



TOWN OF DISCOVERY BAY CSD

President - Kevin Graves • Vice-President - Mark Simon • Director - Brian Dawson • Director - Chris Steele • Director - Ray Tetreault

NOTICE OF AGENDA OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY CSD

Wednesday January 5, 2011

1800 Willow Lake Road, Discovery Bay, California

REGULAR MEETING 7:00 P.M.

Website address: www.todb.ca.gov

A. ROLL CALL

1. Call business meeting to order 7:00p.m.
2. Pledge of Allegiance
3. Oath of Office of Board Member's, Brian Dawson, Kevin Graves, and Chris Steele
4. Short recess for refreshments

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

The public may address the Board on any issue in the District's jurisdiction, which is not on the agenda. The public may comment on any item on the agenda at the time that item is taken up. Any person wishing to speak must come up and speak from the podium. There will be no dialog between the Board and the commenter. Any clarifying questions from the Board must go through the Chair.

C. BOARD OFFICERS APPOINTMENT

1. Nominate & Appoint District Board Positions for the 2011 Year

D. AREA AGENCIES REPORTS / PRESENTATION

1. DEPUTY SHERIFF /MARINE PATROL REPORT
2. CHP REPORT
3. FIRE DISTRICT REPORT
4. EAST CONTRA COSTA FIRE PROTECTION DISTRICT REPORT
5. COUNTY'S CODE ENFORCEMENT DEPARTMENT REPORT
6. SUPERVISOR MARY PIEPHO, DISTRICT III REPORT

E. CONSENT CALENDAR

1. Minutes of Special Meeting December 15, 2010, Regular Meeting December 15, 2010, and Special Meeting December 20, 2010
2. District Invoices
3. Adopt Resolution No. 2011-01 Assigning Check Signing Signature Authority
4. Audited Financial Statements for FY 2008-09

F. NEW BUSINESS AND ACTION ITEMS

1. Appointment of Board Members to District Representative Committee Positions
2. Recommendation to Negotiate a Five (5) Year Services Contract with Veolia Water NA to provide Water and Wastewater Services to the Town of Discovery Bay CSD

G. COMMITTEE/LIAISON REPORTS

1. Trans-Plan Report
2. County Planning Commission Report
3. Code Enforcement Report
4. Special Districts Report**

***These meetings are held Quarterly*

H. CHAIR REPORT AND DIRECTORS' COMMENTS

I. GENERAL MANAGER'S REPORT

J. LEGAL COUNSEL REPORT

K. CORRESPONDENCE – Discussion and Possible Action

1. R – Letter from Supervisor Piepho regarding Highway Safety Improvement Program, Cycle 4 – Grant Applications and Transportation Development Act – Grant Application dated November 19, 2010
2. R – Letter from Supervisor Piepho regarding the Board Orders from the November 23, 2010 meeting dated November 30, 2010
3. R – Letter from Supervisor Piepho from Contra Costa Housing Authority dated December 6, 2010
4. R – Letter from Supervisor Piepho regarding the Grant Application for the Marsh Creek Road Safety Project dated December 8, 2010
5. R – Letter from Supervisor Piepho regarding correspondence from several Congressional representatives dated December 13, 2010

L. PUBLIC RECORD REQUESTS RECEIVED

M. FUTURE AGENDA ITEMS

N. ADJOURNMENT

1. Adjourn to the next regular meeting on January 19, 2011 at 1800 Willow Lake Rd – Located in back of Delta Community Presbyterian Church.

"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 twenty-four hours prior to the time of the meeting."

"Materials related to an item on the Agenda submitted to the Town of Discovery Bay CSD 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 CSD

President - Kevin Graves • Vice-President - Mark Simon • Director - Brian Dawson • Director – Chris Steele • Director - Ray Tetreault

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY CSD

Wednesday December 15, 2010 at 6:30p.m.
1800 Willow Lake Road, Discovery Bay, California

SPECIAL MEETING at 6:30p.m.

A. ROLL CALL

The meeting was called to order at 6:46p.m. Roll call was taken. Vice-President Simon and Director Steele were absent. All other Directors were present.

General Manager Howard – Stated that there was a potential need for the Closed Session with reference to the prior actions the Board had taken. The subject has been resolved and there is no additional need to have a Closed Session.

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

None

C. CONSENT CALENDAR:

1. Month to Month Contract Extension with Veolia Water NA

Motion made – by Director Dawson to approve the Consent Calendar and seconded by Director Tetreault. Motion carried by the following vote: AYES: 3 – President Graves, Director Dawson, and Director Tetreault; NOES: 0, ABSENT: 2. – Vice-President Simon and Director Steele.

D. CLOSED SESSION:

CONFERENCE WITH LABOR NEGOTIATOR Government Code Section 54957.6

Agency Designated Representative: Richard J. Howard

Unrepresented Employees: All

The Closed Session was cancelled

E. Return to Open Session: report on Closed Session.

President Graves returned the meeting to open session and stated that there was no reportable action taken.

F. ADJOURNMENT

The meeting was adjourned at 6:48p.m. to the next Regular Meeting of December 15, 2010 starting at 7:00p.m. at 1800 Willow Lake Rd – Located in back of the Delta Presbyterian Church.

cmc – 12.16.10



TOWN OF DISCOVERY BAY CSD

President - Kevin Graves • Vice-President - Mark Simon • Director - Brian Dawson • Director - Chris Steele • Director - Ray Tetreault

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY CSD
Wednesday December 15, 2010
1800 Willow Lake Road, Discovery Bay, California
Website address: www.todb.ca.gov

REGULAR MEETING at 7:00p.m.

A. ROLL CALL

The meeting was called to order at 7:00p.m. President Graves led the Pledge of Allegiance. Roll call was taken. Director Steele was absent. All other Directors were present.

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

Resident Pat Richardson – Asked about the swearing in of the Board Members.

President Graves – Pointed out that the CSD law states that new Directors have to be sworn in at a specific time on a specific day. The Staff and the Board were notified of that process at the last minute. There will be a Ceremony to swear in the new Board Members for the public to attend at the January meeting.

Legal Counsel Schroeder – Wanted to clarify that the swearing in is not required to be on that date, it is at that date and that time they then assume office subject to taking the oath.

Resident Flint – Asked about the Closed Session and what the results were.

President Graves – Stated the Closed Session problems were with the Benefits Package and that those concerns were resolved prior to the meeting, therefore the Closed Session was canceled.

Resident Flint – Asked about the Public Records Request procedures and that any request is followed by procedure consistently.

Resident Mankin – Wanted to clarify that his Public Records Request was an informal request of a Board Member.

C. PRESENTATIONS

None

D. CHAIR REPORT AND DIRECTORS' COMMENTS

President Graves – Wanted to thank the Staff for a wonderful Vendor Appreciation Luncheon.

Director Dawson – Stated that he attended the Byron Union School District Board Meeting on December 9, 2010 and they elected a new President. Director Dawson provided a report and gave details on the report.

E. CONSENT CALENDAR

1. Minutes of Regular Meeting for December 1, 2010
2. District Invoices
3. Annual "State of the town" Chamber of Commerce Event for 2011
4. Approve Lowest Responsive Bid to in the amount of \$16,300 to LMH to Replace Filter Media at the Willow Lake Water Treatment Plant

Motion made - by Vice-President Simon to approve the Consent Calendar and seconded by Director Tetreault. Motion carried by the following vote: AYES: 4 -- President Graves, Vice-President Simon, Director Dawson, and Director Tetreault, NOES: 0, ABSENT: 1 -- Director Steele.

Resident Flint -- Asked the question in regards to the Consent Calendar -- the cost of the Luncheon would also include the stipend and believes that amount should be addressed by the Board.

General Manager Howard - Pointed out that he was indicating the cost to attend the event and also pointed out that there would be a stipend included, however, that dollar amount was not listed on the Agenda Report.

F. NEW BUSINESS AND ACTION ITEMS

1. Award of Contract for the Discovery Bay Boulevard / Sand Point Road Landscape Improvement Project to Green Valley Landscape

General Manager Howard -- Introduced the Landscape Project.

Landscape Manager Perez -- Provided the details of the project and recommends the Board to accept the bid and award the contract in the amount of \$96,236.00.

General Manager Howard, the Board and the Public, all commented on the project at Willow Lake Road and that the work that has been done is fantastic.

Motion made -- by Director Dawson to accept lowest responsible bid and award construction contract for the Discovery Bay Boulevard/Sand Point Road Landscape Improvement Project in the amount of \$96,236.00 to Green Valley Landscape and seconded by Director Tetreault. Motion carried by the following vote: AYES: 4 -- President Graves, Vice-President Simon, Director Dawson, and Director Tetreault, and, NOES: 0, ABSENT: 1 -- Director Steele.

2. Consideration of a "No Cash" Transaction Policy

General Manager Howard -- Gave the details on the item and pointed out that one item that was not added was the sale of goods, such as tee shirts, license plate frames, etc. General Manager Howard also pointed out that some residents coming in to pay a bill that has a high dollar amount, pay with cash. There are three (3) options that are listed on the Agenda Report for the Board to choose. The discussion continued between the General Manager, the Board, and the Public.

Motion made -- by Director Tetreault to move forward with Option three (3) - Eliminate all cash collection at the District, implement credit/debit card options and implement online bill pay features and the payment is by electronic check and that the district does not absorb the cost of the credit card and seconded by Director Dawson. Motion carried by the following vote: AYES: 4 -- President Graves, Vice-President Simon, Director Dawson, and Director Tetreault, ABSENT: 1 -- Director Steele.

G. VEOLIA REPORT

1. Monthly Report -- November

Veolia Manager Gerald Smart - Provided slides and discussed the Monthly Report.

Discussion continued with the General Manager, the Board, and the Public, in regards to the internet connection while out in the field.

H. MANAGERS REPORTS

None

I. GENERAL MANAGER REPORT

General Manager Howard -- Announced the Holidays being recognized for the District Office and that the office will be closed on Friday, December 24, 2010, Monday, December 27, 2010, and on Friday, December 31, 2010. The other item is for adopting the Resolution for SDRMA and other forms which are required to be complete by next Wednesday, December 22, 2010. Therefore, we need to schedule a Special Meeting before that time and would like to know what day and time would work. The Board agreed that the day and time would be on Monday, December 20, 2010 at 7:00p.m.

J. DISTRICT LEGAL COUNSEL REPORT

1. County Auditor Letter

Legal Counsel Schroeder -- Provided the details on the County Auditor Letter response regarding the formation of the District that included the MAC responsibilities and explained the validating statue. The discussion continued with Legal Counsel, the General Manager, the Board, and the Public in regards to the responsibilities of the AC and the MAC.

K. CORRESPONDENCE-Discussion and Possible Action

1. R – Letter from the County of Contra Costa, Office of the Sheriff, regarding the commending of Lieutenant Mike Burton date November 16, 2010.
2. R – Letter from the County of Contra Costa, Office of the Sheriff, regarding the P-6 Zone Funds dated November 17, 2010.
3. R – Transplan Committee Meeting Minutes for June 10, 2010.
4. R – State Route 4 bypass Authority Meeting Minutes for November 18, 2010.
5. R – Announcement of Upcoming Special District Vacancy on LAFCO, Call for Nominations and for Names of Voting Delegates dated December 6, 2010.

L. PUBLIC RECORD REQUESTS RECEIVED

Request from William Richardson – Brian Dawson's Email addresses – response to our letter – Dated November 15, 2010
Request from Don Flint – Piepho's PRR from Mankin – Dated November 18, 2010

M. FUTURE AGENDA ITEMS

None

N. ADJOURNMENT

The meeting adjourned at 8:38p.m. to the next Regular meeting of January 5, 2011 starting at 7:00pm at 1800 Willow Lake Road-Located in back of the Delta Community Presbyterian Church.

cmc – 12.21.10

DRAFT



TOWN OF DISCOVERY BAY CSD

President - Kevin Graves • Vice-President - Mark Simon • Director - Brian Dawson • Director - Chris Steele • Director - Ray Tetreault

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY CSD
Monday December 20, 2010
1800 Willow Lake Road, Discovery Bay, California
Website address: www.todb.ca.gov

REGULAR MEETING at 7:00p.m.

A. ROLL CALL

The meeting was called to order at 7:00p.m. President Graves led the Pledge of Allegiance. Roll call was taken. Director Steele was absent. All other Directors were present.

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

None

C. CONSENT CALENDAR

1. Employee Medical Coverage Implementation Documents

Motion made – by Director Tetreault to approve the Consent Calendar and seconded by Director Dawson. Motion carried by the following vote: AYES: 4 – President Graves, Vice-President Simon, Director Dawson, and Director Tetreault. NOES: 0. ABSENT: 1 – Director Steele.

D. ADJOURNMENT

The meeting was adjourned at 7:02 p.m. to the next Regular meeting of January 5, 2011 starting at 7:00pm at 1800 Willow Lake Road- Located in back of the Delta Community Presbyterian Church.

cmc – 12.21.10



Town of Discovery Bay CSD AGENDA REPORT

Meeting Date

January 05, 2010

Prepared By: Liz Hardy, Accounts Assistant
Submitted By: Rick Howard, General Manager *RH/CH*

Agenda Title

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 \$336,444.82

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

Town of Discovery Bay CSD Operating and Capital Budgets

Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District #8

Discovery Bay Lighting & Landscape District #8 Operating and Capital Budgets

Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District #9

Discovery Bay Lighting & Landscape District #9 Operating Budget

AGENDA ITEM: E-2

Request for authorization to pay invoices
For the Meeting on January 5, 2010
Town of Discovery Bay CSD
For Fiscal Year's 7/10 - 6/11

Acct Code					
1	7002	Express Employment	Inv# 991005326-5, dtd 12/08/10	Payroll for Temp Services	\$826.92
2	7002	Express Employment	Inv# 99126055-5, dtd 12/15/10	Payroll for Temp Services	\$832.13
				Sub-Total	\$1,659.05
3	7005	Neumiller & Beardslee	Inv# 237353, dtd 12/14/10	Services performed thru 11-30-10	\$4,409.76
4	7005	Neumiller & Beardslee	Inv# 237354, dtd 12/14/10	Richardson services performed thru 11/30/10	\$334.19
5	7005	Neumiller & Beardslee	Inv# 237355, dtd 12/14/10	Anonymous records rqst serv performed thru 11/30/10	\$64.50
				Sub-Total	\$4,808.45
6	7010	Luhdorff & Scalmanini	Inv# 26432, dtd 11/28/10	DB Water Master Plan services rendered thru 11/28/10	\$6,515.16
7	0809-002	Luhdorff & Scalmanini	Inv# 26426, dtd 11/28/10	Well & Pump Station 6 Design & Const.	\$10,172.93
				Sub-Total	\$16,688.09
8	7010	Stantec	Inv# 452806, dtd 12/08/10	Discovery Bay WWTP Master Plan	\$5,020.75
9	7011	Veolia Water	Inv# 2503610, dtd 12/1/10	Oper & Maint Services for month of Dec	\$83,362.21
	7012	Veolia Water	Inv# 2503610, dtd 12/1/10	Oper & Maint Services for month of Dec	\$3,560.42
				Sub-Total	\$86,922.63
WATER					
10	7135	PG&E / Acct# 2943721807-5	Newport WTP	11/13-12/13/10	\$5,631.56
11	7135	PG&E / Acct# 2990602600-9	Willow Lake WWTP	11/10-12/09/10	\$2,888.25
12	7135	PG&E / Acct# 3349549227-5	Well #3 DB Blvd & Edgeview	11/10-12/10/10	\$25.27
13	7135	PG&E / Acct# 6760524303-8	Irri. Controller (Newport @ Well 4A)	11/11-12/13/10	\$15.52
14	7135	PG&E / Acct# 7068319849-6	Well #5	11/09-12/09/10	\$4,712.78
15	7135	PG&E / Acct# 8351173112-3	Well #2	11/10-12/09/10	\$1,139.48
16	7135	PG&E / Acct# 8609981202-5	Well #1 (Gas)	11/10-12/10/10	\$31.35
17	7135	PG&E / Acct# 8651647866-5	Well #1	11/10-12/09/10	\$2,652.61
				Sub-Total	\$17,096.82
SEWER					
18	7137	PG&E / Acct# 0631986334-3	Newport Lift Station	11/13-12/13/10	\$1,725.74
19	7137	PG&E / Acct# 1182741894-5	Pump Station D	11/10-12/09/10	\$114.53
20	7137	PG&E / Acct# 1318320217-8	Pump Station A	11/10-12/09/10	\$49.03
21	7137	PG&E / Acct# 2068717691-5	Pump Station G	11/11-12/13/10	\$31.64
22	7137	PG&E / Acct# 2172798825-1	Pump Station R	11/11-12/13/10	\$41.29
23	7137	PG&E / Acct# 2527523613-8	Pump Station S	11/13-12/14/10	\$306.99
24	7137	PG&E / Acct# 3016215915-3	Pump Station F	11/09-12/09/10	\$549.65
25	7137	PG&E / Acct# 3101013157-6	Lakes 4 Lift Station	11/10-12/10/10	\$85.87
26	7137	PG&E / Acct# 3497478293-9	Lakeshore Lift Station	11/09-12/09/10	\$1,310.36
27	7137	PG&E / Acct# 3881134135-3	WWTP #1	11/12-12/13/10	\$7,937.46
28	7137	PG&E / Acct# 4193709211-6	Pump Station C	11/13-12/14/10	\$50.63
29	7137	PG&E / Acct# 4201000159-4	Golf Course Valve Station	11/13-12/14/10	\$32.64
30	7137	PG&E / Acct# 4225081240-3	Disc WWTP & Pump Station W	11/12-12/13/10	\$27.29
31	7137	PG&E / Acct# 4516230421-1	Pump Station H	11/10-12/10/10	\$20.54
32	7137	PG&E / Acct# 7234986505-4	Pump Station J	11/10-12/09/10	\$203.21
33	7137	PG&E / Acct# 7312115758-7	SS/HWY 4 E/Disco Bay Blvd W/O Bridge	10/13-12/13/10	\$19,804.15
34	7137	PG&E / Acct# 7630923070-4	Pump Station E	11/09-12/09/10	\$255.50
35	7137	PG&E / Acct# 8343916134-6	Fern Ridge Circle/Hofmann	11/09-12/08/10	\$485.46
36	7137	PG&E / Acct# 8440119997-5	Knightsen School Pump Station	11/10-12/10/10	\$18.52
				Sub-Total	\$33,050.50
37	<u>Capitol One Account - Period Ending 12/14/10.</u>				
	7290	Staff Training			\$165.00
	7300	General Repairs Water / Sewer			\$1,428.08
	7430	Office Supplies			\$33.97
	7510	Web Site / Internet			\$114.00
	7520	Wireless			\$187.80
	7550	Telephone			\$1,031.14
	7690	Maint /Fuel			\$498.31
	7950	Miscellaneous			\$312.27
	7952	Misc. - Zones Reimbursable			\$1,170.33
				Sub-Total	\$4,940.90
38	7300	Advanced Pipeline Services	Inv# 282, dtd 12/15/10	Video Inspection Services 11/29, 12/06, 12/14	\$1,800.00

