



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



President – Bill Pease • Vice-President – Bryon Gutow • Director – Kevin Graves • Director – Robert Leete • Director – Bill Mayer

TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
AGENDA PACKET

Regular Board Meeting
Wednesday, June 3, 2020

7:00 P.M. Regular Board Meeting

Community Center
1601 Discovery Bay Boulevard



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT



PLATINUM LEVEL

SDLF Platinum-Level of Governance

President – Bill Pease • Vice-President – Bryon Gutow • Director – Kevin Graves • Director – Robert Leete • Director – Bill Mayer

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

Wednesday June 3, 2020

REGULAR MEETING 7:00 P.M.

Community Center

1601 Discovery Bay Boulevard, Discovery Bay, California

Website address: www.todb.ca.gov

NOTICE Coronavirus COVID-19

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

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

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

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

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

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

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

C. CONSENT CALENDAR

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

1. Approve DRAFT minutes of regular meeting for May 20, 2020.
2. Approve Register of District Invoices.
3. Action to Approve Renewal of Herwit Engineering Contract for Services into Fiscal Year 2020-2021.
4. Approve Proclamation 20-01.
5. Approve the Extension of Luhdorff and Scalmanini Contract Engineers for Services into FY 2020-2021.

D. AREA AGENCIES REPORTS / PRESENTATION

- 1. Supervisor Diane Burgis, District III Report.
- 2. Sheriff’s Office Report.
- 3. CHP Report.
- 4. East Contra Costa Fire Protection District Report.

E. LIAISON REPORTS

F. PRESENTATIONS

- 1. Present Proclamation 20-01.

G. BUSINESS AND ACTION ITEMS

- 1. Public Hearing, Discussion, and Possible Action to Approve Town of Discovery Bay Proposed Rate Increase Pertaining to Water and Wastewater Services for FY 2020 through FY 2025 and Approval and Adoption of Resolution No. 2020-12 Establishing Charges for Water and Wastewater Service and Continuing Collection of Water and Wastewater Service Charges on the County Tax Roll.
- 2. Discussion and Possible Action to Adopt Preliminary Fiscal Year 2020-21 Draft Operating, Capital and Revenue Budget.

H. MANAGER’S REPORT

I. DIRECTORS’ REPORTS

- 1. Standing Committee Reports.
 - a. Finance Committee Meeting (Committee Members Robert Leete and Bill Mayer)
June 3, 2020.
 - b. Internal Operations Committee Meeting (Committee Members Robert Leete and Kevin Graves)
June 3, 2020.
 - c. Water and Wastewater Committee Meeting (Committee Members Bill Pease and Bill Mayer)
June 3, 2020.
- 2. Other Reportable Items.

J. GENERAL MANAGER’S REPORT

K. CORRESPONDENCE RECEIVED (Information Only)

L. FUTURE AGENDA ITEMS

M. ADJOURNMENT

- 1. Adjourn to the next regular meeting of June 17, 2020 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

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

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



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



PLATINUM LEVEL

President – Bill Pease • Vice-President – Bryon Gutow • Director – Kevin Graves • Director – Robert Leete • Director – Bill Mayer

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY
Wednesday May 20, 2020
REGULAR MEETING 7:00 P.M.
Website address: <http://www.todb.ca.gov>**

NOTICE Coronavirus COVID-19

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**TO ATTEND BY TELECONFERENCE:
Toll-Free Dial-In Number: (877)778-1806
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A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 7:00 p.m. – By President Pease
2. Pledge of Allegiance – Led by Director Graves
3. Roll Call – All Present.

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

None

C. CONSENT CALENDAR

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

1. Approve DRAFT minutes of Regular Board Meeting for May 6, 2020.
2. Approve Register of District Invoices.

Motion by Director Leete to approve the Draft Minutes and Register of District Invoices noted in Agenda C.
Second by Director Graves.

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

D. PRESENTATIONS

E. MONTHLY WATER AND WASTEWATER REPORT – VEOLIA

1. Veolia Report – Month of April 2020

PowerPoint presentation conducted by Project Manager, Berney Sadler.

Project Manager Sadler thanked TODB and Board members for 9 years of support before his upcoming retirement.

Legal Counsel Rod Attebery and Board President Pease both expressed appreciation for Project Manager Sadler's dedication to the community.

F. DISCUSSION ITEMS

G. BUSINESS AND ACTION ITEMS

1. Discussion and Possible Action to Approve Scope of Work of Luhdorff and Scalmanini Consulting Engineers to Produce the 2020 Urban Water Management Plan.

Approval for contract with Luhdorff & Scalmanini Consulting Engineers was petitioned to the Board by General Manager, Mike Davies. Contract will seek to have Luhdorff & Scalmanini Consulting Engineers generate the 2020 Urban Water Management Plan.

Director Leete asked District Water Engineer, Justin Shobe if he will be leading this project.

District Water Engineer, Justin Shobe confirmed that he will spearhead the project with three of his colleagues. Motion to approve scope of work for 2020 Urban Water Management Plan be done by Luhdorff and Scalmanini Consulting Engineers made by Director Mayer.

Second by Director Leete.

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

H. MANAGER'S REPORT

1. Finance Manager Presentation of Fiscal Year 2020-21 Preliminary DRAFT Operating Capital and Revenue Budget.

Finance Manager, Julie Carter discussed Proposed Budget for Fiscal Year 2020-2021. Budgets and Capital Improvement Projects for the Town were addressed and explained. Finance Manager Carter went briefly through each budget, explaining key points and discussing important expenses.

President Pease inquired if the Town was given an explanation for the increase in our liability insurance.

Finance Manager Carter explained that we personally did not have claims, but other districts in the pool did.

Director Leete asked if the presumed Rate Study provided by Lechowicz & Tseng Municipal Consultants is accounted for in this Proposed Budget.

Finance Manager Carter confirmed that the Rate Study was captured in this Proposed Budget.

President Pease clarified that the Town would start to tackle some replacements regarding water distribution.

Director Leete asked if all the Capital Improvement Projects are the same ones that have already been discussed in previous meetings or if there are any new projects we have yet to consider in the Proposed Budget.

Finance Manager Carter confirmed that all projects listed in this Proposed Budget have already been mentioned to the Board previously.

Director Graves asked if a new larger pool is what is being discussed.

Finance Manager Carter clarified that the discussion is regarding a replacement pool, the same size as current pool.

Director Leete inquired about the status of the grant from East Bay Regional Parks.

Town General Manager, Mike Davies explained that the Town has just been approved for this grant and the Town is in the process of working on a Request for Proposal.

Vice President, Bryon Gutow asked if Landscape and Recreation Manager, Bill Engelman's landscaping projects are accounted in the Proposed Budget being presented or if a revision will need to be done.

Finance Manager Carter stated that ideally this landscaping project can be done with the inhouse staff to minimize the impact it will have on the budget. If this is not possible, then a revision of this proposal might be necessary.

Director Leete advised that the Proposed Budget is aggressive; the size of the small staff compared to the large proposed projects. He looks forward to all projects being completed.

I. FUTURE AGENDA ITEMS

J. ADJOURNMENT

1. Adjourn at 7:33 p.m. to the regular meeting on June 3, 2020 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

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

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DRAFT



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

June 3, 2020

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

Agenda Title

Approve Register of District Invoices.

Recommended Action

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

Executive Summary

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

Fiscal Impact:

Amount Requested \$ 287,624.72

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 2019/2020

AGENDA ITEM: C-2

For The Meeting On June 3, 2020
Town of Discovery Bay CSD
Fiscal Year 7/19 - 6/20

Kirby's Pump & Mechanical, Inc.	\$114,115.00
Pacific Gas & Electric	\$85,458.26
Town of Discovery Bay CSD	\$36,168.88
Precision IT Consulting	\$24,000.04
Gemini Group L.L.C.	\$5,680.32
Mt. Diablo Resource Recovery	\$4,187.48
Bay Area Air Quality Mgmt. District	\$4,130.00
Freedom Mailing Service, Inc	\$2,846.34
County Clerk - CCC	\$2,456.75
Croce, Sanguinetti & Vander Veen, Inc.	\$2,401.25
Univar Solutions USA Inc.	\$1,534.94
Matrix Trust	\$1,073.83
Bill Brandt Ford	\$825.01
Watersavers Irrigation Inc.	\$821.48
Aflac	\$365.58
Office Depot	\$330.38
ReliaStar Life Insurance Company	\$325.00
Water Utility Refund Customer	\$150.00
Cintas	\$131.86
UniFirst Corporation	\$120.00
Alhambra	\$101.62
Lesley Marable	\$97.98
Shred-It USA-Concord	\$69.34
Discovery Pest Control	\$68.00
Discovery Bay Designs	\$62.11
Bay Area Driving School, Inc.	\$49.38
Carol McCool	\$28.87
Verizon Wireless	\$25.02
	<hr/>
	\$287,624.72



Town of Discovery Bay

"A Community Services District"

AGENDA REPORT

Meeting Date

Jun 3, 2020

Prepared By: Dina Breitstein, Assistant General Manager
Submitted By: Michael Davies, General Manager



Agenda Title

Approve the extension of the HERWIT Engineering Contract for services into Fiscal Year 2020-2021.

Recommended Action

Approve the Contract with HERWIT Engineering to continue to provide Contract Engineering Services for the Wastewater Division of the Town of Discovery Bay.

Executive Summary

HERWIT Engineering provides the District with the needed Engineering work for the Wastewater Services Division of the Town of Discovery Bay. In the coming Fiscal Year the Capital Improvement Project list request services from HERWIT to perform and provide support for a number of projects under the following categories:

- Annual Lift Station Improvements
- Wastewater Treatment Plant 1 Refurbishment
- Improvements-Wastewater System & Maintenance
- Denitrification Project
- Mainline Pipe Replacement

Enclosed is HERWIT's proposed Scope of Work and Fee Schedule for continuation of General Engineering Services for FY 2020/21. A main component of work under the General Engineering Services has been to provide assistance to the District with the Wastewater Treatment Plant Refurbishment, Denitrification and the Wastewater Master Plan Updates as well as other various capital improvement projects. The enclosed scope of work and proposed budget is to extend the assistance provided under General Engineering Services and continued improvements and maintenance services for FY 2020/21.

The attached documents provide the basis for the budget estimate. The budget estimate is considered appropriate and as a not-to-exceed amount unless specifically approved in advance and in writing by the District. The proposed amount of \$75,000 includes HERWIT's labor rates and miscellaneous expenses. HERWIT will continue to bill monthly for labor and materials, only as incurred, in accordance with HERWIT's fee schedule.

HERWIT's Fee Schedule remains the same as last fiscal year.

Fiscal Impact: \$75,000

Previous Relevant Board Actions for This Item

Attachments

Exhibit A Scope of Work
Fee Schedule

AGENDA ITEM: C-3

EXHIBIT A
SCOPE OF WORK
DISTRICT ENGINEER
ENGINEERING SUPPORT SERVICES
FOR THE
DISCOVERY BAY COMMUNITY SERVICES DISTRICT

The purpose of this Scope of Work is to provide engineering support services, on an as-needed consulting basis, as District Engineer for the Discovery Bay Community Services District.

CONSULTANT'S SERVICES

The CONSULTANT shall perform the following tasks in carrying out these services and shall perform all services in a manner consistent with the standards of the industry.

TASK 1- ENGINEERING SUPPORT SERVICES AS DISTRICT ENGINEER

- 1.1. PLAN CHECKING: Consultant shall review all subdivision plans and construction documents for wastewater facilities ultimately owned by the District. Consultant shall review, and return signed copies of each submittal to the District for distribution to project applicants. Where possible, Consultant's comments shall be summarized on a comment sheet attached to one submittal copy.
 - 1.1.1. Consultant shall review construction documents for construction materials and methods acceptable to the District as they relate to the construction of wastewater facilities only, including pipe lines, sewers systems, wastewater plants, wastewater pumping stations, as well as other ancillary facilities directly supporting wastewater facilities such as electrical and control buildings.
 - 1.1.2. The following submittals will not be reviewed by the Consultant: Temporary Construction Submittals including shoring submittals.
 - 1.1.3. The Consultant shall maintain a file of all project plans and submittals.
 - 1.1.4. The Consultant's review of plans and submittals shall be completed, and review comments sent to the District within twenty-five (25) calendar days following the receipt of the submittal in the Consultant's office. If for any reason the review cannot be performed within this twenty-five (25) day calendar day period, Consultant shall notify the District and give reason for the delay.
 - 1.1.5. The Consultant's review is not intended as acceptance of the work if plans and

submittals contain errors, omissions, or inconsistencies not discovered by Consultant, nor is the review intended to relieve the submitting applicant of his full responsibility for proper engineering and design, nor is the review intended to ensure or guarantee lack of errors, omissions, or inconsistencies in submitted construction documents.

1.2. FIELD INSPECTIONS: Consultant shall provide field inspection services including the following:

1.2.1. The Consultant shall inspect the construction of wastewater facilities including sewers, manholes, pipelines, pump stations, treatment plants, and support facilities as requested by the District.

1.2.2. The Consultant shall be present during a single final project “walk-through” inspection with the District. Consultant shall participate in review and development of final inspection “punch-list.”

1.3. TESTING, REVIEW, and WITNESSING: The Consultant will perform review of procedures and witness testing of mechanical and electrical facilities including the following:

1.3.1. The Consultant shall witness the testing of wastewater facilities including mechanical and electrical equipment as requested by the District.

1.4. ATENDANCE AT MEETINGS: The Consultant shall attend meetings as District Engineer including the following

1.4.1. Construction Meetings. Consultant shall attend and participate in certain project meetings at project sites in order to keep abreast of construction activities and be involved in questions which may arise concerning construction quality as requested by the District. During construction site visits, Consultant shall observe construction progress and shall discuss with Construction Manager relevant construction issues.

1.4.2. Special Meetings. CONSULTANT shall attend special meetings to discuss and assist in resolving any construction issues as requested by the District.

1.4.3. District Board Presentations. Attend and update District Board as requested.

1.5. GENERAL ADMINESTRATIVE SERVICES. Consultant shall furnish general administrative services to remain current on District projects and to provide for organized execution of work and retrieval of information. Such services shall include the following:

- 1.5.1. Review and route, as appropriate, Project correspondence furnished by the Construction Manager and other entities. Maintain a logical and retrievable filing system.
 - 1.5.2. Serialize correspondence and other project documentation transmittals. Identify subject on correspondence and transmittals in accordance with a subject identification procedure established by the Construction Manager.
 - 1.5.3. Provide DISTRICT each month during the term of this Project, a brief written progress report on the services performed. Such reports shall include the cumulative percentage of the overall budget expended hereunder, a brief description of the work performed during the reporting period, and such other information as may be appropriate.
- 1.6. PROJECT DESIGN: The Consultant shall prepare plans and specifications for the construction of wastewater facilities to support District activities as requested by the District. Consultant shall prepare a separate scope and fee estimate for such services to be approved by the District. When design services are performed, they shall be completed in the following manner:
- 1.6.1. CONSULTANT shall prepare a set of civil, mechanical, structural, and electrical design drawings and technical specifications (CSI format) suitable for assignment by the owner to a general contractor for construction.
 - 1.6.2. The drawings shall conform to Consultant's typical CADD guidelines.
 - 1.6.3. Plans and specifications shall include the technical information required for the construction of the civil, mechanical, electrical, and structural facilities.
 - 1.6.4. Preparation of the plans and specifications shall include the submittal of 30 and 90 percent complete documents for review by the District, as well as 100 percent complete documents, incorporating the District's comments.
 - 1.6.5. Consultant shall deliver the reproducible technical specifications and construction drawings for the each project. Electronic files shall also be delivered to the District.
 - 1.6.6. CONSULTANT shall prepare an estimate for the construction cost of the work at the 30 percent and 90 percent completion stages of the project.
 - 1.6.7. Bid Period Assistance: Consultant shall assist the District prior to awarding construction contracts by:
 - 1.6.7.1. Responding to questions from prospective General Contractor's prior to OWNER awarding contract.

- 1.6.7.2. Preparing addenda.
- 1.6.7.3. OWNER shall be responsible for distribution of original documents and addenda to prospective General Contractor's.
- 1.6.8. Engineering Deliverables: Consultant shall provide the following deliverables as part of design services:
 - 1.6.8.1. 30 percent (30%) design plans and technical specifications (2 copies).
 - 1.6.8.2. 90 percent (90%) design plans and technical specifications (2 copies).
 - 1.6.8.3. One hundred percent (100 %) design plans and technical specifications (reproducible originals).
 - 1.6.8.4. Addenda to plans and specifications (reproducible originals).
- 1.7. PROCESS ASSISTANCE: Consultant shall inspect and make recommendations for improvements to wastewater collection and treatment systems as requested by the District.
- 1.8. PERMIT AND PUBLIC AGENCY ASSISTANCE: Consultant shall assist the District in negotiating with and permitting facilities through other public agencies as requested by the District. Such work to include Environmental Impact Report (EIR) review, permit negotiations, permit applications, and meetings and correspondence with other public agencies.
- 1.9. Assist the District with water facilities or other facilities as requested.

