

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION
COMMISSION ADOPTING MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE DETERMINATIONS FOR THE
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT - REVISED**

WHEREAS, the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code §56000 et seq.) provides that a Local Agency Formation Commission (LAFCO) shall adopt Spheres of Influence (SOIs) for each local governmental agency within its jurisdiction [§56425(a)] and that it must update each SOI every five years, as necessary (§56425(g)); and

WHEREAS, the SOI is the primary planning tool for LAFCO and defines the probable physical boundary and service area of a local agency as determined by LAFCO; and

WHEREAS, §56430 requires that in order to prepare and to update SOIs, the Commission shall conduct a Municipal Service Review (MSR) prior to or in conjunction with the SOI update; and

WHEREAS, the Commission has undertaken its 2nd round “*City Services*” MSR covering all 19 cities and four community services districts (CSDs) including Crockett CSD, Diablo CSD, Discovery Bay CSD and Kensington CSD; and

WHEREAS, this MSR, as prepared by Lamphier-Gregory and Berkson Associates consultants to LAFCO, covers the following services: animal control, broadband, building/planning, law enforcement, library, lighting, parks & recreation, solid waste, streets/roads, stormwater, and utilities (gas, electric/community choice); and

WHEREAS, this MSR focuses on: 1) updating profile data including growth and population, jobs/housing, finances (expenses, revenues, debt, reserves, related fiscal indicators), and staffing; 2) shared services (i.e., joint powers/joint use agreements, contracts between public agencies, public-private partnerships); 3) infill development/sprawl prevention/islands; and 4) agricultural/open space preservation; and

WHEREAS, on April 17, 2019, the Commission held a public hearing to receive an overview of the Public Review Draft MSR, receive public comments, and provide input; and

WHEREAS, on June 12, 2019, the Commission held a public hearing to receive the Final Draft MSR and recommended determinations and SOI updates for all agencies covered in the MSR, including the Discovery Bay Community Services District (DBCSD); and

WHEREAS, at the public hearings, the Commission heard and received all oral and written protests, objections, and evidence, which were made, presented, or filed, and all persons present were given an opportunity to hear and be heard with respect to the MSR and SOI updates; and

WHEREAS, the MSR contains the determinations required by §§56425 and 56430 relative to the SOI update and MSR, respectively, for the DBCSD incorporated in this resolution; and

WHEREAS, the proposed action consists of adopting the MSR determinations and updating the SOI for the DBCSD as presented in the 2nd round “*City Services*” MSR; and

WHEREAS, adoption of the MSR is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA), as MSRs are feasibility and planning studies for possible future actions that have not been approved, adopted, or funded, pursuant to State CEQA Guidelines Section 15262; and

WHEREAS, as set forth in State CEQA Guidelines section 15061(b)(3), approval of the SOI update is not subject to CEQA because it can be seen with certainty that there is no possibility that the SOI update will have a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that Contra Costa LAFCO does hereby adopt the following MSR pursuant to §56430 and SOI determinations pursuant to §56425 for the DBCSD and retain the existing SOI for the DBCSD as depicted in Exhibit A (attached).

MUNICIPAL SERVICE REVIEW (MSR) DETERMINATIONS

- 1) *Growth and population projections for the affected area* – According to the 2016 American Community Survey data, the DBCSD serves 14,765 residents. The Association of Bay Area Governments (ABAG) projects that unincorporated Contra Costa County will grow at an annual rate of approximately 0.7% between 2010 and 2040. Unincorporated Contra Costa County is also projected to experience an approximate 0.5% annual growth rate in jobs between 2010 and 2040.

The MSR also reviewed jobs/housing, planning for an aging population, and anticipated growth patterns. The Bay Area Census and ABAG project the unincorporated County's jobs/housing balance to be 0.59 by 2040, which reflects an imbalance. Regarding planning for an aging population, the number of adults age 50 and older in Contra Costa County is projected to increase approximately 45% by 2040. The DBCSD provides activities and resource information for adults age 50+. Regarding anticipated growth patterns, there are no Priority Development or Priority Conservation Areas within the DBCSD. The Newport Pointe and Pantages projects could impact DBCSD's current/projected growth patterns and the District's existing service boundary and SOI.

- 2) *The location and characteristics of any Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the SOI* – According to the American Community Survey 5-Year Estimates (2013-2017), there are no DUCs within or contiguous to the DBCSD.
- 3) *Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the SOI* – There are no disadvantaged communities within or contiguous to the DBCSD.
- 4) *Financial ability of agency to provide services* – In determining the financial ability of the DBCSD to provide services, the MSR considered operating general fund and reserve trends; liquidity, debt, and pension liabilities; and timeliness and accuracy of financial reporting. Overall, the DBCSD appears to have sufficient financial resources to continue providing services and accommodate infrastructure expansion, improvements or over the next five years. The District's FY 2017 financial statements showed annual expenditures exceeding annual revenues; however, the District ended the year with a positive fund balance. The DBCSD's reserve goal is unknown; however, the projected FY 2019 reserve balances are 39% of total operations and debt service. The District's total debt is increasing. The DBCSD does not provide pension or other post-employment retirement benefits and has no related liabilities. The District prepares financial reports as required for submittal to the State in January following the end of the prior fiscal year. The DBCSD's audited financial reports are published in the third quarter of the fiscal year following the audited fiscal year.
- 5) *Status of, and opportunities for, shared facilities* – The Discovery Bay community is unincorporated and served by Contra Costa County and various other public and private service providers for various services including animal control, broadband, building/planning, law enforcement, library, traffic lighting, solid waste, stormwater and utilities. DBCSD is a member of one JPA. Also, the District leases an old fire station from East Contra Costa Fire Protection District for landscaping services. DBCSD did not identify any other shared services, overlapping/duplication of services, or excess service or facility capacity.
- 6) *Accountability for community service needs, including governmental structure and operational efficiencies* – The DBCSD's website provides information regarding public meetings, services, policies, financial and other reports and documents. The District sponsors open houses and town halls and distributes newsletters to its residents.
- 7) *Any other matter related to effective or efficient service delivery, as required by Commission policy* – Contra Costa LAFCO's local policies provide that MSRs focus on target services including water, sewer, drainage, libraries, roads, parks, health care, broadband (high-speed internet access and use), police, and fire protection. The "City Services" MSR excludes review of water, sewer, healthcare and fire services as these services were recently reviewed in 2nd round focused MSRs.

Contra Costa LAFCO added broadband services as an MSR focus area. The DBCSD does not provide public broadband service and is served by various private cable/broadband service providers. In 2013, the East Bay Broadband Consortium's issued its Broadband Report Card noting that Contra Costa County's internet service providers met the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standards.

SPHERE OF INFLUENCE (SOI) DETERMINATIONS

- A. *The present and planned land uses in the area, including agricultural and open-space lands* – Contra Costa County, of which Discovery Bay CSD is a part, plans for a variety of land uses within the unincorporated county, representing a continuation of the current mix of uses. Present and planned land uses are adequate for existing residents as well as future growth and maintaining compatibility with agricultural and open space uses, as demonstrated in the County General Plan.
- B. *The present and probable need for public facilities and services in the area* – There are no anticipated changes in the type of public services and facilities required within the SOI for the DBCSD. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.
- C. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide* – The present capacity of public facilities in the DBCSD appears adequate. The DBCSD is likely to have adequate capacity during the next five years.
- D. *The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency* – Other than territory served by the DBCSD, LAFCO did not identify any other social or economic communities of interest relevant to the DBCSD.
- E. *The present and probable need for sewers, municipal and industrial water, or structural fire protection services and facilities of any DUC within the existing SOI* – According to the American Community Survey 5-Year Estimates (2013-2017), there are no disadvantaged communities in or adjacent to the DBCSD.
- F. *Nature, location, extent, functions & classes of services to be provided* – The DBCSD service boundary encompasses approximately 6.2± square miles. The District is authorized to provide water supply; sewage collection, treatment and disposal; levee maintenance; recreation; lighting; landscaping; and maintenance.

