes prior to the start of the meeting with their Zoom name. The Superintendent will call on you and you may address the Board during the public comment portion of the meeting.

**Liberty Union High School District
20 Oak Street
Brentwood, CA 94513**

1. NOTICES

1.01 PUBLIC RECORDS NOTICE: Any writings or documents that are public records and are provided to a majority of the governing board regarding an open session item on this agenda will be made available for public inspection in the District Office located at 20 Oak Street, Brentwood, California during normal business hours.

1.02 AMERICANS with DISABILITIES ACT NOTICE: In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications or accommodations, including auxiliary aids, or services, in order to access the Board meeting room, access written documents being discussed at the Board meeting, or to otherwise participate in the public meetings of the District's governing board, please contact the office of the Superintendent at (925) 634-2166 x2025. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Please turn off any electronic paging device or cell phone.

1.03 TITLE IX: The Liberty Union High School District does not discriminate on the basis of race, color, national origin, sex, or disability.

2. CALL TO ORDER - 5:30 PM

2.01 Roll Call

3. SPECIAL SESSIONS

3.01 GENERAL PUBLIC COMMENT ON ANY CLOSED SESSION ITEM: DUE to COVID-19 the following procedures are in place: Persons wishing to make a public comment or comment on closed session items must email Dianna Pereira at pereirad@luhsd.net prior to the start of the meeting with their Zoom name. The Superintendent will call on you and you will have access to share you audio and video so you may address the Board during the public comment portion of the meeting. The Board may limit public comments to 5 minutes per speaker and 30 minutes total per subject pursuant to Board Policy 9323. The Board values all input from the public; however, the practice is to not respond immediately to public comments. An additional opportunity is provided later in the agenda for public comment on remaining agenda items or non-agenda items and comments during public hearing(s).

3.02 Public Comments

3.03 Closed Session

3.04 Open Session

3.05 DISCUSSION - 6:35 PM The Board will conduct a discussion regarding in-person Board meetings.

3.06 DISCUSSION - 6:45 PM The Board will conduct a discussion regarding continuing the process to establish trustee areas.

4. OPENING PROCEDURES - 7:00 PM

7:16

4.01 Call to Order

4.02 Roll Call

4.03 Report Out of Closed Session

4.04 Pledge of Allegiance

4.05 DUE to COVID-19 the following PROCEDURES FOR PUBLIC COMMENT are in place: The public is welcomed and encouraged to address the Liberty Union High School Board of Trustees. Persons wishing to make a public comment or comment during a public hearing must email Dianna Pereira at pereirad@luhsd.net prior to the meeting with their Zoom name. The Superintendent will call on you to address the Board during the public comment portion of the meeting. The Board may limit public comments to 5 minutes per speaker and 30 minutes total per subject pursuant to Board Policy 9323. The Board values all input from the public; however, the practice is to not respond immediately to public comments.

4.06 Consider Agenda

4.07 Consider Approval of Regular Board Meeting Minutes of February 24, 2021

4.08 Consider Approval of Special Board Meeting Minutes of February 26, 2021

5. COMMUNICATIONS

5.01 Public Comments

5.02 Student Board Representatives

5.03 Staff Comments

5.04 Superintendent's Report

5.05 Board Comments

6. RECOGNITION(S)

6.01 Recognition of Heritage High School Student - Sara Renny Buchanan

7. PRESENTATION(S)

7.01 2021 - 2024 Successor Agreement Contract Re-Opener Proposal(s) of the Liberty Education Association, otherwise known as "Sun-shining"

7.02 Presentation of Reopening Plan for Special Education

7.03 LUHSD 2020-21 Second Interim Financial Report

8. PUBLIC HEARINGS

8.01 Conduct Hearing of the 2021-2024 Contract Successor Agreement Proposal of the Liberty Union High School District to Liberty Education Association

9. CONSENT AGENDA

9.01 Consider Approval of the Personnel Report No. 03 10 2021

9.02 Consider Approval of Extra Duty Stipends

9.03 Consider Approval of Resolution 2021-07: Placement of Certificated Employee on a 39-Month Reemployment List

9.04 Consider Approval of Temporary One-to-One Assistant and/or One-to-One Bus Aid Agreement(s) with the Contra Costa County Office of Education

9.05 Consider Approval of a Short Form Service Contract with The Stepping Stones Group

9.06 Consider Approval of Textbook Adoption - Modern Carpentry

9.07 Consider Approval of Contract with Total Compensations Systems, Inc.

9.08 Consider Declaration of Surplus-Liberty High School Stitching Machine

9.09 Consider Declaration of Surplus-Maintenance and Operations C3 Cleaning Companions

9.10 Consider Approval of Warrants Issued in February 2021

9.11 Consider Action of 2020-21 Interdistrict Transfer Requests as Recommended by the Superintendent

9.12 Consider Action of 2021-22 Interdistrict Transfer Requests as Recommended by the Superintendent

10. ADMINISTRATIVE ACTION

10.01 Consider Approval of Instructional Calendar for 2022-2023 School Year

MSC

10.02 Consider Approval of 2021 Summer School Program

MSC

10.03 Consider Approval of the District/School COVID-19 Safety Plan (CSP) for the Reopening of School

MSC

10.04 Consider Approval of Comprehensive School Safety Plan for Each School Campus

MSC

10.05 Consider Approval of Two (2) New Course of Study Proposals for Implementation in the 2021-22 School Year: Robotics Engineering Technology II; Ethnic Studies