39	7300	American Retrofit Systems	Inv# 21, dtd 12/21/10	Find cause correct jockey 1 Willow water plant overid	\$300.00
40	7300	American Retrofit Systems	Inv# 23, dtd 12/21/10	Problems Newport/LS minimum for cut off at Well B	\$900.00
41	7300	American Retrofit Systems	Inv# 25, dtd 12/25/10	Record prog VFD for P5 at influent	\$200.00
42	7300	American Retrofit Systems	Inv# 26, dtd 12/27/10	Install anchor, chain high low level floats influent for w-p1	\$400.00
43	7300	American Retrofit Systems	Inv# 27, dtd 12/28/10	Repair odor control for WWTP1	\$100.00
44	7300	American Retrofit Systems	Inv# 28, dtd 12/28/10	Replace underground elec WWTP2 influent P5	\$400.00
45	7630	American Retrofit Systems	Inv# 24, dtd 12/21/10	Repair lights outside at Newport Water plant	\$175.00
46	7690	American Retrofit Systems	Inv# 22, dtd 12/21/10	Reset Standby Generator 3 for run application	<u>\$100.00</u>
				Sub-Total	\$2,575.00
47	7300	The Coombs-Hopkins Co	Inv# 3078, dtd 08/19/10	labor at discovery bay on 7/20 & 7/23/10	\$2,351.16
48	7300	The Coombs-Hopkins Co	Inv# 3110, dtd 12/14/10	Service call Trojan UV Repair	\$7,429.23
49	7300	The Coombs-Hopkins Co	Inv# 3111, dtd 12/14/10	Service call Trojan UV Repair	<u>\$4,697.18</u>
				Sub-Total	\$14,477.57
50	7300	Delta Cable & Supply Inc.	Inv# 35477, dtd 12/15/10	3/16" Stainless Steel chain type 316 2 @ 25'	\$325.91
51	7300	J.W. Backhoe & Constr.	Inv# 1436, dtd 12/06/10	Leak at 4852 Cabrillo Pt	\$13,163.45
52	7300	J.W. Backhoe & Constr.	Inv# 1437, dtd 12/06/10	Paved 1689 Willow Lake Rd & 1103 Beach Ct	\$5,996.77
53	7300	J.W. Backhoe & Constr.	Inv# 1438, dtd 12/06/10	Leak at 5359 / 5405 Riverlake Rd	\$1,885.38
54	7300	J.W. Backhoe & Constr.	Inv# 1439, dtd 12/06/10	Paved 4848 Cabrillo / 5572 Riverlake, 1103 Beach, 332 Orville	\$5,668.06
55	7300	J.W. Backhoe & Constr.	Inv# 1440, dtd 12/06/10	Listened to every service on Marlin Ct for poss. Leaks.	\$504.00
56	7300	J.W. Backhoe & Constr.	Inv# 1442, dtd 12/14/10	Dug up & fixed water line in TODB plant Willow Lake Rd	\$5,323.44
57	7300	J.W. Backhoe & Constr.	Inv# 1444, dtd 12/23/10	Backfilled well 1B with 3/4" base rock	\$1,258.00
58	7300	J.W. Backhoe & Constr.	Inv# 1446, dtd 12/27/10	Dug up spot inside of TODB pump station 1037 DB Blvd	\$9,813.63
59	7300	J.W. Backhoe & Constr.	Inv# 1447, dtd 12/27/10	Leak at 4708 Cove Ln. large sink hole	<u>\$4,569.41</u>
				Sub-Total	\$48,182.14
60	7300	R & B Company	Inv# S1241123.001, dtd 11/20/10	Pipe for filters	\$45.89
61	7300	R & B Company	Inv# S1241962.001, dtd 12/15/10	Wetlands and Water meters	\$328.77
62	7300	R & B Company	Inv# S1242691, dtd 12/28/10	Crispin air release VLV	<u>\$160.00</u>
				Sub-Total	\$534.66
63	7300	Radiant Industrial Solutions	Inv# 23438, dtd 12/08/10	O-ring, EPDM, Sleeve, Trojan 3000	\$208.14
64	7300	T & T Valve and Instrument, Inc.	Inv# 41744, dtd 12/22/10	Dbl acting pneumatic & bray switch	\$1,347.95
65	7300	Thomas & Assoc	Inv# 25506, dtd 12/21/10	P1 L/S clarifier #1 gorman rupp super T series pump	\$6,272.04
66	7300	USABlueBook	Inv# 288959, dtd 12/06/10	Double female hose swivel	\$47.32
67	7300	USABlueBook	Inv# 290510, dtd 12/07/10	Suspended Avacado mech float switch	<u>\$388.02</u>
				Sub-Total	\$435.34
68	7330	BCS	Inv# SI5817019, dtd 12/13/10	Chemicals for 1800 Newport Dr	\$455.71
69	7330	BCS	Inv# SI5817020, dtd 12/13/10	Chemicals for 1800 Willow Lake Rd	<u>\$1,289.81</u>
				Sub-Total	\$1,725.52
70	7410	Ricoh Americas Corp	Inv# 410910979, dtd 12/08/10	Copier Maintenance	\$427.62
71	7420	Neopost by Neopost	Inv# xxxx-xxxx-xxxx-4658, dtd 12/07/10	Postage	\$1,630.04
72	7430	Office Depot	Inv# 543519318001, dtd 12/06/10	Office Supplies	\$63.45
73	7430	Office Depot	Inv# 544502512001, dtd 12/10/10	Office Supplies - credit refer# 544217863001	-\$6.97
74	7430	Office Depot	Inv# 545198151001, dtd 12/16/10	Office Supplies	\$15.63
75	7430	Office Depot	Inv# 544217863001, dtd 12/09/10	Office Supplies	<u>\$214.83</u>
				Sub-Total	\$286.94
76	7430	PlanTag	12/20/10	Self Adhesive Labels	\$54.50
77	7510	MediaMacros, Inc.	Inv# 2019, dtd 11/30/10	Web hosting - 1 year basic shared server	\$1,000.00
78	7630	Delta Fence Co.	Inv# 22403, dtd 12/10/10	Newport Water malleable pipe track rollers	\$136.76
79	7630	Paul E. Vaz Trucking	Inv# 10856, dtd 12/17/10	Materials for water treatment plant	\$1,061.23
80	7630	Paul E. Vaz Trucking	Inv# 10857, dtd 11/27/10	Hauling water treatment plant	<u>\$1,256.39</u>
				Sub-Total	\$2,317.62
81	7630	Sunstate Equip	Inv# 4830359-001, dtd 12/16/10	Electric scissor lift	\$167.99
82	7690	Day's Generator	Inv# 5634, dtd 11/2/10	Annual service on stationery gen set	\$1,506.74
83	7720	Brian Dawson	dtd 12/28/10	Directors Meetings for December	\$500.00
84	7720	David Piepho	dtd 12/28/10	Directors Meetings for November	\$209.00
85	7720	Kevin Graves	dtd 12/28/10	Directors Meetings for December	\$442.00
86	7720	Mark Simon	dtd 12/15/10	Directors Meetings for November	\$300.00
87	7720	Ray Tetreault	dtd 12/29/10	Directors Meetings for December	\$400.00

88	7950	UPS Inv# 000012X417510, dtd 12/18/10 Late payment fee	\$1.41
89	7952	J.W. Backhoe & Constr. Inv# 1443, dtd 12/23/10 Dug out 2" phn conduit under sidewalk 232 Sussex Ct	\$1,289.25
90	7952	Neumiller & Beardslee Inv# 237353, dtd 12/14/10 County Landscape agreement*** ***To be reimbursed by Zone #'s 35, 57, and 61	\$774.00
91	7952	PG&E / Acct# 0414062075-0 3502 Yacht Drive (Irrigation Contrl)*** ***To Be Reimbursed by Zone # 57	\$16.81
92	7952	Ross Recreation Equip Inv# 89200, dtd 12/13/10 Redwood color parts, slats and seats	\$472.34
93	7952	Valley Crest Inv# 3660179, dtd 12/10/10 Landscape Maint for December*** ***To be reimbursed by Zone #'s, 35, 57 and 61	\$5,460.00
94	0910-007	McFadden Construction Proj# 452, dtd 09/10 UV System and Bypass Pipeline App #6	\$4,088.81
95	1011-009	Parkson Corp Inv# AR1/ 9100260 December, dtd 12/01/10 Electric moles	\$1,625.00
96	1011-009	Parkson Corp Inv# AR1/ 9100260 July, dtd 09/28/10 Electric moles	\$1,625.00
97	1011-009	Parkson Corp Inv# AR1/ 9100260 August, dtd 12/01/10 Electric moles	\$1,625.00
98	1011-009	Parkson Corp Inv# AR1/ 9100260 September, dtd 12/01/10 Electric moles	\$1,625.00
99	1011-009	Parkson Corp Inv# AR1/ 9100260 October, dtd 10/01/10 Electric moles	\$1,625.00
100	1011-009	Parkson Corp Inv# AR1/ 9100260 November, dtd 11/01/10 Electric moles	\$1,625.00
		Sub-Total	\$9,750.00
101	1011-011	Red Flint Sand & Gravel Inv# 66316, dtd 12/17/10 Filters for A & B Willow Lake water trtmnt p	\$29,468.70
		TODB TOTAL...	\$308,771.99
Caselle Utility Account			
1	7950	Refund of Overpayment Acct# 1-011-610-082-7.01	\$36.94
2	7950	Refund of Overpayment Acct# 1-011-610-083-5.01	\$63.44
3	7950	Refund of Overpayment Acct# 1-011-490-036-8.02	\$6.42
4	7950	Refund of Overpayment Acct# 1-011-360-037-3.03	\$20.00
		Sub-Total	\$126.80
		TOTAL	\$308,898.79

Acct. #	TOWN OF DISCOVERY BAY CSD OPERATING BUDGET 2010/2011 Approved at 06/16/10 Meeting	Account Description	2009/2010 Budget	2009/2010 YTD ACTUALS	2009/2010 % of Budget YTD	2010/2011 Budget	Jul 10 Month to Date Expenses 8/25/2010	Aug 10 Month to Date Expenses 7300	Sep 10 Month to Date Expenses \$650.00	Oct 10 Month to Date Expenses \$18 in #0809-002	Nov 10 Month to Date Expenses	Dec 10 Month to Date Expenses	Jan 11 Month to Date Expenses	Pending Approval 01/05/11	2010/2011 YTD REIMB.	2010/2011 YTD ACTUALS	2010/2011 % of Budget YTD
							8/25/2010	7300	\$650.00	\$18 in #0809-002							
							8/25/2010	7300	\$725.00	\$18 in #7630							
							8/25/2010	7300	\$95.00	remove - pg 112/110							
							8/25/2010	7320	\$177.99	\$18 in #7300							

Acct. #	SEWER	TOWN of DISCOVERY BAY CSD CAPITAL IMPROVEMENT PROGRAM 2010/2011 Approved at 6/16/10 Meeting	2009/2010 ACTUALS	2009/2010 % of Budget YTD	2010/2011 BUDGET	Aug 10 M-T-D Exp.	Sep 10 M-T-D Exp.	Oct 10 M-T-D Exp.	Nov 10 M-T-D Exp.	Dec 10 M-T-D Exp.	Jan 11 M-T-D Exp.	Plan to Approve 01/05/10	2010/2011		2010/2011 % of Budget YTD	
													REIMB.	ACTUALS		
0910-004		Rehab Manholes	\$0	0%	\$15,000		\$14,893							\$14,893		99%
0910-005		Landscape Plant #1	\$2,636	53%	\$5,000									\$0		0%
0910-006		Replace Sewer Main	\$0	0%		\$151,290	\$7,450							\$168,740		#DIV/0!
0910-007		UV System	\$457,297	114%		\$28,439	\$49,196	\$44,407	\$134,389	\$41,078		\$4,089		\$301,998		#DIV/0!
0910-008		Salinity Protect	\$0	0%	\$200,000									\$0		0%
0910-009		Pumps / Motors Replacement	\$35,470	71%										\$0		#DIV/0!
0810-010		Wetlands	\$8,304	1%	\$85,000					\$4,513				\$0		0%
1011-001		By-Pass Pipeline	\$0		\$80,000			\$5,590						\$0		0%
1011-002		Replace PLC's	\$0		\$20,000									\$10,102		13%
1011-003		Bio-Solids Pumps (2) Wet Well			\$22,000									\$0		0%
1011-004		Rehab Lift Station W			\$60,000			\$500						\$0		0%
1011-005		Bypass Valve Lift Station S			\$12,000									\$500		1%
1011-006		Metal Cover for UV Area			\$125,000									\$0		0%
1011-007		Clarifier Cleaning Devices			\$25,000									\$0		0%
1011-008		Paving for Bio-Solids Area			\$15,000									\$0		0%
1011-009		New Moles (2)			\$80,000			\$42,608				\$9,750		\$42,608		53%
1011-010		Road Crossing Ramps			\$25,000									\$0		0%
		Sewer Sub Total	\$0	36%	\$769,000	\$179,729	\$71,539	\$92,604	\$134,389	\$45,591	\$0	\$13,839	\$0	\$528,841	\$0	69%
		WATER														
0809-002		Well #6 Design & Drill Test Hole	\$475,615			\$1,400	\$816	\$5,612	\$937	\$9,689				\$18,454		0%
0910-011		Security Door Locks (12)	\$12,980	216%	\$6,000									\$0		0%
0910-012		Ladder/Vandal Guard	\$0	0%	\$2,000									\$0		0%
0910-013		Pumps / Motors Replacement	\$2,972	20%										\$0		#DIV/0!
0810-014		Water Meter Program	\$63,079	13%	\$500,000			\$20,843	\$268					\$21,360		4%
		Water Meter Program: Reimbursements			(\$500,000)									\$0		0%
1011-011		Filter Media Replacement			\$40,000								\$29,469	\$0		0%
1011-012		Stabilize Around Willow Lake			\$30,000									\$0		0%
1011-013		Rehab Well(s)			\$50,000									\$0		0%
1011-014		Replace Water Mains			\$20,000									\$0		0%
1011-015		Water Meter Trailer			\$20,000									\$0		0%
		Water Sub Total	\$555,237	106%	\$148,000	\$1,400	\$816	\$26,455	\$1,205	\$9,689	\$0	\$39,642	\$0	\$39,814	\$0	27%
		OTHER														
1011-016		Pickup Truck (1)			\$20,000									\$0		0%
1011-017		K-Rail for Bulk Material			\$15,000									\$4,408		29%
1011-018		Portable Message Units			\$30,000									\$0		0%
1011-019		GPS Tracking Device			\$12,000									\$0		0%
1011-020		Replace Fence Near Marina			\$15,000									\$0		0%
1011-021		New Chairs for Board Room			\$6,000									\$0		0%
		Other Sub Total	\$7,251	19%	\$98,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,408	\$0	4%
0102-00		Pipeline Replace Reserve	\$0											\$0		#DIV/0!
		Reimbursement to Town of DB	\$0											\$0		#DIV/0!
		Total CIP Budget	\$1,143,864	71%	\$1,015,000	\$181,129	\$72,354	\$119,059	\$136,094	\$55,280	\$0	\$53,480	\$0	\$573,063	\$0	#DIV/0!

Miscellaneous Adjustments:		
Date	Acct #	Description
7/21/2010	7300	\$4,408.00 S/B in #1011-017
8/4/2010	0809-002	\$38,032.20 removed - paid on 7/28/10

**Request for authorization to pay invoices
For the Meeting on January 5, 2010
Town of Discovery Bay, D.Bay L&L Park #8
For Fiscal Year's 7/10 - 6/11**

Acct Code				
1	2100	Office Depot	Inv# 543519163001, dtd 12/06/10	Office Supplies \$5.32
2	2120	Discovery Bay Disposal	Acct# 17-0001966, dtd 12/01/10	Service for November \$239.00
3	2120	PG&E / Acct# 0869258994-1	(Sprink Contr) DB Blvd. & Willow Lake	11/10-12/10/10 \$14.93
4	2120	PG&E / Acct# 2068897992-9	DB Blvd across from 510	11/11-12/13/10 \$176.89
5	2120	PG&E / Acct# 2249446019-3	(Sprinkler) Disco Point, Tr #4077, Lot 71	11/10-12/10/10 \$15.50
6	2120	PG&E / Acct# 2800977208-9	(Irri Contr) 9295Beacon Pl @ Str Lite	11/11-12/13/10 \$16.24
7	2120	PG&E / Acct# 3736907925-8	(Sprink Contr) E/S Edgview Dr N/O DB Blvd	11/10-12/10/10 \$14.93
8	2120	PG&E / Acct# 4111412785-9	(Sprink Contr) DB Blvd & Seal Way	11/10-12/10/10 \$14.93
9	2120	PG&E / Acct# 4455555569-5	(Sprinkler) Disco Point, Tr #3653, Lot 17	11/10-12/10/10 \$15.50
10	2120	PG&E / Acct# 5465914049-2	(Sprinkler) DB Blvd. & Spinnaker	11/10-12/10/10 \$14.93
11	2120	PG&E / Acct# 5939734421-5	PG&E Owned Street & Highway Lighting	11/18-12/17/10 \$6,425.07
12	2120	PG&E / Acct# 7135420365-6	(Sprinkler) Disco Point, Tr# 4077, Lot 65	11/10-12/10/10 \$15.50
13	2120	PG&E / Acct# 7452568975-3	(Sprink Contr) S/E cnr DB Blvd & Willow Lk	11/10-12/10/10 \$14.93
14	2120	PG&E / Acct# 7696548482-7	(Sprinkler) DB Blvd, Tr# 4178, Lot 5	11/10-12/10/10 \$15.50
15	2120	PG&E / Acct# 8009270258-0	@ Clipper Dr w/o Cove Ct 7723 Marina Dr	11/10-12/10/10 \$29.86
16	2120	PG&E / Acct# 8101346815-2	(Irri Contr) Newport Dr. w/o Pier Ct	11/10-12/10/10 \$14.93
17	2120	PG&E / Acct# 8163719795-5	(Irri Contr) 9271 Newport Dr @ Str. Lite	11/11-12/13/10 \$16.24
18	2120	PG&E / Acct# 8167536097-8	(Irri Contr) @ Clipper Dr	11/10-12/10/10 \$14.93
19	2120	PG&E / Acct# 8399010651-6	(Sprink Contr) Willow Lake Ct, Lot 31	11/11-12/13/10 \$16.09
20	2120	PG&E / Acct# 8400813429-2	(Sprinkler) Laguna Ct, Tr# 4076, Lot 18	11/10-12/10/10 \$15.50
21	2120	PG&E / Acct# 8545920147-2	(Lites & Sprinklers) 2489 'A' DB Blvd.	11/10-12/10/10 \$83.43
			Sub-Total	\$6,945.83
22	2282	Valley Crest	Inv# 1631840, dtd 11/29/10	Tree removals and pruning \$3,888.00
23	2282	Valley Crest	Inv# 1825144, dtd 9/30/10	Trace wires to irrig valve at Cornell Park \$331.00
24	2282	Valley Crest	Inv# 3659330, dtd 12/10/10	Landscape Maint for December \$8,457.00
			Sub-Total	\$12,676.00
25	2490	Watersavers Irrigation	Inv# 11019512 dtd 12/09/10	Eye wash station repair \$107.98
26	4265	Sierra Display, Inc.	Inv# 14856, dtd 12/06/10	Install/setup holiday lights for entrance to TODB \$3,293.68
27	4829	Bruce Jett Assoc	Inv# 15690, dtd 12/15/10	DB Blvd PD/MP , construction docs \$319.11
28	4829	Green Valley Landscape	Inv# 798, dtd 12/08/10	Repair damage caused during sidewalk instaltn proposl #5470 \$397.57
			TOTAL	\$23,984.49

County Acc#	Town of Discovery Bay/D.Bay L&L Park #8 Operating Expense Budget 10/11 Approved at 6/16/10 Meeting	2009/2010		2009/2010 Budget YTD % of	2010/2011 Budget	Jul 10 Month to Date Expenses	16.67%	Aug 10 Month to Date Expenses	25.00%	33.33%	41.67%	50.00%	58.33%	Plan to Approve 1/5/2011	2010/2011 Actuals	2010/2011 % of Budget YTD
		Budget	Actuals													
2100	Office Expenses	\$500	\$1,076	215%	\$850	\$105	\$168	\$51	\$163	\$382	\$60	\$100	\$5	\$701	82%	
2102	Books, Periodicals & Subscriptions	\$50	\$25	49%	\$150									\$160	107%	
2103	Postage	\$50	\$0	0%	\$50									\$0	0%	
2110	Communications (Messenger, Radio, etc.)	\$1,500	\$1,140	76%	\$1,785			\$60						\$60	3%	
2120	Utilities (Street Lights, Water, & Garbage)	\$105,000	\$89,858	86%	\$117,000	\$7,702	\$12,060	\$5,281	\$11,981	\$11,981	\$11,083		\$7,185	\$48,346	41%	
2130	Small Tools & Instruments	\$1,000	\$975	97%	\$750	\$736	\$107	\$124	\$388	\$20				\$1,475	197%	
2131	Minor Equipment, Furniture Less than \$1000.	\$500	\$1,208	242%	\$975									\$75	3%	
2170	Household Items	\$800	\$1,209	151%	\$900			\$879						\$879	98%	
2190	Public Notices	\$100	\$633	633%	\$450									\$0	0%	
2200	Memberships	\$200	\$0	0%	\$450									\$120	27%	
2250	Rent & Lease of Equipment	\$100	\$95	95%	\$500			\$220						\$220	44%	
2251	Computer Software	\$500	\$0	0%	\$500									\$0	#DIV/0!	
2270	Maintenance of Equipment	\$700	\$1,838	263%	\$950									\$89	9%	
2271	Automotive Supplies & Repairs	\$1,300	\$9	1%	\$2,000	\$159								\$1,045	52%	
2272	Gasoline/Fuel for Equipment	\$4,100	\$2,246	55%	\$4,000	\$244				\$249				\$1,120	28%	
2281	Maintenance of Buildings	\$5,000	\$5,402	108%	\$5,300	\$350				\$372				\$2,122	40%	
2282	Grounds Maintenance	\$250,000	\$189,315	76%	\$166,484	\$9,915				\$13,215				\$80,510	48%	
2284	Requested Maintenance from County (3620)	\$500	\$0	0%	\$100									\$0	#DIV/0!	
2301	Auto Mileage/Employee Reimbursement	\$300	\$790	263%	\$100									\$0	0%	
2303	Other Travel Employee Expenses	\$200	\$102	51%	\$1,500									\$0	0%	
2310	Professional Services	\$10,000	\$11,116	111%	\$6,100	\$366								\$936	12%	
2310	Staff Payroll	\$63,000	\$39,064	62%	\$72,000	\$11,671				\$497				\$12,894	18%	
2360	Insurance	\$8,000	\$10,389	130%	\$5,200									\$1,315	25%	
2470	Road/Construction Materials (Street Signs)	\$1,000	\$0	0%	\$500									\$0	0%	
2479	Other Special Expenses	\$5,000	\$5,810	116%	\$3,500	\$647								\$1,484	42%	
2490	Miscellaneous Services & Supplies	\$200	\$21	10%	\$300									\$199	66%	
3550	Taxes & Assessments	\$4,500	\$0	0%	\$500									\$0	#DIV/0!	
3611	Interfund Exp - Gov/Gov (Investment Svcs&Property Tax Adm. Costs)	\$500	\$0	0%	\$500									\$108	0%	
5011	Reimbursement-Gov/Gov County Administration Chrgs	\$500	\$0	0%	\$500									\$0	0%	
Misc.	Reserves		\$0		\$0									\$0	0%	
	Total Expenses	\$465,100	\$362,238	78%	\$394,494	\$10,619	\$52,065	\$17,134	\$20,580	\$27,399	\$25,952	\$0	\$19,974	\$153,750	39%	

Miscellaneous Adjustments:

County Acct#	Town of Discovery Bay/D.Bay L&L Zone #8 Capital / Asset Budget 10/11 Approved at 6/16/10 Meeting Account Description	2009/2010 Budget	2009/2010 Actuals	2009/2010 Budget YTD % of	2010/2011 Budget	Aug 10 Month to Date Expenses	16.67%	Sep 10 Month to Date Expenses	25.00%	Oct 10 Month to Date Expenses	33.33%	Nov 10 Month to Date Expenses	41.67%	Dec 10 Month to Date Expenses	50.00%	Jan 11 Month to Date Expenses	58.33%	Approve 1/5/2011	2010/2011 Actuals	% of Budget YTD
4265	Various Improvements	\$7,500	\$4,842	65%	\$7,500													\$3,294	\$665	9%
4546	Structure & Walkway Repairs	\$3,500	\$0	0%	\$3,500														\$0	0%
4789	DB L&L Zone #8 Playground Equipment	\$3,000	\$0	0%	\$115,000							\$3,080		\$7,627					\$10,707	9%
4829	DB L&L Zone #8 Landscape Master Plan Entrai	\$0	\$0		\$0					\$50,366				\$34				\$717	\$50,400	#DIV/0!
4834	DB L&L Zone #8 Landscape Clipper Drive Phas	\$0	\$0		\$0					\$33,798				\$468					\$0	#DIV/0!
4953	Cornell Park - Discovery Bay	\$233,100	\$9,314	4%	\$350,000	\$1,965		\$3,188	\$3,188	\$33,798				\$468				\$39,440	\$0	11%
4956	Vehicle Purchase	\$3,000	\$0	0%	\$7,500									\$464					\$0	0%
	Tools & Sundry Equipment	\$1,000	\$26	3%	\$1,000					\$17,030									\$17,493	#DIV/0!
	Total	\$251,100	\$14,182	6%	\$484,500	\$1,965	\$20,218	\$84,627	\$3,080	\$8,793	\$0	\$4,010	\$118,705	\$0					\$0	25%

*** DB L&L Zone #8 Misc. Projects (1)

- 1 Willow Lake Rd \$120,000
- 2 Discovery Bay Blvd. (East) \$230,000
- \$350,000

Request for authorization to pay invoices
For the Meeting on January 5, 2010
Town of Discovery Bay, D.Bay L&L Park #9 (Ravenswood)
For Fiscal Year's 7/10 - 6/11

Acct Code					
1	2100	Office Depot	Inv# 544217863001, dtd 12/09/10	Office supplies, Ink Hp combo black	\$49.64
2	2103	UPS	Inv# 000012X417500, dtd 12/11/10	Landscaping Maint Service Contract for 2011-2013	\$10.57
3	2120	PG&E / Acct# 1066166716-1	829 Poe Dr (Irrig Ctrlr)	11/10-12/10/10	\$10.61
4	2120	PG&E / Acct# 0422260312-0	Ravenswood Tract 8710	11/19-12/17/10	\$559.97
5	2120	PG&E / Acct# 7705163630-4	1738 Wilde Dr (Irrig Controller)	11/10-12/10/10	<u>\$10.75</u>
				Sub-Total	\$581.33
6	2282	Cleary Bros	Inv# B012098, dtd 12/10/10	Monthly Maint for December 2010	\$2,920.00
				TOTAL	\$3,561.54

2010/2011

County Account	Town of Discovery Bay/ L&L #9 Ravenswood Operating Expense Budget Approved at 6/16/10 Meeting Account Description	2009/2010 Budget	2009/2010 YTD ACTUALS	2009/2010 % of Budget YTD	2010/2011 Budget	8.33% Jul 10 Month Expenses	16.67% Aug 10 Month Expenses	50.00% Dec 10 Month Expenses	56.33% Jan 10 Month Expenses	Planned to Pay 1/5/2011	2010/2011 YTD REIMB.	2010/2011 YTD ACTUALS	2010/2011 % of Budget YTD
2100	Office Expenses	\$150	59	40%	\$150	\$51	\$117	\$50	\$50	\$50	\$294	\$294	196%
2102	Books, Periodicals & Subscriptions	\$50	120	240%	\$50		\$24		\$24		\$24	\$24	49%
2103	Postage	\$50	9,266	18532%	\$50		\$44		\$11		\$59	\$59	119%
2110	Communications (Messenger, Radio, etc.)	\$100	194	194%	\$650		\$60				\$120	\$120	18%
2120	Utilities (Street Lights, Water, & Garbage)	\$5,000	103	2%	\$12,500		\$581	\$581			\$9,266	\$9,266	74%
2130	Small Tools & Instruments	\$100	193	193%	\$100		\$17				\$194	\$194	194%
2131	Minor Equipment, Furniture, Less than \$1,000.	\$100	253	253%	\$500						\$103	\$103	21%
2170	Household Items	\$0	581	#DIV/0!	\$700						\$193	\$193	28%
2190	Public Notices	\$50	36	76%	\$150		\$53				\$253	\$253	169%
2200	Memberships	\$50	0	0%	\$165						\$40	\$40	24%
2250	Rent & Lease of Equipment	\$500	0	0%							\$0	\$0	0%
2251	Computer Software	\$500	0	0%	\$500						\$0	\$0	0%
2270	Maintenance of Equipment	\$200	109	55%	\$200						\$60	\$60	40%
2271	Automotive Supplies & Repairs	\$300	0	0%	\$300						\$87	\$87	29%
2272	Gasoline/Fuel for Equipment	\$300	0	0%	\$500			\$79			\$486	\$486	97%
2282	Grounds Maintenance	\$54,000	32,593	60%	\$48,540	\$81	\$3,220	\$3,220		\$2,920	\$17,741	\$17,741	37%
2301	Auto Mileage/Employee Reimbursement	\$100	129	129%							\$0	\$0	0%
2303	Other Travel/Employee Expenses		46	#DIV/0!	\$250						\$0	\$0	0%
2310	Professional Services	\$5,000	2,890	58%	\$2,000	\$840	\$2,100				\$3,792	\$3,792	190%
2310	Staff Payroll	\$13,000	356	3%	\$25,500						\$1,189	\$1,189	5%
2360	Insurance	\$5,000	0	0%	\$1,850						\$175	\$175	9%
2470	Road/Construction Materials (Street Signs)		0	#DIV/0!							\$0	\$0	0%
2479	Other Special Expenses		1,249	#DIV/0!	\$500		\$333				\$333	\$333	67%
2490	Miscellaneous Services & Supplies		0	#DIV/0!	\$300						\$0	\$0	0%
3530	Taxes & Assessments	\$1,000	0	0%	\$500						\$0	\$0	0%
5011	Reimbursement-Gov/County Admin. Chrgs	\$100	0	0%							\$0	\$0	0%
	Misc. Reserves		0	#DIV/0!							\$0	\$0	0%
	Total Expenses	\$85,150	48,179	57%	\$95,955	\$921	\$7,814	\$4,081	\$0	\$3,562	\$34,431	\$34,431	36%

Reserves=
Total Reserves
* Maintenance includes bioswales/mitigation areas.
* Future budget for utilities etc. to be based on actuals.

**Town of Discovery Bay/L&L #9 Ravenswood
Capital / Asset**

For 2007/08 there is no planned Capital Improvement
Plans
Miscellaneous Adjustments:



Town of Discovery Bay CSD

AGENDA REPORT

Meeting Date

January 5, 2011

Prepared By: Rick Howard, General Manager
Submitted By: Rick Howard, General Manager RH/CMP

Agenda Title

Adopt Resolution No. 2011-01 Assigning Check Signing Signature Authority

Recommended Action

Adopt Resolution No. 2011-01 Deleting Former Director, David Piepho And adding Director Chris Steele on the ECC Bank Accounts to sign checks from The Town Of Discovery Bay CSD Checking Accounts And to Sign On Transactions written for the Town Of Discovery Bay CSD CD Account

Executive Summary

Each year, the Board adopts a Resolution that establishes signing authority for warrants that the District issues through our bank, ECC Bank. This Resolution is done annually to remove former Board Members and add new Board Members, as necessary.

The establishment of the General Fund account is pending, therefore, that account number has not been created. Once the General Fund account is created Staff will Rescind Resolution 2011-01 and create a new Resolution to reflect the newly created account number.

Fiscal Impact:

Amount Requested \$
Sufficient Budgeted Funds Available?:
Prog/Fund # Category: Pers. Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item

Attachments

Resolution No. 2011-01

AGENDA ITEM: E-3



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2011-01**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY, A COMMUNITY SERVICES DISTRICT (CSD)
TO DELETE FORMER DIRECTOR, DAVID PIEPHO AND ADD DIRECTOR CHRIS STEELE
ON THE ECC BANK, A DIVISION OF BANK OF AGRICULTURE AND COMMERCE BANK ACCOUNTS
TO SIGN ON CHECKS FROM THE TOWN OF DISCOVERY BAY CSD CHECKING ACCOUNTS
AND TO SIGN ON TRANSACTIONS WRITTEN FOR
THE TOWN OF DISCOVERY BAY CSD CD ACCOUNT

WHEREAS, the Town of Discovery Bay CSD desires to delete former director, David Piepho and add director Chris Steele on their (3) public bank accounts with ECC Bank, A Division of Bank of Agriculture and Commerce to sign on checks written from the Town of Discovery Bay CSD Checking Accounts and to sign on transactions written for the Certificate of Deposit, which are all listed below:

50017249 – Water and Wastewater (CSD)
50020304 – Discovery Bay Community Center Committee
50306399 – Certificate of Deposit (CD)
_____ – General Fund Account (Account number pending)

NOW, THEREFORE, BE IT RESOLVED that the Town of Discovery Bay CSD does the following:

1. That ECC Bank, A Division of Bank of Agriculture and Commerce, Discovery Bay Branch, 14804-A Highway 4, Discovery Bay, CA 94505, is hereby requested to delete former director David Piepho, and add director Chris Steele on the above (3) banking accounts to be able to sign on checks written and sign on transactions written from these accounts.
2. The Town of Discovery Bay CSD Board of Directors require that valid signatures on checks written and transactions written from these accounts by both the President and Vice President, or by the President Pro-Tempore, and one other Director, or, in the absence of the elected officers, any two Directors.

PASSED AND ADOPTED this 5th day of January, 2011 by the following vote:

Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on January 5, 2011 by the following vote of the Board:

AYES:
NOES:
ABSENT:
ABSTAIN:

Richard J. Howard
Board Secretary



Town of Discovery Bay CSD

AGENDA REPORT

Meeting Date

January 5, 2011

Prepared By: Liz Hardy, Accounts Assistant
Submitted By: Rick Howard, General Manager RH/CMA

Agenda Title

Audited Financial Statements for FY 2008-09

Recommended Action

Staff recommends that the Board approve and accept the FY 2008-09 Audited Financial Statements

Executive Summary

The DRAFT year-end audit for Fiscal Year 2008-09 was presented at the December 15, 2010 Board Meeting. Mark Croce of Croce & Company presented the findings and results from the audited financial statements.

At that meeting, members of the Board had questions regarding the audit. The first question was in regards to the \$34,427 bad debt expense in the water and sewer fund. The majority of this amount is from the permit fees for Michael Todorovic (\$2,200), Sports Bar & Steakhouse (\$20,100), Dr. Rick Pierce (\$365), and the Oriental House (\$4,800). The second question was in regards to other income of \$10,030. The majority of this amount pertains to money received from an insurance claim to SDRMA in October 2008 (\$9,800) for a burnt Town vehicle.

At this time, it is appropriate to accept the findings of the FY 2008-09 Audited Financial Statements.

Fiscal Impact:

Amount Requested n/a

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

Prog/Fund # Category:

Previous Relevant Board Actions for This Item

December 15, 2010 Audit Presentation by Croce and Company

Attachments

Final Audit 2008/2009

AGENDA ITEM: E-4

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

In planning and performing our audit of the financial statements of **Town of Discovery Bay Community Services District** as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

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 function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

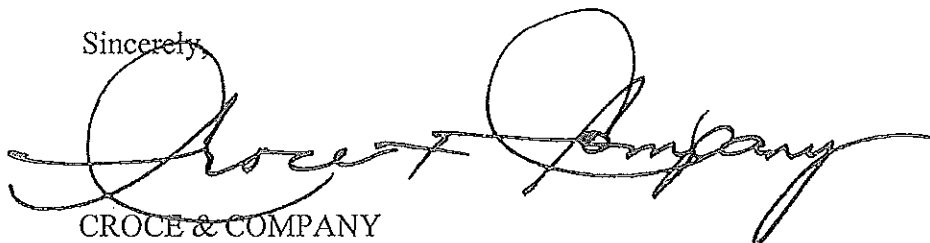
A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in **Town of Discovery Bay Community Services District's** internal control to be a significant deficiency:

- The District does not have an individual on staff that possesses the knowledge of accounting principles generally accepted in the United States of America sufficient to prepare its financial statements and related note disclosures.

The existence of the significant deficiency described above has been evaluated by management and those charged with governance. Management and those charged with governance have made a conscious decision to accept the degree of risk associated with the significant deficiency because of cost or other considerations. Management is responsible for making decisions concerning costs and the related benefits. We are responsible for communicating significant deficiencies in accordance with professional standards, regardless of management's decisions.

This communication is intended solely for the information and use of management, the Board of Directors, others within the District, Contra Costa County and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Croce & Company". The signature is written in black ink and is positioned above the typed name of the company.

CROCE & COMPANY
Accountancy Corporation
Stockton, California
July 2, 2010

December 16, 2010

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, each major fund and the aggregate remaining fund information of **Town of Discovery Bay Community Services District** for the year ended June 30, 2009, and have issued our report thereon dated July 2, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to 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 **Town of Discovery Bay Community Services District** are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2009. 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. We did not identify any such estimates during the course of our audit.

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 trivial, and communicate them to the appropriate level of management. Accordingly, the following material adjustments were identified during the audit and recorded by management:

Water and Sewer Fund

- Entry of \$413,675 to adjust accounts payable as of June 30, 2009
- Entry of \$461,052 to adjust fixed assets as of June 30, 2009
- Entry to record \$16,063,913 of contributed capital as of June 30, 2009
- Entry to record \$699,742 of depreciation expense as of June 30, 2009

Lighting & Landscaping Zone 8

- Entry to record \$57,861 of contributed capital as of June 30, 2009

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 December 9, 2010.

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.

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 & COMPANY ACCOUNTANCY CORPORATION



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2009

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Independent Auditors' Report

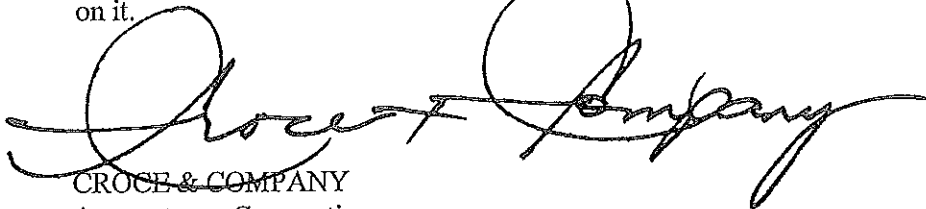
To the Board of Directors
Town of Discovery Bay Community
Services District

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **Town of Discovery Bay Community Services District (District)** as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, and each major fund of the **Town of Discovery Bay Community Services District** as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2 through 10 is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



CROCE & COMPANY
Accountancy Corporation
Stockton, California
July 2, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

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, 2009 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 assets increased by \$16,204,744 over the prior year, including a \$365,838 increase in net assets of governmental activities, and a \$15,838,906 increase in net assets of business-type activities. The District's net assets are now \$42,479,400.
- Total assets of the District were \$42,877,486 with capital assets at \$33,623,695 net of accumulated depreciation. Current assets were \$9,253,791.
- Total liabilities were \$398,086 consisting of current liabilities at \$398,086.
- Assets of the District exceeded liabilities at the close of the most recent fiscal year by \$42,479,400 (net assets). Of this amount, \$6,136,162 (unrestricted net assets) may be used to meet the District's ongoing obligations, \$17,276,957 is invested in capital assets, net of related debt and \$19,066,281 is contributed capital.
- On the current financial resources basis, the District's governmental fund revenues exceeded expenditures (including \$82,065 in capital outlay expenditures) by \$293,617. The proprietary fund expenses exceeded revenues by \$225,007.
- At year-end, there was \$2,511,872 in cash and investments to fund future governmental activities, and \$6,530,987 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.

The **Statement of Net Assets** displays all of the District's assets and liabilities, with the difference between the two reported as net assets. The **Statement of Activities** provides all current year

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

Overview of the Financial Statements (Continued)

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 assets and how they have changed during the fiscal year. Over time, increases or decreases in net assets 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 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.

Financial Analysis of the Government-wide Financial Statements

A review of net assets over time may serve as a useful indicator of the District's financial position. Net assets represent the difference between the District's assets and liabilities. As of June 30, 2009, the District's net assets were \$42,479,400, an increase of \$16,204,744 from prior year. The following table outlines the District's net assets by function for the current and prior fiscal years.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

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

Town of Discovery Bay Community Services District Net Assets

As of June 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total		Variance
	2009	2008	2009	2008	2009	2008	\$
<u>Assets</u>							
Current and other assets	\$ 2,526,885	\$ 2,188,966	\$ 6,726,906	\$ 7,174,003	\$ 9,253,791	\$ 9,362,969	\$ (109,178)
Capital assets, net	<u>1,047,702</u>	<u>1,033,342</u>	<u>32,575,993</u>	<u>16,656,839</u>	<u>33,623,695</u>	<u>17,690,181</u>	<u>15,933,514</u>
Total assets	<u>3,574,587</u>	<u>3,222,308</u>	<u>39,302,899</u>	<u>23,830,842</u>	<u>42,877,486</u>	<u>27,053,150</u>	<u>15,824,336</u>
<u>Liabilities</u>							
Current liabilities	21,700	35,259	376,386	743,235	398,086	778,494	380,408
Non-current liabilities	-	-	-	-	-	-	-
Total liabilities	<u>21,700</u>	<u>35,259</u>	<u>376,386</u>	<u>743,235</u>	<u>398,086</u>	<u>778,494</u>	<u>380,408</u>
<u>Net Assets</u>							
Invested in capital assets	1,047,702	1,033,342	32,575,993	16,229,255	33,623,695	17,262,597	16,361,098
Unrestricted	<u>2,505,185</u>	<u>2,153,707</u>	<u>6,350,520</u>	<u>6,858,352</u>	<u>8,855,705</u>	<u>9,012,059</u>	<u>(156,354)</u>
Total net assets	<u>\$ 3,552,887</u>	<u>\$ 3,187,049</u>	<u>\$ 38,926,513</u>	<u>\$ 23,087,607</u>	<u>\$ 42,479,400</u>	<u>\$ 26,274,656</u>	<u>\$16,204,744</u>

By far the largest portion of the District's net assets (79%) 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 assets, approximately 21%, reflects its unrestricted net assets, 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, 2009

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

The following table displays the change in the District's net assets for the year ended June 30, 2009.

Town of Discovery Bay Community Services District Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues						
Charges for services	\$ -	\$ -	\$ 4,469,286	\$ 4,620,358	\$ 4,469,286	\$ 4,620,358
Capital grants and contributions	1,814	2,758	-	-	1,814	2,758
General revenues						
Property taxes	576,485	598,918	-	-	576,485	598,918
Assessments	87,493	87,493	-	-	87,493	87,493
Investment earnings	9,683	31,044	35,918	157,080	45,601	188,124
Capacity fees	-	-	-	20,767	-	20,767
Miscellaneous	4,988	3,606	5,042	800	10,030	4,406
Total revenues	<u>680,463</u>	<u>723,819</u>	<u>4,510,246</u>	<u>4,799,005</u>	<u>5,190,709</u>	<u>5,522,824</u>
Expenses						
Community center	1,592	5,240	-	-	1,592	5,240
Lighting and landscaping Zone 8	358,985	456,742	-	-	358,985	456,742
Lighting and landscaping Zone 9	11,909	5,454	-	-	11,909	5,454
Water and sewer	-	-	4,735,253	3,991,413	4,735,253	3,991,413
Total expenses	<u>372,486</u>	<u>467,436</u>	<u>4,735,253</u>	<u>3,991,413</u>	<u>5,107,739</u>	<u>4,458,849</u>
Transfers	-	-	-	-	-	-
Change in net assets	307,977	256,383	(225,007)	807,592	82,970	1,063,975
Contributed capital	57,861	-	16,063,913	-	16,121,774	-
Net assets, beginning of year	<u>3,187,049</u>	<u>2,930,666</u>	<u>23,087,607</u>	<u>22,280,015</u>	<u>26,274,656</u>	<u>25,210,681</u>
Net assets, end of year	<u>\$ 3,552,887</u>	<u>\$ 3,187,049</u>	<u>\$38,926,513</u>	<u>\$23,087,607</u>	<u>\$42,479,400</u>	<u>\$26,274,656</u>

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

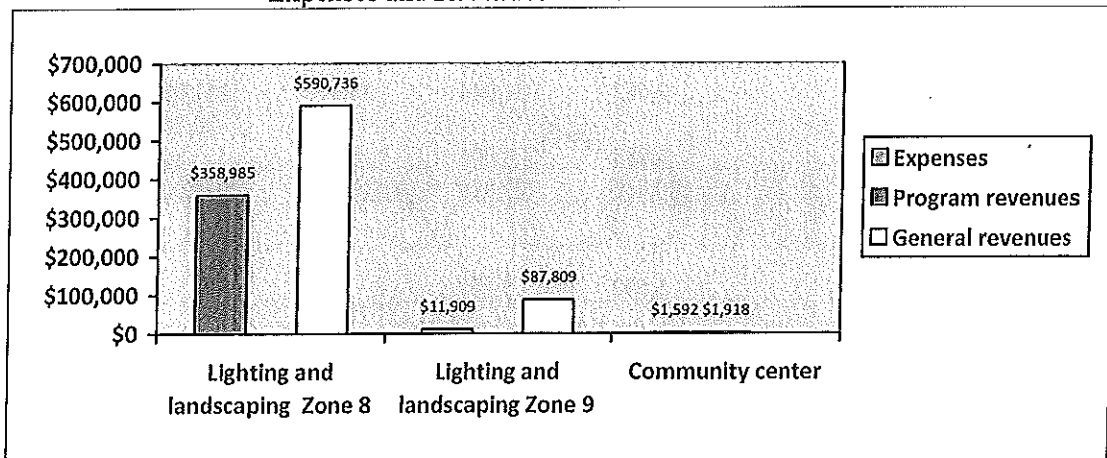
Financial Analysis of the Government-wide Financial Statements (Continued)

The \$82,970 increase in total net assets is attributed to each function as follows:

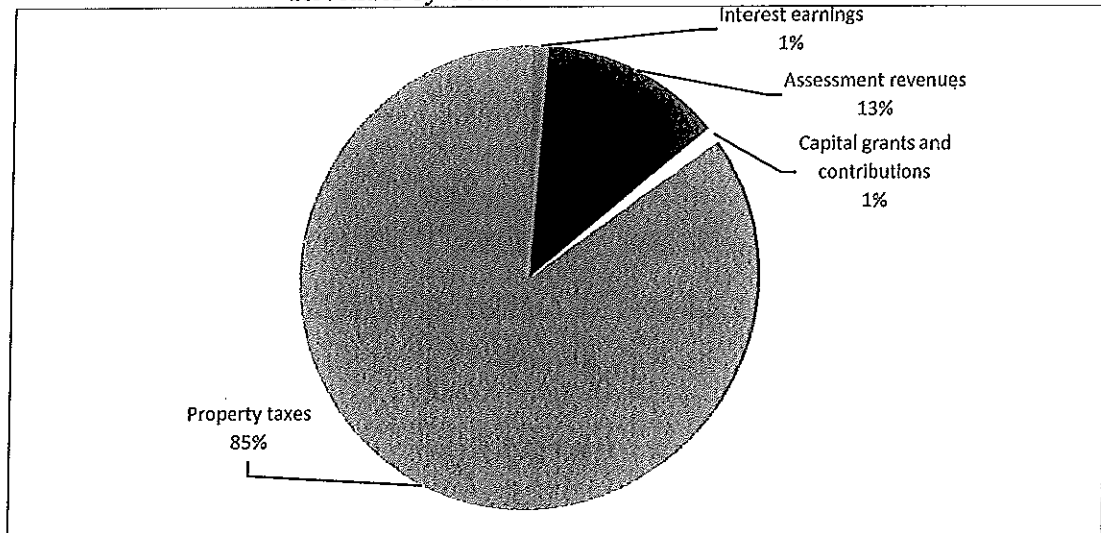
Governmental Activities

- Capital grants and contributions decreased by \$944 due to the District not receiving as many funds from developers for the future building of the community center.
- Investment revenue decreased by \$21,361 due to the significant decline in interest rates during fiscal year 2009.
- Costs for utilities decreased \$ 15,368 (13%).