PASSED AND ADOPTED this 10th day of July 2019.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff

NOES:

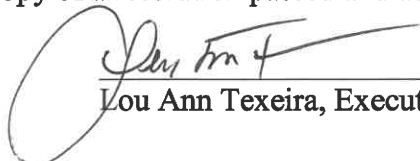
ABSTENTIONS:

ABSENT:



Tom Butt, Chair, Contra Costa LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by the Commission on the date stated above.



Lou Ann Texeira, Executive Officer



Contra Costa Local Agency Formation Commission
Municipal Service Review Update
as Adopted

June 12, 2019

Contra Costa LAFCO Members

Commissioner Tom Butt, Chair, City Member
Commissioner Candace Andersen, Vice Chair, County Member
Commissioner Donald A. Blubaugh, Public Member
Commissioner Federal Glover, County Member
Commissioner Rob Schroder, City Member
Commissioner Michael R. McGill, Special District Member
Commissioner Igor Skaredoff, Special District Member
Commissioner Diane Burgis, County Member, Alternate
Commissioner Stanley Caldwell, Special District Member, Alternate
Commissioner Charles R. Lewis, IV, Public Member, Alternate
Commissioner Sean Wright, City Member, Alternate

DISCOVERY BAY SECTION ONLY
FOR FULL MSR VISIT: <http://contracostalafco.org/agencies/municipal-service-reviews/>

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Chapter 23: Discovery Bay Community Services District..... 23-1
23.1 Agency Overview 23-1
23.2 Municipal Services Overview 23-3
23.3 Financial Overview 23-8
23.4 Service Review Determinations..... 23-11
23.5 Sphere of Influence Review and Determinations..... 23-18

CHAPTER 23

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

23.1 AGENCY OVERVIEW

The Discovery Bay Community Services District (CSD), formed in 1998, covers an area of approximately 9 square miles. With an estimated population of 14,765, the CSD has a population density of approximately 1,641 persons per square mile.¹

The Discovery Bay CSD lies in eastern Contra Costa County with the City of Brentwood to the west, and County lands to the north, south, and east. The Sphere of Influence (SOI) for the Discovery Bay CSD extends beyond its service boundary to the north (Learning Lane area), as shown in **Figure 23.1**.

Land uses in the CSD include a mix of residential, commercial, recreation, open space, as well as some agricultural land uses as designated in the Contra Costa County General Plan for grazing livestock or dry grain farming. The agricultural uses are within the SOI for the CSD, but not in the service boundary.

23.1.1 FORM OF GOVERNMENT

The publicly elected CSD Board of Directors consists of five members; members serve staggered four-year terms.

The Discovery Bay CSD meets twice monthly on the first and third Wednesday of each month at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard in Discovery Bay.

23.1.2 AGENCY STAFFING

Total CSD staffing for fiscal year (FY) 2017 included 18 full-time equivalent (FTE) employees.

The administrative function and parks and landscape function had the highest staffing levels in the Discovery Bay CSD, with 7.0 FTE employees each.

¹ American Community Survey, 2016 estimate. Available at: <https://censusreporter.org>

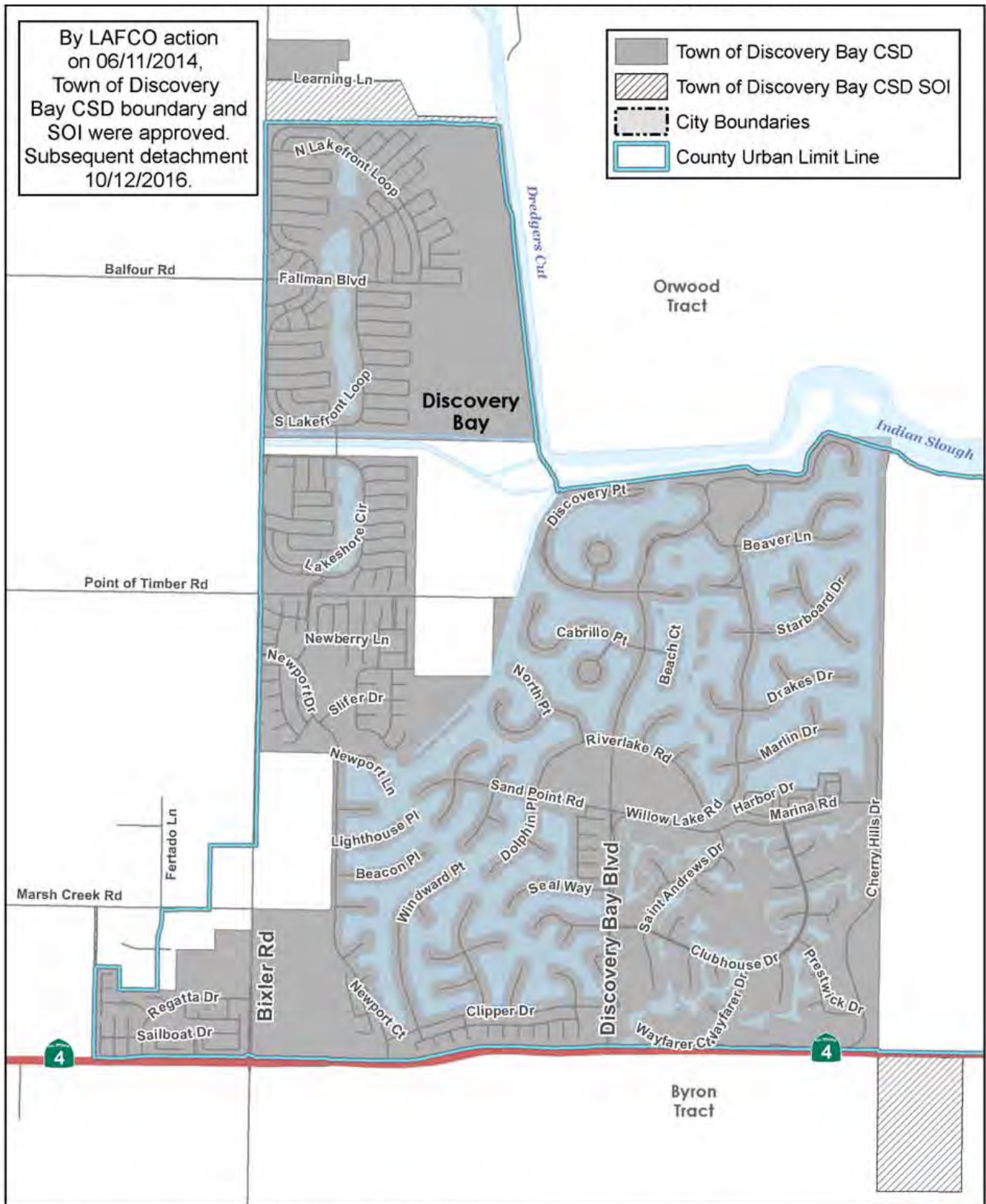


Figure 23.1. Discovery Bay Community Services District Boundary and Sphere of Influence
 June 2019

23.1.3 JOINT POWERS AUTHORITIES

The Discovery Bay CSD is a member of one joint powers authority—Discovery Bay Public Financing Authority.

The Discovery Bay CSD formed a local Groundwater Sustainability Agency (GSA) for the purpose of preparing a Groundwater Sustainability Plan pursuant to the Sustainable Groundwater Management Act. The Discovery Bay GSA has entered into a Memorandum of Understanding with seven local GSAs to work together in the development of a Groundwater Sustainability Plan.