PROJECT PERSONNEL

- 2. Consultant shall assign the following project personnel to this project:
 - 2.1. Kurt A. Gardner, a registered civil engineer, shall serve as project manager for the Consultant and shall personally oversee the performance of Consultant's Services. Mr. Gardner shall be responsible for civil engineering services.
 - 2.2. Gregory P. Harris, a registered mechanical engineer, shall be responsible for mechanical engineering services and civil engineering services under the direction of the project manager.
 - 2.3. Subconsultants: Consultant shall hire subconsultants in other engineering disciplines as required to assist in performing support services under this contractor.

HERWIT
ENGINEERING

HERWIT ENGINEERING
1/01/20 - 12/31/21 FEE SCHEDULE

<u>Personnel</u>	<u>Hourly Rate</u>
Engineering (Process, Mechanical, Civil)	\$195.00
Drafting	\$100.00
Word Processing	\$100.00
<u>Subconsultants</u>	
Engineering (Electrical - Structural)	\$150.00
<u>Other Direct Costs</u>	
Travel, \$/mi	Federal Reimbursement
Subconsultants	Cost + 10%
Internal Printing	@ direct cost
Misc. travel and other indirect expenses	@ direct cost

R:\Herwit Support\Financials\Fee Schedules\2020 Fee Schedule DBCSD.xlsx

6200 Center Street, Ste. 310
Clayton, CA 94517
PHN (925) 672-6599
FAX (925) 672-6051



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

June 3, 2020

Prepared By: Dina Breitstein, Assistant General Manager

Submitted By: Michael R. Davies, General Manager



MRD

Agenda Title:

Approve the Extension of Luhdorff and Scalmanini Contract Engineers for Services into FY 2020-2021.

Recommended Action:

Approve the Contract with Luhdorff and Scalmanini Contract Engineers (LSCE) to continue to provide Contract Engineering Services for the Water Division of the Town of Discovery Bay.

Executive Summary:

Luhdorff and Scalmanini Contract Engineers provides the District with the needed engineering work for the Water Services Division of the Town of Discovery Bay. In the coming fiscal year the Capital Improvement Project list request services from LSCE to perform and provide support for a number of projects under the following categories:

- Water Supply Capacity,
- Upgrades and Maintenance to the Existing Water Supply,
- Water Distribution System,
- Ground Water Basin Management,
- Water Distribution & Maintenance System upgrades, and the
- Master Plans

Enclosed is LSCE's proposed Scope of Work, Fee Schedule and Budget for continuation of General Engineering Services for FY 2020/21. A main component of work under the General Engineering Services has been to provide assistance to the District with the design and construction oversight of Well #8, pipeline repairs, as well as other various capital improvement projects. The enclosed scope of work and proposed budget is to extend the assistance provided under General Engineering Services and continued improvements and maintenance services for FY 2020/21.

The attached documents provide the basis for the budget estimate. The proposed amount of \$86,402 includes LSCE's labor rates and miscellaneous expenses. LSCE will continue to bill monthly for labor and materials, only as incurred, in accordance with LSCE's fee schedule.

Fiscal Impact: \$86,402

Previous Relevant Board Actions for This Item:

Attachments:

Exhibit A Scope of Work, Budget and Fee Schedule.

AGENDA ITEM: C-5



May 28, 2020
File No. 20-5-069

Mr. Michael Davies & Ms. Dina Breitstein
Town of Discovery Bay
Community Services District
1800 Willow Lake Road
Discovery Bay, CA 94514

**SUBJECT: SCOPE AND BUDGET FOR DISTRICT WATER ENGINEER
GENERAL ENGINEERING SERVICES - FISCAL YEAR 2020/2021**

Dear Mr. Davies and Ms. Breitstein:

At your request, Luhdorff & Scalmanini Consulting Engineers (LSCE) is pleased to provide this proposed scope and budget for general engineering services in Fiscal Year 2020/2021 (FY 20/21) for the Town of Discovery Bay Community Services District (TODB).

Scope of Work

The scope of work outlined in this letter describes the ongoing and as-needed engineering support related to the TODB public water system and associated regulatory items. The tasks are separated into categories of engineering services that are likely to occur through the FY 20/21. The tasks include ongoing recurring activities that are well-defined, such as with participation at Board and Committee meetings and assistance with regulatory compliance. The tasks also include services that are not yet defined and would be developed on an as-needed basis at the request of the District, such as planning for capital improvement projects, evaluation of issues that arise in the water system, assistance on the Asset Management Plan. Budgets are proposed for these tasks based on the level of involvement from previous Fiscal Year general service contracts and the anticipated items to occur in FY 20/21.

Task 1 – Contract Management

The task is for overall management of scope deliverables, budget and monthly invoicing.

Task 1: Contract Management		
Task	Description	Details
1.a	Contract Management	<ul style="list-style-type: none"> ▪ Review and approval of monthly invoices (12 total) ▪ QA/QC for scope deliverables and services provided ▪ Budget analysis memorandums (4 total)

Task 2 – Meetings

This task is for participation in monthly Water/Wastewater Committee meetings and District Board meetings. LSCE’s participation for meetings ranges from preparing project updates for staff prior to Committee or Board meetings, to LSCE’s attendance and providing presentations for the Committee and Board meetings.

Task 2: Monthly Committee Meetings		
Task	Description	Details
2.a	Monthly Water/Wastewater Committee Meetings	<ul style="list-style-type: none"> ▪ Attendance at Water/Wastewater Committee meetings, and pre-meetings with District staff (12 meetings total) ▪ Prepare material, agenda, reports and figures to discuss water system related items with the Water/Wastewater Committee.
2.b	Board Meetings	<ul style="list-style-type: none"> ▪ Attendance and support at Board of Directors Public Meetings (6 meetings total) ▪ Regular Water system update at Board Meetings. ▪ Preparation and delivery of public presentations, including any supporting material such as technical exhibits and figures. ▪ Preparation of Staff Reports for the Board agenda.

Task 3 – Regulatory Assistance

This task is for assistance with regulatory deliverables that are anticipated for FY 20/21. Some of the regulatory deliverables are recurring items, as listed in the table below. There are new regulations occurring in FY 20/21 that LSCE has included in the scope and budget to assist the District. LSCE will also provide guidance to the District on the new and emerging regulations, as outlined in the table below.

Task 3: Regulatory Assistance		
Task	Description	Details
3.a	Guidance on New Regulations	<ul style="list-style-type: none"> ▪ Report to the General Manager. ▪ Prepare two (2) memorandum to update on the emerging State and Federal regulations (SB 555, SB606/AB1668, AWIA). ▪ Develop strategy for compliance with Staff/Veolia.
3.b	CASGEM Well Monitoring and State Reporting	<ul style="list-style-type: none"> ▪ Twice per year (fall/spring), LSCE conducts field services for water level monitoring and reporting for DWR compliance. ▪ Two trips are required per event, due to the coordination of plant shutdown requirements with Veolia. ▪ LSCE maintains transducers, downloads data, updates groundwater level database, and reports to DWR. ▪ The cost of four (4) transducer replacements are required this year and included in the budget (\$675 per transducer).
3.c	SB555 Water Audit and State Reporting	<ul style="list-style-type: none"> ▪ Prepare the annual Water Loss Audit. ▪ Validate audit and submit to State DWR by October 1, 2020.
3.d	SB 606/AB 1668 Monthly Water Conservation Reporting	<ul style="list-style-type: none"> ▪ Assist with initial data coordination (July/August 2020) ▪ Establish protocol amongst District staff and Operators for ongoing monthly reporting

3.e	Water Shortage Contingency Plan	<ul style="list-style-type: none"> ▪ Beginning in 2020, TODB must develop and adopt a Water Shortage Contingency Plan (WSCP). The framework will utilize previous draft templates prepared in the 2015 Urban Water Management Plan. ▪ Develop draft and final WSCP for District review and approval.
3.f	Cross-Connection Control Program Development	<ul style="list-style-type: none"> ▪ Evaluate options for backflow prevention for District consideration. ▪ Develop draft regulation, survey forms, and ordinance for District and Board input. ▪ Finalize ordinance for Board adoption. ▪ (not included are any workshops or assistance with implementation – this may be needed in subsequent Fiscal Years)

Task 4 – Capital Project Assistance

This task involves assistance on the capital improvement plan (CIP) or assistance on issues that arise on existing facilities. The specific activities would be developed on an as-needed basis at the request of the District. LSCE assistance may involve evaluating project alternatives, conducting hydraulic model simulations, developing preliminary design basis, assessing feasibility, cost estimates, preliminary designs, or developing RFP for outside services. This task does not involve conducting designs or management of CIP projects; services related to CIP project design and management would be a separate contract.

Task 4: Capital Improvement Program Engineering Services		
Task	Description	Details
4.a	As-needed Assistance on CIP Engineering Services (contingency)	<ul style="list-style-type: none"> ▪ 100 hours for as-needed services include engineering, drafting or modeling (tasks to be defined).

Task 5 – Planning and Asset Management Services

This task involves ongoing planning and asset management services. LSCE routinely engages with Veolia to monitor water production, supply, and demand to track the consumption with respect to the design capacity of the production facilities. LSCE also provides guidance for maintenance of the existing wells and pumps to maintain capacity. This FY 20/21 would also include LSCE assistance on the Asset Management Plan that the District is developing in conjunction with Veolia’s GIS services. The Asset Management Plan will identify the need for future infrastructure replacement through an analysis of asset inventory and asset conditions. LSCE provides contingency (hours of service) to provide input and guidance on the Asset Management Plan.



MR. DAVIES AND MS. BREITSTEIN
MAY 28, 2020
4

Task 5: Planning and Asset Management Services		
Task	Description	Details
5.a	Water Production, Supply and Demand	<ul style="list-style-type: none"> ▪ Coordinate production data from Veolia to monitor monthly, daily and hourly demands for Supply and Demand analysis ▪ Provide updates to the District staff on the tracking and comparison to supplies. ▪ Provide guidance on upgrades or maintenance of wells and pumps
5.b	Asset Management Plan (contingency)	<ul style="list-style-type: none"> ▪ 40 hours contingency for input and assistance on the development of an Asset Management Plan

Estimate of Budget

LSCE's proposed budget for General Engineering Services for FY 20/21 is \$86,402, which is encompassed in the attached Budget Estimate Worksheet (attached). The proposed budget includes the estimated labor under each task for the activities outlined in the Scope of Work. The budget estimated is considered suitable based on the services anticipated in FY 20/21 and provides a contingency for the District to utilize LSCE on an as-needed basis for engineering services.

LSCE will bill monthly for labor and materials, only as incurred, in accordance with LSCE's current Schedule of Fees for Engineering and Field services (attached). In the event that LSCE is required to be involved in general services activities that deviate from the scope or are more time intensive than anticipated, LSCE will provide notification of any potential changes in the estimated budget for general engineering services.

We appreciate the opportunity to provide this proposed scope and budget for the Town of Discovery Bay Community Services District and to continue to provide professional support for the District's water system. Should you have any questions, please do not hesitate to contact me.

Sincerely,

LUHDORFF & SCALMANINI
CONSULTING ENGINEERS



Justin Shobe, P.E.
Supervising Engineer

Enclosures

- Budget Estimate Worksheet
- 2020 Schedule of Fees for Engineering and Field services

		PROFESSIONAL			TECHNICAL	Labor Subtotal	DIRECT EXPENSES		Direct Expenses Subtotal	Contract Budget Estimate
		Supervising Engineer \$210	Staff Engineer \$145	ACAD Drafting \$130	Travel Lump Sum		Copies/ Equipment Lump Sum			
Client:	Discovery Bay Community Services District			Budget Estimate Worksheet						
Project:	General Engineering Services FY20/21									
Estimated By:	J. Shobe									
Date:	5/28/2020									
	Billing Level									
	Billing Rate (\$/Hr)									
Task 1: Contract Management	1.a Contract Management	25	0	0	\$5,250	\$0	\$0	\$0	\$5,250	
	Total Hours	25	0	0	25					
	Subtotal (cost)	\$5,250	\$0	\$0	\$5,250	\$0	\$0	\$0	\$5,250	
Task 2: Meetings	2.a Monthly Water/Wastewater Committee Meetings (attend 12 per year)	60	0	0	\$12,600	\$557	\$100	\$657	\$13,257	
	2.b Board Meetings (attend 6 per year)	30	0	0	\$6,300	\$0	\$0	\$0	\$6,300	
	Total Hours	90	0	0	90					
	Subtotal (cost)	\$18,900	\$0	\$0	\$18,900	\$557	\$100	\$657	\$19,557	
Task 3: Regulatory Assistance	3.a Assistance on New Regulations	16	24	0	\$6,840	\$0	\$0	\$0	\$6,840	
	3.b CASGEM Well Monitoring and State Reporting	4	36	0	\$6,060	\$186	\$2,700	\$2,886	\$8,946	
	3.c SB555 Water Audit and State Reporting	8	24	0	\$5,160	\$0	\$0	\$0	\$5,160	
	3.d SB 606/AB 1668 Monthly Water Conservation Reporting	6	8	0	\$2,420	\$0	\$0	\$0	\$2,420	
	3.e Water Shortage Contingency Plan	12	0	0	\$2,520	\$0	\$0	\$0	\$2,520	
	3.f Cross-Connection Control Program Development	40	0	0	\$8,400	\$0	\$0	\$0	\$8,400	
	Total Hours	86	92	0	178	\$0	\$0	\$0	\$178	
Subtotal (cost)	\$18,060	\$13,340	\$0	\$31,400	\$186	\$2,700	\$2,886	\$34,286		
Task 4: Capital Project Assistance	4.a As-needed Assistance on CIP Engineering Services	30	30	40	\$15,850	\$0	\$100	\$100	\$15,950	
	Total Hours	30	30	40	100					
	Subtotal (cost)	\$6,300	\$4,350	\$5,200	\$15,850	\$0	\$100	\$100	\$15,950	
Task 5: Planning and Asset Management Services	5.a Water Production, Supply and Demand	12	12	0	\$4,260	\$0	\$0	\$0	\$4,260	
	5.b Asset Management Plan	20	20	0	\$7,100	\$0	\$0	\$0	\$7,100	
	Total Hours	32	32	0	64					
	Subtotal (cost)	\$6,720	\$4,640	\$0	\$11,360	\$0	\$0	\$0	\$11,360	
Totals	Total Hours	263	154	40	457					
	Total (cost)	\$55,230	\$22,330	\$5,200	\$82,760	\$742	\$2,900	\$3,642	\$86,402	



SCHEDULE OF FEES - ENGINEERING AND FIELD SERVICES 2020

Professional	
Senior Principal	\$225/hr
Principal Professional	\$220/hr
Supervising Professional	\$210/hr
Senior Professional	\$192/hr
Project Professional	\$150 to 170/hr
Staff Professional	\$135 to 145/hr
Technical	
Engineering Inspector	\$140/hr
ACAD Drafting/GIS	\$135/hr
Engineering Assistant	\$105 to 125/hr
Scientist	\$105 to 125/hr
Technician	\$105 to 125/hr
Clerical Support	
Word Processing, Clerical	\$80/hr
Digital Communications Specialist	\$90/hr
Project Admin/Accounting Assistant	\$100/hr
Other Services	
Vehicle Use	\$0.58/mi
Subsistence	Cost Plus 15%
Groundwater Sampling Equipment (Includes Operator)	\$170.00/hr
Copies	0.20 ea
Professional or Technical Testimony	200% of Regular Rates
Technical Overtime (if required)	150% of Regular Rates
Outside Services/Rentals	Cost Plus 15%
Services by Associate Firms	Cost Plus 15%



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

June 3, 2020

Prepared By: Dina Breitstein, Assistant General Manager

Submitted By: Michael Davies, General Manager



MRD

Agenda Title

Public Hearing, Discussion, and Possible Action to Approve Town of Discovery Bay Proposed Rate Increase Pertaining to Water and Wastewater Services for FY 2020 through FY 2025 and Approval and Adoption of Resolution No. 2020-12 Establishing Charges for Water and Wastewater Service and Continuing Collection of Water and Wastewater Service Charges on the County Tax Roll.