Expenses and Revenues – Governmental Activities



Revenues by Source – Governmental Activities



(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

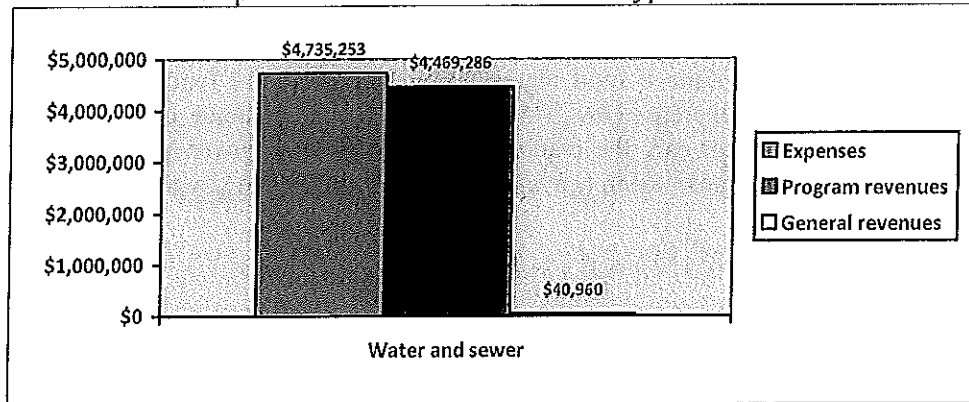
June 30, 2009

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

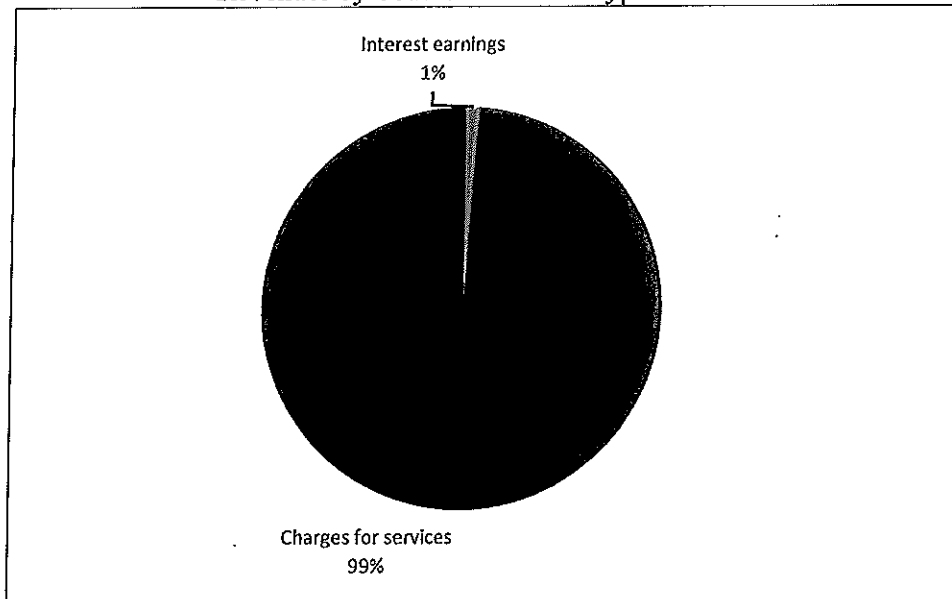
Business-type Activities

- Revenues from investment earnings decreased \$121,162 (77%) due to a decrease in interest rates during fiscal year 2009.
- Revenues from capacity fees decreased \$20,767 (100%) as a result of the decline in the real estate market. The District has charged less capacity fees from the developers due to this decrease in overall development.
- Expenses increased \$743,840 (19%) primarily due to higher repairs and maintenance, legal fees, and payroll costs.

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, 2009

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 *unreserved 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 \$293,617 primarily due to decreased expenditures. This resulted in a \$293,617 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 \$217,391, the fund balance of the Lighting and landscaping Zone 9 fund increased by \$75,901, and the fund balance of the community center fund increased by \$325. At year-end, the combined fund balance of governmental funds was \$2,505,185, consisting of unreserved funds, which is available for spending at the government's discretion.

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 assets of the proprietary funds increased by \$15,838,906 from \$23,087,607 to \$38,926,513. The net assets included \$6,350,520 in unrestricted net assets which has decreased by \$507,832 or 7% from the previous year. The decrease in unrestricted net assets is primarily due to an increase in operating expenses.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2009, the District's investment in capital assets amounted to \$33,623,695 (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, 2009

Capital Asset and Debt Administration (Continued)

The District's total investment in capital assets before depreciation increased by \$15,933,514 from \$17,690,181 to \$33,623,695. Significant additions to capital assets included:

- Well and pump station #6 (\$157,101)
- Wastewater treatment plant expansion (\$16,063,913)
- Vac-truck (\$256,379)

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)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 100,000	\$ 100,000	\$ 267,000	\$ 267,000	\$ 367,000	\$ 367,000
Buildings and improvements	1,450,270	1,392,409	257,150	244,433	1,707,420	1,636,842
Treatment and collection	-	-	28,626,402	12,462,330	28,626,402	12,462,330
Structure and improvements	-	-	6,151,426	6,149,786	6,151,426	6,149,786
Equipment	17,302	16,506	781,681	754,694	798,983	771,200
Office furniture and equipment	4,309	3,463	-	-	4,309	3,463
Vehicles	16,586	14,990	356,928	100,549	373,514	115,539
Construction in progress	5,976	-	157,101	-	163,077	-
Total	1,594,443	1,527,368	36,597,688	19,978,792	38,192,131	21,506,160
Less accumulated depreciation	(546,741)	(494,026)	(4,021,695)	(3,321,953)	(4,568,436)	(3,815,979)
Net capital assets	\$ 1,047,702	\$ 1,033,342	\$32,575,993	\$16,656,839	\$33,623,695	\$17,690,181

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

Economic Factors and Next Year's Budgets and Rates

Sewer and water rates will increase by the change in the consumer price index to keep pace with inflation. For fiscal year 2009-2010, these fees will increase 3%. During August 2009, the District approved the same established rate for Ravenswood Improvement District (L & L #9) for the fiscal year 2009-2010.

Residential development will continue, but at a much slower pace compared with the past several years, resulting in revenues from water and wastewater capacity fees that are lower than recent years.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

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.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Statement of Net Assets

June 30, 2009

	Governmental <u>activities</u>	Business-type <u>activities</u>	<u>Total</u>
Assets			
Cash and investments	\$ 2,511,872	\$ 6,530,987	\$ 9,042,859
Accounts receivable, net of allowance for doubtful accounts	-	195,087	195,087
Advances on taxes	1,192	832	2,024
Due from other funds	60	-	60
Inventory	13,761	-	13,761
Capital assets, net of accumulated depreciation	<u>1,047,702</u>	<u>32,575,993</u>	<u>33,623,695</u>
Total assets	<u>3,574,587</u>	<u>39,302,899</u>	<u>42,877,486</u>
Liabilities			
Accounts payable	21,026	343,974	365,000
Accrued payroll	533	14,032	14,565
Deferred revenue	-	16,988	16,988
Due to other funds	<u>141</u>	<u>1,392</u>	<u>1,533</u>
Total liabilities	<u>21,700</u>	<u>376,386</u>	<u>398,086</u>
Net Assets			
Invested in capital assets, net of related debt	1,047,702	32,575,993	33,623,695
Unrestricted	<u>2,505,185</u>	<u>6,350,520</u>	<u>8,855,705</u>
Total net assets	<u>\$ 3,552,887</u>	<u>\$ 38,926,513</u>	<u>\$ 42,479,400</u>

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

STATEMENT OF ACTIVITIES

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Statement of Activities

For the year ended June 30, 2009

		<u>Program revenues</u>		
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>
Governmental activities				
General government	\$ -	\$ -	\$ -	\$ -
Community center	1,592	-	-	1,814
Lighting and landscaping Zone 8	358,985	-	-	-
Lighting and landscaping Zone 9	<u>11,909</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>372,486</u>	<u>-</u>	<u>-</u>	<u>1,814</u>
Business-type activities				
Water and sewer	<u>4,735,253</u>	<u>4,469,286</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>4,735,253</u>	<u>4,469,286</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 5,107,739</u>	<u>\$ 4,469,286</u>	<u>\$ -</u>	<u>\$ 1,814</u>

General revenues

Taxes

 Property taxes

 Homeowners property tax relief

 Other

Assessments

Investment income

Other income

Total general revenues

Change in net assets

Contributed capital

Net assets, beginning of year

Net assets, end of year

Net (expense) revenue and changes in net assets

<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Totals</u>
\$ -	\$ -	\$ -
222	-	222
(358,985)	-	(358,985)
<u>(11,909)</u>	<u>-</u>	<u>(11,909)</u>
<u>(370,672)</u>	<u>-</u>	<u>(370,672)</u>
<u>-</u>	<u>(265,967)</u>	<u>(265,967)</u>
<u>-</u>	<u>(265,967)</u>	<u>(265,967)</u>
<u>(370,672)</u>	<u>(265,967)</u>	<u>(636,639)</u>
570,868	-	570,868
5,592	-	5,592
25	-	25
87,493	-	87,493
9,683	35,918	45,601
<u>4,988</u>	<u>5,042</u>	<u>10,030</u>
<u>678,649</u>	<u>40,960</u>	<u>719,609</u>
307,977	(225,007)	82,970
57,861	16,063,913	16,121,774
<u>3,187,049</u>	<u>23,087,607</u>	<u>26,274,656</u>
<u>\$ 3,552,887</u>	<u>\$ 38,926,513</u>	<u>\$ 42,479,400</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, 2009

		Special revenue funds			
	General fund	Community center	Lighting and landscaping Zone 8	Lighting and landscaping Zone 9	Total governmental funds
Assets					
Cash and investments	\$ -	\$ 535,854	\$ 1,731,389	\$ 244,630	\$ 2,511,873
Advances on taxes	-	-	1,191	-	1,191
Inventory	-	13,761	-	-	13,761
Due from other funds	-	-	60	-	60
	<u>-</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>60</u>
Total assets	<u>\$ -</u>	<u>\$ 549,615</u>	<u>\$ 1,732,640</u>	<u>\$ 244,630</u>	<u>\$ 2,526,885</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 19,033	\$ 1,993	\$ 21,026
Accrued payroll	-	-	533	-	533
Due to other funds	-	-	141	-	141
Total liabilities	<u>-</u>	<u>-</u>	<u>19,707</u>	<u>1,993</u>	<u>21,700</u>
Fund balances					
Undesignated	<u>-</u>	<u>549,615</u>	<u>1,712,933</u>	<u>242,637</u>	<u>2,505,185</u>
Total fund balances	<u>-</u>	<u>549,615</u>	<u>1,712,933</u>	<u>242,637</u>	<u>2,505,185</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 549,615</u>	<u>\$ 1,732,640</u>	<u>\$ 244,630</u>	<u>\$ 2,526,885</u>

Reconciliation to statement of net assets

Total governmental fund balances 2,505,185

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 1,047,702

Net assets of governmental activities \$ 3,552,887

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, 2009

	General fund	Community center	Special revenue funds		Total governmental funds
			Lighting and landscaping Zone 8	Lighting and landscaping Zone 9	
Revenues					
Property taxes	\$ -	\$ -	\$ 570,868	\$ -	\$ 570,868
Assessment income	-	-	-	87,493	87,493
Investment income	-	104	9,262	316	9,682
Homeowners property tax relief	-	-	5,592	-	5,592
Other	-	-	13,666	-	13,666
Contributions	-	1,814	-	-	1,814
Total revenues	-	1,918	599,388	87,809	689,115
Expenditures					
Repairs and maintenance	-	-	157,265	5,376	162,641
Utilities	-	-	100,192	-	100,192
Administration	-	-	24,504	-	24,504
Other	-	977	12,023	770	13,770
Professional fees	-	616	5,948	5,762	12,326
Capital outlay	-	-	82,065	-	82,065
Total expenditures	-	1,593	381,997	11,908	395,498
Excess (deficiency) of revenues over expenditures	-	325	217,391	75,901	293,617
Net change in fund balances	-	325	217,391	75,901	293,617
Fund balances, beginning of year	-	549,290	1,437,681	166,736	2,153,707
Contributed capital	-	-	57,861	-	57,861
Fund balances, end of year	\$ -	\$ 549,615	\$ 1,712,933	\$ 242,637	\$ 2,505,185

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

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

For the year ended June 30, 2009

Reconciliation to statement of activities

Net change in fund balances – governmental funds	\$ 293,617
Amounts reported for governmental activities in the statement of net assets 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	(60,585)
Governmental funds report capital outlays as expenditures while governmental activities record depreciation expense to allocate those expenditures over the life of the assets	82,065
Governmental funds recognize the entire proceeds from the sale of capital assets, but governmental activities reflect only the gain or loss on the sale of capital assets	<u>(7,120)</u>
Change in net assets of governmental activities	<u>\$ 307,977</u>

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

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Net Assets
Proprietary Fund**

June 30, 2009

Assets	<u>Water and sewer fund</u>
Current assets	
Cash and investments	\$ 6,530,987
Accounts receivable, net of allowance for doubtful accounts of \$34,427	195,087
Advances on taxes	<u>832</u>
Total current assets	<u>6,726,906</u>
Capital assets, net of accumulated depreciation	<u>32,575,993</u>
Total assets	<u>39,302,899</u>
 Liabilities and Net Assets 	
Current liabilities (payable from current assets)	
Accounts payable	343,974
Accrued payroll	14,032
Deferred revenue	16,988
Due to other funds	<u>1,392</u>
Total current liabilities	<u>376,386</u>
Total liabilities	<u>376,386</u>
Net Assets	
Invested in capital assets, net of related debt	32,575,993
Unrestricted	
Board designated	3,000,000
Undesignated	<u>3,350,520</u>
Total net assets	<u>\$ 38,926,513</u>

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

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Statement of Revenues, Expenses and Change in Net Assets
Proprietary Fund

June 30, 2009

	<u>Water and sewer fund</u>
Operating revenues	
Charges for services	\$ 4,373,412
Reimbursements	94,195
Other	5,042
Connection fees	<u>1,680</u>
Total operating revenues	<u>4,474,329</u>
Operating expenses	
Contract services	1,479,133
Repairs and maintenance	871,739
Depreciation	699,742
Utilities	676,929
Payroll	380,381
Miscellaneous	181,297
Professional fees	153,756
Insurance	63,429
Chemicals	62,588
Permits and fees	41,058
Directors' expenses	21,157
Supplies	14,428
Taxes and assessments	13,161
Telephone and communications	12,783
Memberships	8,451
Staff training	3,904
Public communication	<u>2,754</u>
Total operating expenses	<u>4,686,690</u>
Operating loss	<u>(212,361)</u>
Nonoperating revenues (expenses)	
Bad debt expense	(34,427)
Interest income	35,918
Debt service – interest	<u>(14,137)</u>
Total nonoperating revenues (expenses)	<u>(12,646)</u>
Change in net assets	(225,007)
Net assets, beginning of year	23,087,607
Contributed capital	<u>16,063,913</u>
Net assets, end of year	<u>\$ 38,926,513</u>

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

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Cash Flows
Proprietary Fund**

June 30, 2009

	<u>Water and sewer fund</u>
Cash flows from operating activities	
Receipts from customers	\$ 4,457,258
Payments to suppliers for goods and services	(3,527,305)
Payments to directors and employees	(398,454)
Receipts from other funds for services	<u>209</u>
Net cash provided by operating activities	<u>531,708</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(554,983)
Payments on long-term debt	(427,584)
Interest paid on long-term debt	<u>(14,751)</u>
Net cash used in capital and related financing activities	<u>(997,318)</u>
Cash flows from investing activities	
Interest income	<u>35,918</u>
Net cash provided by investing activities	<u>35,918</u>
Net decrease in cash and cash equivalents	(429,692)
Cash and cash equivalents, beginning of year	<u>6,960,679</u>
Cash and cash equivalents, end of year	<u>\$ 6,530,987</u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (212,361)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	699,742
Change in assets and liabilities	
Accounts receivable	(17,022)
Accounts payable	85,105
Accrued payroll	3,084
Regional Water Quality Control Board liability	(27,000)
Deferred revenue	(49)
Due to other funds	<u>209</u>
Net cash provided by operating activities	<u>\$ 531,708</u>

Noncash investing, capital and financing activities:

The Water and Sewer Fund received \$16,063,913 noncash capital contributions from developers consisting of water and sewer infrastructure.

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

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

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, street lights 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.

Government-wide financial statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. 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 Financial Statements

June 30, 2009

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 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 proprietary 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.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

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:

<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 community lighting and landscape features in Zone 8.
Lighting and landscaping Zone 9	Accounts for revenues and expenditures related to operation and maintenance of landscaping, parks, street lights 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 and Sewer Fund	Accounts for the activities of providing water and wastewater 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.

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. 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.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

Measurement focus

In the government-wide Statement of Net Assets 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 assets (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 assets.

Basis of accounting

In the government-wide Statement of Net Assets and Statement of Activities both governmental and business-like activities are presented using 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. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.”

Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

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, cash equivalents and investments

For the purpose of financial reporting “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. This also includes short term commercial paper and U.S. Agency bonds.

Investments are stated at cost, which approximates fair value.

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.

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

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.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. 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 balance sheet 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.

Structures and improvements	5-50 years
Equipment	5-25 years
Vehicles	5 years

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

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.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

Equity classification

Equity in the government-wide statements is classified as net assets and displayed in three components as follows:

- a. Invested in capital assets, net of related debt – 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 net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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.

Governmental fund equity in the fund financial statements is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statement.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Assets 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.
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 Assets, 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, 2008, assessed July 1, 2008 and were payable in two installments on December 10, 2008 and April 10, 2009. The County of Contra Costa bills and collects property taxes on behalf of the District.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

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 \$18,219,313 of noncash capital contributions from developers consisting of water and sewer infrastructure. This includes \$16,063,913 received during the fiscal year ended June 30, 2009.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

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.

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.

Note B – Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 9,042,859
Total cash and investments	\$ 9,042,859

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note B – Cash and Investments (Continued)

Cash and investments as of June 30, 2009 consist of the following:

Deposits with financial institutions	\$	547,591
Contra Costa County Treasurer		3,934,853
Investments		<u>4,560,415</u>
	\$	<u>9,042,859</u>

<u>Investment Type</u>	<u>Carrying value</u>	<u>Fair value</u>
U.S. Agencies – Bonds	\$ 4,554,000	\$ 4,554,000
Certificate of Deposit	<u>6,415</u>	<u>6,415</u>
	<u>\$ 4,560,415</u>	<u>\$ 4,560,415</u>

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 assets 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.

The Government Code and the District's Investment Policy allow investments in the following instruments:

<u>Investment Type</u>	<u>Maximum Maturity</u>	<u>Authorized Limit%</u>	<u>Required Rating</u>
Local Agency Bonds	N/A	None	None
U.S. Treasury Bills, Notes or Bonds	N/A	None	None
State Registered Warrants, Notes, or Bonds	N/A	None	None
Notes and bonds of other Local California Agencies including pooled investment accounts	N/A	None	None
U.S. Agencies	N/A	None	None
Bankers Acceptances	270 days	40%	None
Prime Commercial Paper	180 days	15% or 30%	A1/P1
Negotiable Certificates of Deposit	N/A	30%	None
Repurchase and Reverse Repurchase Agreements	N/A	None/20%	None

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note B – Cash and Investments (Continued)

<u>Investment Type</u>	<u>Maximum Maturity</u>	<u>Authorized Limit%</u>	<u>Required Rating</u>
Medium Term Corporate Notes	5 years	30%	A
Money Market Mutual Funds	N/A	15%	2-AAA
Collateralized Bank Deposits	N/A	None	None
Mortgage Pass-Through Securities	5 years	30%	AA
Funds held under the Terms of a Trust Indenture or other contract	*	*	*

*Such funds may be invested according to the provisions of those indentures or agreements.