23.1.4 AWARDS AND RECOGNITION

The awards the Discovery Bay CSD has reported receiving since the 2009 Municipal Service Review (MSR) include the Gold-Level *District of Distinction* and the *District of Transparency Certificate of Excellence*.

23.2 MUNICIPAL SERVICES OVERVIEW

The Discovery Bay CSD is authorized to provide water, wastewater, flood control/levee services², lighting, landscape maintenance, and park and recreation services within its service area. As shown in **Table 23.1**, other municipal services for the Discovery Bay CSD are provided by other service providers. Municipal services considered in this update are discussed individually below. Fire and emergency medical, water, and wastewater services have been reviewed as part of recent MSRs. For comparative purposes, FY 2015 and FY 2017 information is also included where available.

TABLE 23.1
DISCOVERY BAY CSD
MUNICIPAL SERVICES AND SERVICE PROVIDERS

SERVICE	SERVICE PROVIDER
Animal Control	Contra Costa County
Broadband	AT&T, Comcast
Building / Planning	Contra Costa County
Law Enforcement	Contra Costa County
Library	Contra Costa County
Lighting	Contra Costa County
Parks and Recreation	Discovery Bay CSD
Solid Waste	Mt. Diablo Resource Recovery
Stormwater	Contra Costa County

² Specifically to Discovery Bay West Village II, III, and IV.

SERVICE	SERVICE PROVIDER
Streets	Contra Costa County
Utilities:	
Electricity	Pacific Gas & Electric
Gas	Pacific Gas & Electric
Community Choice	n/a

Source: Discovery Bay CSD

The Discovery Bay CSD did not report specific challenges or opportunities related to its provision of services.

23.2.1 ANIMAL CONTROL

Contra Costa County Animal Services (CCAS) is the animal control service provider for the Discovery Bay CSD and most all of Contra Costa County. Animal licensing services are provided via CCAS contract with PetData. CCAS operates two shelter locations—the main location is in Martinez and a smaller facility is in Pinole. Expenditures for animal services were not reported or were unavailable at the time of this MSR update.

CCAS monthly year-over-year performance reports compare operational performance in various areas against performance from the prior year.³ The August 2018 report indicates a total live intake of 4,783 animals from January through August, down from 8,002 for the same period in 2015. The number of animals adopted from January through August was 1,810, down from a high of 2,283 for the same period in 2017 and 2,017 adoptions in 2015. The overall live release rate was reported as 87.8% in 2017, up from 78.08% in 2015.

23.2.2 BROADBAND

The Discovery Bay CSD does not provide public broadband service. XFINITY from Comcast and AT&T Internet are the main internet providers for the CSD.⁴ These providers use a variety of wired technologies including cable and DSL. The Discovery Bay CSD did not indicate concerns about the availability or reliability of high-speed internet services. The California Public Utilities Commission (CPUC) currently considers 6 megabits per second (Mbps) download and 1.5 Mbps upload speeds to be the standard for adequate residential broadband service.

The East Bay Broadband Consortium conducted a study to gather information about broadband availability, infrastructure, and adoption in Alameda, Contra Costa, and Solano counties, using data submitted by Internet service providers to the CPUC, and developed a comparative report card for 2013. Contra Costa County received a grade of C+, which indicates that internet service providers

³ Accessed via: <http://www.co.contra-costa.ca.us/6820/Monthly-Year-Over-Year-Performance-Report>

⁴ Reese, Nick. Internet Access in California: Stats & Figures *Broadband Now*. Last modified November 30, 2017. Accessed May 24, 2018. <https://broadbandnow.com/California>.

did not meet the CPUC's minimum 6 Mbps download and 1.5 Mbps upload standard, with one provider advertising maximum download/upload speeds of at least 10/6 Mbps.⁵

While broadband services are available to the CSD, no specific data exist regarding whether service providers for the CSD meet the CPUC's minimum download and upload standards. The Discovery Bay CSD did not indicate concerns about the ability of broadband providers to serve the CSD's existing or growing population.

23.2.3 BUILDING/PLANNING

The Contra Costa County Department of Conservation and Development provides building and planning services for the County, including the Discovery Bay CSD. Although the CSD has no land use or zoning authority, the CSD does advise the County on decisions related to residential and commercial development.

The County issued 821 residential and 13 commercial building permits for the Discovery Bay CSD in 2017. Total building permit valuation in FY 2017 is estimated at approximately \$52.3 million.

Planning for the CSD has been captured in their mission statement, and five-year master plans, and other water and wastewater services plans and studies. Discovery Bay CSD reports that it will be developing a recreation master plan.

Two projects (Newport Pointe and Pantages Bay) have been approved by the County and will require annexation to the Discovery Bay CSD.

23.2.4 LAW ENFORCEMENT

The Contra Costa County Office of the Sheriff provides law enforcement and dispatch services for the County, including the Discovery Bay CSD. Although the CSD has no land use or zoning authority, a police advisory committee (P-6) does advise the County on decisions related to police services. FY 2017 expenditures for the Sheriff's Department were approximately \$229.3 million, up from approximately \$217.8 million in FY 2015.

The Sheriff's Office reported 677 FTE for FY 2017, up from 664 FTE in FY 2016, with an average of 1.02 sworn staff per 1,000 population. The national average in 2012 was 2.39 FTE sworn personnel per 1,000 population.⁶ Crime clearance rates are a measure of crimes solved.⁷ Total property crime clearances were reported at 125 and total violent crime clearances were reported at 340 for FY 2017.

⁵ East Bay Broadband Consortium, East Bay Broadband Report Card. www.bit.ly/broadbandreportcard.

⁶ National Sources of Law Enforcement Employment Data. April 2016.
<http://www.bjs.gov/content/pub/pdf/nsleed.pdf>

⁷ Common indicators used as metrics for evaluating law enforcement service provision have limitations. The information is presented as a reference and can be used for comparative purposes with the caveat that different jurisdictions can have different characteristics (e.g., a dense urban area and a suburban residential city), rendering the comparison less meaningful.

The CSD is staffed by 2 Resident Deputies, each of whom works 40 hours per week. Discovery Bay CSD is also part of a larger regular beat that is staffed by one Deputy. The property crime closure rate was reported as 80% in FY 2017, up from 75% in FY 2016; the violent crime closure rate was reported as 47% for FY 2017, down from 49% in FY 2016.

23.2.5 LIBRARY

Contra Costa County provides library services for the Discovery Bay CSD via its Discovery Bay Library Connection, which is a free library service that gives residents the opportunity to request items online and pick them up at the Discovery Bay Community Center. The nearby Brentwood Branch Library location also provides services for the CSD. County library expenditures were \$25.36 per capita for FY 2017, up slightly from \$24.48 per capita in FY 2013.

The County's average circulation per capita was 5.99 in FY 2017, down from 7.79 in FY 2013. Contra Costa County libraries had 3.15 visits per capita in FY 2017, reflecting a downward trend from 4.20 in FY 2013. The Contra Costa County library system had 0.1775 FTE staff per 1,000 population in FY 2017.

The State of California Library provides a compilation of statistical data from public libraries throughout the state.⁸ Select state statistical data are provided in this MSR Update for comparative purposes. The state averaged 5.56 library visits per capita in FY 2017, which represents a slight downward trend from 6.13 in FY 2013. Average circulation was 7.25 per capita, also reflecting a downward trend from 8.30 in FY 2013. California public libraries spent an average of \$51.21 per capita in FY 2017, representing an increase of nearly \$5 per capita since FY 2013 when operating expenditures were \$46.54 per capita. The state average for FTE staff per 1,000 population was 0.4557 in FY 2017. The state average expenditures and staffing per capita are nearly double the County's.