Recommended Action

Open the public hearing on Resolution 2020-12 rate increase and rate adoption subject to Prop 218, accept any public comments, close the public hearing, accept the protest vote count total, and take action on Resolution No. 2020-12.

Executive Summary

Lechowicz & Tseng Municipal Consultants was authorized at the November 6, 2019 Board Meeting to conduct a rate study for the five (5) year period beginning on July 1, 2020 and ending June 30, 2025. This rate study provides funding for current and future operations and maintenance, necessary existing and new facility capital improvements, and the funding of infrastructure and vehicle replacements. The rates were determined based upon projected annual expenditures of the District in the operating and capital budgets for the next five fiscal years.

At the April 15, 2020 Board of Directors Meeting the Proposed Rate Study was adopted and the approval was given to mail out the Proposition 218 public notices. Those notices were sent out via the United States Postal Service Mail on April 17, 2020. A copy of the study and the public notice is included and attached as a part of this report.

Proposition 218 requires voter approval prior to imposition or increase of general taxes, assessment, and certain user fees. To do this a public hearing must take place. The number of qualifying protests that are received will be presented after the close of the public hearing.

Staff Recommends:

1. Open the public hearing for public comment
2. Close the public hearing
3. Accept protest vote count total
4. Take action on Resolution 2020-12

The table below shows the impact over the five-year forecast period:

(Continued)

WATER	Current Meter Fee (\$/month)	PROPOSED				
		FY2020/21 (July 1, 2020)	FY2021/22 (July 1, 2021)	FY2022/23 (July 1, 2022)	FY2023/24 (July 1, 2023)	FY2024/25 (July 1, 2024)
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation (Domestic) Account Charge:						
5/8" Meter	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
3/4" Meter	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1" Meter	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1 1/2" Meter	\$39.16	\$40.08	\$40.78	\$41.50	\$42.24	\$42.98
2" Meter	\$62.04	\$62.98	\$63.96	\$64.94	\$65.92	\$66.94
3" Meter	\$123.06	\$124.56	\$126.10	\$127.64	\$129.20	\$130.80
4" Meter	\$191.71	\$193.84	\$196.00	\$198.20	\$200.40	\$202.64
6" Meter	\$382.43	\$386.30	\$390.22	\$394.18	\$398.18	\$402.22
Irrigation Account Charge:						
5/8" Meter	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
3/4" Meter	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1" Meter	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1 1/2" Meter	\$36.87	\$37.12	\$37.38	\$37.64	\$37.90	\$38.18
2" Meter	\$58.38	\$58.54	\$58.72	\$58.90	\$59.06	\$59.24
3" Meter	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73
4" Meter	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27
6" Meter	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54
Metered Usage Charge:						
All Usage (\$/ccf)	\$2.257	\$2.266	\$2.340	\$2.405	\$2.479	\$2.577
Meter Install Fee (10-year payback)						
	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01

ccf = 100 cubic feet = 748 gallons

WASTEWATER	Current FY2019/20		Proposed FY2020/21		Proposed FY2021/22		Proposed FY2022/23		Proposed FY2023/24		Proposed FY2024/25	
Residential Unmetered (each dwelling unit)	Monthly (\$/month)	Yearly (\$/year)										
Single Family	\$82.55	\$990.63	\$83.34	\$1,000.08	\$84.59	\$1,015.08	\$85.86	\$1,030.32	\$87.15	\$1,045.80	\$88.46	\$1,061.52
Multiple Family/Condos	\$61.92	\$743.03	\$63.89	\$766.68	\$65.92	\$791.04	\$68.01	\$816.12	\$70.17	\$842.04	\$72.40	\$868.80
Vacant	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00
Nonresidential Metered	Use (\$/ccf)											
Business/Government/Clubs	\$5.734		\$6.050		\$6.384		\$6.737		\$7.109		\$7.501	
Restaurants/Bars/Dining Facilities	\$16.793		\$17.337		\$17.899		\$18.479		\$19.078		\$19.696	
Schools	\$5.161		\$5.462		\$5.781		\$6.118		\$6.475		\$6.853	
Other Domestic Strength Users	\$5.734		\$6.050		\$6.384		\$6.737		\$7.109		\$7.501	

DU = Dwelling Unit; ccf = 100 cubic feet = 748 gallons

Fiscal Impact:

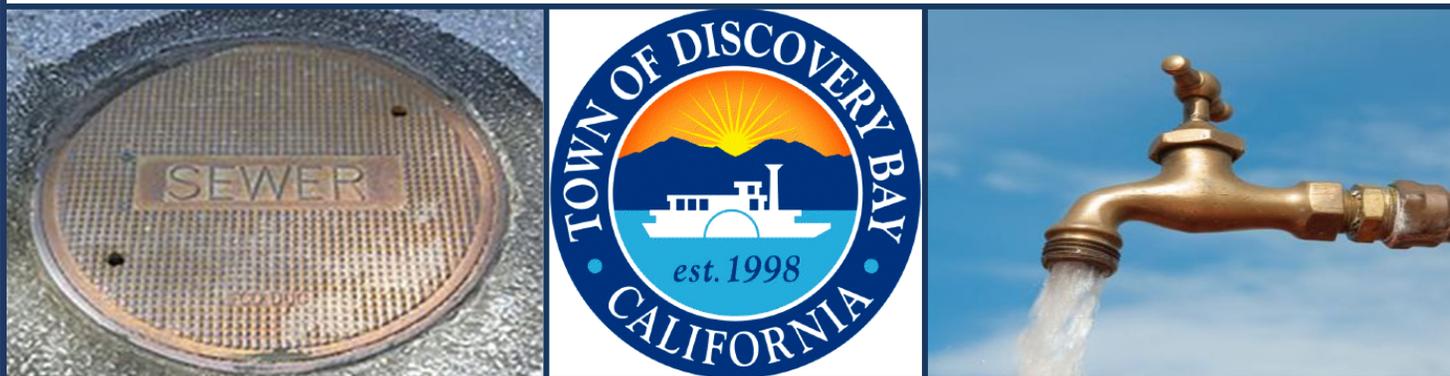
Previous Relevant Board Actions for This Item

April 15, 2020

Attachments

Lechowicz & Tseng Municipal Consultants Proposed Rate Study
 Prop 218 Notice
 Verification of Publication of Public Hearing
 Resolution No. 2020-12

AGENDA ITEM: G-1



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT Water and Wastewater Rate Study

DRAFT REPORT
April 15, 2020



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

PO Box 3065
Oakland, CA 94609
(510) 545-3182
www.LTmuniconsultants.com

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SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Background

The Town of Discovery Bay Community Services District (Town) provides water and wastewater service to about 6,200 customers. The Town last conducted a water and wastewater rate study in 2016 which provided a schedule of rate adjustments through FY2020/21. Instead of adopting the previously approved rates for FY2020/21, the Town has elected to conduct a new rate study spanning from FY2020/21 to FY2024/25. New regulations, including requirements for wastewater denitrification and water conservation, have prompted this rate update.

1.2 Requirements of Proposition 218

Proposition 218, the “Right to Vote on Taxes Act”, was approved by California voters in November 1996 and is codified as Articles XIIC and XIID of the California Constitution. Proposition 218 establishes requirements for imposing any new or increasing any existing property-related fees and charges. For many years, there was no legal consensus on whether water and sewer service fees met the definition of “property-related fees.” In July 2007, the California Supreme Court essentially confirmed that Proposition 218 applies to water and wastewater service fees.

The Town must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. **Noticing Requirement** – The Town must mail a notice of the proposed rate increases to all affected property owners or ratepayers. The notice must specify the amount of the fee, the basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.
2. **Public Hearing** – The Town must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. **Rate Increases Subject to Majority Protest** – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to water and sewer rates and charges, including:

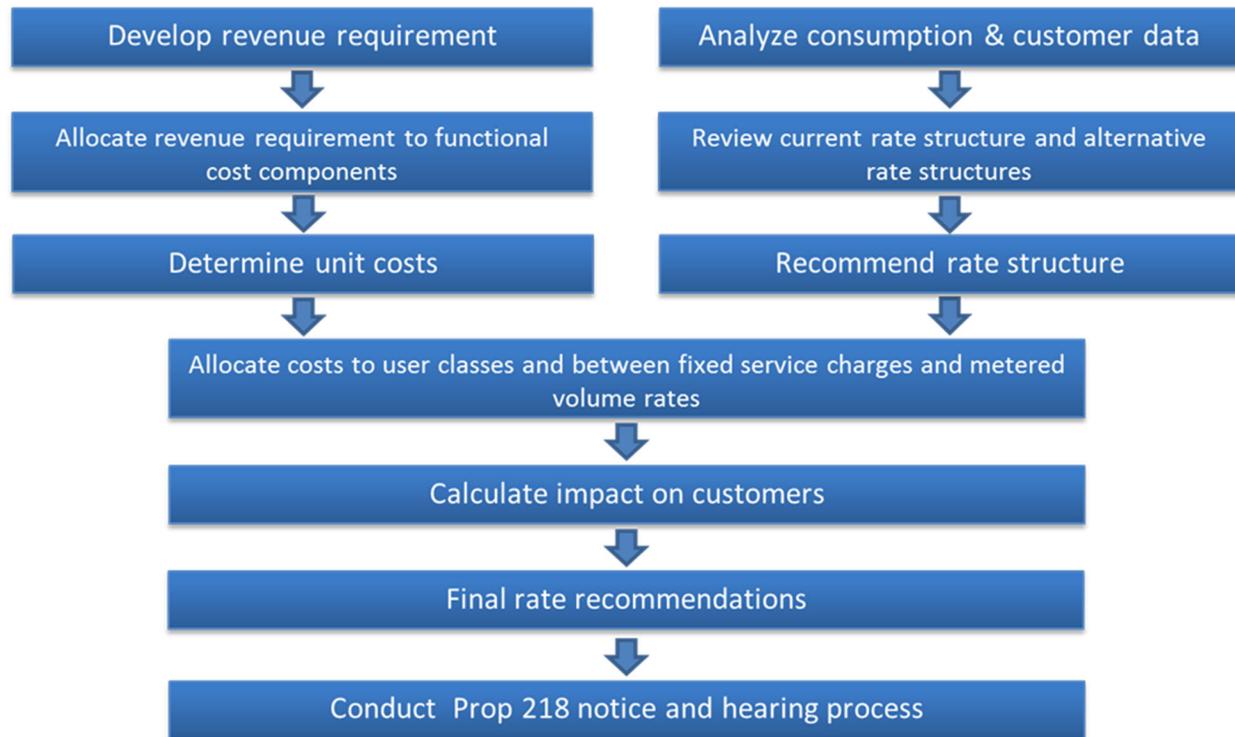
1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** – The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services** – No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for water, sewer, and refuse collection are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218.

1.3 Rate Study Process

This section details the development of the Town’s water and wastewater rates via the Proposition 218 process as shown in the following figure.

Figure 1: Comprehensive Cost of Service Study Process



The following is a brief description of the rate study process:

- **Revenue Requirements** - Revenue requirements are analyzed via financial plans developed from the Water and Wastewater Fund budgets. Based on the best information currently available, the financial plans incorporate projected operation and maintenance costs, capital expenditures, debt service, and growth to estimate annual revenue requirements. The plans serve as a roadmap for funding the Town's future operating and capital programs while maintaining long-term fiscal stability.
- **Cost of Service Allocation** - The cost of service process builds on the financial plan analysis and assigns water and wastewater system costs to functional cost components: *metering and customer service, commodity, and demand for water, and customer service and treatment/disposal for sewer.*
- **Rate Design** - Rate design involves developing a rate structure that proportionately recovers costs from customers. Final rate recommendations are designed to (a) fund the utilities' short- and long-term costs of providing service; (b) proportionately allocate costs to all customers and customer classes; and (c) comply with the substantive requirements of Proposition 218.

1.4 Proposed Rates and Bill Impacts

The findings and recommendations presented in this report were developed with substantial input from Town staff, the Finance Committee, and Board of Directors. The proposed water and wastewater rates are provided in Tables 1 and 2, respectively. Rate increases are proposed to go into effect July 1 of each year. For water service, the Town charges a fixed meter fee based on the size of the meter plus a volume rate billed to each 100 cubic feet (ccf) of water used. By December 2017, about half of the Town was transitioned from unmetered to metered service. Newly metered customers pay \$8.01 per month in addition to the other rates and charges. The meter installation fee is not proposed to change. For wastewater service, the Town bills residential customers an annual flat fee on the property tax roll. Commercial customers are billed volumetric wastewater rates based on estimated flow. Vacant parcels are charged a fee for the Town's water and sewer utilities. The vacant parcel fees are not proposed to change over the next five years.

**Table 1: Current and Proposed Monthly Water Rates
Town of Discovery Bay
Water and Wastewater Rate Study**

	Current Meter Fee (\$/month)	PROPOSED				
		FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation Account Charge:						
5/8"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
3/4"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1 1/2"	\$39.16	\$40.08	\$40.78	\$41.50	\$42.24	\$42.98
2"	\$62.04	\$62.98	\$63.96	\$64.94	\$65.92	\$66.94
3"	\$123.06	\$124.56	\$126.10	\$127.64	\$129.20	\$130.80
4"	\$191.71	\$193.84	\$196.00	\$198.20	\$200.40	\$202.64
6"	\$382.43	\$386.30	\$390.22	\$394.18	\$398.18	\$402.22
Irrigation Account Charge:						
5/8"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
3/4"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1 1/2"	\$36.87	\$37.12	\$37.38	\$37.64	\$37.90	\$38.18
2"	\$58.38	\$58.54	\$58.72	\$58.90	\$59.06	\$59.24
3"	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73
4"	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27
6"	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54
Metered Usage Charge:						
All Usage (\$/ccf)	\$2.257	\$2.266	\$2.340	\$2.405	\$2.479	\$2.577
Newly Metered Customers						
Meter Install Fee (10-year payback)	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01

ccf = 100 cubic feet = 748 gallons

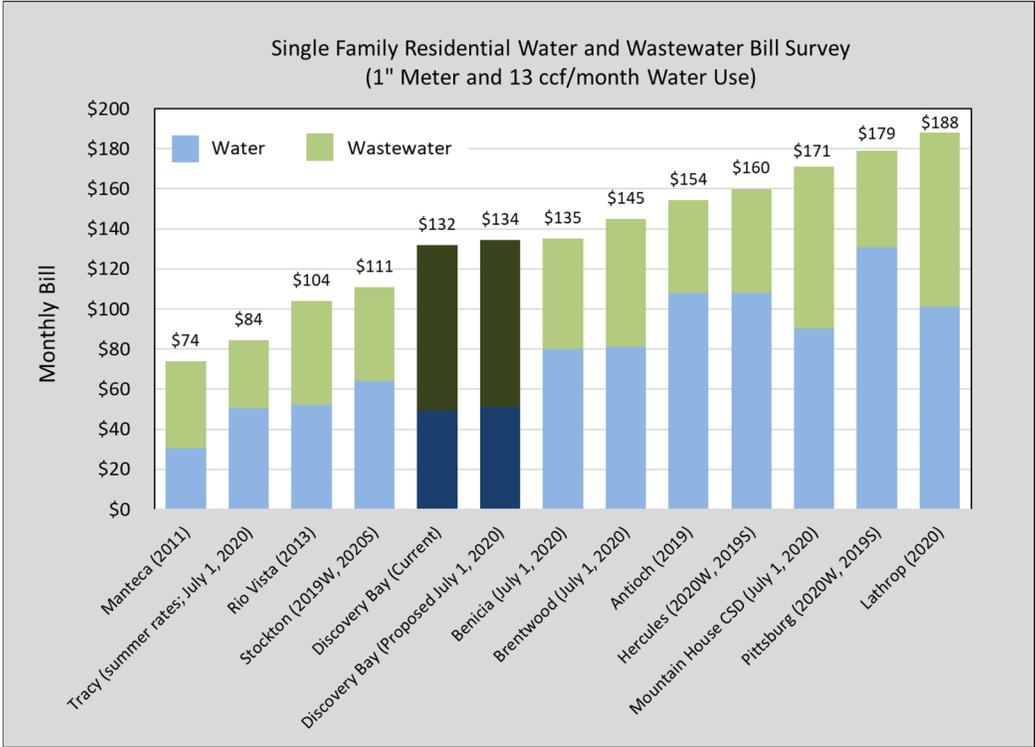
Table 2: Current and Proposed Wastewater Rates and Charges
Town of Discovery Bay
Water and Wastewater Rate Study

WASTEWATER	Current FY2019/20		Proposed FY2020/21		Proposed FY2021/22		Proposed FY2022/23		Proposed FY2023/24		Proposed FY2024/25	
	Monthly (\$/month)	Yearly (\$/year)										
Residential Unmetered												
Single Family - Each DU	\$82.55	\$990.63	\$83.34	\$1,000.08	\$84.59	\$1,015.08	\$85.86	\$1,030.32	\$87.15	\$1,045.80	\$88.46	\$1,061.52
Multiple Family/Condos - Each DU	\$61.92	\$743.03	\$63.89	\$766.68	\$65.92	\$791.04	\$68.01	\$816.12	\$70.17	\$842.04	\$72.40	\$868.80
Vacant	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00
Nonresidential Metered	Use (\$/ccf)											
Business/Government/Clubs	\$5.734		\$6.050		\$6.384		\$6.737		\$7.109		\$7.501	
Restaurants/Bars/Dining Facilities	\$16.793		\$17.337		\$17.899		\$18.479		\$19.078		\$19.696	
Schools	\$5.161		\$5.462		\$5.781		\$6.118		\$6.475		\$6.853	
Other Domestic Strength Users	\$5.734		\$6.050		\$6.384		\$6.737		\$7.109		\$7.501	

DU = Dwelling Unit

ccf = 100 cubic feet = 748 gallons

The typical monthly water use of a single family customer is 13 ccf per month and the most common residential meter size is 1". Based on these parameters, the Town's current typical combined utility bill (water and sewer) is \$131.95 per month. After the proposed increase, the typical combined residential bill would increase to \$134.26 per month, an increase of about 2%. As shown in the figure below, the Town's current and proposed bills are in the mid-range of utility bills charged by other local agencies.