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.

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>Totals</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>
U.S. Agencies – Bonds	\$ 4,554,000	\$ 4,554,000	\$ -	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	<u>6,415</u>	<u>6,415</u>	-	-	-	-	-
Total	<u>\$ 4,560,415</u>	<u>\$ 4,560,415</u>	<u>\$ -</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.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note B – Cash and Investments (Continued)

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>				<u>As of Investment</u>
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>	
U.S. Agencies-- Bonds	\$4,554,000	N/A	\$ -	\$4,554,000	\$ -	\$ -	\$ -	99%
Certificate of Deposit	<u>6,415</u>	<u>N/A</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,415</u>	<u>1%</u>
Total	<u>\$4,560,415</u>	<u>N/A</u>	<u>\$ -</u>	<u>\$4,554,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,415</u>	<u>100%</u>

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 market 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.

Deposits with financial institutions and Contra Costa County Treasurer

Cash on deposit in commercial accounts is insured by the FDIC. 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 in the Pool.

Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. The value of the District shares in the Pool, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the District's position in the Pool. The District's investment in the Pool is unrated, stated at cost which approximates fair value, available upon demand and considered cash equivalents.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note C – 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, 2009 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
Community Center	\$ -	\$ -
Lighting and landscaping Zone 8 Fund	1,533	141
Lighting and landscaping Zone 9 Fund	-	-
Major Proprietary Fund		
Water and Sewer Fund	-	1,392
 Total interfund transfers	 \$ 1,533	 \$ 1,533

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 Community Center Special Revenue Fund.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note D – Capital Assets

Capital asset activity for the year ended June 30, 2009, is as follows:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2009</u>
Governmental activities					
Nondepreciable capital assets					
Land	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Construction in progress	<u>-</u>	<u>5,976</u>	<u>-</u>	<u>-</u>	<u>5,976</u>
Total nondepreciable capital assets	<u>100,000</u>	<u>5,976</u>	<u>-</u>	<u>-</u>	<u>105,976</u>
Depreciable capital assets					
Equipment	16,506	796	-	-	17,302
Buildings and improvements	1,392,409	57,861	-	-	1,450,270
Office furniture and equipment	3,463	846	-	-	4,309
Vehicles	<u>14,990</u>	<u>16,586</u>	<u>(14,990)</u>	<u>-</u>	<u>16,586</u>
Total depreciable capital assets	1,427,368	76,089	(14,990)	-	1,488,467
Less accumulated depreciation	<u>(494,026)</u>	<u>(60,585)</u>	<u>7,870</u>	<u>-</u>	<u>(546,741)</u>
Net depreciable capital assets	<u>933,342</u>	<u>15,504</u>	<u>(7,120)</u>	<u>-</u>	<u>941,726</u>
Net capital assets	<u>\$ 1,033,342</u>	<u>\$ 21,480</u>	<u>\$ (7,120)</u>	<u>\$ -</u>	<u>\$ 1,047,702</u>
Business-type activities					
Nondepreciable capital assets					
Land	\$ 267,000	\$ -	\$ -	\$ -	\$ 267,000
Construction in progress	<u>-</u>	<u>157,101</u>	<u>-</u>	<u>-</u>	<u>157,101</u>
Total nondepreciable capital assets	<u>267,000</u>	<u>157,101</u>	<u>-</u>	<u>-</u>	<u>424,101</u>

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note D – Capital Assets (Continued)

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2009</u>
Depreciable capital assets					
Buildings and improvements	244,433	12,717	-	-	257,150
Treatment and collection	12,462,330	16,164,072	-	-	28,626,402
Structures and improvements	6,149,786	1,640	-	-	6,151,426
Equipment	754,694	26,987	-	-	781,681
Vehicles	<u>100,549</u>	<u>256,379</u>	-	-	<u>356,928</u>
Total depreciable capital assets	19,711,792	16,461,795	-	-	36,173,587
Less accumulated depreciation	<u>(3,321,953)</u>	<u>(699,742)</u>	-	-	<u>(4,021,695)</u>
Net depreciable capital assets	<u>16,389,839</u>	<u>15,762,053</u>	-	-	<u>32,151,892</u>
Net capital assets	<u>\$ 16,656,839</u>	<u>\$ 15,919,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,575,993</u>

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	\$ <u>60,585</u>
Total depreciation expense – Governmental activities	\$ <u>60,585</u>

Business-type activities:

Water and sewer	\$ <u>699,742</u>
Total depreciation expense – Business-type activities	\$ <u>699,742</u>

Note E – Long-Term Liabilities

Long-term liabilities outstanding as of June 30, 2009 consist of the following:

	<u>Interest</u> <u>rate</u>	<u>Maturity date</u>	<u>Amounts</u> <u>authorized</u> <u>and issued</u>	<u>Outstanding</u>	<u>Due within</u> <u>one year</u>
Note payable – Municipal Finance Corporation	3.45%	June 15, 2009	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note E -- Long-Term Liabilities (Continued)

The following is a summary of long-term liability issuances and transactions during the year ended June 30, 2009:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>
Note payable -- Municipal Finance Corporation	\$ 427,584	\$ _____ -	\$ 427,584	\$ _____ -

Note payable -- Municipal Finance Corporation

On June 9, 2004, the District entered into an installment agreement with Municipal Finance Corporation for the acquisition and construction of a discharge pipeline and biosolids building. The note is payable in annual principal and interest installments of \$442,336 and is secured by capital assets. All District revenues received by the Water and Sewer Fund are pledged for the repayment of this obligation. The note was paid off during June 2009.

Note F -- Joint Venture (Joint Powers Agreement)

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.

In order to insure for risks of loss, the District participates in a joint venture under a joint powers agreement with the Special Districts Risk Management Authority (SDRMA). The relationship between the District and the SDRMA is such that the SDRMA is not a component unit of the District for financial reporting purposes.

The SDRMA arranges for and provides property, liability and worker's compensation coverage for its member districts. The Town of Discovery Bay Community Services District participates in all programs.

Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the SDRMA. The District's share of surpluses and deficits cannot be determined, although District management does not expect such amounts, if any, to be material in relation to the financial statements.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note F – Joint Venture (Joint Powers Agreement) (Continued)

The District is covered by the following types of insurance through the SDRMA as of June 30, 2009:

<u>Coverage</u>	<u>Limits of liability</u>
General liability	\$ 5,000,000
Public officials and employees errors	5,000,000
Personal liability coverage for board members	500,000
Employment practices liability	5,000,000
Employee benefits liability	5,000,000
Employee dishonesty coverage	400,000
Auto liability	5,000,000
Uninsured/underinsured motorists	750,000
Property coverage	1,000,000,000
Boiler and machinery	100,000,000
Statutory workers' compensation	Statutory

Note G – 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, 2009, the members of the District's Board of Directors were as follows:

<u>Trustee</u>	<u>Term expires</u>
Dave Dove	December 2010
Ray Tetreault	December 2012
Shannon Murphy-Teixeira	December 2010
David Piepho	December 2010
Mark Simon	December 2012

Note H – 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.



Town of Discovery Bay CSD AGENDA REPORT

Meeting Date

January 5, 2011

Prepared By: Rick Howard, General Manager
Submitted By: Rick Howard, General Manager *RH/CMA*

Agenda Title

Appointment of Board Members to District Representative Committee Positions

Recommended Action

It is recommended that the Board appoint District Representatives to Committee positions for 2011.

Executive Summary

Each year, the Board of Directors makes appointments for District Representatives. These appointees serve the District on a wide variety of committees and other agencies and report back to the entire board on their findings.

At this time, there are twelve (12) positions to be appointed as the Primary representative and an additional twelve (12) positions to be assigned alternates.

It is appropriate to make the Representative appointments in a timely manner.

Fiscal Impact:

Amount Requested \$

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

Attachments

District Representative Listing for 2010

AGENDA ITEM: F-1

Town of Discovery Bay CSD Board of Directors
District Representative Listing for 2010*
 Approved / Updated at March 3, 2010 Board Meeting

DISTRICT REPRESENTATIVE			
	Director Appointed	Alternate	
Community Center	David Piepho	Ray Tetreault	
Contra Costa County Aviation Advisory Committee	Kevin Graves	Brian Dawson	
Contra Costa County Code Enforcement	David Piepho	Mark Simon	
Contra Costa Special Districts Association	David Piepho	Kevin Graves	
East Contra Costa County Fire Protection District	Ray Tetreault	Mark Simon	
East County Water Management Agency	Board President	Board Vice President	
LAFCo	Mark Simon	Ray Tetreault	
Parks/Landscaping	Mark Simon	David Piepho	
Police Services	Ray Tetreault	Brian Dawson	
School Districts	David Piepho	Brian Dawson	
Transportation	David Piepho	Kevin Graves	
Water & Sewer Vendor	Ray Tetreault	Kevin Graves	

* Adoption of this Listing constitutes approval of the Board for attendance at meetings and representation of the Town of Discovery Bay, by the designated representative (or in that representative's absence, the alternate) concerning the subject for which the appointment is made but does not address the issue of whether such attendance may be compensated or whether expenses may be paid for such attendance, as those issues are addressed by law and by separate policy of the Board.

SCOPE OF FUNCTIONS

Community Center: This involves meetings with public officials, public employees, Town staff and developers concerning issues involving the location of the Community Center.

Contra Costa County Aviation Advisory: This involves attending meetings of this committee to discuss airport operations and activities.

Contra Costa County Code Enforcement: This involves meeting with public officials, public employees and community groups covering issues of code enforcement in, or affecting, the Town.

Contra Costa Special Districts Association. This involves attending meeting of the Contra Costa Special Districts Association.

Contra Costa County Fire Protection District. This involves attending meetings of the East Contra Costa County Fire Protection District, and meeting with public officials, public employees and community groups concerning issues of fire protection in, or affecting, the Town.

East County Water Management Association. This involves attending meetings of this association, made up of representatives of local water and wastewater agencies to discuss, and exchange, information pertaining to water and wastewater operations.

LAFCO: This involves attending meetings of LAFCO when an issue affecting the Town is before LAFCO.

Parks/Landscaping. This involves meeting with contractors, public officials, public employees, Town staff, and community groups concerning issues involving the Town's parks and/or landscaping.

Police Services. This involves meeting with public officials, public employees and community groups covering issues of police services in, or affecting, the Town.

School Districts. This involves attending meetings of the School Districts, and meeting with public officials, public employees or community groups concerning issues affecting the relationship between the Town and the Town's residents and School Districts whose area involves any portion of the Town.

Transportation. This involves attending meetings with public officials, public employees, and community groups concerning transportation issues affecting the residents of the Town.

Water and Sewer Vendor. This involves meeting with contractors, public officials, public employees, Town Staff, and Community groups concerning issues involving the Town's Water and Sewer contractor(s).



Town of Discovery Bay CSD

AGENDA REPORT

Meeting Date

January 5, 2011

Prepared By: Rick Howard, General Manager
Submitted By: Rick Howard, General Manager *RH/CAF*

Agenda Title

Recommendation to Negotiate a Five (5) Year Services Contract with Veolia Water NA to provide Water and Wastewater Services to the Town of Discovery Bay CSD.

Recommended Action

It is recommended that the Board of Directors:

1. Direct staff to negotiate a contract with Veolia Water NA for a period of Five (5) Years to operate the Town of Discovery Bay CSD's Water and Wastewater facilities; and
2. If a contract cannot be negotiated with Veolia Water NA that staff be directed to negotiate a contract with CH2M Hill for the subject services.

Executive Summary

On January 1, 2009 Veolia Water NA assumed operational control under a two (2) year emergency services contract to manage and operate the District's Water and Wastewater facilities, and all appurtenant infrastructure. That contract was set to expire on December 31, 2010. However, by Board action on December 15, 2010 that contract was extended on a month to month basis until such time as a new contract could be finalized.

On September 9, 2010 RFP 2010-01 (Attachment 1) was distributed to eight (8) potential vendors (Attachment 2). Three subsequent Addendums (Attachment 3) were also distributed to those on the vendor list. Site walks for vendors took place during late September and early October. On November 1, 2010, proposals were received from the following five firms: PERC Water, Severn Trent, Hydro Science, CH2M Hill and Veolia Water NA.

A RFP proposal committee consisting of President Graves, Director Tetreault, General Manager Howard, Water and Wastewater Manager Koehne, District Wastewater Engineer Gregory Harris of HERWIT, Inc, and resident Lee Doty reviewed the proposals. After an initial review of all proposal submitted, the list of potential vendors was narrowed to two (2) firms; CH2M Hill and Veolia Water (Attachment 4).

After an extremely thorough vetting of the two (2) remaining firms, the Committee selected Veolia Water NA for recommendation to the Board of Directors for a five (5) year contract.

Continued...

Fiscal Impact:

Amount Requested \$None at this time. However, a contract with all associated costs will be brought back to the Board when a contract is finalized.

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

Attachments

1. RFP; 2. Vendor List; 3. Addendums; 4. Veolia Water Proposal Materials

AGENDA ITEM: F-2

Recommendation to negotiate a Five (5) Year Services Contract with Veolia Water NA to provide Water and Wastewater Services to the Town of Discovery Bay CSD.

Page Two

Discussion

The RFP Review Committee met on three (3) separate occasions, conducted two (2) series of interviews with the short listed firms, visited vendor locations, and spent considerable time evaluating and discussing the merits of both firms and their potential benefits to Discovery Bay.

Both firms submitted excellent proposals, and both offered a different method of service delivery to the District. On November 22, 2010 both firms were invited to address the committee, make a presentation, and respond to a series of questions. The committee also visited properties managed by each firm. On Monday, November 29, 2010 four (4) members of the Committee visited a CH2M Hill property in Auburn, CA and a Veolia Water property in Rio Vista, CA. The properties were well maintained, the staff was professional, and the overall feeling of the committee was generally positive for each property.

On December 14, 2010 the committee again met with each firm. The vendors responded to additional questions and addressed specific concerns the Committee had regarding particular portions of their proposals. These final meetings of the Committee helped the Committee find clarification and better understand the proposals prior to making their final recommendation for Board consideration.

CH2M Hill

CH2M Hill is a fairly large and well known engineering firm based in Colorado. With over 23,000 employees worldwide, their market consists of numerous planning, engineering, business, and maintenance and operational contracts worldwide. Their proposal was technically well thought out, addressed many of our concerns, and pledged a very strong working partnership based upon ongoing long standing relationships with existing clients.

CH2M Hill currently operates water and/or wastewater facilities in Gilroy, Auburn, Clovis, Turlock and Twin Oaks, California, as well as other facilities in Oregon, Arizona and Washington. Their California contingency consists of 49 employees available to come to the aid of Discovery Bay in the event of an emergency or other type of mutual aid call out.

CH2M Hill's proposed project team consisted of seven (7) full time employees, including a Project Manager, one (1) Lead Operator, two (2) Operators, one (1) Maintenance Mechanic and two (2) Distribution and Collection Operators. Additional support would be provided by a "back of office" network maintained by their over 20 years of service delivery within California. Of particular interest and one that was favorably looked at by the Committee was their work load distribution and staffing schedule which included a seven-day-a-week staffed operation (versus a five day/week operation) that provides onsite coverage on a daily basis. Their pricing package was competitive at \$1,083,000 annually and it was set for the five (5) year term of the agreement (not including annual escalators).

The entire Committee believed that CH2M Hill is an excellent firm that is fully capable of performing the tasks as required by the Town of Discovery Bay CSD and as identified in the RFP and its addendum's.

Veolia Water NA

Veolia Water NA is a subsidiary of Veolia Environmental, a large well established international firm based in France. They provide water, wastewater, energy and transportation solutions for their clients. Veolia Environmental employs over 28,000 workers in North America, many of them within the Veolia Water NA division. Veolia Water has been providing water and wastewater services to the Town of Discovery Bay CSD since January 1, 2009.

In addition to Discovery Bay, Veolia presently operates Water and / or Wastewater operations throughout California. They provide services in Richmond, Novato, Rio Vista, Burlingame, Hollister, Atwater, Diablo Grande – Patterson, Lathrop, Arvin, Rialto, Palm Springs, and one (1) federal, one (1) state and one (1) Indian Nation.

Recommendation to negotiate a Five (5) Year Services Contract with Veolia Water NA to provide Water and Wastewater Services to the Town of Discovery Bay CSD.

Page Three

Veolia's proposal was technically sound, identified specific methods of service delivery that would provide improved efficiencies to the District, and identified a final staffing plan consisting of eight (8) full time employees. The staffing plan includes a Project Manager, one (1) Administrative Assistant, one (1) Assistant Project Manager, two (2) Operations and Maintenance Technicians, One (1) Maintenance Lead, one (1) Maintenance Mechanic, and one (1) Instrumentation and Controls Technician.

Wastewater treatment plants, as determined by their complexity, size, and type of discharger, are rated on a scale between I and V. In Discovery Bay, the plant is currently rated at a Level, or Grade II facility. As a result of the recent upgrades to our facility, specifically with the UV Trojan 3000 Plus system, it is staff's belief that the existing facility will rise to that of a Level III.

One of the requirements of the RFP required that an individual with Grade Level III qualifications serve as the Project Manager. During the course of discussions between the Committee, and also with Veolia staff, it became apparent that the existing Project Manager does not possess a Grade III certification. While he does possess this qualification, and many others in different states, he does not currently possess a California Grade III certification. As a consequence, Veolia does recommend one significant staffing change. The current Project Manager will be replaced by Veolia with an individual who will meet the Grade Level III requirement of the RFP.

While their pricing proposal, at \$1,148,000 annually, is \$65,000 more than that of CH2M Hill, it should be noted that they offer one additional full time employee. In addition, the proposed staffing plan allows for the opportunity to significantly reduce other contractual expenses that will likely result in significant savings to the District. Veolia's initial cost proposal was \$1,272,813. However, after meeting with the Committee and discussing the project in additional depth, Veolia submitted their revised cost proposal as a part of their Best and Final Offer.

One of the key characteristics of the staffing plan provides for an Instrumentation and Controls Technician (I&CTech). This new position is integral to the ongoing maintenance and upgrade of the SCADA system. The I & C Tech will be responsible for the day-to-day oversight of the SCADA system and all relevant equipment that relies on SCADA, providing onsite monitoring, service and maintenance. Presently, those services are provided by an on-call consultant. While the on-call consultant will not entirely be eliminated, the work performed by this new position should result in significant savings to the District.

During the time that Veolia has been providing water and wastewater services to the District, they have invested a significant amount of back-office staff time and resources to ensuring that the monthly Self Monitoring Reports comply with the State Water Board requirements relative to the electronic Self Monitoring Reports, or eSMR's. The eSMR's have nearly reached the point where we no longer have the need to submit the SMR's as well. Furthermore, Veolia's ongoing efforts at enhancing the Computerized Maintenance Management System (CMMS) are also a plus at this time. They have recently rolled out a new GIS based system, INFOCOMM, to monitor and evaluate the collection system. Veolia's corporate size provides them with certain economies of scale that allow them to share their knowledge and pertinent software packages with the District.

The proximity of other Veolia properties within our region, and the availability of those staff, provides a network of support that is available when needed. This sharing of resources can be a very beneficial asset for a small organization such as Discovery Bay. The ability to utilize assets in a Mutual Aid environment are important and a benefit in times of urgency.

Based upon Veolia's ongoing knowledge of the existing operations, their strong back office support, and the fact that they have made significant inroads into improving and updating our system, the RFP Review Committee recommended Veolia to continue the work they have started.

Staff recommends that the Board of Directors direct staff to negotiate a contract with Veolia Water NA for a new five (5) year contract to provide water and wastewater services to the Town of Discovery Bay CSD.

In the event an agreement with Veolia is not possible, staff recommends the Board provide direction to negotiate a contract with CH2M Hill for the same services.

REQUEST FOR PROPOSALS (RFP)

FOR

WATER & WASTEWATER SYSTEMS OPERATIONS

As Requested by

**THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT,
DISCOVERY BAY, CALIFORNIA**

RFP No. 10-01

RFP SUBMITTAL DUE DATE: October 15, 2010

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1. INTRODUCTION; BACKGROUND

1.1 Introduction

The Town of Discovery Bay CSD (the "Town") is seeking qualified firms (the "Contractor") to operate and manage the Town's water and wastewater systems. Such management shall comprise of operation of both systems including management of subcontracts. Services shall include, but not be limited to, general management of operations, maintenance, minor equipment repair and replacement (on behalf of and in cooperation with the Town), assisting the Town with upgrades and expansion projects, and related support functions such as Computer Maintenance and Management Systems (CMMS) and Supervisory Control and Data Acquisition (SCADA).

1.2 Background

Up and Until 1998, wastewater and water services to Towns residents were provided by Delta Diablo Sanitary Town, under a contract with Contra Costa County. In 1998 the Discovery Bay Community Services Town was formed and elected to obtain RFP's for wastewater and water Operation's "O&M" of which ECO Resources, Inc., was selected to be the Town's choice for these contract services. In December of 2008 SouthWest Water, formally ECO Resources, gave the Town notice to cancel their remaining multi-year O&M contract so the Town immediately contracted with Veolia Water under a short-term 2-year contract for these same services, which expires December 31, 2010.

The Town oversees management of all water and wastewater issues for the Town of Discovery Bay. The Town's Water & Wastewater Manager is responsible for contract management with the Contractor and serves as a liaison among the Town and Contractor.