23.2.6 LIGHTING

Lighting is provided and maintained by the CSD, Contra Costa County Public Works Department, and homeowners associations. The CSD owns and maintains eight street poles and lights in the Cove Lane area. Throughout its boundaries, the CSD owns and maintains 692 light poles; Pacific Gas and Electric owns and maintains the luminaire, control facilities, and internal pole wiring. Remaining lighting is owned and maintained by Contra Costa County Public Works (street and traffic) and by private homeowners associations (street lighting).

23.2.7 PARKS AND RECREATION

The Discovery Bay CSD is the service provider for parks and recreation facilities and programs, as well as public landscaping. FY 2017 expenditures for parks were approximately \$1.3 million in FY 2017, down slightly from approximately \$1.4 million in FY 2015.

⁸ California State Library, Library Statistics. <http://www.library.ca.gov/services/to-libraries/statistics/>

In 2003, the CSD took on the responsibility of maintaining the “Common” landscape areas/parks within a portion of the community that is known as the “Discovery Bay Proper Area-Service Area M-8,” which is now called Discovery Bay Lighting & Landscaping Zone #8. The landscape zone #8 encompasses Cornell Park, Roberta Fuss Tot Lot, all common landscape streetscapes, levees, and islands on the east side of Discovery Bay. In 2006, the CSD formed the Discovery Bay Lighting & Landscaping Zone #9 in the Ravenswood Housing Development area, located off of Newport Drive and Slifer Drive, consisting of common landscape areas and a park.

The Discovery Bay CSD provides contract services through a maintenance agreement with Contra Costa County to provide maintenance and landscape services to County Zones 35, 57, and 61, which are located within the geographic boundaries of the CSD. These independently funded zones are as follows:

- Zone 35: Trail/pathway between Newport Drive and Safeway & the median landscaping on Bixler Road.
- Zone 57: Common landscape areas, parking areas & Regatta Park in the Discovery Bay Southwest (Centex) Development. Porthole Drive, Bixler Road – From Regatta Drive South to Highway 4, Pedestrian Walk
- Zone 61: Common landscape areas & Slifer Park in the area of the Discovery Bay West housing development from Slifer Park on Newport Drive to the Lakes Home Development on Bixler Road. Park and Ride – Bixler Road Westside to The Lakes Northern most exit (Doesn't include entries or exits). Point of Timber both sides, Preston Drive, Slifer Drive, Sussex Court, Plymouth Court, Sterling Court, Dorchester Court, Coronado Court, Cambridge Court, Birmingham Court, Berkshire Lane, Sheffield Court, Amesbury Court, and Emerson Court.

The CSD provides and maintains 6 park acres per 1,000 residents and 1 recreation center per 20,000 residents.

The Quimby Act allows California cities and counties to require from 3 to 5 acres of land for every 1,000 new residents. The Act also authorizes jurisdictions to require the dedication of land or to impose fees for park or recreational purposes as a condition of the approval of a tentative or parcel subdivision map. The County's General Plan identifies the neighborhood park standard as 2.5 acres per 1,000 population and the community park standard as 1.5 acres per 1,000 population, with the goal of achieving a level of park and recreational facilities at 4 acres per 1,000 population.

23.2.8 SOLID WASTE

Solid waste services are provided to the Discovery Bay CSD via franchise agreement with Mt. Diablo Resource Recovery (formerly Discovery Bay Disposal Service). The Discovery Bay CSD FY 2017 expenditures for solid waste services were not reported or were unavailable at the time of this MSR update.

The CSD waste disposal rates for 2017 were not reported or were unavailable at the time of this MSR update.

Under Assembly Bill 939, the annual goal for solid waste disposal is 6.3 pounds/person/day, and the per capita diversion rate is 50% for all California local jurisdictions. Assembly Bill 341 identified a statewide recycling goal of 75% or 2.7 pounds/person/day by 2020.

23.2.9 STORMWATER/DRAINAGE

The Contra Costa County Public Works Department maintains the Discovery Bay CSD stormwater drainage system.

23.2.10 STREETS/ROADS

The Contra Costa County Public Works Department maintains public roads in the Discovery Bay CSD.

MTC tracks street pavement conditions throughout the Bay Area as a measure of how well local streets are being maintained. Many factors affect a city's pavement condition index, or PCI score. These include pavement age, climate and precipitation, traffic loads and available maintenance funding.

The PCI for streets in Contra Costa County was 70 (good) in 2017, up from 69 in 2015, but remains below the target PCI of 75 (good) MTC has established.⁹ Pavement in the good (70-79) range requires mostly preventive maintenance and shows only low levels of distress.

23.2.11 UTILITIES

Pacific Gas & Electric provides electricity and gas service to the Discovery Bay CSD. The Discovery Bay CSD did not indicate concerns about the ability of utility service providers to serve the CSD's existing or growing population.

23.3 FINANCIAL OVERVIEW

This section provides an overview of the Discovery Bay CSD's financial health and assesses the CSD's financial ability to provide services. Key financial information for municipal operations derives from audited 2015 through 2017 Special District Financial Transaction Reports, current budget documents, and CSD staff review and input. The MSR Fiscal Profiles used for this section are provided in **Attachment C**.

23.3.1 GENERAL FUND BALANCES AND RESERVES

Municipal services are funded via the General Fund, which is the primary operating fund for the CSD.

⁹ MTC Vital Signs: <http://www.vitalsigns.mtc.ca.gov/street-pavement-condition>

According to the CSD's FY 2018-19 budget, the total revenues of \$11.3 million are equal to total expenditures which include operations and debt service of \$7.5 million, capital improvements of \$3.3 million and funding of infrastructure replacement at \$525,000.¹⁰ The projected FY 2019 ending operations and contingency reserve balances total \$2.9 million or about 39% of total operations and debt service. The FY 2019 budget does not allocate additional funds to reserves pending the finalization of actual FY 2018 ending balances, but proposes a \$1.7 million allocation for Capital Improvement Program (CIP) projects (above the total \$11.3 million budget noted above).¹¹ **Table 23.2** summarizes prior year changes in General Fund expenditures and revenues from FY 2015 to FY 2017, and liquidity ratios in each year.

Governmental activities include administration and operation of Lighting and Landscaping Zones, largely funded by property taxes and assessments. The CSD did not identify any significant financing issues in light of the "slight" increase in reimbursement revenues from the County's assessment collections.¹²

In addition to user charges for enterprise services, the CSD collects connection charges from new development; these revenues are dedicated to capital improvements.

TABLE 23.2
DISCOVERY BAY CSD
SUMMARY OF GENERAL FUND AND LIQUIDITY, 2015 - 2017

ITEM	FISCAL YEAR 2014- 2015	FISCAL YEAR 2015- 2016	FISCAL YEAR 2016- 2017
GENERAL FUND REVENUES			
Property Tax ¹	\$0	\$0	\$0
Other Revenues (excluding Transfers In)	\$629,000	\$473,000	\$272,000
<i>Total General Fund Revenues</i>	<i>\$629,000</i>	<i>\$473,000</i>	<i>\$272,000</i>
<i>Change from Prior Year</i>	<i>n/a</i>	<i>24.8%</i>	<i>-42.5%</i>
GENERAL FUND EXPENDITURES			
General Government and Administration	\$396,000	\$349,000	\$147,000
Other (includes Transfers Out)	\$93,000	\$39,000	\$391,000
<i>Total Expenditures</i>	<i>\$489,000</i>	<i>\$388,000</i>	<i>\$538,000</i>
<i>Change from Prior Year</i>	<i>n/a</i>	<i>-20.7%</i>	<i>38.7%</i>
<i>Expenditures per capita</i>	<i>\$33</i>	<i>\$26</i>	<i>\$36</i>

¹⁰ Discovery Bay Community Services District (CSD) Adopted Operating, Capital Improvement, and revenue budgets for Fiscal Year 2018-19 (Reso. 2018-08), pg. 17.