SECTION 2: CURRENT RATES AND CUSTOMER BASE

This section provides an overview of the Town's current water and wastewater rates, customer base, water usage statistics, and current rate revenues.

2.1 Current Water Rates

Customers are charged for water service based on the size of their water meter (ranging from 5/8" up to 6") and the type of service - non-irrigation (domestic) or irrigation. Domestic meter service fees are slightly higher than irrigation meter fees to account for domestic users receiving fire protection benefits. All customers are charged these fixed charges regardless of water consumption to reflect costs the Town incurs associated with maintaining each connection and meeting capacity requirements. The Town charges a uniform volume rate of \$2.257/ccf for all water consumption. Prior to 2017, approximately half the Town was unmetered and was billed a flat rate for water service. In December 2017, the Town completed its meter roll-out and all customers have since been transitioned to metered service. To fund the installation of meters, the Town issued revenue bonds in addition to expending available reserves. Meter installation costs are repaid via a \$8.01 monthly service fee charged to newly metered customers. The meter installation fee will span a total of ten years and is not proposed to change.

2.2 Water Usage Statistics and Customer Base

Table 3 provides water usage statistics, billing data, and estimated revenues for the current year, FY2019/20. About 98.5% of revenues are generated from non-irrigation meters and 1.5% from irrigation meters. The majority of customers have 1" non-irrigation (domestic) meters, representing about 69% of the total customer base. The 1" meter is considered the standard meter in Discovery Bay and was the meter size provided to the newly metered customers in 2017. Less delinquency fees, the Town expects to collect about \$4.45 million in water rate revenue in FY2019/20, of which about 42% will be collected from fixed meter fees (including the meter installation fees) and 58% will be collected from volume rates.

Based on Town billing records, the current average monthly residential water use is 13 ccf per month, which equates to about 118 gallons per capita at 2.74 people per home. The 2016 rate study assumed average residential use of 15 ccf per month, which indicates a general downward trend of water consumption over the past four years. Based on a typical home with a 1" meter and 13 ccf of water use, the average water bill is currently \$49.40 per month.

**Table 3: Current FY2019/20 Water Service Charge Revenues
Town of Discovery Bay
Water and Wastewater Rate Study**

Meter Size	# of Meters	Monthly Fee	Meter Fee Annual Revenue	Estimated Annual Water Use (ccf)	Annual Water Use Fees
			Metered Rate (\$/ccf)		\$2.257
Non-Irrigation					
5/8"	335	\$20.06	\$80,641		
3/4"	1,367	\$20.06	\$329,064		
1"	4,273	\$20.06	\$1,028,597		
1.5"	33	\$39.16	\$15,507		
2"	46	\$62.04	\$34,246		
3"	6	\$123.06	\$8,860		
4"	10	\$191.71	\$23,005		
6"	0	\$382.43	\$0		
Subtotal	6,070		\$1,519,921	959,298	\$2,165,000
Irrigation					
5/8"	4	\$18.92	\$908		
3/4"	0	\$18.92	\$0		
1"	15	\$18.92	\$3,406		
1.5"	25	\$36.87	\$11,061		
2"	34	\$58.38	\$23,819		
3"	2	\$115.73	\$2,778		
4"	7	\$180.27	\$15,143		
6"	0	\$359.54	\$0		
Subtotal	87		\$57,114	198,980	\$449,000
Meter Installation Fee (newly metered customers)					
	3,493	\$8.01	\$335,713		
Total Metered Customers					
	6,157		\$1,912,748	1,158,278	\$2,614,000
			42%		58%
Unmetered Water					
	# of Parcels	Monthly Fee	Total Annual Revenues		
Vacant & Waterways	66	\$14.67	\$11,616		
Summary					
		Metered	\$4,526,748		
		2% Delinquency	(\$91,000)		
		Vacant	\$11,616		
		Total	\$4,447,364		

2.3 Current Wastewater Rates

The Town's wastewater (sewer) utility provides service to about 6,100 single family, condominium (multiple family), and commercial parcels or accounts within the Town. Residential sewer customers are billed a flat annual fixed charge on a per dwelling unit basis collected on the annual property tax roll. Commercial customers are billed a volume wastewater rate based on estimated wastewater flow. There are four sub-categories of commercial wastewater customers: business/government/clubs, restaurants/bars/dining facilities, schools, and other domestic strength users. Current wastewater rates are provided in Table 4.

Table 4 also provides Wastewater Fund Revenues in FY2019/20 by rate category. The Town is projected to collect a total of about \$6 million in revenues from wastewater service charges. About \$5.9 million in revenues, or about 98%, is collected from fixed charges to residential and vacant parcel customers. Volumetric charges from commercial customers are estimated to generate about \$139,000, or about 2% of total wastewater rate revenue.

**Table 4: FY2019/20 Wastewater Service Charge Revenues
Town of Discovery Bay
Water and Wastewater Rate Study**

Unmetered Wastewater	Number of Parcels		Annual Fee	Annual Revenues
Single Family - Each DU	5,770		\$990.63	\$5,716,000
Multiple Family/Condos - Each DU	224		\$743.03	\$166,000
Vacant	<u>76</u>		\$224.00	<u>\$17,000</u>
Subtotal	6,070			\$5,899,000
Metered Sewer	Number of Customers	Annual ccf	Rate \$/ccf	Annual Revenues
Business/Government/Clubs	22	5,520	\$5.734	\$31,654
Restaurants/Bars/Dining Facilities	11	5,931	\$16.793	\$99,598
Schools	3	1,256	\$5.161	\$6,482
Other Domestic Strength Users	<u>2</u>	<u>251</u>	\$5.734	<u>\$1,441</u>
Subtotal	38	12,959		\$139,175
FY2019/2020 Rate Revenues				\$6,038,175

DU - dwelling unit

SECTION 3: RESERVES

Proposition 218 requires that utility rates be based on the reasonable cost of providing service to customers. The cost of service includes annual operating expenses, debt service payments, capital projects, and the accumulation of appropriate reserves. The Town maintains multiple operating and capital reserves, as summarized in Table 5. At the end of year FY2018/19, the Town is estimated to have approximately \$10.99 million in total utility reserves, with \$2.72 million allocated to water and \$8.27 million allocated to wastewater. Thus, the water utility comprises about 25% of total reserves, while the wastewater utility represents 75% of the total.

Reserves for each utility are divided between Operating Reserves, Emergency Reserves, and Infrastructure Replacement Funds. In general, the Town's policy is to use reserves prudently to smooth cash flow and mitigate impacts to the ratepayers. Operating reserves are typically held at four months of operating expenses or greater. Operating reserves are intended to cover emergency operating costs and/or cover revenue shortfalls. The Town has infrastructure replacement reserves for general water and sewer improvements, pumps and motors, generators, and facilities and vehicles. The five-year rate plan proposed in this report uses excess operating and infrastructure replacement reserves to partially fund capital improvements through FY2024/25. The Town also maintains about \$3 million in emergency reserves. Emergency reserves are proposed to remain at their current level throughout the next five years.

**Table 5: End of Year FY2018/19 Reserves
Town of Discovery Bay
Water and Wastewater Rate Study**

Reserves	FY2018/19 Estimate	Water	Wastewater
Water & Wastewater Operating Reserves	\$5,142,601	\$755,828	\$4,386,773
Emergency Reserves	\$3,001,000	\$1,200,400	\$1,800,600
Sewer Infrastructure Replacement Fund	\$1,550,000	\$0	\$1,550,000
Pumps/Motors Replacement Fund	\$390,000	\$156,000	\$234,000
Water Infrastructure Replacement Fund	\$859,143	\$418,728	\$0
Generators Replacement Fund	\$175,000	\$70,000	\$105,000
Facilities & Vehicles Replacement Fund	\$310,852	\$117,426	\$193,426
Operating Reserves Total	\$5,142,601	\$755,828	\$4,386,773
Emergency Reserves	\$3,001,000	\$1,200,400	\$1,800,600
Infrastructure Replacement Total	\$2,844,580	\$762,154	\$2,082,426
Total Reserves	\$10,988,181	\$2,718,382	\$8,269,799

SECTION 4: WATER COST OF SERVICE

This section summarizes the capital and operating expenses that make up the water utility's cost of service.

4.1 Capital Improvement Plan

As part of the rate study process, the Town developed a capital improvement project list and determined a timeline and cost of each project. Major capital improvement projects are focused on water supply capacity and distribution/pipeline replacements. Additional projects include upgrades for existing water supply, master plans, additional distribution improvements, administration projects, and 40% of the cost of relocating the Town's Office Building. Project costs are estimated as the current construction cost escalated by 3% annually to the year of construction. A summary of project costs through FY2024/25 is provided in Table 6.

**Table 6: Summary of Water Capital Projects
Town of Discovery Bay
Water and Wastewater Rate Study**

Project Categories	Current FY2019/20	Projected FY2020/21	Projected FY2021/22	Projected FY2022/23	Projected FY2023/24	Projected FY2024/25	6-Year Total	% of Total
Distribution/Pipeline Replacements	400,000	1,465,200	530,500	819,500	1,125,500	1,738,900	6,079,600	43%
Water Supply Capacity	150,000	772,500	2,811,400	1,040,900	0	0	4,774,800	34%
Building Rehab or Relocation	60,000	164,800	1,103,300	0	0	0	1,328,100	9%
Upgrades for Existing Water Supply	483,000	360,500	231,300	0	225,100	0	1,299,900	9%
Master Plans	0	324,500	0	0	0	0	324,500	2%
Security/Cyber Security	48,000	61,800	0	0	0	0	109,800	1%
Vehicle & Equipment Purchases	36,000	16,500	0	0	0	0	52,500	0%
Additional Distribution Projects	0	25,800	26,500	0	0	0	52,300	0%
Total Projects	1,177,000	3,191,600	4,703,000	1,860,400	1,350,600	1,738,900	14,021,500	100%

4.2 Capital Cash Flow

The projects shown in Table 6 will be funded through a combination of reserves, capacity fees, rate revenues, and new debt. Table 7 lists the capital revenue sources through FY2024/25 in order of priority. The Town is projected to use about \$1.1 million in existing operating and capital fund reserves. The water utility has reserves beyond its minimum targets. These reserves were accumulated over time from service charge revenues and should be used judiciously for the benefit of the ratepayers. The Town is expected to experience growth over the next five years. For planning purposes, it is assumed that the Town will collect capacity fee revenues from approximately 10 new homes annually.¹ \$12.5 million of

¹ Capacity fee revenues can only be used to fund facilities that benefit growth. L&T did not conduct an independent evaluation to determine which projects are growth-related.

capital improvement funding is provided by rate revenues and new debt. At current rate revenues, the water utility generates positive net revenues which can be used to fund capital improvements and/or provide additional debt capacity. L&T worked closely with Town staff, the Finance Committee, and the Town's bond underwriting team² to develop debt service estimates. This rate plan assumes the Town will fund \$4.5 million of project costs from rate revenues and \$8 million from new bonds.

**Table 7: Water Capital Funding Sources
Town of Discovery Bay
Water and Wastewater Rate Study**

Revenue Sources	
Existing Capital Reserves	\$114,100
Excess Operating Reserves	\$1,000,000
Capacity Fees	\$407,400
Rate Revenues	\$4,500,000
New Debt	<u>\$8,000,000</u>
Total Revenues	\$14,021,500
Total Capital Projects	\$14,021,500

Table 8 provides water capital cash flows over the next five years. The current fiscal year (FY2019/20) assumes a transfer of \$1 million of revenue from the Operations Fund, representing excess revenues beyond its fund balance target of four months of expenses. It is anticipated that the Town will issue debt proceeds of \$8 million in FY2020/21. In FY2021/22 to FY2024/25, it is projected that the Operations Fund will provide transfers of \$1 million of rate revenues annually primarily to fund the long-term pipeline replacement program. By the end of FY2024/25, it is projected that the infrastructure replacement will be drawn down by about \$114,000 relative to the beginning balance in FY2019/20. The five-year rate plan assumes the emergency reserve of \$1.2 million will remain in place and will not be used to fund capital or operating costs.

² The bond underwriting team was engaged by the Town independent from L&T's involvement in the rate study. L&T did not provide municipal financial advisory services as defined by the Securities Exchange Commission or Municipal Securities Rulemaking Board. L&T projections include general, planning level debt service estimates provided by Brandis Tallman.

Table 8: Water Capital Cash Flows
Town of Discovery Bay
Water and Wastewater Rate Study

	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Emergency Reserves	1,200,400	1,200,400	1,200,400	1,200,400	1,200,400	1,200,400
Infrastructure Replacement	<u>762,000</u>	<u>749,900</u>	<u>6,106,800</u>	<u>2,452,300</u>	<u>1,640,400</u>	<u>1,338,300</u>
Beginning Balance	1,962,400	1,950,300	7,307,200	3,652,700	2,840,800	2,538,700
Revenues						
Capacity Fees (\$4,850/EDU)	164,900	48,500	48,500	48,500	48,500	48,500
Transfer from Operating	1,000,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000
New Debt Proceeds	<u>0</u>	<u>8,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	1,164,900	8,548,500	1,048,500	1,048,500	1,048,500	1,048,500
Capital Improvements						
Water Supply Capacity						
Well 8	150,000	772,500	2,811,400	958,900	0	0
Well 5A Decommissioning	<u>0</u>	<u>0</u>	<u>0</u>	<u>82,000</u>	<u>0</u>	<u>0</u>
Total Water Supply Capacity	150,000	772,500	2,811,400	1,040,900	0	0
Upgrades for Existing Water Supply						
Well 4A Rehab	140,000	0	0	0	0	0
Well Rehab (Wells 1B, 2, 4A, 6)	0	257,500	0	0	225,100	0
Filter Repair (Newport & Willow)	118,000	103,000	231,300	0	0	0
Stabilization Soils- Willow Lake WTP	150,000	0	0	0	0	0
Upgrade Well 4A Piping	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Existing Water Supply	483,000	360,500	231,300	0	225,100	0
Distribution/Pipeline Replacements						
Mainline CIP Program Long-Term	0	0	530,500	819,500	1,125,500	1,738,900
Cathodic Protection	0	257,500	0	0	0	0
6 inch pipeline Lakeview Biz Park	0	298,700	0	0	0	0
Replace Underwater Crossing Laguna Ct	400,000	0	0	0	0	0
Edgeview St. Andrews /Clubhouse	0	309,000	0	0	0	0
Marina Underwater Crossing	<u>0</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Distribution/Pipeline Replacements	400,000	1,465,200	530,500	819,500	1,125,500	1,738,900
Additional Distribution Improvements						
WTP spill containment curbing/diversion	0	25,800	0	0	0	0
Upgrade Hypo Tanks at WTP	<u>0</u>	<u>0</u>	<u>26,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Distribution/Pipeline Replacements	0	25,800	26,500	0	0	0
Master Plans						
Water Master & Asset Management Plans	0	257,500	0	0	0	0
2020 Urban Water Management Plan	0	41,200	0	0	0	0
AWIA Emergency Plans	<u>0</u>	<u>25,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Master Plans	0	324,500	0	0	0	0
Building Rehab or Relocation						
Island Building by Well 1B	60,000	0	0	0	0	0
Move District Main Office Building	<u>0</u>	<u>164,800</u>	<u>1,103,300</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Building Rehab/Relocation	60,000	164,800	1,103,300	0	0	0
Vehicle & Equipment Purchases						
New Truck	16,000	16,500	0	0	0	0
Woodchipper or Firebox	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Vehicle & Equipment	36,000	16,500	0	0	0	0
District Security						
Cyber Security	0	61,800	0	0	45,000	0
Phase 2	48,000	0	0	0	0	0
Phase 3	<u>0</u>	<u>61,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total District Security	48,000	61,800	0	0	0	0
Total Capital Improvements	1,177,000	3,191,600	4,703,000	1,860,400	1,350,600	1,738,900
Total Net Revenues	(12,100)	5,356,900	(3,654,500)	(811,900)	(302,100)	(690,400)
Ending Balance	1,950,300	7,307,200	3,652,700	2,840,800	2,538,700	1,848,300

4.3 Operating Cash Flow

The water fund operating cash flows beginning in FY2019/20 and spanning the next five years are provided in Table 9. The Town began FY2019/20 with an operating balance of \$756,000. The minimum fund balance target for the end of each subsequent year is based on four months of O&M expenses. This rate plan is intended to both maintain a balanced budget with positive net revenues and to meet the minimum fund balance target in each year. Rate increases of 1.75% annually over the five-year rate study period are proposed to fund capital projects, fund operating costs, fund debt service costs, maintain necessary debt service coverage, and maintain necessary fund reserves. 1.75% annual increases represent the water system average revenue increase. Not every customer will receive a rate increase equal to 1.75%. The rate change for individual customers will depend on customer meter sizes, service type (domestic or irrigation), and water use.