MSC

10.06 Consider Approval of the 2020-21 Second Interim Report

MSC

11. POLICIES AND AMENDMENTS

11.01 First Reading of Revised Board Policies and Administrative Regulations and New Exhibit: BP 6146.1 High School Graduation Requirements; BP 6146.1a Graduation Requirements-Independence HS; BP 6146.1b Graduation Requirements-La Paloma HS; BP 6146.1c Graduation Requirements-Liberty Adult School; BP/AR/E 6146.2 Certificate of Proficiency/HS Equivalency

11.02 Consider Approval of Revised Board Policies and Administrative Regulations BP 6020 Parent Involvement; BP/AR 6115 Ceremonies and Observances; BP/AR 6143 Courses of Study

12. DISCUSSION

12.01 The Board will have the opportunity to discuss topics for future agendas.

13. SPECIAL SESSION(S) CONTINUED

13.01 Closed Session

13.02 Open Session

9:21

14. ADJOURNMENT

14.01 Meeting Adjourned



EAST CONTRA COSTA FIRE PROTECTION DISTRICT

BOARD OF DIRECTORS

Adam Langro

Carrie Nash
Vice President

Brian Oftedal
President

Stephen Smith

Joe Young

AGENDA

Board of Directors Regular Meeting

Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to the Governor's Executive Orders N-25-20 & N-29-20. Directors, staff and the public may participate remotely. Call In Number:

1(872) 240-3212

Access Code: 490-316-781

<https://global.gotomeeting.com/join/490316781>

Wednesday, March 10, 2021

6:30

6:30 PM

Members of the public are encouraged to attend remotely at the phone number or website listed above. Directions for providing public comment via teleconference will be provided at the beginning of the meeting. Public comments submitted to RRUBIER@ECCFPD.ORG prior to the meeting will be summarized during the meeting and posted online at:

<https://eccfpd.specialdistrict.org/2021-03-10-eccfpd-board-of-directors-meeting>

Upon request, the District provides for written agenda materials in appropriate alternative formats or other disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to RRUBIER@ECCFPD.ORG, or submitted by phone at 1(925) 634-3400. Requests made by mail (sent to Regina Rubier, 150 City Park Way, Brentwood, CA 94513) must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

1. Call to Order

2. Pledge of Allegiance

3. Roll Call

4. Public Comment

Members of the public may address subject matters pertaining to District business listed on the Consent Calendar, Closed Session, Future Agenda Items, or items not listed on the agenda. Public comments by each individual speaker shall be limited to three minutes. While the District encourages your comments, State law prevents the Board from discussing items that are not set forth on this meeting agenda. The Board and staff take your comments very seriously and, if appropriate, will follow up on them.

5. Proclamation

5.a. Proclamation Declaring March as American Red Cross Month

Proclamation - American Red Cross Month.pdf

Doc + Pasty Show

6. Consent Calendar

Members of the Board may request that an item under the Consent Calendar be considered separately.

6.a. Approve Minutes from February 10, 2021 Board Meeting

February 10 2021 Board of Directors Regular Meeting Minutes.pdf

7. Report of the Fire Chief / Informational Staff Reports

7.a. Legislative Update

February 2021 Legislative Report.pdf

2 year cycle

7.b. Grants Update

February 2021 Grants Report.pdf

7.c. Prevention Update

February 2021 Prevention Report.pdf

7.d. Operations Update

a. Monthly Report

b. Promotion and Hiring Plan

c. Squad Implementation Update

February 2021 Operational Report.pdf

March 10 2021 Board Meeting Upstaffing Discussion.pdf

March 10 2021 Board Meeting Squad Discussion.pdf

8. Board Reports and Requests

9. Date and Place of Next Meeting:

April 14, 2021

6:30 p.m.

Brentwood City Hall

Council Chambers or via teleconference

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

10. Anti-Harassment Training

10.a. SB 1343 Anti-Harassment Training

Note: This training is required by law to last a minimum of 2 hours.

11. Closed Session

0:34

11.a. Conference with Legal Counsel – Anticipated Litigation: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): 1 potential case

12. Adjourn

BUB HANKIN WAS ALSO PRESENT

POSTING STATEMENT

A copy of this agenda was posted at the **East Contra Costa Fire Protection District Administrative Office, 150 City Park Way, Brentwood, CA 94513**. Pursuant to CA Government Code §54957.5, disclosable public records and writings related to an agenda item distributed to all or a majority of the Board of Directors including such records and writing distributed less than 72 hours prior to this meeting are available for public inspection at the East Contra Costa Fire Protection District Administrative Office, 150 City Park Way, Brentwood, CA 94513.

NOTICE In compliance with the Americans with Disabilities Act, any individuals requesting special accommodation to attend and/or participate in District Board meetings may contact the District Administrative Office at (925) 634-3400. Notification 48 hours prior to the meeting will enable the District to make reasonable accommodations.