¹¹ Note: the FY19 Budget summary table on pg. 17 does not show any "Contributions to Reserves"; "Proposed Financing/Reserves for CIP projects" is listed at \$1.7 million but not added into the \$11.3 million total.

¹² *ibid*, Discovery Bay CSD FY19 budget, pg. 30.

ITEM	FISCAL YEAR 2014- 2015	FISCAL YEAR 2015- 2016	FISCAL YEAR 2016- 2017
LIQUIDITY RATIO ¹			
Governmental Activities	10.5	10.7	11.1
Business-type Activities	7.2	11.4	9.6

Source: Attachment C

¹ Property Taxes in the CSD's financial statements are assessments collected by the County and are deposited to Lighting and Landscape Zone special revenue funds.

² Calculated by combining cash and short-term investments, then dividing by current liabilities. The liquidity ratio indicates the necessary cash the agency has to fund its current liabilities; the higher the number, the greater the degree of liquidity.

23.3.2 LIQUIDITY AND LONG-TERM DEBT

Standard and Poor's suggests that high debt levels can overburden a municipality while low debt levels may indicate underutilized capital investment capacity.

The District's Governmental Activities current obligations are nominal; therefore, its cash and investments provide significant liquidity by comparison. The FY 2017 Enterprise Activity liquidity ratio was 9.6, indicating adequate cash and investments (see Attachment C).¹³

The CSD reported \$22.3 million total outstanding debt in FY 2017; no outstanding debt was reported in the prior 2 fiscal years.

23.3.3 NET POSITION

Net position may serve over time as a useful indicator of a government's financial position (i.e., whether it is improving or deteriorating).

Information about the CSD's net position was not available at the time of the MSR Update.

23.3.4 LOCAL REVENUE MEASURES

A CSD is not authorized to adopt voter-approved local tax measures or other voter-approved General Fund revenue sources, other than rates and charges for services, and assessment, e.g., for landscape and lighting maintenance.

23.3.5 ENTERPRISE ACTIVITIES

Enterprise facilities, including water and wastewater, show net increases in value cumulatively from FY 2015 through FY 2017 (see Attachment C).

¹³ Liquidity ratio is defined as cash and short-term investments/total current liabilities. A ratio of less than 1.0 indicates insufficient short-term resources to cover short-term liabilities.

23.3.6 PENSION AND OTHER POST-EMPLOYMENT BENEFIT LIABILITIES

Pension plans are funded by employee contributions, municipal contributions, and investment income. These sources are intended to provide enough revenue to fully fund the plan liabilities, otherwise a plan would be considered underfunded. When an agency's General Fund revenue is insufficient to cover pension expenses, the agency may pass that expense on to taxpayers.

The CSD has no pension or other post-employment benefit plans or related liabilities.

23.3.7 CAPITAL ASSETS AND DEPRECIATION

The net value of Governmental Fund depreciable capital assets declined over FY 2016 and FY 2017, indicating that capital investments generally were not keeping pace with asset depreciation (see Attachment C). The FY 2019 budget indicates that pool renovation will be occurring in FY 2019. Other governmental facilities include a community center and tennis courts. Parks and play structures are funded by the Lighting and Landscaping Zones.

The CSD FY 2019 anticipates ending balances in its Infrastructure Replacement Fund of \$3.9 million, and Developer Fee Funds also totaling \$3.9 million.

23.3.8 FINANCIAL PLANNING AND REPORTING

The timeliness of financial reporting is a common concern expressed to the GASB by the users of state and local government financial reports. According to the GASB, financial report information retains some of its usefulness to municipal bond analysts, legislative fiscal staff, and researchers at taxpayer associations and citizen groups for up to 6 months after fiscal year end.

The CSD prepares budgets in a timely manner. Its Special District Financial Transaction Report was submitted to the State Controller by January 31 as required. The budgets and audits are available on the Financial Services Division page of the website.

The budget does not provide a summary showing department revenues and expenditures, and starting and ending balances. A summary table shows proposed allocations to capital reserves, but apparently these are not added into the totals at the bottom of the table. The sources and uses of funds from the capital accounts (e.g., developer fees received each year, and fee transfers into other funds) are not clear.

23.4 SERVICE REVIEW DETERMINATIONS

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Contra Costa Local Agency Formation Commission (LAFCO) to prepare a written statement of determination with respect to the key areas discussed below. The following analysis informs the determinations which have been prepared for the Discovery Bay CSD.

23.4.1 GROWTH AND POPULATION PROJECTIONS

The efficient provision of public services is linked to an agency's ability to plan for future needs. Such factors as projected growth in and around the agency's service areas and impact of land use plans and growth patterns on service demands may be reviewed. In making a determination on growth and population projections, LAFCO may consider an agency's ability to plan for future need.

According to the 2016 American Community Survey data, the Discovery Bay CSD serves 14,765 residents.

PROJECTED GROWTH AND DEMOGRAPHIC CHANGES

As required by California law, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) prepared a Sustainable Communities Strategy that considers how the San Francisco Bay Area will accommodate projected growth while also reducing regional generation of greenhouse gases pursuant to state greenhouse gas reduction goals. Plan Bay Area is the Sustainable Communities Strategy for the region. Plan Bay Area seeks to accommodate the majority of growth in Priority Development Areas (PDAs; e.g., infill areas), which is consistent with the overall goals of LAFCOs, and includes 30-year growth projections for population, housing, and jobs.

ABAG projects that unincorporated Contra Costa County will grow at an annual rate of approximately 0.7% to a population of 199,105 between 2010 and 2040.¹⁴ Unincorporated Contra Costa County is also projected to experience an approximate 0.5% annual growth rate in jobs between 2010 and 2040. Overall, the CSD is expected to accommodate its share of the County growth projected by ABAG.

JOBS AND HOUSING

The Bay Area Census does not provide jobs and employment data for the Discovery Bay CSD.¹⁵ The ABAG Projections data¹⁶ for 2010 provides jobs and employment estimates for unincorporated Contra Costa County only. For 2010, ABAG estimated 35,790 jobs and 76,035 employed residents in unincorporated areas of the County, which equates to approximately 0.47 job for every employed resident. The jobs/housing ratio is 0.62.

Bay Area Census data¹⁷ estimates for 2010 indicate that the Discovery Bay CSD has 5,403 housing units (**Table 23.3**). The number of owner-occupied units in the CSD is greater than the number of renter-occupied housing units, indicating that the rate of homeownership exceeds the rental household rate.

¹⁴ ABAG. Projections 2017.

¹⁵ A Bay Area Census data are derived from US Census data specific to the Bay Area and includes mostly population and housing characteristics for Census Designated Places.

¹⁶ ABAG. Projections 2017.

¹⁷ ABAG. Bay Area Census data are derived from US Census data specific to the Bay Area.

TABLE 23.3
DISCOVERY BAY CSD
HOUSING OVERVIEW

HOUSING STATISTIC	NUMBER
Owner-occupied housing units	3,873
Renter-occupied housing units	829
Vacant housing units	701
Total existing housing units	5,403

Source: ABAG Bay Area Census. Available at:
<http://www.bayareacensus.ca.gov/cdp/cdp.htm>

California cities and counties are required to demonstrate in their Housing Element how they will meet their Regional Housing Need Allocation (RHNA) as assigned in the Regional Housing Need Plan.¹⁸ The Discovery Bay CSD was not assigned a RHNA; therefore, Contra Costa County data is provided.