1.3 Water System

The water system comprises of 5 groundwater wells ranging in depth from approximately 200 feet to 500 feet, which is then piped to 2 water treatment facilities, that are designed to remove iron and manganese and the treated water is then stored in large glass-lined, bolted steel water storage tanks at these two sites.

The raw-water transmission lines and a large majority of the distribution lines are polyvinyl chloride ("PVC") pipe. Ductile iron and asbestos concrete pipe also provide a portion of the total transmission and distribution systems. The oldest lines in the Town were installed in the mid 1970's, but most were installed between 1985 and the present. The total length of transmission and distribution lines is approximately 50 miles. As of year-end 2009, 6 glassed-lined bolted-steel storage and surge tanks were in service, with a total storage capacity of 2.5-million gallons. The storage tanks and water treatment facilities were built in 2002. The water system is totally dependent on ground water. Annual amounts of water pumped totaled approximately 1.2 billion gallons in 2005, 1.1 billion gallons in 2006, 1.3 billion gallons in 2007, 1.3 billion gallons in 2008 and 1.0 billion gallons in 2009. At year-end 2009, approximately 5,800 customers were served by the water system. The Town is responsible for all water mains up to and including the water meter box for all customers.

1.4 Wastewater Treatment System

The Wastewater System was constructed over the same approximate time period as the Water System. This system includes approximately 50-miles of collection, and force mains ranging in size from 6-15 inches in diameter, a majority of them are 8-inch, 15 active lift stations and 2

secondary treatment plants. Our current NPDES permit allows the Town to process up to 2.1 million gallons per day (average). Effluent is discharged into "Old River" under a federal Environmental Protection Agency NPDES discharge permit, and sludge produced from wastewater treatment is placed into a "Thermo-System" (greenhouse like environment) to dry to (75-80% solids) then stored for land application. The Town does not have any reclaimed uses at this moment. In 2009, the wastewater system served approximately 14,000 residents. The Town is responsible for all sewer mains up to the "Y" connection for the sewer laterals.

1.5 Current and Future Challenges

The Town of Discovery Bay is a unique "bedroom" community, where most residents have a boat-dock in their back yard and the Town has very little commercial and no industrial establishments. The Town has experienced rapid growth during 2000-2008 years and that has since come to an abrupt stop for now. Although ongoing planning continues, no real new residential construction or any other type of construction is planned for the next year. The Town has recently hired two Engineering firms, one to produce a Wastewater Master Plan and the other engineering firm to produce a Water Master Plan, which is anticipated to be used as a guide to enhance operations and expand these facilities during the next ten years.

It is anticipated that some minor and major water and wastewater related facilities will be built during the contract period that will require Contractor's certified personnel to interface with design engineers and construction contractors, and operate the system expansions. The Town expects the successful Contractor will contribute to the formulation and analysis of potential solutions to every new challenge that the Town faces during the contract period, in true partnership.

The Town's population is approximately 14,000, up from about 9,000 residents in 2000. If the anticipated growth continues Discovery Bay is anticipated to have about 17,000 residents by 2015.

A number of technical issues have challenged and will continue to challenge the Town, in assuring the public and the regulatory agencies that the Town is proactively complying with environmental standards. Federal and State standards for limiting Salinity will have a serious impact on the Town's water and wastewater systems in the next couple of years, so the Town has recently started a "Salinity Study" to determine its sources and possible solutions.

The challenges before the Town are perceived as opportunities for innovation, and this Request for Proposals is intended as an opportunity for Contractors to provide the Town with a broad range of suggestions and alternatives in executing the scope of work described in the following section.

2. PROPOSALS REQUIREMENTS AND SUBMISSION INSTRUCTIONS TO CONTRACTORS

- 2.1 Due Date.** Proposal due date: **October 15, 2010, at 2:00 p.m.** local time. Proposals for the project shall be received by the Town's Office, Town of Discovery Bay CSD, 1800 Willow Lake Rd, Discovery Bay, CA 94505, before the above date and time.
- 2.2 Cost Proposals.** Separate costs proposal shall be provided for the following service options. The proposals shall clearly delineate the costs to operate the facilities for either of the listed options:
- 1) Operations of all of the Wastewater collection and treatment facilities combined with all of the water systems and distribution facilities managed under a single

- contract.
- 2) Operations of all of the wastewater collection and treatment facilities only managed under a single contract.

2.3 Number of Copies. Submit 1 Original and 5 hard copies of your proposal in a sealed envelope or container. Submit 1 electronic PDF version of your proposal on CD or thumb drive with your proposal.

2.4 Sealed package. Technical Proposals must be submitted in a sealed package or envelope listing the following information on the outside:

**RFP Title:
Discovery Bay Water & Wastewater Systems Operations
RFP 10-01**

2.5 Background Information. The following background information shall be obtained and reviewed by all proposers. This information is available as electronic PDF files from the Town. Acknowledgement of receipt and review of this information is required as part of the bid proposal.

- 1) Map of Town Boundary
- 2) NPDES Permit
- 3) Water Treatment Plant Permit
- 4) O&M Manual for WWTP No. 1 and No. 2

2.5.1 Site Visit. A site visit to walk through the facilities, which is mandatory for all proposers. Site visits will be held on the following dates. All attendees must sign in and have their own means of transportation to tour the Town.

Date: September 7th, and September 16th, 2010
Time: Wastewater 8:30 am to 12:30 pm
Water 1:30 pm to 4:30 pm

2.6 Point of Contact. This Request for Proposals (RFP) is issued by the Town of Discovery Bay CSD (the "Town"), which is the sole point of contact during the procurement process. Communications initiated by respondents to this RFP (the "Contractor") with members of the CSD Governing Body, employees of incumbent contractor or Town personnel, other than as coordinated by the Point of Contact, shall be grounds for Contractor disqualification. Any inquiries or requests during this procurement shall be submitted to the following Point of Contact in writing:

Town of Discovery Bay CSD
Attention: Virgil Koehne, Water & Wastewater Manager
1800 Willow Lake Rd
Discovery Bay, CA 94505
(925) 634-1131 or 634-5428
vkoehne@todb.ca.gov

3. TERM/CONTRACT

The proposed contract shall have a five (5) year primary term with additional years of service

to be negotiated up to a maximum term allowed by the Town's procurement code. The Term of the contract shall begin January 1, 2011 at 12:01 am. Seven working days prior to the start date, the Contractor shall have personnel shadow the current plant staff to become familiar with daily operations of the facility. Notification of selection of the Contractor will be given by November 08th, 2010. Contracting is expected to be completed by December 01st.

A copy of a sample contract is attached hereto as Exhibit A. Contractors are expected to review the document and provide any exceptions taken to the terms and conditions therein as part of their offer to the Town. More information is provided below in Section 5.

4. SCOPE OF WORK

The following scope is meant to be a representative example. Where there are discrepancies between the scope below and that described in Exhibit A attached hereto, it should generally be assumed that the following scope shall apply. Notwithstanding the foregoing, the final scope shall be negotiated and finalized between the Town and chosen Contractor.

4.1 General

- 4.1.1 Contractor shall operate, maintain and monitor the Project on a 24-hour per day, seven-day per week schedule, using the Town's existing alarm system (SCADA) to notify operators of need for immediate attention. The alarm system automatically forwards notice of emergency until response is made.
- 4.1.2 Contractor shall provide an emergency telephone number to the public, the Town and other as-needed local agencies for after hours contact to on-call personnel, to ensure prompt handling of any problem. On-call personnel shall respond within one (1) hour of all calls for incidents that cannot be resolved over the phone.
- 4.1.3 Contractor's business office shall be open, at a minimum, during the same hours and on the same business days as those observed by the Town, or as mutually agreed upon to reflect local custom and practice.
- 4.1.4 Contractor shall be responsible for all Maintenance and minor Repairs for the Project. Contractor shall purchase materials and services necessary to perform the scope of work directly or through the Town's purchasing system.
- 4.1.5 Note: "Minor Repairs" means, any repair's costing less than \$500 per repair, replacement of belts, lubrication, removal of pumps to de-rag, replacement of chemical pumps purchased by the Town, various electrical services, etc. Contractor shall be responsible for all repairs, regardless of cost, for contractor's negligence, or lack of maintenance performed on Town owned equipment.
- 4.1.6 The Town will pay for all power costs and all chemical costs for all facilities. Contractor shall operate facilities in an energy and chemically efficient manner.
- 4.1.7 Contractor shall maintain all facilities with a neat and clean appearance. All weeds and trash shall be regularly removed from all sites and equipment, tools, and Town assets properly stored.
- 4.1.8 Contractor shall maintain and continuously update the Town's Computer Maintenance Management System (CMMS). The current system is Jobs Plus.

- 4.1.9 Contractor shall maintain and continuously update the Town's collection and distribution system GIS system. The system current GIS system is through ICOMMM.
- 4.1.10 Contractor shall provide its own staff communication system and vehicles to complete work within the Town.
- 4.1.11 Contractor shall provide its own computers and software for plant operations, permit monitoring and compliance, daily reports, normal office functions, and monthly reporting to the Town and the State Board.
- 4.1.12 Contractor shall utilize Town-provided computers and software systems for the SCADA system, the CMMS system, and the ICOMM GIS system, unless otherwise approved by the Town.
- 4.1.13 Contractor shall assist the Town in creating and/or revising ordinances with regard to utilities operation responsibilities.
- 4.1.14 Contractor shall submit its list of recommended capital improvements in conjunction with the Town's budget preparation process for the next fiscal year, or as requested by the Town. If approved, the Town will make arrangements for the design and construction of said improvements. Contractor shall not be relieved of its responsibility to perform the services required as per the Scope of Service if the recommendations are not implemented. However, improvements needed to meet water quality requirements, prevent damage or injury, or are necessary to meet federal, state or local laws, rules or regulations for the safety of persons in or about the facilities shall not be optional for the Town.
- 4.1.15 Contractor may be asked for and preparation of information necessary to submit grant applications, loan requests and/or bond issues pursued and authorized by the Town. Contractor shall provide operational data as necessary for design and construction of systems improvements.
- 4.1.16 Town will manage Backflow and Cross-Connection Program. Revisions and changes shall be recommended to the Town, as appropriate.
- 4.1.17 Contractor shall provide technical and operational support in relation to any new or existing utility infrastructure plans, including but limited to plans, specifications, and/or contract review. Contractor shall be responsible for providing appropriate personnel to attend design review and pre-construction/construction meetings as needed.
- 4.1.18 In cases where an emergency or urgency to protect life, property, and the environment occurs; the Contractor shall act immediately to preserve life and property and the environment. The contractor shall purchase goods and services as necessary and shall submit vouchers with documentation for payment by the Town for such services and goods, and maintain records, which shall be available for audit at request of the Town. Where responsible for payments of services and materials, Contractor shall satisfy debts in a timely manner.
- 4.1.19 Contractor shall maintain in a good condition the Town's operating equipment, buildings, materials, supplies, documents, manuals, specification copies and shall duly account to the Town as a fiduciary thereof for those possessions until the time the Town assumes the responsibilities relating to the respective function for which the property was utilized by Contractor. Contractor shall report to the Town the status and conditions of its

properties in the quarterly report. Contractor shall assist the Town in the enforcement of warranties, guarantees, and licenses with timely notification of equipment failures.

- 4.1.20 Contractor shall implement the Town's current CMMS. Contractor shall provide monthly reports to the Town regarding operational activities, non-routine maintenance expenditures, outstanding work orders and the days outstanding.
- 4.1.21 Contractor shall organize, set up, and implement a central store for the purpose of controlling inventory used in the maintenance and operations of the project, water, and wastewater. All inventories shall be tracked through the CMMS as goods received and goods expended by work order activities. Contractor shall provide statistics of these activities in a quarterly report to the Town.
- 4.1.22 The CMMS system currently has work orders identified to date for maintenance of the facilities. However, the asset management and inventory tracking portion of this program is currently not populated with information. Contractor shall conduct an inventory of existing Town assets and inventory items with the Town and enter the information into the CMMS system within 6 months of taking over operations. Going forward, the Contractor shall continuously track, update, and maintain the Town's assets and inventory as part of the CMMS.
- 4.1.23 Contractor shall provide personnel dedicated to the activities of 4.1, 4.2, 4.3, 4.4, 4.5 & 4.6.
- 4.1.24 Contractor shall assist the Town in submitting information on all major maintenance and capital improvements needed for the next fiscal year.
- 4.1.25 Contractor shall annually provide detail analysis of the Town's infrastructure needs of repair or replacement to provide a priority listing and cost estimates to justify any budget request for the reported needs. A summary report shall be provided to the Town by March 31st of each Calendar year.
- 4.1.26 Contractor shall be familiar with and maintain existing Federal, State, and Local permits required to operate the Town's Water System. Contractor shall make the Town aware and assist the Town in acquiring any new Federal, State, or Local permits required to operate the Town's Water System.
- 4.1.27 Contractor shall keep copies of all correspondence to and from regulatory agencies with regard to the operation and maintenance of the Project. Such records shall become property of the Town and shall include, but not be limited to NPDES reporting requirements, and various other State of California reports.
- 4.1.28 Contractor shall ensure sufficient staffing levels of qualified personnel at all times to perform the required duties.
- 4.1.29 The Town has a history of power failures and poor power quality from PG&E. The treatment, distribution, and collection facilities are designed to automatically return to operation after power failure events. However, there have been many instances where equipment did not come back into service after a power failure. This has resulted in NPDES violations. To prevent further instances, the Contractor shall physically inspect all District facilities within 2 hours after a power failure and ensure that all equipment, instrumentation, and the SCADA system are working properly.

4.1.30 Contractor shall perform maintenance as follows for all facilities.

4.1.30.1 Contractor shall perform all preventative maintenance listed in equipment operations and maintenance manuals and the Town's facility operation and maintenance manuals at contractors cost. This includes lubrications, belt replacements, mechanical and electrical equipment cleaning, pumping packing, flush water, weir cleaning, pump rotation, etc.

4.1.30.2 Contractor shall track and manage the routine maintenance and equipment troubleshooting and repairs of all Town facilities, equipment and buildings with the Town's CMMS system. This system has a priority assigned to all work order items. Work order items have been assigned a priority based on a criticality review conducted by the existing operations staff. The review assigns a priority from 1 to 24 with 24 being the highest priority for completion. The Contractor shall complete all work orders within the following time frames. The Town will periodically review equipment prioritization with the Contractor as needed.

Priority 20 to 24: 24 hours
Priority 15 to 19: 1 week
Priority 10 to 14: 30 days
Priority 5 to 9 : 60 days
Priority 1 to 4 : 90 days

4.1.30.3 If equipment, instrumentation, vehicles, instrumentation, or the SCADA system are not functioning properly, Contractor shall perform industry standard troubleshooting as outlined in the equipment operations and maintenance manuals and the Town's facility operations and maintenance manuals. This includes checking circuit-breakers to make sure equipment has power along with other troubleshooting tasks.

4.1.30.4 If after troubleshooting, equipment or systems are deemed to be in need of repair or replacement, Contractor shall manage the repair or replacement process. Contractor shall obtain quotes from vendors and subcontractors for inspection, diagnostic, repair and replacement as needed. The cost of repair or replacement shall be paid for by the Town. Contractor shall obtain approval from the Town prior to initiating repairs. The Town may request Contractor obtain additional quotes if repair costs are deemed too high. All repair costs shall be directly paid for by the Town without markup from Contractor.

4.1.31 In the event the Contractor fails to perform any service under this Contract in a timely manner. The Town shall notify the Contractor of the issue with a date to remedy the situation. If the Contractor fails to perform services by the provided date, the Town may at its option independently perform the service or hire others to perform the service. In such cases, the Town will withhold the cost of such services from monthly payments to the Contractor. Costs withheld shall include the time and materials for Town personnel as well as outside contractors.

4.2 Water Operations Management

4.2.1 Water Production

4.2.1.1 Contractor shall provide properly certified employees as required by federal, state, and local laws to provide leadership of crews for proper decision making in performing their tasks. Contractor shall be responsible for training

of personnel to maintain their certification and improve their knowledge.

- 4.2.1.2 Contractor services in this function shall specifically include, but not be limited to the activities described below.
- 4.2.1.3 Contractor shall test the water and maintain chlorine residuals throughout the Town. Additionally, the water shall be sampled and confirmed acceptable for consumption per state and federal requirements. Contractor to ensure testing is being done.
- 4.2.1.4 Contractor has no responsibility for the quality of water received from the wells, but is responsible for providing additional treatment to allow safe drinking water being delivered to customers, if such is possible using equipment and chemical treatment systems provided by the Town.
- 4.2.1.5 Contractor shall operate, maintain, and make minor repairs to the Town's municipal water wells, booster pumps, electrical equipment, and all equipment necessary to produce safe drinking water for the customers of Discovery Bay CSD. Contractor shall ensure that all water produced for drinking shall meet or exceed all federal, state, and local laws regulating the quality of safe drinking water through regular and required laboratory analysis. Contractor shall be responsible for reporting in writing to the Town and through the annual budget process, any and all major maintenance and capital improvements needed to provide a safe and sufficient supply of water for all current and planned customers.
- 4.2.1.6 Contractor shall operate, manage and perform required maintenance along with minor repairs on the Town's water wells, water storage tanks and treatment facilities and shall immediately notify the Town when specialized maintenance, repairs, rework appears to be required, and shall coordinate repairs on the Town's behalf.
- 4.2.1.7 Contractor shall annually certify or calibrate all flow meters and repair and replace meters as necessary.
- 4.2.1.8 Contractor shall maintain a crew for emergency operations and minor repairs of the Water System twenty-four hours/seven days a week as needed. Contractor shall diligently respond to all service calls for water leaks, breaks, or emergencies regarding water production and distribution, and in no event later than one (1) hour after being notified of such incidents.

4.2.2 Water Distribution

- 4.2.2.1 Contractor shall operate and maintain the Town's water transmission and distribution systems and air release valves. Contractor shall diligently respond to all service calls for water leaks, breaks, or emergencies regarding water production and distribution, and in no event later than one (1) hour after being notified of such incidents. Contractor shall provide properly certified employees as required by federal, state, and local laws to provide leadership of crews for proper decision making in performing their tasks. Contractor shall be responsible for training of personnel to maintain their certification and improve their knowledge.

- 4.2.2.2 Contractor services in this function shall specifically include, but not be limited to the activities described below.
- 4.2.2.3 Contractor shall clean/flush twenty-five percent (25%) of water system lines annually. Contractor shall track the water volume used to conduct this service as part of the annual water use accounting. The entire water distribution system shall be cleaned within four-years, unless directed by the Town otherwise.
- 4.2.2.4 All distribution valves shall be operated at a minimum of once per year with the date of operation recorded for future reference. Each valve shall be verified to be left in proper operating position and in working condition. As part of this annual "operation", a geographic positioning system (GPS) reading shall be taken. The GPS location data shall be entered into the Towns GIS system (ICOMM) monthly. If the valve box is not properly aligned over the valve, the Town should be made aware of this, so valve box can be scheduled for repair. On paved roads, where valve boxes that are sitting too low, the Town should be made aware of these for future repairs.
- 4.2.2.5 Contractor shall notify the Town and manage emergency and other water line repairs unless otherwise directed by the Town
- 4.2.2.6 Contractor shall provide technical and operational water information (non-engineering) on an annual basis or as needed for grant, loan, and bond application preparation efforts of the Town.
- 4.2.2.7 Contractor shall assist Town on locating water mains for USA-markings (underground locating) when asked to assist. For the most part, the Town will be responsible for the USA-markings.
- 4.2.2.8 Contractor shall provide a fire hydrant inspection and maintenance program that complies with American Water Works Association's Manual of Water Supply Practices, Installation, Field Testing, and Maintenance of Fire Hydrants, Volume M17. If during the course of this program's development and Contractor becomes aware of an out-of-service fire hydrant, Contractor shall place out-of-service bag and schedule their repair or replacement, after Town notification and approval.
- 4.2.2.9 All water mains and service line installations and most service and water main repairs will be completed by an Town's contractor.

4.2.3 **Wastewater Collection**

- 4.2.3.1 Contractor shall operate, maintain, and make minor repairs to the Town's wastewater collection systems, including mains, force mains, and lift stations. Contractor shall diligently respond to all service calls for wastewater line stoppages, overflows, breaks, odors or emergencies regarding wastewater collection and treatment, and in no event later than one (1) hour after being notified of such incidents. Contractor shall provide properly certified employees as required by federal, state, and local laws to provide leadership of crews for proper decision making in performing their tasks. Contractor shall be responsible for training of personnel to maintain their certification and improve their knowledge.