The Town's main revenue source for the Operations Fund is water rate revenues. Rate revenues are estimated at \$4.19 million in FY2019/20, making up 93.3% of total revenues. Rate revenue estimates also include projections for customer growth in each year. Major expenses include staffing, administration, utilities, and the service contract with Veolia Water. Most operating expenses are projected to increase 3% annually beginning in FY2021/22. Other expenses include debt service for the 2012 and 2017 bonds and new debt service estimated to begin in FY2021/22. The proposed issuance of \$8 million of new debt results in an estimated annual payment of \$491,000. The final debt service amount will be determined by the Town's underwriter. Currently, the Town maintains debt service coverage beyond the target of 1.25 times the annual debt service payment and has capacity to absorb new debt.

Table 9: Water Operating Cash Flows
Town of Discovery Bay
Water and Wastewater Rate Study

	Current FY2019/20	Projected FY2020/21	Projected FY2021/22	Projected FY2022/23	Projected FY2023/24	Projected FY2024/25
Beginning Operating Balance	\$756,000	\$1,533,000	\$2,366,600	\$2,192,800	\$1,946,700	\$1,685,500
Proposed Rate Revenue Increase		1.75%	1.75%	1.75%	1.75%	1.75%
Revenues						
Rate Revenue	4,191,000	4,264,000	4,339,000	4,415,000	4,492,000	4,571,000
New Customers	<u>20,000</u>	<u>26,600</u>	<u>33,300</u>	<u>40,000</u>	<u>46,900</u>	<u>54,100</u>
Rate Rev Subtotal	4,211,000	4,290,600	4,372,300	4,455,000	4,538,900	4,625,100
Less Delinquency (2%)	(91,000)	(85,000)	(87,000)	(88,000)	(90,000)	(91,000)
Vacant Parcel	12,000	12,000	12,000	12,000	12,000	12,000
Meter Reimbursements	336,000	336,000	336,000	336,000	336,000	336,000
Other & Misc	<u>22,000</u>	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>
Total Revenues	4,490,000	4,580,600	4,660,300	4,742,000	4,823,900	4,909,100
% increase in operating expenses		budget	3.0%	3.0%	3.0%	3.0%
Operating Expenses						
Admin & Inter Govt. & Board	334,000	451,000	465,000	479,000	493,000	508,000
Staffing & Consulting Serv	572,000	862,000	888,000	915,000	942,000	970,000
Meters Reading	88,000	93,000	96,000	99,000	102,000	105,000
Operations & Maint	331,000	424,000	437,000	450,000	464,000	478,000
SGMA Compliance	0	15,000	20,000	21,000	21,000	22,000
Utilities [1]	479,000	467,000	481,000	495,000	510,000	525,000
Service Contract [2]	<u>651,000</u>	<u>676,000</u>	<u>696,000</u>	<u>780,000</u>	<u>803,000</u>	<u>827,000</u>
Total Operating Expenses	2,455,000	2,988,000	3,083,000	3,239,000	3,335,000	3,435,000
Net Operating Revenues	2,035,000	1,592,600	1,577,300	1,503,000	1,488,900	1,474,100
Debt Service						
2012 Bonds Debt Service [3]	88,000	88,000	89,000	88,000	89,000	88,000
2017 Bonds Debt Service [3]	170,000	171,000	171,000	170,000	170,000	168,000
New Debt Service [4]	<u>0</u>	<u>0</u>	<u>491,100</u>	<u>491,100</u>	<u>491,100</u>	<u>491,100</u>
Total Debt Service	258,000	259,000	751,100	749,100	750,100	747,100
Debt Service Coverage	7.89	6.15	2.10	2.01	1.98	1.97
Total O&M + Debt	2,713,000	3,247,000	3,834,100	3,988,100	4,085,100	4,182,100
Total Net Revenues	1,777,000	1,333,600	826,200	753,900	738,800	727,000
Transfer to Capital	1,000,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000
O&M Ending balance	1,533,000	2,366,600	2,192,800	1,946,700	1,685,500	1,412,500
Minimum balance target [5]	818,000	996,000	1,028,000	1,080,000	1,112,000	1,145,000

1 - Chemicals and electric

2 - Assumed increase in FY2023 due to Well #8 coming online

3 - Based on year ended December 1

4 - Estimate from Brandis Tallman

5 - 4 months O&M expenses

SECTION 5: WATER COST ALLOCATION

The revenue requirement detailed in the previous section determines the amount of revenue to be recovered from water rates. The cost of service allocation determines how revenues will be recovered from customers based on how they use the water system. Proposition 218 requires that agencies providing “property-related services” (including water utility service) set rates and charges that are based on the cost of providing those services.

5.1 Background

The American Water Works Association (AWWA) recommends two primary methods to classify costs among various customers: (1) the base-extra capacity method; and (2) the commodity-demand method. The commodity-demand method was selected for this study because the Town has a number of fixed, infrastructure costs related to meeting peak demand.

5.2 Cost Allocation

For this rate study, costs are allocated to the following categories: (a) *commodity costs*, (b) *demand costs*, (c) *metering costs and customer service*, and (d) *direct fire-protection costs*. *Commodity costs* are primarily costs that vary with water use, such as utilities (i.e. electricity for pumping) and operations and maintenance. A portion of Town overhead and administration, debt service, and capital costs that are associated with long-term stable demand are also attributed to the *commodity* category. *Demand costs* recover the costs of operations and facilities needed to meet the peak use, or demands, placed on the system. Demand costs include a portion of debt service and transfers to the capital fund. Infrastructure is designed, engineered, and operated to meet peak demand, so a portion of capital costs are attributed to the *demand* category. Debt service for the 2017 bonds is excluded from the cost allocation because it is directly funded through meter installation fees.

Costs are allocated between the *commodity* and *demand* categories based on an estimated peaking factor. The maximum month demand (August 2019) was 1.6 times the average monthly demand. About 38% of the *commodity/demand* split was allocated to demand based on the equation: $(1.6 - 1)/1.6$, where 1.6 represents peak month demand and 1.0 represents average month demand.

Metering and customer service costs include meter reading, maintenance of the meters, and fixed costs associated with serving customers, including answering customer inquiries, billing, and accounting expenses. *Direct fire protection costs* were not available and were thus estimated at 4% of the total revenue requirement. AWWA M1 manual provides several methodologies for estimating fire protection using max hour and max day peaking factors. Because max day and max hour peaking factors were not available, a historical method described by AWWA was used in which fire protection is estimated based on population served by the water system.

Table 10 provides the proposed cost allocation based on FY2020/21 operating costs and a five-year average of annual debt service and capital costs. Table 10 does not include an allocation of fire protection costs.

Table 10: Water Cost Allocation Town of Discovery Bay Water and Wastewater Rate Study				
Category	FY2020/21 Estimated Costs	Commodity	Demand	Meters & Cust. Service
Operating Expenses				
Admin & Inter Govt. & Board	451,000	56%	34%	10%
Staffing & Consulting Serv	862,000	56%	34%	10%
Meter Reading	93,000	0%	0%	100%
Operations & Maint	424,000	62%	38%	0%
SGMA Compliance	15,000	62%	38%	0%
Utilities	467,000	100%	0%	0%
Service Contract	<u>676,000</u>	62%	38%	0%
Total Operating Expenses	2,988,000	1,899,146	864,554	224,300
Debt Service				
2012 Bonds Debt Service (5yr Avg)	88,000	62%	38%	0%
2017 Bonds Debt Service (5yr Avg)	NA			
New Debt Service (5yr Avg)	<u>393,000</u>	62%	38%	0%
Total Debt Service	481,000	300,000	181,000	0
Transfer to Capital (5yr Avg)	900,000	62%	38%	0%
		561,210	338,790	0
Proposed Cost Allocation (does not include fire protection)	4,369,000	2,760,356	1,384,344	224,300
		63%	32%	5%

5.3 Unit Costs

The average expenses in Table 10 are used to determine the cost allocation percentages for each rate category. The FY2020/21 water rate revenue requirement of \$4.26 million (i.e. the amount recovered from rates in FY2020/21 as shown in Table 9) is attributed to the rate categories from Table 10 with 4% allocated to the *fire protection* category (the other categories were reduced proportionally). The *commodity* category is allocated about 61% of the revenue requirement and is proposed to be recovered from the volume rate. Further discussion of volumetric rate design is provided in the subsequent section.

39% of the revenue requirement is proposed to be recovered from fixed charges from the *demand, meters and customer service, and fire protection* categories. AWWA guidelines recommend using meter

equivalents to assign capacity-related costs to larger meter sizes. Utility infrastructure is typically designed to meet peak demands associated with the maximum flow rate of each meter. The flow of larger meters compared to the 1" meter determines the meter equivalents. Meter equivalents for test year FY2020/21 are calculated in Table 12. The customer service revenue requirement is proposed to be recovered from each customer regardless of meter size.

**Table 11: Water Fixed Unit Cost Calculation
Town of Discovery Bay
Water and Wastewater Rate Study**

FY2020/21 Revenue Requirement	Commodity	Demand	Meters & Cust. Service	Fire Protection
\$4,264,000	\$2,586,256	\$1,297,031	\$210,153	\$170,560
[1]	61%	30%	5%	4%
		6,597 meter equiv	6,167 # of meters	6,336.6 non-irrigation meter equiv
		\$16.38 \$/meter equivalent/mo	\$2.84 \$/meter/mo	\$2.24 \$/domestic equivalent/mo

1 - Fire protection was determined to be 4% of system revenues based on AWWA methodologies; the allocations to the other cost categories were reduced proportionally

**Table 12: Meter Equivalents for FY2020/21
Town of Discovery Bay
Water and Wastewater Rate Study**

Meter Size	# of Meters	Meter Ratio	Meter Equivalents
Non-Irrigation			
5/8"	335	1.0	335.0
3/4"	1,367	1.0	1,367.0
1"	4,283	1.0	4,283.0
1.5"	33	2.0	66.0
2"	46	3.2	147.2
3"	6	6.4	38.4
4"	10	10.0	<u>100.0</u>
Subtotal Non-irrigation	6,080		6,336.6
Irrigation			
5/8"	4	1.0	4.0
3/4"	0	1.0	0.0
1"	15	1.0	15.0
1.5"	25	2.0	50.0
2"	34	3.2	108.8
3"	2	6.4	12.8
4"	7	10.0	<u>70.0</u>
Subtotal Irrigation	87		260.6
Total	6,167		6,597.2

SECTION 6: WATER RATE DESIGN

This section describes water rate design considerations for fixed meter charges and volume rates.

6.1 Meter Fee Calculation

Table 13 determines the total cost per meter equivalent consisting of the *demand* and *fire protection* unit costs from Table 11. The fire protection cost is omitted from the irrigation meter equivalent fee per Town policy.

Table 13: Monthly Meter Equivalent Charges
Town of Discovery Bay
Water and Wastewater Rate Study

Cost Category	Non-Irrigation Meter Equivalent	Irrigation Meter Equivalent
Demand	\$16.38	\$16.38
Fire Protection	<u>\$2.24</u>	<u>NA</u>
Total (\$/meter equiv./mo)	\$18.62	\$16.38

The meter equivalent fees from Table 13 are scaled by the meter ratios shown in Table 12. The customer service fee of \$2.84 per month is added to the meter equivalent fees to calculate the total fixed monthly fee. The total fixed monthly fee for a 1" domestic meter is \$21.46, see Table 14. Table 14 represents a first iteration of the water fixed charges. Due to cost allocation changes, some customers would receive meter fee reductions in FY2020/21 based on the first iteration, followed by increases in later years, see Table 15. To provide rate stability, meter fee adjustments for some customers are phased-in more gradually over the 5-year rate study period, see Table 16. For the water utility, rate smoothing has a de minimis impact on total rate revenues. The fees for irrigation customers with 3", 4", and 6" meters are not proposed to be adjusted over the next five years and are proposed to remain at their current amounts.

**Table 14: First Iteration Total FY2020/21 Fixed Water Charges
Town of Discovery Bay
Water and Wastewater Rate Study**

Non-Irrigation Customers											
Meter Size	Ratio		Meter Equiv. Cost	=	Meter Equiv. Charge		Meter Equiv. Charge	+	Customer Service Charge	=	Total Fixed Monthly Fee FY2020/21
5/8"	1.0	X	\$18.62	=	\$18.62		\$18.62	+	\$2.84	=	\$21.46
3/4"	1.0	X	\$18.62	=	\$18.62		\$18.62	+	\$2.84	=	\$21.46
1"	1.0	X	\$18.62	=	\$18.62		\$18.62	+	\$2.84	=	\$21.46
1.5"	2.0	X	\$18.62	=	\$37.24		\$37.24	+	\$2.84	=	\$40.08
2"	3.2	X	\$18.62	=	\$59.58		\$59.58	+	\$2.84	=	\$62.42
3"	6.4	X	\$18.62	=	\$119.17		\$119.17	+	\$2.84	=	\$122.01
4"	10.0	X	\$18.62	=	\$186.20		\$186.20	+	\$2.84	=	\$189.04
6"	20.0	X	\$18.62	=	\$372.40		\$372.40	+	\$2.84	=	\$375.24
Irrigation Customers											
Meter Size	Ratio		Meter Equiv. Cost	=	Meter Equiv. Charge		Meter Equiv. Charge	+	Customer Service Charge	=	Total Fixed Monthly Fee FY2020/21
5/8"	1.0	X	\$16.38	=	\$16.38		\$16.38	+	\$2.84	=	\$19.22
3/4"	1.0	X	\$16.38	=	\$16.38		\$16.38	+	\$2.84	=	\$19.22
1"	1.0	X	\$16.38	=	\$16.38		\$16.38	+	\$2.84	=	\$19.22
1.5"	2.0	X	\$16.38	=	\$32.76		\$32.76	+	\$2.84	=	\$35.60
2"	3.2	X	\$16.38	=	\$52.42		\$52.42	+	\$2.84	=	\$55.26
3"	6.4	X	\$16.38	=	\$104.83		\$104.83	+	\$2.84	=	\$107.67
4"	10.0	X	\$16.38	=	\$163.80		\$163.80	+	\$2.84	=	\$166.64
6"	20.0	X	\$16.38	=	\$327.60		\$327.60	+	\$2.84	=	\$330.44

Table 15: First Iteration of 5-year Schedule of Meter Fees
Town of Discovery Bay
Water and Wastewater Rate Study