Contra Costa County adopted its General Plan in 2000 and its Housing Element in 2015. The County's 2015–2023 Housing Element identifies adequate sites, anticipated to yield over 3,590 units, which are appropriately zoned to address the affordable housing demand and anticipated to meet and exceed its 2014–2022 assigned RHNA of 1,367 housing units. The East County Subregion of the County, which includes the Discovery Bay CSD, accounts for 2,011 of the housing unit potential. The Contra Costa County 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State Housing Element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

PLANNING FOR AN AGING POPULATION

The number of adults age 50 and older in Contra Costa County is projected to increase approximately 45% by 2040, growing from 339,438 in 2010 to 493,300, representing 36.9% of the total population in Contra Costa County, up from 32.3% in 2010.¹⁹

The Discovery Bay CSD provides some activities and resource information programs for adults age 50 and older, as described in the CSD's activity guide.

ANTICIPATED GROWTH PATTERNS

The future development of the Pantages Bay residential waterfront homes project will be in an area surrounded by Discovery Bay and the Newport Pointe residential homes project will be in an area adjoining Discovery Bay. These development projects have been approved by Contra Costa County and the Discovery Bay CSD anticipates these areas will be brought into the Town's SOI and service

¹⁸ ABAG. *Regional Housing Need Plan, San Francisco Bay Area, 2014-2022*.

¹⁹ ABAG. Projections 2013. <https://abag.ca.gov/planning/housing/projections13.html>.

boundary. The CSD also recognizes the potential for future residential and commercial development surrounding the SOI and Town boundary, which may necessitate future expansion and annexation.

PDA's help form the implementing framework for Plan Bay Area. No PDA's have been identified for the Discovery Bay CSD in Plan Bay Area or the County General Plan.

Priority Conservation Areas, which are areas of regionally significant open space facing development pressure, also help form the implementing framework for Plan Bay Area. The Discovery Bay CSD has not identified any Priority Conservation Areas in Plan Bay Area or the County's General Plan.

23.4.2 BOUNDARIES, ISLANDS, AND DISADVANTAGED COMMUNITIES

The Discovery Bay CSD's SOI extends beyond its service boundary to the north (Learning Lane area; see Figure 23.1).

The CSD does not request any changes to its SOI at this time. Discovery Bay CSD reports that it has one out of boundary service agreement for sewer services only and one out of boundary service agreement for water and sewer services.

DISADVANTAGED COMMUNITIES

Identifying disadvantaged communities allows cities and counties to address infrastructure deficiencies related to municipal services—specifically, water, sewer, and structural fire protection—that are known to exist in some disadvantaged communities. Although water, sewer, and structural fire protection are not services considered in this MSR Update, an effort was made to identify any disadvantaged communities within or adjacent to cities in Contra Costa County.

There are no disadvantaged communities within or contiguous to the SOI for the Discovery Bay CSD and therefore, no disadvantaged communities are relevant to this analysis.

23.4.3 CSD SERVICES MSR DETERMINATIONS

PRESENT AND PLANNED CAPACITY OF FACILITIES, ADEQUACY OF PUBLIC SERVICE, INFRASTRUCTURE NEEDS OR DEFICIENCIES

The present and planned capacity of public facilities and services is linked to an agency’s ability to plan for future needs, including infrastructure (e.g., water, sewer, fire, broadband, etc.). The term “infrastructure needs and deficiencies” refers to the status of existing and planned infrastructure and its relationship to the quality of levels of service that can or need to be provided. In making a determination on infrastructure needs or deficiencies, LAFCO may consider ways in which the agency has the ability and capacity to provide service. LAFCO shall consider service and infrastructure needs related to sewer, water, and fire protection within a disadvantaged community as defined by LAFCO.

The Discovery Bay CSD reports that it adequately serves all areas within its service area boundary and SOI and anticipates it will continue to do so in the foreseeable future.

There are no disadvantaged communities within or contiguous to the CSD’s SOI.

CAPACITY AND CONDITION OF INFRASTRUCTURE AND ABILITY TO MEET SERVICE-LEVEL NEEDS

When accounting for the projected growth and population increases over the next five years, as well as the available information related to its provision of services, obstacles to maintaining existing service levels or meeting infrastructure needs are not anticipated for the CSD.

CONSISTENCY WITH CAPITAL IMPROVEMENT PLANS

A CIP sets priorities for building infrastructure such as parks, sewer/storm drain improvements, pedestrian/bicycle network, traffic/street improvements, affordable housing, and community facilities.

The CSD’s CIP provides a five-year outlook and is anticipated to be sufficient to maintain and expand facilities and infrastructure consistent with projected needs in conjunction with the wastewater master plan currently in process.

As noted above in Section 23.3.7, the net value of Governmental Fund depreciable capital assets declined over FY 2016 and FY 2017, indicating that capital investments generally were not keeping pace with asset depreciation (see Attachment C).

CONSISTENCY WITH LOCAL AND REGIONAL LAND USE PLANS AND POLICIES

The CSD is planning for continued growth, which is expected to be accommodated by way of regional plans such as Plan Bay Area and local plans such as the County’s General Plan.

The County’s 2015–2023 Housing Element has been found by the California Housing and Community Development Department to comply with State housing element law by adequately planning to meet the existing and projected housing needs of all economic segments of the community.

STATUS AND OPPORTUNITIES FOR SHARED FACILITIES

If service providers develop strategies for sharing resources, public service costs may be reduced and service efficiencies increased. In making a determination on opportunities for shared facilities, LAFCO may consider if an agency's facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies.

The sharing of municipal services and facilities involves centralizing functions and facilities. Municipalities will collaborate through joint-use and shared services agreements for the joint provision of public services and joint use of public facilities as a way to save resources.

CURRENT SHARED SERVICES

Of the services reviewed in this MSR, the CSD is authorized to provide park and recreation services, landscaping, and lighting. All other services for the CSD—including those related to animal control, broadband, building/planning, library, lighting, stormwater, streets, and utilities—are provided through Contra Costa County, public vendors, or private vendors.

The CSD does not share facilities or services. They do lease an old fire house station from East Contra Costa Fire Protection District for landscaping services (i.e., crew and equipment). No areas of overlapping responsibilities or opportunities to share services or facilities were identified as a part of this review.

DUPLICATION OF EXISTING OR PLANNED FACILITIES

This review did not identify any duplication of existing or planned facilities.

AVAILABILITY OF EXCESS CAPACITY

No excess service or facility capacity was identified as part of this review.

23.4.4 FINANCIAL DETERMINATIONS

LAFCOs must weigh a community's public service needs against the resources available to fund the services. In making a determination on the financial ability of an agency to provide services, LAFCO may review such factors as an agency's potential for shared financing and/or joint funding applications, cost avoidance opportunities, rate structures, and other fiscal constraints and opportunities.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

Overall, the Discovery Bay CSD appears to have sufficient financial resources to continue providing services and to accommodate infrastructure expansion, improvements, or replacement over the next five years.

OPERATING GENERAL FUND AND RESERVES TRENDS

The Discovery Bay CSD has been operating with a surplus in their General Fund until the deficit in FY 2017.

The CSD's reserve goal is unknown, and therefore it is unknown whether they meet their goal; however, the projected FY 2019 reserve balances are 39% of total operations and debt service.

LIQUIDITY, DEBT, AND PENSION LIABILITIES

The liquidity ratio indicates whether a city has the means available to cover its existing obligations in the short run. The CSD reported a liquidity ratio of 11.1, which indicates the CSD has the means available to cover its existing obligations in the short run.