- 4.2.3.2 Contractor services in this function shall specifically include, but not be limited to the activities described below.
- 4.2.3.3 Contractor shall enter, open hatches, and physically inspect all lift stations for any irregularities, perform other checks, and change pump lead lag sequences a minimum of once per week.
- 4.2.3.4 Contractor shall inspect for proper operation and clean air relief valves a minimum of once every quarter.
- 4.2.3.5 Contractor shall annually clean, inspect and video twenty-five percent (25%) percent of sanitary gravity wastewater lines. Contractor shall work with the Town to determine the priority of the gravity wastewater lines needing to be cleaned. Contractor shall also inspect manholes for corrosion, deterioration, leaks, proper flow, sand accumulation, coating, depressions and notify Town of any deficiencies. A geographic positioning system (GPS) reading shall be taken on each manhole inspected. Contractor shall televise the identified trouble spots in the system and note service lateral connection locations. This shall ensure that all blockages, sources of odors or breaks have been cleaned or identified. Consideration of the location and traffic control shall be given to determine the best time to perform the work. In addition, direction of flow in the sewer system shall be considered to reduce the potential for damage from water being forced back up the homeowners' service line and into their residence. Contractor shall assist Town with any sewer main repair work when requested.
- 4.2.3.6 The Town uses the ICOMM GIS system for management of the collection system. The contractor shall maintain and update all collection system activities into the ICOMM system for proper tracking. This includes maintenance activities, pipe replacement, manhole assessments, sewer calls, blockages, cleaning activities, electronic video inspections, and overflow incidents. Contractor shall provide a qualified person to maintain system records and drawings on the Town's GIS system.
- 4.2.3.7 Contractor shall provide updates for record keeping and documentation of record drawings associated with the wastewater collection and treatment system, and repairs, maintenance, and construction. Updates shall be submitted to the Town's engineering staff for recording at a minimum of once per month.
- 4.2.3.8 Removal of blockage in the wastewater collection lines shall occur only within public easements or as directed by the Town. The cleaning of house laterals on private property shall not be the Contractor's responsibility unless there is a circumstance where the private property line problem may have been caused by Contractor performance of their duties on the Town's system.
- 4.2.3.9 For noisy manhole lids, Contractor shall inspect for defects and replace them if necessary. Contractor shall clean debris from lip, then place sealant between lid and ring and reinstall cover.
- 4.2.3.10 Leaks in manholes shall be reported to the Town for evaluation and needed repairs.
- 4.2.3.11 When a lift station alarm condition occurs, the SCADA system is designed to notify plant operators. If the alarm is sounded during normal work hours, a crew shall be dispatched immediately to diagnose and correct the problem. After normal hours, the

on-call person notified by the alarm system shall proceed to the area within one hour to diagnose and repair the problem. All efforts shall be expended to prevent, or minimize, any spills or overflows.

- 4.2.3.12 Twice a year, Contractor shall conduct lift station operation evaluations of all lift stations via SCADA, flow meters, operations logs, and pump run times. Pump run times, proper pump rotation, total pump station flow (if available), will be compared to the previous 6 months to determine if excessive pump run times, on-off cycles, or abnormal flow conditions are occurring. A summary report stating the station is operating normally or abnormally shall be provided to the district twice a year. A similar evaluation shall also be made after major repairs or replacements of pumps at an individual lift station. Cost associated with this work, is the responsibly of the Contractor.
- 4.2.3.13 Contractor shall exercise generators on a monthly basis under load conditions to assure proper operation when needed for emergencies.
- 4.2.3.14 Contractor shall set up a program that identifies which lines are repetitive problem areas, such as sag lines, and provide appropriate cleaning as necessary. This information shall be entered and maintained in the ICOMMM GIS system.
- 4.2.3.15 Contractor shall actively pursue operations that reduce the generation of odors in collection system, lift stations and wastewater treatment plants.
- 4.2.3.16 Contractor shall provide technical and operating wastewater system information (non-engineering) for operations, grant, loan and bond application preparation efforts of the Town.
- 4.2.3.17 Contractor shall prepare correspondence for submission to federal, state and local regulatory agencies in response to sanitary sewer overflows and any other inquiries about the system.
- 4.2.3.18 Contractor shall develop and maintain a crew for emergency operations and minor repairs of all aspects of the Wastewater Collection System when needed.

4.2.4 **Wastewater Treatment**

- 4.2.4.1 Contractor shall operate, maintain, and make minor repairs to the Town's wastewater treatment facilities and all equipment necessary to produce safe and properly treated wastewater effluent that meets or exceeds all federal, state, and local laws regulating the quality of discharged effluent for reuse in irrigation systems or discharge to permitted receiving waters.
- 4.2.4.2 Contractor shall be responsible for reporting in writing to the Town and through the annual budget process, any and all major maintenance and capital improvements it believes are needed to provide a proper and sufficient wastewater treatment system for all current and planned customers of the Town.
- 4.2.4.3 Contractor shall provide properly certified employees as required by federal, state, and local laws to provide leadership of crews for proper decision making in performing their tasks. Contractor shall provide training opportunities for employee certification maintenance and knowledgeable improvements.

4.2.4.4 Contractor shall provide labor for the collection, hauling, testing, and storage of biosolids at wastewater treatment plant No. 2. It shall be Town's responsibility to properly dispose of all byproduct waste generated by the Town. Contractor shall track and manage disposal activities for the Town per EPA 503 and the Town's EPA 2S permit, including sludge, metals, and nitrogen loading rates and total tons disposed. It shall be the sole right and responsibility of Town to designate, approve or select disposal sites to be used by Town for Town's waste materials. All waste, byproduct treated, generated during Contractor performance of services is and shall remain the sole and exclusive property of Town. All manifests or other documentation required for disposal of Waste shall be signed by or in the name of the Town.

4.2.4.5 Contractor shall develop and maintain a crew for emergency operations and repairs of all aspects of the Wastewater Treatment System twenty-four hours/seven days a week as needed.

4.2.5 **SCADA**

4.2.5.1 The Town's current SCADA system is based on typical industrial instrumentation, dedicated controllers, Modicon PLCs and RsView 32 SCADA software located at various facilities with radio communication to remote facilities. The SCADA system is provided as a tool by the Town to assist the Contractor in operating the facilities. However, the SCADA system is periodically down for service, power outages, faulty instruments, and faulty communication. The Contractor is still responsible for all proper operation of all facilities if the SCADA system fails.

4.2.5.2 Contractor shall provide a team of on-site SCADA personnel to operate and maintain the Town's SCADA System.

4.2.5.3 Contractor may implement new programming, hardware, and communication to the existing SCADA system to assist in operation of facilities, with approval from the Town. Such changes shall be made at Contractor's cost. All additional SCADA devices shall be programmed in the same protocol of the Town's existing SCADA system. Complete documentation and the latest program shall be updated and kept on file with the Town. The Town will pay for SCADA upgrades to accommodate new systems and facilities.

4.2.5.4 Contractor shall provide personnel with experience and knowledge to provide normal maintenance and troubleshooting of the SCADA system, hardware and software.

4.3 **Emergencies**

4.3.1 Emergencies within Contractor's capabilities should be resolved in a timely manner.

4.3.2 In any emergency affecting the safety of persons or property, Contractor shall act without written approvals, at Contractor's discretion, to prevent threatened damage, injury or loss of life.

4.4 **Laboratory Testing**

4.4.1 Contractor shall provide for laboratory testing and sampling presently required for plant performance and for water quality portions of all local, state and federal permits, rules and regulations, statutes or ordinances, permit or license requirements or judicial and

regulatory orders and decrees. This includes the cost of additional testing to verify permit conditions or re-testing as a result of non-compliance issues. Bacterial testing of final effluent required as result of effluent quality exceeding 10 NTU shall be borne by the Town.

- 4.4.2 Additional testing and sampling requested by the Town or other regulatory entities shall be coordinated with Contractor, and costs shall be paid by the Town or other designated party.
- 4.4.3 The Town may require confirmation analyses of drinking water and effluent to be performed by an independent laboratory for quality control of in-house test results, at its own expense.

4.5 Hazardous Waste

- 4.5.1 Any hazardous waste generated by Contractor, like used oil, UV Lamps, etc., in any of its activities shall be disposed of by Contractor, in accordance with applicable federal and state laws.

4.6 Reporting Requirements

- 4.6.1 Contractor shall provide the Town with reports describing certain information on a periodic basis that will assist the Town and Contractor in managing the utilities. The reports shall inform the Town's Governing Body, and general public. Types, frequency, content, and format of the required reports are listed and described below. Reporting requirements are subject to change as needed for providing information of the utilities system operations, historical data for future needs, and capital project planning. All reports shall be in summary format with detailed information available upon request by the Town. Listed below are examples of reports that are required. The listing is not inclusive and shall be changed as needed with concurrence by the Town and Contractor.

The reports on the Water Service function shall provide quantitative and financial information monthly as follows:

Water Service

- Number of active and inactive wells.
- Number of gallons of water produced.
- Number of gallons of storage.
- Chemical usage.
- Bacteriological testing results.

- Training hours: safety, operations, equipment, and software.
Provide names of the actual personnel trained and hours attended.
- Line repairs.
- Fire hydrant flushing.
- Customer Inquiries.

Maintenance report: corrective and preventive maintenance

Number of personnel hours: regular, overtime, compensatory

time, on-call responses, and emergencies.
Current and planned project status.

The Reports on the Wastewater Service function shall provide quantitative and financial information monthly as follows:

Wastewater Service

Number of active and inactive lift stations.
Number of gallons of wastewater treated by plant.

Chemical usage.
Laboratory analysis results, summary.

Training hours: safety, operations, equipment, and software.
Provide names of the actual personnel trained and hours attended.

Sanitary sewer overflows.
Customer inquiries.
Maintenance Report: corrective and preventive maintenance.

Current and planned project status.

5. TECHNICAL PROPOSAL

The Town will evaluate all of the proposals on the same basis. It is required that all proposals conform in all respects to the specifications outlined in this RFP. If the policy of the Contractor's firm prevents the Contractor from submitting a proposal on the basis of any of the specifications or assumptions, they may submit it on a basis that is in accordance with the firm's policy. In such a case, however, a statement of reasons for such deviation must be included with a listing of all deviations. The Town reserves the right to accept or reject any or all proposals. **Proposals shall consist of answers to questions or requirements identified in this RFP. It is not necessary to repeat the question in the proposals; however, it is essential to reference the question number with the corresponding answer.**

Provide one original and five copies of your Proposal and an electronic PDF version of your proposal on CD or thumb drive. The proposal shall:

- 5.1 Be limited to a maximum length of 30 pages, including any appendices.
- 5.2 Include a cover letter summarizing why the Contractor is interested in this project. A party authorized to bind the entity submitting the proposal, as well as the Contractor's project manager, must sign the cover letter. The cover letter should include the following points:
 - 5.2.1 Identity of Contractor including central address and telephone number.
 - 5.2.2 A Statement that the proposal is effective for the proposed start date of January 1, 2011.

- 5.2.3 A Statement that the Contractor will comply with all terms and conditions as stated in this RFP; or Identification of any exceptions taken to any of the requirements including the contract attached hereto as Appendix A.
- 5.2.4 A detailed description of corporate structure, including parent companies, subsidiaries, and partnerships. Identify both the project manager and the corporate contact proposed for this project.
- 5.2.5 Give the number of years in the business of managing water and wastewater utilities.
- 5.2.6 A Summary list of any pending, settled, tried, or other litigation the Contractor's firm has been involved in for the past five (5) years, (California Cases only) with their current status.
- 5.2.7 Date of incorporation (Gross Receipt Registration if not incorporated) in California.
- 5.3 Include a statement describing the Contractor's organization and outlining its approach to completing the work required by this solicitation. This statement shall illustrate the Contractor's overall understanding of the project.
- 5.4 Contain a work plan that concisely explains how the Contractor's will carry out the objectives of the project. In the work plan, the Contractor shall describe staffing level, including that of key administrative personnel and subcontractors, and proposed approach to the work as clearly and thoroughly as possible. Organizational charts showing the staffing structure as well as the relationship of the Contractor, its major subcontractors, and the Town should be provided. This section should also include resumes of key employees in proposed on-site and off-site management positions, including applicable technical licenses and degrees.
- 5.5 Provide proposed transition plan and methods to be used to maximize knowledge and experience of current staff and minimize employee turnover. Explain how your firm plans to minimize employee turnover during this five-year contract.
- 5.6 Provide Summary of all reports and forms to be used by the Contractor, with information as to frequency and purpose.
- 5.7 List, in detail, any types of subcontractors anticipated to be hired at cost in excess of \$50,000 per year. Provide nature and amount of subcontract.
- 5.8 Describe company's philosophy and practice in working within the community it services.
- 5.9 Describe company's procedures for communicating with residents to inform them as to the status of an ongoing repair project that has disrupted traffic or service to their homes.
- 5.10 Include Contractor's recent experience (past five years) in performing work similar to that anticipated herein. Proposing contractors shall have at least one facility of equivalent size and complexity for both water and wastewater in California. This description shall include the following:
 - 5.10.1 Dates of service
 - 5.10.2 Name and address of client organization

5.10.3 Name and telephone number of individual in the client organization who is familiar with the project

5.10.4 Short description of services provided

5.11 Provide Summary List of all incidents of regulatory violations occurring in the company's contract operations within the last 5 years in California. Identify the facility and the regulation violated.

5.12 Include documentation of any potential conflicts of interest. A conflict of interest shall be cause for disqualifying a Contractor from consideration. A potential conflict of interest includes, but is not limited to:

5.12.1 Accepting an assignment where duty to the client would conflict with the Contractor's personal interest, or interest of another client.

5.12.2 Performing work for a client or having an interest which conflicts with this contract.

5.12.3 In litigation or potential litigation with the Town, outstanding claims or non-payments to the Town, or have failed to honor contracts on prior instances with the Town.

In a separate, sealed envelope or container:

5.13 Contain a Cost proposal. The cost proposal should include fixed pricing for five (5) years, including all supporting detail on how the Contractor arrived at such pricing. In addition the Contractor should provide a detailed budget separately identifying estimated costs for on-site labor, off-site Contractor support services, subcontracted labor and services, utilities, materials, supplies, fuel, etc. Two cost proposals shall be provided as follows:

1. Operations of all of the Wastewater collection and treatment facilities combined with all of the water systems and distribution facilities managed under a single contract.
2. Operations of all of the wastewater collection and treatment facilities only managed under a single contract.

6. EVALUATION OF PROPOSALS

Proposals will be judged on the Contractor's ability to provide services that meet the requirements set forth in the accompanying documents. The Town reserves the right to make such investigations as it deems necessary to determine the ability of the Contractor to provide services meeting a satisfactory level of performance in accordance with the Town's requirements. The Contractor shall furnish such information and data for this purpose as the Town may request, at no cost to the Town. Interviews and presentations by one, several, or all of the Contractor's may be requested by evaluators if deemed necessary to fully understand and compare the Contractor's capabilities and qualifications. The adequacy, depth, and clarity of the proposal will influence, to a considerable degree, its evaluation.

EVALUATION CRITERIA		POINTS POSSIBLE
(1)	Proposed technical method and approach for fulfillment of the	25

	contract	
(2)	Quality and innovation of Contractor response to specific questions and concerns	25
(4)	Staff experience and qualifications of proposed on-site management employee(s) and off-site management contact(s).	25
(5)	Corporate experience and resources in management of water and wastewater utilities	25
	TOTAL	100

7. FORMAT FOR RESPONSES

7.1 GENERAL INSTRUCTIONS

- 7.1.1 Proposals shall be prepared simply and economically, providing a straightforward, concise description of the Contractor's ability to meet the requirements of this RFP. Emphasis shall be on the quality, completeness, clarity of content, responsiveness to the requirements, and an understanding of Town's objectives.
- 7.1.2 Contractors shall carefully read the information contained in this RFP and submit a complete response to all requirements and questions as directed. Incomplete proposals will be considered non-responsive and subject to rejection.
- 7.1.3 Proposals and any other information submitted by Contractors in response to this RFP shall become the property of the Town.
- 7.1.4 Contractors shall prepare and develop proposals at the sole cost and expense of the Contractor.
- 7.1.5 Proposals that are qualified with conditional clauses, alterations, items not called for in the RFP documents, or irregularities of any kind are subject to rejection by the Town, at its option.
- 7.1.6 The Town makes no representations of any kind that an award of contract will be made as a result of this RFP, or subsequent RFP. The Town reserves the right to accept or reject any or all proposals, waive any formalities or minor technical inconsistencies, and/or delete any item/requirements from this RFP when deemed to be in Town's best interest.
- 7.1.7 Proposals shall consist of answers to questions or requirements identified in this RFP. It is not necessary to repeat the question in the proposals; however, it is essential to reference the question number with the corresponding answer.
- 7.1.8 Failure to comply with all requirements contained in this RFP may result in the rejection of proposal.
- 7.1.9 Receipt of an addendum of the RFP by a Contractor must be acknowledged by submitting the signed addendum with your proposal.
- 7.1.10 A proposal may be modified or withdrawn in person at any time BEFORE the scheduled

due date and time of proposals provided a receipt for the withdrawn proposal is signed by the Contractor's authorized representative. The Town reserves the right to request proof of authorization to withdraw a proposal.

- 7.1.11 Contractor shall attend a mandatory site tour of Town's water & wastewater facilities in order to propose for this RFP.

7.2 PAGE SIZE, BINDING, DIVIDERS, AND TABS

7.2.1 Proposals shall be printed on letter-size (8-1/2" x 11") paper and assembled with spiral or comb-type bindings or staples. Graphics incorporated into the proposal may exceed the paper-size requirement.

7.2.2 Proposals should not exceed the page limit described herein.

7.2.3 The Contractor may submit additional attachments, but only the responses provided by the Contractor to the questions identified in this RFP will be used by the Town for evaluation.

7.3 TABLE OF CONTENTS

7.3.1 Proposals shall include a "Table of Contents" and give page numbers for each section of the proposals.

7.4 SUBMISSION OF PROPOSAL

7.4.1 **Time:** Proposals not received by the time and date indicated on this RFP will not be accepted.

7.4.2 **Hand Carried:** Proposals may be hand carried to the Town's Office located at 1800 Willow Lake Road, Discovery Bay, CA 94505.

7.4.3 **Mail / FedEx / UPS / etc.:** Proposals may be mailed or shipped to the attention of the Town of Discovery Bay CSD, 1800 Willow Lake Road, Discovery Bay, CA 94505. The Town shall not be responsible for proposals that are mailed or shipped and not received by the opening date and time specified in this RFP.

7.4.4 **Receipts:** Receipts for hand delivered proposals shall be issued by the Town's Office (upon request) for proposals that are hand carried.

7.4.5 No Other Methods of Proposal Delivery: Neither telephone, telegraphic, nor facsimile proposal shall be accepted.

8. MISCELLANEOUS INFORMATION

8.1 **Public information.** All information, documentation, and other materials submitted in response to this solicitation are considered non-confidential and/or non-proprietary and are subject to public disclosure after the solicitation is completed.

8.2 **Town's Reservation of Rights.** The Town may evaluate the proposals based on the anticipated completion of all or any portion of the project. The Town reserves the right to divide the project into multiple parts, to reject any and all proposals and re-solicit for

new proposals, or to reject any and all proposals and temporarily or permanently abandon the project. The Town makes no representations, written or oral, that it will enter into any form of agreement with any Contractor to this RFP for any project and no such representation is intended or should be construed by the issuance of this RFP.

- 8.3 **Clarification.** The Town may, in the evaluation of proposals, request clarification from Contractors regarding their proposals, obtain additional material or literature, and pursue other avenues of research as necessary to ensure that a thorough evaluation is conducted.
- 8.4 **Acceptance of Evaluation Methodology.** By submitting a proposal in response to this RFP, the Contractor accepts the evaluation process and acknowledges and accepts that determination will require subjective judgments by the Town.
- 8.5 **No Reimbursement for Cost.** Contractor acknowledges and accepts that any costs incurred from the Contractor's participation in this RFP process shall be at the sole risk and responsibility of the Contractor. Contractor will submit proposals at their own risk and expense.
- 8.6 **Ethical Conduct.** The Town of Discovery Bay CSD expects the highest level of ethical conduct from Contractors including adherence to all applicable laws and local ordinances regarding ethical behavior.
- 8.7 **Right to Terminate Negotiations.** If an agreement cannot be made with the highest scoring Contractor, Town reserves the right to terminate negotiations with that party and enter into negotiations with the next highest qualified Contractor.
- 8.8 **Presentations.** Finalists in the selection process may be asked to attend an interview once the RFP process is complete. The finalists may be asked to confirm their proposal via a presentation to the Town's Board.
- 8.9 **Modification.** Offers may be modified by written notice provided such notice is received prior to the hour and the date specified for receipt of offers.
- 8.10 **Acceptance of Proposals.** Acceptance of proposal is contingent upon the Contractor's certification and agreement by submittal of its offer, to comply and act in accordance with all provisions of the Town's Procurement Code.
- 8.11 **Requests for Explanations by Contractors.** Any explanation desired by the Contractor regarding the meaning or interpretation of specifications or any part of this Request must be requested in writing and received in the Town's Office not less than seven (7) calendar days prior to due date of proposals. Oral explanations or instructions given prior to the opening of the offer shall not be binding. The Town's Office shall issue any official explanations in writing or via e-mail.

9. ALTERNATIVE SOLUTIONS / OPTIONS

- 9.1 If after reviewing the above RFP and the Contractor feels that some other solution or options, might be warranted, the Town would be interested in seeing these as well. .

TOWN OF DISCOVERY BAY CSD

RFP NO. 10-01

ACKNOWLEDGMENT FORM

Please complete this form and return it to the Town of Discovery Bay CSD. Failure to return this form will not exclude a firm from submitting a proposal; however, only those prospective respondents who elect to return this form will receive addenda, if issued, and/or other information pertaining to this solicitation.

Name of Firm: _____

Firm Representative: _____

Title: _____

Phone: _____ **Fax:** _____

E-Mail: _____

Address: _____

Town : _____ **State:** _____ **Zip:** _____

When completed, please fax or e-mail this form to the following contact:

Virgil Koehne
TOWN OF DISCOVERY BAY CSD
1800 WILLOW LAKE
DISCOVERY BAY, CA 94505
Phone: (925) 634-1131
Fax: (925) 513-2705
vkoehne@todb.ca.gov

RFP - Water/Wastewater Operations Project

Company	Contact	Address	sent RFP
Ecologic	Steve Beck	3875 Atherton Rd., Rocklin, CA 95765	9/13/2010
CH2M Hill	Vijay Kumar	155 Grand Ave., Suite 800, Oakland, CA 94612	9/13/2010
American Water	Kent Hodgkinson	1033 B Ave., Suite 200, Coronado, CA 92118	9/13/2010
Severn Trent	Ed Schwab	278 S. Raven Mine Dr., Colorado Springs, CO 80905	9/10/2010
AECOM	Steve Johnson	701 Edgewater Dr., Wakefield, MA 01880	9/13/2010
OMI	Dennis Burrell	1239 Cameron Lane, Ripon, CA 95366	9/13/2010
Hydroscience Op.	Teresa Giffen	10569 Old Placerville Rd., Sacramento, CA 95827	9/10/2010
Veolia Water	Shilen Patel		9/13/2010

Questions & Answers #1 for Town of Discovery Bay Request for Proposal for Water and Wastewater Systems Operations

The following is a list of questions and clarifications which I received from one of the vendors and I wanted to be sure every vendor knows what was said, regarding the RFP for the Town of Discovery Bay's Water and Wastewater O&M RFP. My response to these questions are in Black

1. During the Due Diligence tour on September 23 it was stated the Town of Discovery Bay Community Services District (CSD) would retain responsibility for fire hydrant maintenance and testing. Would you please confirm the CSD's intention to maintain its fire hydrants? The CSD will be responsible for this, not the "Contractor" If those tasks are intended to be part of the Contractor's scope please provide an inventory of the fire hydrants, a map with locations and copies of the related work orders completed for each within the last 24 months.