Meter Sizes	Current	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Non-Irrigation Account Charge:						
5/8"	\$20.06	\$21.46	\$21.84	\$22.23	\$22.62	\$23.02
3/4"	\$20.06	\$21.46	\$21.84	\$22.23	\$22.62	\$23.02
1"	\$20.06	\$21.46	\$21.84	\$22.23	\$22.62	\$23.02
1.5"	\$39.16	\$40.08	\$40.78	\$41.50	\$42.24	\$42.98
2"	\$62.04	\$62.42	\$63.52	\$64.64	\$65.78	\$66.94
3"	\$123.06	\$122.01	\$124.15	\$126.33	\$128.55	\$130.80
4"	\$191.71	\$189.04	\$192.35	\$195.72	\$199.15	\$202.64
6"	\$382.43	\$375.24	\$381.81	\$388.50	\$395.30	\$402.22
Irrigation Account Charge:						
5/8"	\$18.92	\$19.22	\$19.56	\$19.91	\$20.26	\$20.62
3/4"	\$18.92	\$19.22	\$19.56	\$19.91	\$20.26	\$20.62
1"	\$18.92	\$19.22	\$19.56	\$19.91	\$20.26	\$20.62
1.5"	\$36.87	\$35.60	\$36.23	\$36.87	\$37.52	\$38.18
2"	\$58.38	\$55.26	\$56.23	\$57.22	\$58.23	\$59.25
3"	\$115.73	\$107.67	\$109.56	\$111.48	\$113.44	\$115.43
4"	\$180.27	\$166.64	\$169.56	\$172.53	\$175.55	\$178.63
6"	\$359.54	\$330.44	\$336.23	\$342.12	\$348.11	\$354.21

Note: shaded fees represent first iteration fees

**Table 16: Proposed 5-year Schedule of Meter Fees
Town of Discovery Bay
Water and Wastewater Rate Study**

Meter Sizes	Current	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	Increase %
Non-Irrigation Account Charge:							
5/8"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02	[1]
3/4"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02	[1]
1"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02	[1]
1.5"	\$39.16	\$40.08	\$40.78	\$41.50	\$42.24	\$42.98	[1]
2"	\$62.04	\$62.98	\$63.96	\$64.94	\$65.92	\$66.94	1.53%
3"	\$123.06	\$124.56	\$126.10	\$127.64	\$129.20	\$130.80	1.23%
4"	\$191.71	\$193.84	\$196.00	\$198.20	\$200.40	\$202.64	1.12%
6"	\$382.43	\$386.30	\$390.22	\$394.18	\$398.18	\$402.22	1.01%
Irrigation Account Charge:							
5/8"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62	1.74%
3/4"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62	1.74%
1"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62	1.74%
1.5"	\$36.87	\$37.13	\$37.38	\$37.64	\$37.90	\$38.18	0.70%
2"	\$58.38	\$58.54	\$58.72	\$58.90	\$59.06	\$59.24	0.30%
3"	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73	[2]
4"	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27	[2]
6"	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54	[2]

1 - FY2020/21 increase varies based on cost allocation; FY2021/22 through FY2024/25 annual increases are approximately 1.75% (minor variances due to rounding)

2 - Fee is not proposed to be adjusted

6.2 Proposed Volume Rates

The proposed volume rates are calculated in Table 17; the revenue allocated to the *commodity* category is divided by projected water use in ccf. For FY2020/21, approximately \$2.6 million is allocated to the *commodity* category, as shown in Table 10. The revenue requirement is proposed to increase by 1.75% per year through FY2024/25. Water use from FY2020/21 to FY2024/25 is based on current consumption that is reduced over time. Senate Bill 606 and Assembly Bill 1668 require water purveys to reduce indoor, residential water use from 55 gallons per person per day to an ultimate target of 50 gallons per person per day by 2030. Enforcement actions begin in 2027. The Town of Discovery Bay's current indoor residential water use is about 80 gallons per person per day. This rate study assumes a reduction to 70 gallons per person per day by 2025 (the fifth year of the rate study) with no reductions to residential outdoor demand or non-residential demand. Although 70 gallons of per capita indoor use is in excess of state targets, it is anticipated that the Town will implement more significant conservation measures in 2025 that will be incorporated into future rate studies.

Table 17: Water Volume Rate Calculation
Town of Discovery Bay
Water and Wastewater Rate Study

	Current					
	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Rate Revenue Increase			1.75%	1.75%	1.75%	1.75%
Commodity Revenue	\$2,614,000	\$2,586,256	\$2,631,516	\$2,677,567	\$2,724,425	\$2,772,102
Total ccf	1,158,278	1,141,291	1,124,552	1,113,476	1,099,091	1,075,796
Rate (\$/ccf)	\$2.257	\$2.266	\$2.340	\$2.405	\$2.479	\$2.577
% increase in rate		0.41%	3.26%	2.76%	3.08%	3.95%

6.3 Proposed 5-Year Schedule of Rates

The proposed 5-year water rate schedule is provided in Table 18. The vacant parcel charge and the meter install fee are proposed to remain the same over the next five years.

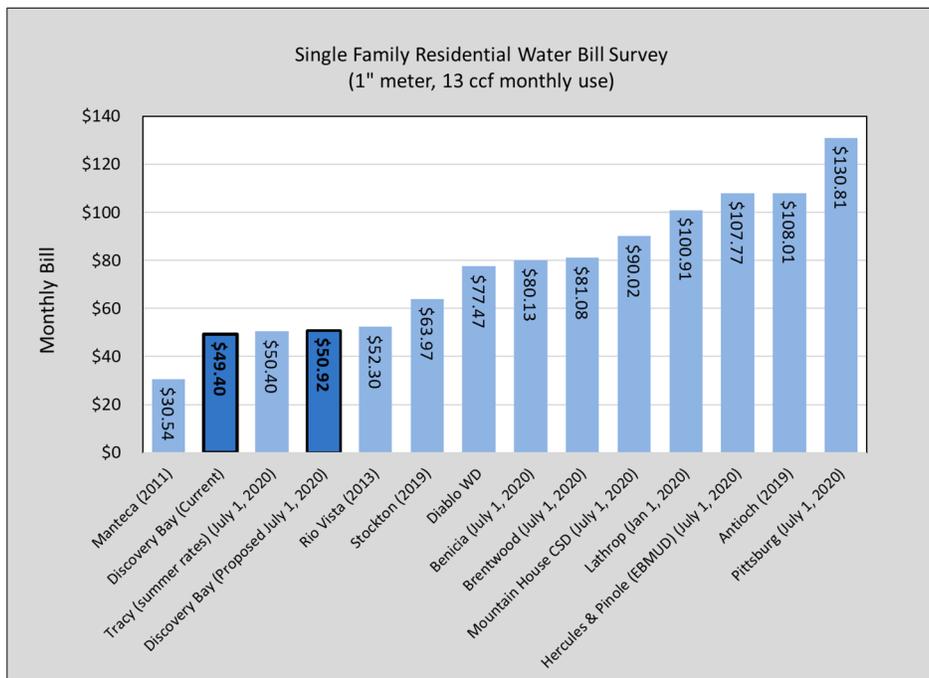
**Table 18: Current and Proposed Monthly Water Rates
Town of Discovery Bay
Water and Wastewater Rate Study**

	Current Meter Fee (\$/month)	PROPOSED				
		FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation Account Charge:						
5/8"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
3/4"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1.5"	\$39.16	\$40.08	\$40.78	\$41.50	\$42.24	\$42.98
2"	\$62.04	\$62.98	\$63.96	\$64.94	\$65.92	\$66.94
3"	\$123.06	\$124.56	\$126.10	\$127.64	\$129.20	\$130.80
4"	\$191.71	\$193.84	\$196.00	\$198.20	\$200.40	\$202.64
6"	\$382.43	\$386.30	\$390.22	\$394.18	\$398.18	\$402.22
Irrigation Account Charge:						
5/8"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
3/4"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1.5"	\$36.87	\$37.12	\$37.38	\$37.64	\$37.90	\$38.18
2"	\$58.38	\$58.54	\$58.72	\$58.90	\$59.06	\$59.24
3"	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73
4"	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27
6"	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54
Metered Usage Charge:						
All Usage (\$/ccf)	\$2.257	\$2.266	\$2.340	\$2.405	\$2.479	\$2.577
Newly Metered Customers Meter Install Fee (10-year payback)						
	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01
ccf = 100 cubic feet = 748 gallons						

6.4 Bill Impacts

The average single family residential customer in the Town of Discovery Bay uses 13 ccf of water monthly and is served by a 1" meter. Currently, the average monthly bill is \$49.40 and will increase to \$50.92 under the FY2020/21 proposed rates, assuming no water conservation. If residential customers reduce indoor water use to 70 gallons per capita, as estimated in this report, the increase in the typical bill each year will more closely align with the 1.75% annual systemwide increase.

The figure below compares the Town's current and proposed typical water bills with the bills of other local agencies. Even with the proposed FY2020/21 increase, the Town's water bill will remain on the low-end of surveyed agencies.



SECTION 7: WASTEWATER REVENUE REQUIREMENT

Similar to the water utility, the wastewater utility's cost of service and revenue requirement is comprised of operating costs, capital costs, debt service obligations, and the need to maintain reasonable emergency reserves.

7.1 Capital Improvement Plan

The wastewater utility is a capital-intensive enterprise. Through FY2024/25, the Town expects to fund \$19.6 million in capital improvements, see Table 19. Of this total, about \$9.6 million represents costs to construct new denitrification facilities to comply with regulations. The Town also expects to fund \$4.5 million to refurbish Wastewater Treatment Plant #1. The wastewater utility is also responsible for 60% of the cost to relocate the Office Building.

Table 19: Summary of Wastewater Capital Projects
Town of Discovery Bay
Water and Wastewater Rate Study

Project Categories	Current FY2019/20	Projected FY2020/21	Projected FY2021/22	Projected FY2022/23	Projected FY2023/24	Projected FY2024/25	6-Year Total	% of Total
Denitrification	383,400	440,000	4,265,100	4,466,200	0	0	9,554,700	49%
WWTP Plant 1 Refurbishment	192,100	183,500	3,707,500	390,200	0	0	4,473,300	23%
Building Rehab or Relocation	90,000	247,200	1,655,000	0	0	0	1,992,200	10%
Additional Projects & Maint.	640,000	113,300	244,000	245,900	148,600	0	1,391,800	7%
Other Master Plan Projects	0	0	0	0	202,600	419,600	622,200	3%
Clarifier Rehab	5,000	5,200	159,100	0	336,500	0	505,800	3%
Lift Stations	0	154,500	212,200	0	0	0	366,700	2%
Security/Cyber Security	72,000	185,400	0	0	67,500	0	324,900	2%
Mainline Piping Replacement	0	0	0	0	281,400	0	281,400	1%
Vehicle & Equipment Purchases	<u>54,000</u>	<u>24,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>78,700</u>	<u>0%</u>
Total Projects	1,436,500	1,353,800	10,242,900	5,102,300	1,036,600	419,600	19,591,700	100%

Table 20 lists capital revenue sources through FY2024/25 in order of priority. The Town is projected to use \$3.5 million in existing operating and capital fund reserves. As shown in Table 5, the wastewater utility has ample reserves beyond its minimum targets. These reserves were accumulated from service charge revenues and should be used judiciously for the benefit of the ratepayers. The Town is expected to experience growth over the next five years. For planning purposes, it is assumed that the Town will collect capacity fee revenues from approximately 10 new homes annually.³ \$15.2 million of capital improvement funding is provided by rate revenues and new debt. This rate plan assumes the Town will fund \$5.2 million of projects from rate revenues and \$10 million from new bonds.

³ Capacity fee revenues can only be used to fund facilities that benefit growth. L&T did not conduct an independent evaluation to determine which projects are growth-related.

**Table 20: Wastewater Capital Funding Sources through FY2024/25
Town of Discovery Bay
Water and Wastewater Rate Study**

Revenue Sources		
Existing Capital Reserves	\$121,800	1%
Excess Operating Reserves	\$3,500,000	18%
Capacity Fees	\$769,900	4%
Rate Revenues	\$5,200,000	27%
New Debt	<u>\$10,000,000</u>	<u>51%</u>
Total Revenues	\$19,591,700	100%
Total Capital Projects	\$19,591,700	

7.2 Capital Cash Flows

Table 21 provides the wastewater capital fund cash flows over the next five years. The projected costs and timeline of each project were determined by the Town as part of the capital improvement plan. Major projects include denitrification and the Wastewater Treatment Plant 1 Refurbishment. The Operations Fund is expected to make transfers to the Capital Improvements Fund to help cover expenses for these major projects. Projects will also be funded from available revenues, including capacity fee revenues and capital reserves.

The current fiscal year (FY2019/20) assumes a transfer of \$3.5 million of revenue from the Operations Fund, representing excess revenues beyond its fund balance target of four months of expenses. It is anticipated that the Town will issue debt proceeds of \$10 million in FY2020/21 to smooth its capital cash flows and resulting rate impacts. In FY2021/22 to FY2024/25, it is anticipated that the Operations Fund will provide transfers of \$1 million to \$1.1 million of rate revenues annually. By the end of FY2024/25, it is projected that the infrastructure replacement reserve will be drawn down by about \$122,000 relative to the beginning balance in FY2019/20. The five-year rate plan assumes the emergency reserve of \$1.8 million will remain in place and will not be used to fund capital or operating costs.

Table 21: Wastewater Capital Cash Flows
Town of Discovery Bay
Water and Wastewater Rate Study

	Current FY2019/20	Projected FY2020/21	Projected FY2021/22	Projected FY2022/23	Projected FY2023/24	Projected FY2024/25
Emergency Reserves	1,800,600	1,800,600	1,800,600	1,800,600	1,800,600	1,800,600
Infrastructure Replacement	<u>2,082,400</u>	<u>4,314,300</u>	<u>14,080,800</u>	<u>4,958,200</u>	<u>976,200</u>	<u>1,159,900</u>
Beginning Balance	3,883,000	6,114,900	15,881,400	6,758,800	2,776,800	2,960,500
Revenues						
Capacity Fees (\$12,030/EDU)	168,400	120,300	120,300	120,300	120,300	120,300
Transfer from Operating	3,500,000	1,000,000	1,000,000	1,000,000	1,100,000	1,100,000
New Debt Proceeds	<u>0</u>	<u>10,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	3,668,400	11,120,300	1,120,300	1,120,300	1,220,300	1,220,300
Capital Improvements						
WWTP Plant 1 Refurbishment	192,100	183,500	3,707,500	390,200	0	0
Denitrification	383,400	440,000	4,265,100	4,466,200	0	0
Lift Stations						
Lift Stations J, S, H	0	154,500	0	0	0	0
Lift Stations A, C, D, E	<u>0</u>	<u>0</u>	<u>212,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Lift Stations	0	154,500	212,200	0	0	0
Clarifier Rehab						
Plant 2 Clarifier #3 Rehabilitation	5,000	5,200	148,500	0	0	0
Clarifier 1 & 2 RAS Pump and Check Valves	0	0	0	0	336,500	0
Clarifier #4 Repair (cement)	<u>0</u>	<u>0</u>	<u>10,600</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Clarifier Rehab	5,000	5,200	159,100	0	336,500	0
Additional Projects and Maintenance						
Plant 2 RAS & WAS Pumping System	25,000	0	0	0	148,600	0
Replace Lagoon Dredge & Conduits	0	113,300	0	0	0	0
CCTV Van (portable and push camera)	70,000	0	0	0	0	0
Install Screen Headworks at Plant #2	25,000	0	0	245,900	0	0
Minor Rehab to Piping at Plant #1	20,000	0	244,000	0	0	0
Outfall Diffuser Repairs	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Additional Projects and Maintenance	640,000	113,300	244,000	245,900	148,600	0
Other Master Plan Projects						
Emergency Storage Drain to Pump Sta. W	0	0	0	0	0	86,900
Solids Handling Improvements	0	0	0	0	0	208,700
WAS Pumps and Check Valves	0	0	0	0	0	124,000
Collection System Pump Stations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>202,600</u>	<u>0</u>
Total Other Master Plan Projects	0	0	0	0	202,600	419,600
Mainline Piping Replacement	0	0	0	0	281,400	0
Building Rehab or Relocation						
Island Building by Well 1B	90,000	0	0	0	0	0
Move District Main Office Building	<u>0</u>	<u>247,200</u>	<u>1,655,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Relocation	90,000	247,200	1,655,000	0	0	0
Vehicle & Equipment Purchases						
New Truck	24,000	24,700	0	0	0	0
Woodchipper or Firebox	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Vehicle & Equipment	54,000	24,700	0	0	0	0
District Security						
Cyber Security	0	92,700	0	0	67,500	0
Phase 2	72,000	0	0	0	0	0
Phase 3	<u>0</u>	<u>92,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total District Security	72,000	185,400	0	0	67,500	0
Total Capital Improvements	1,436,500	1,353,800	10,242,900	5,102,300	1,036,600	419,600
Total Net Revenues	2,231,900	9,766,500	(9,122,600)	(3,982,000)	183,700	800,700
Ending Balance	6,114,900	15,881,400	6,758,800	2,776,800	2,960,500	3,761,200

7.3 Operating Cash Flows

Table 22 provides the wastewater fund operating cash flow, including rate and non-rate revenues, operating costs, debt service costs, and transfers to the capital fund. The Town began FY2019/20 with an operating balance of \$4.39 million. The minimum fund balance target for the end of each year is based on four months of O&M expenses.