Total debt has been increasing and was approximately \$1,514 per capita for FY 2017.

The CSD does not provide a pension or other post-employment retirement benefits and has no related liabilities.

TIMELINESS AND ACCURACY OF FINANCIAL REPORTING

The CSD prepares a Special District Financial Transaction Report which is due on January 31 each year. The District has always submitted financial transactions data to the State Controller by January 31 as required. There have been delays issuing the financial statements due to the County's time requirements, as the County serves as the District's treasurer.

Overall, the financial reports are clearly presented. The financial statements were audited by an independent CPA and received a clean opinion.

23.4.5 ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

The service review may include options to provide more logical service boundaries to the benefit of customers and regional planning goals and objectives. In making a determination on government structure, LAFCO may consider possible consolidations, mergers and/or reorganizations. The service review may also consider the agency's management efficiencies in terms of operations and practices in relation to the agency's ability to meet current and future service demands.

ONLINE AVAILABILITY OF CSD GOVERNANCE INFORMATION

The Discovery Bay CSD website provides public access to the agendas and minutes for the CSD Board and its various committees; the CSD's budgets; and the CSD's annual audit. The CSD therefore adequately provides accountability with regard to governance and municipal operations.

ONLINE AVAILABILITY OF CSD PLANNING INFORMATION

The Discovery Bay CSD website provides public access to various plans, studies, and projects. The CSD therefore adequately provides accountability with regard to planning within and for the district.

PUBLIC INVOLVEMENT

The Discovery Bay CSD website provides public access to public hearing notices, including the time and place at which CSD residents may provide input, as well as other opportunities for public involvement in the CSD decision-making process. The CSD sponsors open houses and town halls and distributes newsletters to its residents. The CSD therefore adequately provides accountability with regard to citizen participation.

23.5 SPHERE OF INFLUENCE REVIEW AND DETERMINATIONS

23.5.1 SPHERE OF INFLUENCE RECOMMENDATION

The SOI for the Discovery Bay CSD extends beyond its service boundary to the north (Learning Lane area, as shown in Figure 23.1). The Discovery Bay CSD is surrounded by the City of Brentwood to the west, and County lands to the north, south, and east.

This report recommends that Contra Costa LAFCO maintain and reaffirm the existing SOI for the Discovery Bay CSD.

23.5.2 SPHERE OF INFLUENCE DETERMINATIONS FOR THE DISCOVERY BAY CSD

Government Code §56425(e) requires Contra Costa LAFCO to prepare a written statement of determination for each of the factors below. These determinations are made as part of the review of the existing SOI and are based on the information in this Discovery Bay CSD MSR profile.

PRESENT AND PLANNED LAND USES (INCLUDING AGRICULTURAL AND OPEN SPACE LANDS)

Contra Costa County, of which the Discovery Bay CSD is a part, plans for a variety of urban uses within its boundary, representing a continuation of the current mix of uses. Present and planned land uses are adequate for existing residents as well as future growth, maintaining compatibility with agricultural and open space uses, as demonstrated in the General Plan.

PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES

Specific to the services provided by the Discovery Bay CSD, there are no anticipated changes in the type of public services and facilities required within the SOI. The level of demand for these services and facilities, however, will increase commensurate with anticipated population growth over the next five years.

PRESENT AND PROBABLE FUTURE CAPACITY OF PUBLIC FACILITIES AND SERVICES

Specific to the services provided by the Discovery Bay CSD, the present capacity of public facilities appears adequate. The Discovery Bay CSD anticipates it will continue to have adequate capacity during the next five years.

EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST

Contra Costa LAFCO has not identified specific social or economic communities of interest relevant to the Discovery Bay CSD.

PRESENT AND PROBABLE NEED FOR SEWER, MUNICIPAL AND INDUSTRIAL WATER, OR STRUCTURAL FIRE PROTECTION PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE

The Discovery Bay CSD does not provide structural fire protection facilities and services within its SOI; it does provide sewer and water facilities and services. There are no disadvantaged communities within or contiguous to the SOI for the Discovery Bay CSD and therefore no present or probable need for these facilities and services for disadvantaged communities.

NATURE, LOCATION, EXTENT, FUNCTIONS, AND CLASSES OF SERVICES TO BE PROVIDED

The DBCSD service boundary encompasses approximately 6.2+ square miles. The District is authorized to provide water supply; sewage collection, treatment and disposal; levee maintenance; recreation; lighting; landscaping; and maintenance.

ATTACHMENT C
AGENCY FISCAL PROFILES

SUMMARY PROFILE**Table S****Summary of Financial Conditions
Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
Land Area (1)	9 sq.mi.	9 sq.mi.	9 sq.mi.
Population (2)	14,765	14,765	14,765
Assessed Value (A.V.) (3)			\$2,662,217,186
Change from Prior Year			
A.V. per capita			\$180,306
General Fund Revenues (4)			
Property Tax	\$0	\$0	\$0
Other Revenues (exc. Transfers In)	<u>\$629,000</u>	<u>\$473,000</u>	<u>\$272,000</u>
Total GF Revenues	\$629,000	\$473,000	\$272,000
Change from Prior Year	na	-24.8%	-42.5%
General Fund Expenditures (5)			
General Government & Admin.	\$396,000	\$349,000	\$147,000
Other (inc. Transfers Out)	<u>\$93,000</u>	<u>\$39,000</u>	<u>\$391,000</u>
Total GF Expenditures	\$489,000	\$388,000	\$538,000
Change from Prior Year	na	-20.7%	38.7%
GF Expenditures per capita	\$33	\$26	\$36
Ending Balance, General Fund (6)	\$115,000	\$527,000	\$267,000
Change from Prior Year	121.4%	78.1%	-97.5%
as % of GF Expenditures	23.5%	135.8%	49.6%
Enterprise Expenditures (7)			
Water	\$2,341,000	\$2,312,000	\$2,884,000
Sewer	\$4,312,000	\$4,224,000	\$4,572,000
Financing authority	<u>\$516,000</u>	<u>\$508,000</u>	<u>\$750,000</u>
Total Enterprise Expenditures	\$7,169,000	\$7,044,000	\$8,206,000
Change from Prior Year	na	-1.7%	16.5%
Total Enterprise Net Position (8)	\$40,296,000	\$41,872,000	\$42,647,000
Position/Enterprise Expenditures	5.6	5.9	5.2
Liquidity Ratio (9)			
Governmental Activities	10.5	10.7	11.1
Business-type Activities	7.2	11.4	9.6
Net Capital Assets (end of year) (10)			
Governmental Funds & Activities	\$2,053,000	\$1,919,000	\$1,851,000
Net Change from Prior Year	0.8%	-6.5%	-3.6%
Business-type Activities	30,386,000	35,472,000	43,215,000
Net Change from Prior Year	-14.3%	-17.9%	4.7%
Total Pension Liability (11)			

Discovery Bay CSD Fiscal Profile (Audited Financial Statements)

6/14/19

(1) CSD Comments on Public Review Draft

(2) Public Review Draft

(3) See Table 9. A.V. not reported in Audited Financial Statements.

(4) See Table 1. Includes transfers from the Lighting and Landscaping Zones.

(5) See Table 2

(6) See Table 3

- (7) See Table 4
 (8) See Table 4
 (9) See Table 6
 (10) See Table 7. Net depreciable assets only.
 (11) See Table 8. No pension obligations reported.