1A. Will the CSD furnish hydrant bags? Yes

1B. Will the CSD be responsible for notifying the Fire Department about out of service hydrants? Yes

2. During the Due Diligence tour it was stated the CSD will pay for the fuel for the emergency generators. Would you please confirm? This is correct. The CSD will order and pay for any fuel used in all of the CSD's owned generators.

3. During the Due Diligence tour it was stated the CSD's Vac-Truck is available for use by the Contractor. Is that vehicle available for production cleaning or for emergency response to collection system issues as has previously been the case? The CSD owned vac-truck can be used for both. Note, if the CSD's vac-truck is in the repair shop for maintenance work, the Contractor will have to make arrangements to have a vac-truck available to handle any emergency call out.

4. Pursuant to section 4.2.3.4 of the RFP, Contractors are required to clean and inspect all air relief valves every quarter. The standard OEM maintenance practice for air relief valves is quarterly inspection and annually cleaning. Would you confirm the Town would like maintenance to reflect standard OEM maintenance practice or specifically what is written in the RFP? What is meant here is that once a quarter all air relief valves shall be inspected for corrosion, leaking and for proper operation and cleaned at least once annually.

5. Pursuant to section 4.1.26, the RFP requires that the Contractor "maintain existing Federal, State and Local permits". Will the CSD continue to be responsible for all permit fees, special studies, application fees, etc.? Yes.

6. Pursuant to section 4.1.30.3 and 4.1.30.4 of the RFP, the Contractor is required to assess the condition of generally all systems (including the SCADA system which has been specifically mentioned in this section), to be then followed by the Contractor obtaining bids for repairs, upgrades or refurbishments as necessary. Upon approval by the CSD the repairs would then be completed and "directly paid for by the Town". Would you please confirm? I believe 4.1.30.3 is self explanatory. Item 4.1.30.4 means that the CSD would like to see a couple of quotes to repair any broken equipment. The CSD will pay for all repairs, provided that standard OEM maintenance work was done on this equipment prior to it's repair. If any of the CSD owned equipment was not maintained according to standard OEM maintenance standards by the Contractor, the Contractor shall be responsible for it's repair.

7. Given the RFP language per 4.2.5.3 of the RFP, would you please clarify whether the various and extensive upgrades necessary for the SCADA system will require competitive bidding solicited by the Contractor and presented for approval by the CSD? Or whether the Contractor is being requested to develop the plan, pricing and take the risk of SCADA system development? Please note that the detailed development to derive accurate costs and needs will require not only full access to all components of the SCADA system but would likely take 1-3 weeks of detailed review to develop. What's meant here for 4.2.5.3 is that, if the Contractor wants to make changes to the existing SCADA system, to enhance the Contractor's operations, the Contractor will pay for those changes. If the CSD is installing a new SCADA

system in the future or let's say a new lift station, where new SCADA programming is needed to operate the new lift station, the CSD will pay for this cost.

8. Pursuant to section 4.2.2.7 of the RFP, the Contractor is required to assist with line locates. Would you please provide an estimate of the annual contact hours to be devoted to assisting with line locations? Under this item, the Contractor IS NOT Required to do this, but to only help when called upon, which might be few times a year or so.

9. Pursuant to section 4.2.3.5 of the RFP, the Contractor is required to assist with sewer main repair work. Would you please provide an estimate of the annual contact hours to be devoted to assisting with sewer line repair work? Again this would only apply if requested too by the CSD. I can't see more than a couple of hours per year, if that.

10. Pursuant to section 4.2.3.6 of the RFP, the Contractor is required to maintain system records and drawings in the Towns GIS system, but the following section (4.2.3.7) states "updates shall be submitted to the Town's engineering staff for recording at a minimum of once per month". Would you please clarify these apparently conflicting requirements? What's meant here is that all GIS maintenance activities as outlined in 4.2.3.6 shall be inputted into the GIS system at a minimum of once a month, which is to help maintain the GIS system, since it will become a major tool for the Contractor and CSD staff to utilize.

11. 4.2.4.1 of the RFP requires that the Contractor operate the wastewater treatment facilities such that treated wastewater effluent "meets or exceeds all federal, state, and local laws regulating the quality of discharged effluent for reuse in irrigations systems". As the facility is not currently equipped with the treatment processes necessary to comply with California Title 22 standards for unrestricted re-use, would you please clarify this requirement? In this same section it also says "or discharge to permitted receiving waters", which is what our current NPDES permit allows us to do. At some point down the road, the CSD might be heading towards Title 22, but the CSD currently has no plans on doing this yet. The CSD is in the very early stage of a NPDES permit requirement for a "Salinity Study". One of many possible recommendations, might include Title 22 water, it's just too early to tell for sure. Is the facility anticipated to undergo an upgrade at some time during the contract term? Generally some-type of expansion may occur in the next five years, if that is the case, the CSD would make a modification to the existing contract with our current Contractor. If so, would the Contractor be absolved of responsibility for meeting Title 22 requirements until the upgrades and system testing are complete?

Questions & Answers #2 for Town of Discovery Bay Request for Proposal for Water and Wastewater Systems Operations

The following is a list of questions and clarifications which I received from one of the vendors and I wanted to be sure every vendor knows what was said, regarding the RFP for the Town of Discovery Bay's Water and Wastewater O&M RFP. My response to these questions are in Black

General NOV History A copy of any Notice of Violations that the Town received from the California Regional Water Control Board in the past three years. Please include notation of any NOV's that remain unresolved as of this proposal.

General Insurance The Town has stated that the selected Contractor would be allowed to share and utilize the Town's equipment, i.e., the Vector Truck. Would the Town clarify if the Town's insurance will cover the Contractor? Contractor will have to provide their own insurance to use District's equipment.

General Annual Budgets

A copy of the Annual Operating budgets for the last two years including this fiscal year's budget.

General Annual Budgets

A copy of the annual reports to the regional board for the last 5 years.

General Annual Budgets

A copy of the O&M manuals for the WWTPs and the WTPs. These were e-mailed to all, with the exception of the WTP's. We have no electronic version of the O&M for the WTP's sites.

General Tools

What hand tools and power hand tools does the Town have available for use by the Contractor? None at this time. If available would the Town provide the potential Contractors with a list of tools? N/A

2.1 Due Date

Would the Town be willing to extend the proposal due date to October 29, 2010 at 2:00 pm? This item was revised too November 01, 2010 at 2:00pm

4.1.8 CMMS

We assume the CMMS license belongs to the Town. Will the selected Contractor be allowed to coordinate with the current Contractor for training on the maintenance and operation of the CMMS "Jobs Plus" system? Does the Town have an ongoing service support contract for the CMMS software provider?

4.1.9 GIS

Will the selected Contractor be allowed to coordinate with the current Contractor for training on the maintenance and operation of the GIS "ICOMM" system? Yes Does the Town have an ongoing service support contract for the GIS software provider? Not at this moment.

4.1.10 Communication

Are the Water and Wastewater Facilities equipped with landline telephone systems and equipment? Landlines are available at the two wastewater facilities. If so, can the Contractors assume that the Town will bear the costs for the land line? Since these phone

lines are in the Town's name, we pay for them and charge the monthly cost and the phone monthly usage back to the contractor.

Are internet services provided at the Water and Wastewater Treatment Plants? Due to the distance from the Central Office for AT&T, neither of the wastewater facilities have DSL services. But we do have a "Wireless" based internet services at wastewater plant #2, which at times as I understand, is somewhat slow. If so, can the Contractors assume that the Town will bear the costs for the internet services?

4.1.24 Capital Improvement

A copy of fiscal year 2009-2010 Capital Improvement and renewal/replacement list.

4.2.1.1 Licensed Personnel

Does the Town have a "lone operator" agreement under the SWRCB? Not at this time. What classification has the SWRCB applied to the plants? Currently they are both "Grade II" (2) sites. Does California DPH consider the potable water system a distribution system, or a treatment and distribution system? A treatment & distribution system.

4.2.1.7 Instrument Calibration

Does the Town currently have a service contract with a firm that provides annual calibration service? No. If so, will the Town continue this service or does the Town expect that this will be included in the Contractor's services?

4.2.3.5 Utility Access

Does the Town require that the Contractor be certified for Permitted Confined Space Entry? No.

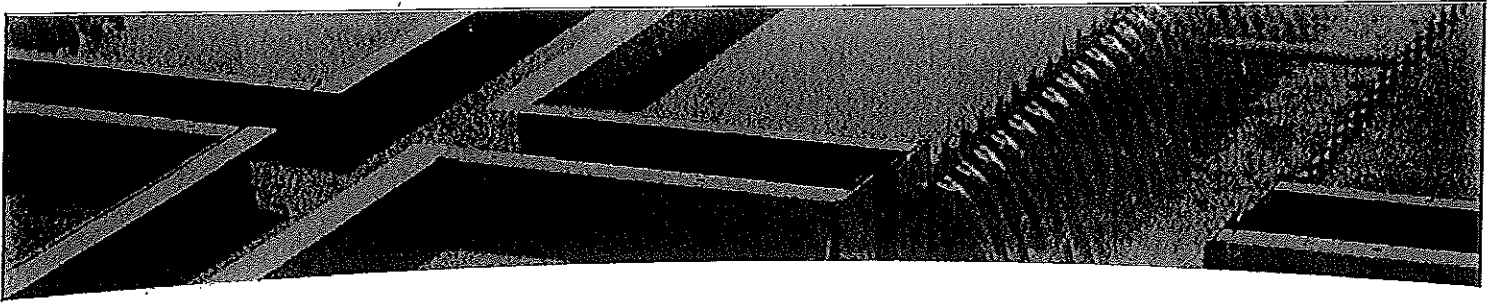
4.2.3.5 Sewer Inspection

Should the Contractor assume that the Town bears the costs associated with the required annual TV inspection of the sewer collection systems – i.e., the cost for outside services? Or does the Town expect the Contractor to subcontract these services?

5.1 Page Limit Would the Town consider extending the page limit beyond 30 pages excluding appendices? This was also amended to now say 50 pages

7.2.1 Proposal Binding

Would the Town consider accepting alternative binding methods? I believe the Town would be open to this.



Submitted to:



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

Volume 1 Technical Proposal

RFP No. 10-01 Water and Wastewater Systems Operations

November 1, 2010

The information contained on each page of this document which has been stamped with the legend "Company Confidential - Trade Secret and Proprietary Information - Veolia Water" is confidential and proprietary information which constitutes a trade secret of Veolia Water West Operating Services, Inc., Veolia Water North America - West, LLC and Veolia Water North America Operating Services, LLC (Veolia Water). Veolia Water asserts a business confidentiality claim covering all data and information contained on each page of this document bearing this legend. No such data and information shall be disclosed outside of the agency to which this document has been submitted or be duplicated, used or disclosed, in whole or in part, for any purpose other than to evaluate this document.



November 1, 2010

Town of Discovery Bay
Community Services District
1800 Willow Lake Road, Town Office
Discovery Bay, California 94505
Attention: Mr. Virgil Koehne, Water & Wastewater Manager

Subject: Volume 1 – Technical Proposal - RFP# 10-01 - Water & Wastewater Systems Operations

Dear Mr. Koehne:

Veolia Water West Operating Services, Inc. (Veolia Water), is pleased to present our Technical and Cost Proposal for the renewal of our operation, maintenance and management (O&M) services partnership with the Town of Discovery Bay's Community Services District (District). Over the course of the past two years, we have worked with you to stabilize your operation and to build a solid partnership founded on reliable service delivery. This new contract will continue to build on these successes.

One of the primary ways that we will deliver on this commitment will be by providing management continuity. First and foremost, this means that Gerald Smart will remain as the Project Manager.

This letter addresses the required response items listed in your Request for Proposals (RFP), and Addenda Nos. 1 and 2, and includes signatures for both our Project Principal and our Project Manager. The remainder of this volume provides details the rich base of experience that Veolia Water offers, including more than 38 years of O&M service delivery to communities in Northern California.

Required Response Information

5.2.1 - Identity of Contractor: Veolia Water West Operating Services, Inc., will remain the direct contractor to the District for the delivery of services under this new contract. Our regional management office contact information is as follows: 2300 Contra Costa Boulevard, Suite 350, Pleasant Hill, CA 94523 – Telephone: (925) 681-2304

5.2.2 – Proposal Validity: Veolia Water affirms that this Proposal submittal, including our separate Technical Proposal (Volume 1) and Cost Proposal (Volume 2), remains a valid offer through the proposed start date for the new contract term, January 1, 2011.

5.2.3 – Terms & Conditions: Veolia Water has reviewed the requirements outlined in the RFP, including the example contract attached as Exhibit A, and consistent with RFP Section 5.2.3, we have identified the following proposed exceptions, revisions, and/or additions to the draft Operations and Maintenance Agreement (the "Agreement"):

- **Specific Items - 1. Property Insurance and Waivers of Subrogation** - Veolia Water requests that a confirmation of the City's insurance obligations and a mutual subrogation waiver be included in the Agreement. This language is consistent with the current Agreement pertaining to Damage to Facility.
- **Specific Items - 2. Mutual Waivers of Indirect Damages and Liability Limitations** - Veolia Water requests that mutual waivers of consequential, indirect, and special damages, along with UCC warranty disclaimers and a reasonable aggregate liability limitation, be included in the Agreement consistent with the current Agreement.
- **Specific Items - 4. Confirmation of City's Retention of Influent/Effluent Ownership** - Veolia Water requests that provisions confirming the City's ownership of influent and effluent be included in the Agreement.
- **Specific Items – 5. Intellectual Property** - Veolia Water requests that a provision be added stating that upon termination, expenses related to maintenance of licenses or user agreements for software shall become the cost of the District.

Overall, Veolia Water seeks to enter into a commercially reasonable Agreement that is consistent with industry custom and that appropriately balances the performance requirements with the extent of the operator's control over the system. Additionally, Veolia Water assumes that the District will engage in good-faith negotiations with our firm with respect to the terms of the Agreement.

5.2.4 – Corporate Structure: Veolia Water West Operating Services, Inc., is a corporation under the laws of the State of Delaware and an authorized O&M services provider in the State of California, and we will remain as the direct partner to the District under this new agreement. Our firm is a subsidiary of Veolia Water North America – West, LLC, a limited liability company (LLC) under the laws of the State of Delaware, and that company is a direct subsidiary of Veolia Water North America Operating Services, LLC, also an LLC under the laws of the Delaware. Our proposed Project Manager, as noted, will remain Gerald Smart. Our Development Manager, Shilen Patel, will be our company representative; his contact information appears later in this letter.

5.2.5 – O&M Experience History: Veolia Water traces its almost 40 years of operational experience in California to the start of the first municipal wastewater O&M contract in the nation, which is with Burlingame, a contract that remains in place today. More importantly, Veolia Water has nine water and wastewater projects in Northern California, six of which are within two hours of Discovery Bay. We offer a level of local expertise and resources that save our clients money and cannot be matched by any other private operator.

5.2.6 – Litigation Statement: Provided below is a discussion of past and current litigation matters related to our work in California; please note that we have included court litigation matters of Veolia Water North America, LLC, Veolia Water North America – West, LLC, and Veolia Water West Operating Services, Inc., in this listing:

Litigation Matter Name	Veolia Water Company	Substantive Law & State	Dates
Prime Solution, Inc. v. Veolia Water North America Operating Services, LLC, etc.	Veolia Water North America Operating Services, LLC	48th Judicial Circuit Court for the County of Allegan, MI	Start: 6/18/2009 Resolved: 10/12/2010
Status and Description of Matter:	Resolved: This matter relates to a rotary fan dewatering press that was purchased by Veolia from Prime. This matter was resolved in October 2010.		
Powell, David and Shirley Powell v. U.S. Filter [sic], et al	Veolia Water North America – West, LLC	Torts - California	Start: 11/13/2002 Resolved: 5/5/2006
Status and Description of Matter:	Resolved: Plaintiff, alleged that he was exposed to chemicals, arising out of the work he was contracted to perform through his employer, Bockmon & Woody, by defendant, U.S. Filter Corporation, at the BAC Pritchard Site in Merced, CA. This case went to trial and the jury found that none of the defendants, including U.S. Filter, were negligent. The plaintiffs filed a Stipulation to Withdraw Motion for New Trial and Waiver of Appeal in exchange for a waiver of defense costs awarded in judgment.		
Mangione, Donald v. Veolia Water NAOS, LLC	Veolia Water North America -- West, LLC	Toxic Torts -- California	Start: 8/22/2006 Resolved: 7/1/2010
Status and Description of Matter:	Resolved: Plaintiff, who is still an employee of Veolia Water - claimed he and some family members were exposed to asbestos at the worksite. The court dismissed the matter and awarded Veolia Water court costs.		
Azevedo, Andrew & David v. City of Richmond and Veolia Water North America Operating Services, LLC	Veolia Water North America – West, LLC	Liability Premises -- California	Start: 1/11/2007 Resolved: Ongoing
Status and Description of Matter:	Open: Plaintiff alleges property damage caused by sewer backup. The case settled at mediation on March 13, 2008, for \$60,690, which the City paid in full. Veolia Water placed \$30,345 in escrow pending the decision of the company's percentage of contribution, which will be determined by a neutral third-party adjuster.		
San Francisco Baykeeper v. City of Burlingame & Veolia Water	Veolia Water North America -- West, LLC	Environmental Law – California	Start: 2/11/2008 Resolved: 10/9/2008
Status and Description of Matter:	Resolved: Plaintiff alleges defendants violated the Federal Water Pollution Control Act (the "Clean Water Act"). Settled in principle without any contribution from Veolia and case was dismissed.		

Litigation Matter Name	Veolia Water Company	Substantive Law & State	Dates
Burke, James, Valerie and Dylan (a minor) v. City of Richmond and Veolia Water North America Operating Services, LLC	Veolia Water North America -- West, LLC	Liability Premises -- California	Start: 3/18/2009 Resolved: 1/21/2010
Status and Description of Matter:	Resolved: Complaint filed in the Superior Court of California by the plaintiffs, asserting claims due to a sewage backup that occurred on February 23, 2007. Case settled at mediation.		
Kyriakakos, James, et al. v. Veolia Water NA - West, LLC, et al.	Veolia Water North America -- West, LLC	Employment Other -- California	Start: 3/26/2010 Resolved: Ongoing
Status and Description of Matter:	Open: Class action brought by Plaintiff, on behalf of himself and all similarly-situated employees, alleging they did not receive compensation for all hours worked.		

5.2.7 - Date of Incorporation: Veolia Water West Operating Services, Inc., is a Delaware corporation with offices located in California, established on June 14, 2005, (as Veolia Water Constructors, Inc., and was renamed in 2007). The company is an authorized O&M services provider in the State of California.

Our complete Technical Proposal follows in this volume and addresses all of the requirements of the RFP, 5.3 through 5.12; and our separate Cost Proposal, Volume 2, addresses the requirements under RFP item 5.13.

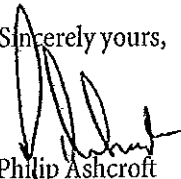
As the President of Veolia Water West Operating Services, Inc., I have executed this Proposal submittal and have the authority to commit our firm to any contract that results; a copy of my signature authority (Certificate of Secretary) is provided as an attachment to this letter. Additionally, to affirm the commitment of Veolia Water to maintain continuity in terms of the management of this project, our Project Manager at Discovery Bay, Gerald Smart, has also signed this Technical Proposal submittal.

Veolia Water's contact person as this procurement process moves forward, as mentioned, will be our Development Manager, Shilen Patel.

Mr. Shilen Patel -- Municipal Development Manager
 2300 Contra Costa Boulevard, Suite 350, Pleasant Hill, California 94523
 Telephone: 925/771-7207 -- E-Mail: shilen.patel@veoliawaterna.com

I invite you to contact Mr. Patel or me should you have any questions regarding this Proposal or need any additional information. We very much look forward to your review of this submittal and to the next steps in this procurement process.

Sincerely yours,



Philip Ashcroft
 President
 Veolia Water West Operating Services, Inc.



Gerald Smart
 Project Manager -- Discovery Bay
 Veolia Water West Operating Services, Inc.

Attachment:

- Certificate of Secretary (signature authority for Project Principal -- Philip Ashcroft)

VEOLIA WATER WEST OPERATING SERVICES, INC.

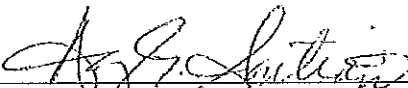
SECRETARY'S CERTIFICATE

The undersigned, Amy E. Santiago, does hereby certify that she is Assistant Secretary of Veolia Water West Operating Services, Inc., a corporation duly organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"); and that Philip Ashcroft, President, is, in such capacity, duly authorized on behalf of and in the name of the Corporation to negotiate and execute contracts and make related commitments with regard to the following project:

**Water & Wastewater Systems Operations
RFP No. 10-01**

**Requested by The Town of Discovery Bay Community Services District
Discovery Bay, California**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 25th day of October, 2010.



Amy E. Santiago, Assistant Secretary

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