In FY2019/20, the Town estimates about \$6.3 million will be collected in total year-end revenues, with rate revenues making up about \$6 million (including vacant service fees). Over \$200,000 annually is collected from zone reimbursement revenues and about \$17,000 annually is collected from miscellaneous service fees, such as permits, inspections, etc.

For FY2019/20, operating expenses are estimated at \$2.77 million. Major costs include administration, staffing, operations, and utilities. Operating expenses are projected to increase to about \$4.16 million over the next 5 years. Expenses projected from FY2021/22 onward are based on the FY2021/22 expenses escalated by 3% annually. The Town's service contract cost with Veolia Water was estimated by staff. Based on planned improvements to Plant 1 and operations associated with the denitrification project, the Town expects cost of the service contract to increase beyond the rate of inflation. The Operations Fund also pays the cost of the annual debt service of about \$1.1 million for the 2012 and the 2017 bonds.

Currently, the Wastewater Operations Fund is in good financial health and is generating positive net revenues, estimated at about \$2.4 million for FY2019/20. The Town's financial strategy for the sewer utility is to generate enough revenues to fund capital improvements through a combination of debt and cash on hand. The net operating revenues will be used to maintain reserves and to partially fund capital improvements over the next five years.

In order to support a borrowing of \$10 million in FY2020/21 and to cash fund smaller capital improvements, it is recommended that rate revenues increase by 1.5% annually over the next five years. This rate plan maintains operating reserves in excess of the target of four months of operating expenses. Due to the refurbishment of Plant 1, future operating costs could fluctuate. These additional reserves provide financial security should operating costs exceed the estimates provided herein.

Table 23: Wastewater Operating Cash Flows
Town of Discovery Bay
Water and Wastewater Rate Study

	Current FY2019/20	Projected FY2020/21	Projected FY2021/22	Projected FY2022/23	Projected FY2023/24	Projected FY2024/25
Beginning balance	\$4,387,000	\$3,326,400	\$3,788,200	\$3,678,300	\$3,595,200	\$3,435,700
Proposed Rate Revenue Increase		1.50%	1.50%	1.50%	1.50%	1.50%
Revenues						
Wastewater service						
Zone Reimbursement Revenues	243,000	243,000	243,000	243,000	243,000	243,000
Other & Misc	17,300	17,300	17,300	17,300	17,300	17,300
Rate Revenues (less vacant)	6,021,200	6,111,500	6,203,200	6,296,200	6,390,600	6,486,500
Phase-in of rates [1]	0	(25,000)	(19,000)	(12,000)	(5,000)	0
New Customers	13,900	24,000	34,500	45,300	56,500	67,900
Vacant	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>
Total revenues	6,312,400	6,387,800	6,496,000	6,606,800	6,719,400	6,831,700
% increase in expenses			3.0%	3.0%	3.0%	3.0%
Expenses						
Operating Expenses						
Admin & Inter Govt. & Board	332,000	450,000	450,000	464,000	478,000	492,000
Staffing & Consulting Serv	593,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000
Operations & Maint	334,000	538,000	554,000	571,000	588,000	606,000
Utilities	536,000	673,000	693,000	714,000	735,000	757,000
Service Contract	<u>977,000</u>	<u>1,075,000</u>	<u>1,107,000</u>	<u>1,140,000</u>	<u>1,175,000</u>	<u>1,210,000</u>
Total Operating Expenses	2,772,000	3,826,000	3,894,000	3,979,000	4,066,000	4,155,000
Net Operating Revenues	3,540,400	2,561,800	2,602,000	2,627,800	2,653,400	2,676,700
Debt Service						
2012 Bonds Debt Service [2]	741,000	743,000	744,000	740,000	745,000	743,000
2017 Bonds Debt Service [2]	360,000	357,000	354,000	357,000	354,000	355,000
New Debt [3]	<u>0</u>	<u>0</u>	<u>613,900</u>	<u>613,900</u>	<u>613,900</u>	<u>613,900</u>
Total Debt Service	1,101,000	1,100,000	1,711,900	1,710,900	1,712,900	1,711,900
Debt Service Coverage	3.22	2.33	1.52	1.54	1.55	1.56
Total Expenses	3,873,000	4,926,000	5,605,900	5,689,900	5,778,900	5,866,900
Net Revenues	2,439,400	1,461,800	890,100	916,900	940,500	964,800
Transfer to Capital Fund	3,500,000	1,000,000	1,000,000	1,000,000	1,100,000	1,100,000
O&M Ending Balance	3,326,400	3,788,200	3,678,300	3,595,200	3,435,700	3,300,500
O&M Minimum Target [4]	924,000	1,275,000	1,298,000	1,326,000	1,355,000	1,385,000

1 - Deduction for rate smoothing for a subset of customers; see Section 9.5

2 - Based on year ended December 1

3 - Estimated by Brandis Tallman

4 - 4 months O&M expenses

SECTION 8: WASTEWATER COST ALLOCATION

To fairly recover costs from customers, a wastewater cost allocation was conducted, see Table 24. Operating, debt service, and capital expenses were allocated to *customer service* and *treatment/disposal* cost categories. The *customer service* category is intended to recover costs associated with general utility management and administration that do not vary significantly with the amount of wastewater discharged into the sewer system. The *treatment/disposal* category recovers costs more closely associated with operations, maintenance, and infrastructure. *Treatment/disposal* costs are attributed to customers based on their flows and wastewater strength.⁴ In total, about 34% of wastewater utility costs are related to customer service and administration. About 66% of costs are related to sewer treatment and disposal.

**Table 24: Wastewater Cost Allocation
Town of Discovery Bay
Water and Wastewater Rate Study**

Cost	FY2020/21 Estimated Costs	Customer Service/Admin	Treatment and Disposal
Operating Expenses			
Admin & Inter Govt. & Board	450,000	100%	0%
Staffing & Consulting Serv	1,090,000	100%	0%
Operations & Maint	538,000	33%	67%
Utilities	673,000	0%	100%
Service Contract	<u>1,075,000</u>	33%	67%
Total Operating Expenses	3,826,000	2,077,667	1,748,333
Debt Service			
2012 Bonds Debt Service (5yr Avg)	743,000	5%	95%
2017 Bonds Debt Service (5yr Avg)	355,400	5%	95%
New Debt Service (5yr Avg)	<u>491,120</u>	5%	95%
Total Debt Service	1,589,520	79,476	1,510,044
Transfer to Capital (5yr Avg)	1,040,000	5%	95%
		52,000	988,000
Proposed Cost Allocation	6,455,520	2,209,143	4,246,377
		34%	66%

⁴ The Town does not have engineering information available to support a detailed cost allocation to wastewater flow, BOD, and TSS. Therefore, a simplified cost allocation is proposed as shown in Table 24.

SECTION 9: WASTEWATER RATE DESIGN

The Town proposes to maintain its current wastewater rate structure. The Town will continue to charge residential customers a fixed annual sewer charge, while commercial customers will be charged for sewer flow based on metered water use. The amounts of each rate are proposed to be updated.

9.1 Flows and Pollutant Strength

The prior wastewater rate study assumed monthly residential flow of 14.4 ccf. However, due to long-term water conservation, wastewater flow is now about 9 ccf/month per home. In the Town of Discovery Bay, the average single family home has 2.74 occupants. It is assumed that the typical multiple family dwelling unit has 2 occupants and 6.5 ccf of monthly sewer flow. Based on these parameters, total annual residential flow is estimated in Table 25.

**Table 25: Estimated Residential Sewer Flows
Town of Discovery Bay
Water and Wastewater Rate Study**

	Single Family Residential	Multiple Family	Units
Monthly Flow	9	6.5	ccf/month
Annualized	108	78	ccf/year
Number of Parcels	5,770	224	
Estimated Annual Sewer Flow	623,160	17,472	ccf/year

Table 26 estimates the Town's total wastewater flow adjusted by strength factors. Strength factors indicate the wastewater pollutants present in each unit of flow. Residential flows are taken from Table 25 and commercial flows are taken from Table 4. The flow of each customer category is adjusted by a strength factor. Domestic strength is assigned a factor of 1. Schools are assumed to be low strength and are assigned a factor of 0.9, and restaurants are assigned a factor of 2.9, representing high strength. Restaurants typically discharge fats, oils, and grease into the sewer system that are costly to treat. The strength factors used in Table 26 are consistent with commonly used factors and are consistent with Town policy.

**Table 26: Estimated Total Flow with Strength Factors
Town of Discovery Bay
Water and Wastewater Rate Study**

Customer Category	Total Flow (ccf)	Strength Factor	Flow w/Strength Factor (ccf)
Single Family Residential	623,160	1	623,160
Multiple Family	17,472	1	17,472
Business/Government/Clubs	5,520	1	5,520
Restaurants/Bars/Dining Facilities	5,931	2.9	17,200
Schools	1,256	0.9	1,130
Other Domestic Strength Users	<u>251</u>	1	<u>251</u>
	653,591		664,734

9.2 Unit Cost Calculation

Table 27 provides the wastewater unit cost calculation. The FY2020/21 rate revenue requirement of \$6.1 million from the operating cash flow is allocated to the *customer service* and *treatment/disposal* categories based on the percentages in Table 24. The *customer service* revenue requirement is divided by the number of accounts and the *treatment/disposal* revenue requirement is divided by the flow adjusted by strength factors from Table 26.

**Table 27: Wastewater Unit Cost Calculation
Town of Discovery Bay
Water and Wastewater Rate Study**

	Customer Service/Admin	Treatment and Disposal	Total
FY2020/21 Revenue Requirement	\$2,091,416	\$4,020,084	\$6,111,500
Cost Allocation	34%	66%	100%
Billing Units	# of Customers 6,032	Flow w/Strength Factor 664,734	
Unit Cost	\$28.89 \$/month	\$6.05 \$/ccf domestic strength	

9.3 Rate Design

Table 28 calculates the single family and multiple family sewer bills for FY2020/21 based on the unit costs developed in Table 27. Each residential dwelling unit is assigned a monthly customer service fee of \$28.89. The flow rate of \$6.05/ccf is multiplied by the typical single family flow of 9 ccf/month and the typical multiple family flow of 6.5 ccf/month.

Table 28: FY2020/21 Residential Sewer Rate Calculation
Town of Discovery Bay
Water and Wastewater Rate Study

	Count		Rate	Total Monthly Bill
Single Family Residential				
Customer Service Fee	1	X	\$28.89	\$28.89
Treatment/Disposal Fee	9	X	\$6.05	<u>\$54.45</u>
Total Monthly Bill				\$83.34
Multiple Family Residential				
Customer Service Fee	1	X	\$28.89	\$28.89
Treatment/Disposal Fee	6.5	X	\$6.05	<u>\$39.33</u>
Total Monthly Bill				\$68.22

9.4 Commercial Rate Design

The Town bills commercial customers volume sewer rates based on metered water use. Instead of billing the customer service fee as a fixed charge, the commercial customer service revenue requirement is recovered from the commercial volume rates. Table 29 calculates the commercial customer service rate. The total customer service revenue requirement is sub-allocated between residential and commercial classes based on the number of customers. The commercial revenue requirement is then divided by annual commercial flows (without the strength factor) to determine a \$/ccf charge.

Table 30 calculates the total FY2020/21 commercial rates. The customer service rate is added to the strength-adjusted treatment/disposal rate.

**Table 29: First Iteration Commercial Customer Service Rate
Town of Discovery Bay
Water and Wastewater Rate Study**

	Residential	Commercial	Total
# of Customers [1]	5,994	38	6,032
	99.4%	0.6%	100.0%
Customer Service Revenue Requirement	\$2,078,240	\$13,175	\$2,091,416
	99.4%	0.6%	100.0%
Billing Units	5,994	12,959	
	# of Customers	Annual ccf	
Rate	\$28.89	\$1.02	
	\$/month	\$/ccf	

1 - Does not include vacant parcels

**Table 30: First Iteration Commercial Wastewater Rate Calculation
Town of Discovery Bay
Water and Wastewater Rate Study**

Customer Class	Strength Factor		Base Treatment/ Disposal Rate		Treatment/ Disposal Rate		Treatment/ Disposal Rate		Cust. Service Rate		Total Rate (\$/ccf)
Business/Government/Clubs	1.0	X	\$6.05	=	\$6.05		\$6.05	+	\$1.02	=	\$7.07
Restaurants/Bars/Dining Facilities	2.9	X	\$6.05	=	\$17.54		\$17.54	+	\$1.02	=	\$18.56
Schools	0.9	X	\$6.05	=	\$5.44		\$5.44	+	\$1.02	=	\$6.46
Other Domestic Strength Users	1.0	X	\$6.05	=	\$6.05		\$6.05	+	\$1.02	=	\$7.07

9.5 Proposed 5-year Schedule of Rates

Table 31 provides the first iteration of the 5-year wastewater rate plan. Due to cost allocation changes and the overall reduction in residential sewer flows over the past few years, the single family residential rates are proposed to receive slight increases. Commercial customers and multiple family customers are proposed to receive higher rate increases. To provide rate stability, non-single family residential customer rates are proposed to be phased-in over the next five years, as shown in Table 32.

**Table 31: First Iteration 5-Year Wastewater Rate Plan
Town of Discovery Bay
Water and Wastewater Rate Study**

Customer Class	Current	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Single Family	\$82.55	\$83.34	\$84.59	\$85.86	\$87.15	\$88.46
Multiple Family/Condos	\$61.92	\$68.22	\$69.24	\$70.28	\$71.33	\$72.40
Business/Government/Clubs	\$5.734	\$7.067	\$7.173	\$7.281	\$7.390	\$7.501
Restaurants/Bars/Dining Facilities	\$16.793	\$18.557	\$18.835	\$19.118	\$19.405	\$19.696
Schools	\$5.161	\$6.457	\$6.554	\$6.652	\$6.752	\$6.853
Other Domestic Strength Users	\$5.734	\$7.067	\$7.173	\$7.281	\$7.390	\$7.501
Single Family		1.0%	1.5%	1.5%	1.5%	1.5%
Multiple Family/Condos		10.2%	1.5%	1.5%	1.5%	1.5%
Business/Government/Clubs		23.2%	1.5%	1.5%	1.5%	1.5%
Restaurants/Bars/Dining Facilities		10.5%	1.5%	1.5%	1.5%	1.5%
Schools		25.1%	1.5%	1.5%	1.5%	1.5%
Other Domestic Strength Users		23.2%	1.5%	1.5%	1.5%	1.5%

**Table 32: Proposed 5-Year Wastewater Rate Plan
Town of Discovery Bay
Water and Wastewater Rate Study**

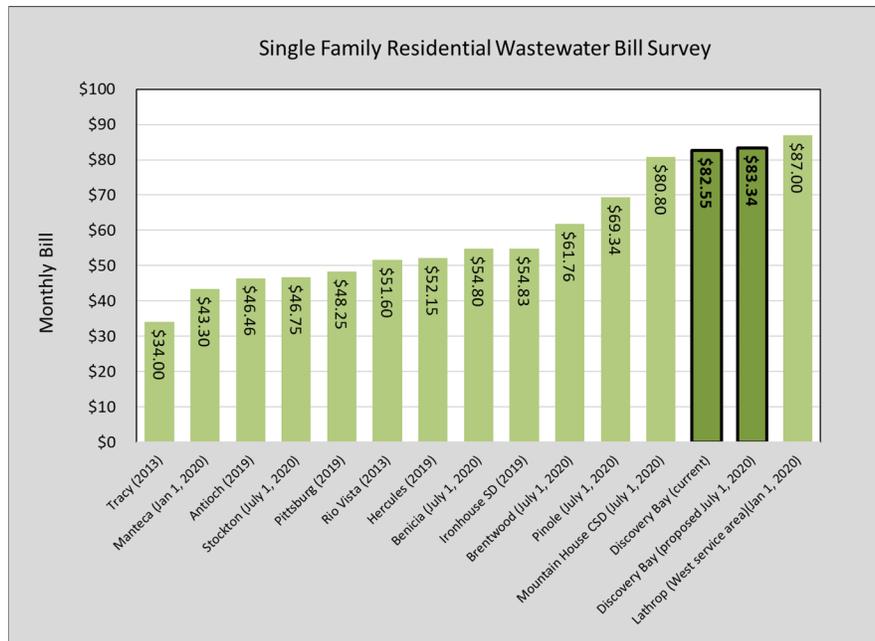
Customer Class	Current	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	% Annual Change
Single Family	\$82.55	\$83.34	\$84.59	\$85.86	\$87.15	\$88.46	[1]
Multiple Family/Condos	\$61.92	\$63.89	\$65.92	\$68.01	\$70.17	\$72.40	3.2%
Business/Government/Clubs	\$5.734	\$6.050	\$6.384	\$6.737	\$7.109	\$7.501	5.5%
Restaurants [2]	\$16.793	\$17.337	\$17.899	\$18.479	\$19.078	\$19.696	3.2%
Schools	\$5.161	\$5.462	\$5.781	\$6.118	\$6.475	\$6.853	5.8%
Other Domestic Strength Users	\$5.734	\$6.050	\$6.384	\$6.737	\$7.109	\$7.501	5.5%

1 – The FY2020/21 rate change is based on the proposed cost allocation described in this report; the rate change from FY2021/22 to FY2024/25 is 1.5%

2 – Includes bars and dining facilities

9.6 Bill Impacts

The figure below compares the Town's current and proposed single family residential wastewater bills with those of other local agencies. Though customers are billed annually in the Town of Discovery Bay, bills are expressed here in monthly terms to allow for better comparison across local agencies. The Town's bill is currently at the upper end of surveyed agencies and will remain as such following the proposed rate increases.