GENERAL FUND REVENUES (Statement of Revenues, Expenditures and Changes in Fund Balances)

Table 1

**Summary of General Fund Revenues
 Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
Property taxes (1)	\$0	0	\$0
Reimbursements (2)	622,750	467,215	269,395
Other	<u>6,097</u>	<u>5,600</u>	<u>2,650</u>
Total Revenues	628,847	472,815	272,045
Change from Prior Year	na	-24.8%	-42.5%
OTHER FINANCING SOURCES			
Transfers In	<u>0</u>	<u>327,109</u>	<u>5,912</u>
Total Other Financing Sources	0	327,109	5,912
TOTAL REVENUES AND TRANSFERS IN	\$628,847	\$799,924	\$277,957

Source: Discovery Bay Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances, Governmental Funds

- (1) "Property Taxes" in the Financial Statements are assessments collected by the County and are deposited to Lighting and Landscape Zones special revenue funds.
 (2) Reimbursements not detailed in financial statements.
-

GENERAL FUND EXPENDITURES (Statement of Revenues, Expenditures and Changes in Fund Balances)

**GENERAL FUND EXPENDITURES (Statement of Revenues,
Expenditures and Changes in Fund Balances)
Summary of General Fund Expenditures
Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
Payroll	\$176,403	113,546	\$114,537
Repairs and maintenance	0	235,883	32,247
Utilities	0	0	0
Other	219,938	0	0
Insurance	0	0	0
Professional fees	0	0	0
Capital outlay	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest and fiscal charges	0	0	0
Total Expenditures	396,341	349,429	146,784
Change from Prior Year	na	-11.8%	-58.0%
OTHER FINANCING USES			
Transfers Out	<u>92,434</u>	<u>38,751</u>	<u>391,490</u>
Total Other Financing Uses	92,434	38,751	391,490
TOTAL USES AND TRANSFERS OUT	\$488,775	\$388,180	\$538,274

Source: Discovery Bay Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances, Governmental Funds

FUND BALANCE, GENERAL FUND

**Table 3
Fund Balance, General Fund
Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
Beginning Balance	(\$24,577)	\$115,495	\$527,239
Net Change	140,072	411,744	(260,317)
% Change from Prior Year	-569.9%	356.5%	-49.4%
Ending Balance, General Fund	\$115,495	\$527,239	\$266,922
Ending Balance/Total GF Operating Expenditures	29.1%	150.9%	181.8%
Unassigned	\$115,495	\$527,239	\$266,922
Total Governmental Activities Ending Net Position	\$3,643,326	\$4,008,263	\$3,686,397
Unrestricted	\$1,174,013	\$1,672,956	\$1,419,801

Source: Discovery Bay Audited Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances, Balance Sheet

ENTERPRISE FUNDS AND BUSINESS-TYPE ACTIVITIES REVENUE BY FUND

Table 4

**Summary of Enterprise Changes in Net Position
Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
ENTERPRISE REVENUES			
Charges for Services	\$7,501,141	\$8,333,833	\$8,729,817
Operating Grants and Contributions	0	0	0
Investment income	214	97	2,671
Other	<u>262,608</u>	<u>587,143</u>	<u>78,284</u>
Total	\$7,763,963	\$8,921,073	\$8,810,772
Change from Prior Year	na	14.9%	-1.2%
ENTERPRISE EXPENDITURES			
Water	\$2,340,562	\$2,312,379	\$2,884,204
Sewer	4,312,170	4,223,813	4,571,601
Financing authority	<u>515,707</u>	<u>508,210</u>	<u>750,025</u>
Total	\$7,168,439	\$7,044,402	\$8,205,830
Change from Prior Year	na	-1.7%	16.5%
Transfers	(\$21,634)	(\$301,341)	\$170,387
Beginning Net Position	39,722,385	\$40,296,275	\$41,871,605
Change in Net Position	<u>573,890</u>	<u>1,575,330</u>	<u>775,329</u>
Ending Net Position	\$40,296,275	\$41,871,605	\$42,646,934
% Change from Prior Year	1.4%	3.9%	1.9%
Ending Net Position/Total Expenditures	5.62	5.94	5.20

Source: Discovery Bay Audited Financial Statements - Statement of Changes in Net position

FUND BALANCES, PROPRIETARY FUNDS

Table 5

**Ending Net Position by Enterprise Fund
Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
Water	\$9,915,784	\$11,029,362	\$11,749,669
Sewer	30,143,872	30,636,658	31,072,928
Financing authority	<u>236,619</u>	<u>205,585</u>	<u>(175,663)</u>
Total Net Position	40,296,275	41,871,605	42,646,934
% change from prior year	n/a	3.9%	1.9%

Source: Discovery Bay Audited Financial Statements - Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds

LIQUIDITY (Audited Financial Statements)

Table 6

**Liquidity Measures
Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
LIQUIDITY (Audited Financial Statements)			
Liquidity Ratio (1)	10.5	10.7	11.1
Cash and Short-term Investments	\$1,190,542	\$1,731,599	\$1,515,365
Total Current Liabilities	113,921	161,141	136,422
BUSINESS-TYPE ACTIVITIES			
Liquidity Ratio (1)	7.2	11.4	9.6
Cash and Short-term Investments	\$10,715,818	\$12,192,885	\$16,835,785
Total Current Liabilities	1,490,716	1,069,660	1,749,319

Source: Discovery Bay Audited Financial Statements - Statement of Net position

(1) Cash and Short-term Investments/Total Current Liabilities

CAPITAL ASSETS

Table 7

**Capital Assets Being Depreciated
Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
GOVERNMENTAL FUNDS AND ACTIVITIES			
Beginning Net Value of Capital Assets	\$2,037,095	\$2,053,383	\$1,919,377
Ending Net Value of Capital Assets	2,053,383	1,919,377	1,850,666
Change in Net Value of Capital Assets	16,288	(134,006)	(68,711)
% Change in Net Value of Capital Assets	0.8%	-6.5%	-3.6%
ENTERPRISE FUNDS AND BUSINESS-TYPE ACTIVITIES			
Beginning Net Value of Capital Assets	\$30,385,531	\$35,471,576	\$43,214,850
Ending Net Value of Capital Assets	35,471,576	43,214,850	41,257,210
Change in Net Value of Capital Assets	5,086,045	7,743,274	(1,957,640)
% Change in Net Value of Capital Assets	14.3%	17.9%	-4.7%

Source: Discovery Bay Audited Financial Statements - Note E

PENSIONS (Audited Financial Statements)**Table 8****Pension and OPEB Liabilities****Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
PENSIONS (Audited Financial Statements)			
Total Pension Liability			
Plan Fiduciary Net Position			
% Funded			
Net Pension Liability (1)			
Net OPEB Liability (2)			

Source: Discovery Bay Audited Financial Statements

(1) No pension obligations shown in financial statements.

(2) No OPEB obligations shown in financial statements.

DEBT AND VALUE**Table 9****Debt and Assessed Value****Discovery Bay CSD**

Item	Fiscal Year		
	FY2014-15	FY2015-16	FY2016-17
TOTAL OUTSTANDING DEBT			
Governmental Activities	\$0	\$0	\$0
Business Type Activities			\$22,349,090
Total Outstanding Debt	\$0	\$0	\$22,349,090
Total Debt per Capita	\$0	\$0	\$1,514
Assessed Value (1)			\$2,662,217,186
Coverage Ratio (pledged revenues) (2)			164%

Source: Discovery Bay Audited Financial Statements - Note F

(1) Assessed value not reported in Audited Financial Statements; value is from County Roll Rpt 3211 (Dist. 3428)

(2) Financial statements do not report revenue bond coverage ratio. Estimate shown is based on debt service compared to net enterprise revenues before deducting financing authority (debt service).

Discovery Bay CSD Boundary and SOI

By LAFCO action on 06/12/2019, Discovery Bay CSD boundary and SOI were approved

-  Discovery Bay CSD
-  Discovery Bay CSD SOI
-  City Boundaries
-  County Urban Limit Line