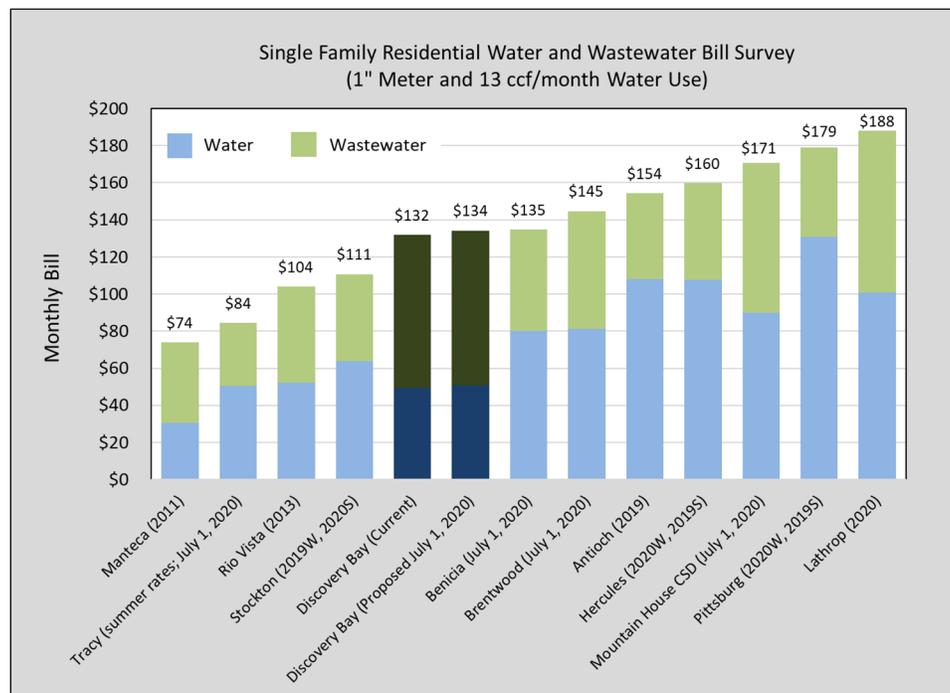
SECTION 10: CONCLUSIONS AND RECOMMENDATIONS

10.1 Rate Study Conclusions

The rates developed in this report were based on the best available information gathered from Town audits, budgets, and input from staff, the Finance Committee, and the Board of Directors. The cost allocations proposed herein are based on American Water Works Association methodologies and industry standard practice. The proposed rates are based on the reasonable cost of providing service and are proportional to the benefits received by each customer.

10.2 Rate Impacts

The chart below compares the Town's current and proposed combined water and sewer utility bill of the typical single family residential customer to the bills of other local agencies. The average single family residential customer is served by a 1" meter and uses 13 ccf of water per month. Under the proposed rate increases, the typical single family residential customer will experience a bill increase from \$131.95 to \$134.26 per month, about a 2% increase.



10.3 Future Recommendations

It is recommended that the Town update its rates and cost of service at least every five years to account for cost increases, operational changes, and growth in the customer base.

Background & Purpose of this Notice

You are receiving this notice because you are a Town of Discovery Bay Community Services District (District) utility customer or you own property receiving District utility services. The District provides water and wastewater (sewer) service to approximately 6,200 customers, including homes and businesses. The District's utilities rely on rates paid by customers to fund the costs of operations, maintenance, and infrastructure improvements. The Board of Directors will hold a public hearing on June 3 at 7pm at the Community Center to consider water and wastewater rate changes for the next five years.

Why are rate changes needed?

The Town engaged a rate consultant who reviewed the utilities' cost of providing service to determine appropriate rates and fees. The rate study report is available on the District's website. Water meter fees primarily recover the Town's fixed costs to maintain and improve infrastructure, including wells, water treatment, and pipelines. The rate charged per unit of water consumed primarily recovers the cost of supply and conveyance of water to customers. Sewer rates reflect the cost of transporting, treating, and disposing of wastewater. The sewer rates are also designed to fund debt service costs of state-mandated denitrification and other treatment upgrades that are required to comply with regulations from the Regional Water Quality Control Board. If adopted by the Town of Discovery Bay's Board of Directors, the new rates would go into effect July 1 of each year. The first increase would occur July 1, 2020. For most customers, the proposed rate change is a small inflationary increase. However, your final utility bill depends on your water meter size and monthly usage.



Town of Discovery Bay Community Services District
1800 Willow Lake Road
Discovery Bay, CA 94505-9376
(925) 634-1131

PRESORTED FIRST CLASS MAIL
U.S. POSTAGE
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CONCORD, CA
PERMIT NO. 530



T1 P1

Town of Discovery Bay Property Owner

**NOTICE OF PUBLIC HEARING REGARDING
PROPOSED ADJUSTMENTS TO WATER AND WASTEWATER RATES
Wednesday, June 3, 2020 at 7:00 pm
Community Center, 1601 Discovery Bay Blvd, Discovery Bay, CA**

Public Notice and Majority Protest Process

In 1996, California voters adopted Proposition 218. The provisions of Proposition 218 provide that certain types of "Property Related Fees" are subject to a "majority protest" process. Under the majority protest process, any property owner or customer of record may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel.

You have the right to file written protests by mail addressed to the Board Secretary, 1800 Willow Lake Road, Discovery Bay, CA 94505-9376 **or** in person at the public hearing on June 3, 2020 at 7:00 pm so long as the protests are received before the end of the public hearing. A protest submitted via e-mail, fax, or other electronic means will not be accepted. A written protest must: 1) state that the identified property owner or customer is in opposition to the proposed water rate change, sewer rate change, or both; 2) provide the location of the identified parcel (by assessor's parcel number or street address); and 3) include the name and signature of the property owner or customer submitting the protest.

At the public hearing, the Board of Directors will review the amounts of the rates as well as the methodology for calculating the proposed rates. At the conclusion of the hearing, protests will be counted and validated. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the public hearing, the Town's Board of Directors cannot adopt the proposed rates. If a majority of the parcels do not protest the proposed increase, the Board has the authority to adopt the proposed rates. Any rate change, if enacted, will take effect no earlier than July 1, 2020.

WATER	Current Meter Fee (\$/month)	PROPOSED				
		FY2020/21 (July 1, 2020)	FY2021/22 (July 1, 2021)	FY2022/23 (July 1, 2022)	FY2023/24 (July 1, 2023)	FY2024/25 (July 1, 2024)
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation (Domestic) Account Charge:						
5/8" Meter	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
3/4" Meter	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1" Meter	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1 1/2" Meter	\$39.16	\$40.08	\$40.78	\$41.50	\$42.24	\$42.98
2" Meter	\$62.04	\$62.98	\$63.96	\$64.94	\$65.92	\$66.94
3" Meter	\$123.06	\$124.56	\$126.10	\$127.64	\$129.20	\$130.80
4" Meter	\$191.71	\$193.84	\$196.00	\$198.20	\$200.40	\$202.64
6" Meter	\$382.43	\$386.30	\$390.22	\$394.18	\$398.18	\$402.22
Irrigation Account Charge:						
5/8" Meter	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
3/4" Meter	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1" Meter	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1 1/2" Meter	\$36.87	\$37.12	\$37.38	\$37.64	\$37.90	\$38.18
2" Meter	\$58.38	\$58.54	\$58.72	\$58.90	\$59.06	\$59.24
3" Meter	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73
4" Meter	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27
6" Meter	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54
Metered Usage Charge:						
All Usage (\$/ccf)	\$2.257	\$2.266	\$2.340	\$2.405	\$2.479	\$2.577
Meter Install Fee (10-year payback)						
	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01

ccf = 100 cubic feet = 748 gallons

The District's water service charges include a fixed account charge based on meter size plus a volume rate billed based on water use.

The District's wastewater charges consist of fixed annual fees billed on the property tax roll for residential customers and volume rates for nonresidential (commercial) customers.

The typical single family customer in the Town of Discovery Bay uses 13 hundred cubic feet (ccf) of water per month and is served by a 1" meter. Under the current rates, the typical single family customer pays the equivalent of \$131.95 per month for water and sewer service. Under the July 1, 2020 proposed rates, the typical bill would increase to \$134.26 per month, about a 2% increase.

Note: About half of the Town's water customers also pay a \$8.01 per month meter installation fee.

WASTEWATER	Current FY2019/20		Proposed FY2020/21		Proposed FY2021/22		Proposed FY2022/23		Proposed FY2023/24		Proposed FY2024/25	
	Residential Unmetered (each dwelling unit)	Monthly (\$/month)	Yearly (\$/year)	Monthly (\$/month)								
Single Family Multiple	\$82.55	\$990.63	\$83.34	\$1,000.08	\$84.59	\$1,015.08	\$85.86	\$1,030.32	\$87.15	\$1,045.80	\$88.46	\$1,061.52
Family/Condos Vacant	\$61.92	\$743.03	\$63.89	\$766.68	\$65.92	\$791.04	\$68.01	\$816.12	\$70.17	\$842.04	\$72.40	\$868.80
Nonresidential Metered	Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)	
Business/Government/Clubs	\$5.734		\$6.050		\$6.384		\$6.737		\$7.109		\$7.501	
Restaurants/Bars/Dining	\$16.793		\$17.337		\$17.899		\$18.479		\$19.078		\$19.696	
Facilities/Schools	\$5.161		\$5.462		\$5.781		\$6.118		\$6.475		\$6.853	
Other Domestic Strength Users	\$5.734		\$6.050		\$6.384		\$6.737		\$7.109		\$7.501	

DU = Dwelling Unit, ccf = 100 cubic feet = 748 gallons

Advertising Order Confirmation

<u>Ad Order Number</u> 0006483183	<u>Customer</u> DISCOVERY BAY, TOWN OF	<u>Payor Customer</u> DISCOVERY BAY, TOWN OF	<u>PO Number</u> Wastewater Rate Increase PHN
<u>Sales Representative</u> Anna Davis	<u>Customer Account</u> 2005834	<u>Payor Account</u> 2005834	<u>Ordered By</u>
<u>Order Taker</u> Anna Davis	<u>Customer Address</u> COMMUNITY SERVICES DISTRICT 1800 WILLOW LAKE RD. DISCOVERY BAY, CA 94514-9376	<u>Payor Address</u> COMMUNITY SERVICES DISTRICT 1800 WILLOW LAKE RD. DISCOVERY BAY, CA 94514-9376	<u>Customer Fax</u> 9255132705
<u>Order Source</u> Email	<u>Customer Phone</u> 925-634-1131	<u>Payor Phone</u> 925-634-1131	<u>Customer EMail</u> cmccool@todb.ca.gov
<u>Current Queue</u> Ready	<u>Invoice Text</u> East County Times		
<u>Tear Sheets</u> 0	<u>Affidavits</u> 0	<u>Blind Box</u>	<u>Materials</u>
		<u>Promo Type</u> ECT Legals	<u>Special Pricing</u>

<u>Ad Number</u> 0006483183-01	<u>Ad Size</u> 2 X 31 Li	<u>Color</u>	<u>Production Color</u>	<u>Ad Attributes</u>	<u>Production Method</u> AdBooker	<u>Production Notes</u>
<u>External Ad Number</u>	<u>Pick Up</u>	<u>Ad Type</u> Legal Liner	<u>Released for Publication</u>			

**NOTICE OF PUBLIC HEARING
TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
WATER AND WASTEWATER RATE INCREASES**

Notice is hereby given that on Wednesday June 3, 2020, at 7:00 p.m., in accordance with Proposition 218, the Town of Discovery Bay Community Services District ("District") Board of Directors, will hold a public hearing at their Regular Meeting to consider adopting a Resolution establishing proposed Water and Wastewater rate increases for fiscal years 2020/21 through 2024/25. The proposed rates are based on a Water and Wastewater Study, a copy of which is available during normal business hours at the District Office, 1800 Willow Lake Road, Discovery Bay CA and on the District's website: www.todb.ca.gov. Signed written protests will be received until the public hearing is closed. The public hearing will take place at the Discovery Bay Community Center, 1601 Discovery Bay Blvd., Discovery Bay CA. If public entry is denied due to COVID-19 restrictions, attendance may be made via teleconference as noted on the meeting agenda.

ECT# 6483183 May 12, 19, 2020

<u>Product</u>	<u>Requested Placement</u>	<u>Requested Position</u>	<u>Run Dates</u>	<u># Inserts</u>
East Bay Times:ECT	Legals CLS	General Legal - 1076~	05/12/20, 05/19/20	2
East Bay Times:EB Full	Legals CLS	General Legal - 1076~	05/12/20, 05/19/20	2

Order Charges:

<u>Net Amount</u>	<u>Tax Amount</u>	<u>Total Amount</u>	<u>Payment Amount</u>	<u>Amount Due</u>
111.60	0.00	111.60	0.00	\$111.60



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLUTION 2020-12

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY,
A CALIFORNIA COMMUNITY
SERVICES DISTRICT,
ESTABLISHING CHARGES FOR WATER AND
WASTEWATER SERVICE AND CONTINUING
COLLECTION OF WATER AND WASTEWATER
SERVICE CHARGES ON THE COUNTY TAX ROLL FOR
THE PERIOD FY 2020-21 THROUGH FY 2024-25
AND THEREAFTER**

WHEREAS, the Board of Directors of the Town of Discovery Bay Community Services District commissioned Lechowicz & Tseng Municipal Consultants to develop a "Water and Wastewater Rate Study" for the period FY 2020-21 through FY 2024-25 and thereafter; and

WHEREAS, the Board has accepted the Report on June 03, 2020; and

WHEREAS, the Board has determined that it is necessary to increase the Water service charges for metered users to be billed monthly; and

WHEREAS, the Board has determined that it is necessary to increase the Water service charges for non-metered residential users and to collect such charges on the County tax rolls; and

WHEREAS, the Board has determined that it is necessary to increase the Wastewater service charges for residential users and to collect such charges on the County tax rolls; and

WHEREAS, the Board has determined that it is necessary to increase the Wastewater service charges for all metered commercial users to be billed monthly; and

WHEREAS, the Board has determined that it is necessary to accept and continue in effect those charges for water and sewer services established by Contra Costa County Sanitation District 19 pursuant to its Ordinance No. 18, and accepted and continued by Town of Discovery Bay Community Services District Ordinance No. 1, including collection of those

charges on the County tax rolls, for those users within the Town of Discovery Bay CSD which are not metered or are not non-metered residential users; and

WHEREAS, the Board finds and declares that the Town of Discovery Bay Community Services District has prepared a report of all parcels in the district receiving water and wastewater services, and the amount of the charge for each parcel for the year; and that written notice of said report was mailed to each person to whom any parcel of real estate described in such report is assessed; and that the Town of Discovery Bay Community Services District has held a public hearing pursuant to Government Code section 61115; and

WHEREAS, the Board finds and declares that the Town of Discovery Bay Community Services District has complied with the requirements of California Constitution Article XIII D, Section 6 (Proposition 218), and that no majority protest was received;

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT DOES AS FOLLOWS:

1. That the above recitals are true and correct and are incorporated as part of this Resolution.
2. For Fiscal Years 2020/2021, 2021/2022, 2022/2023, 2023/2024 and 2024/2025 and thereafter that the water and wastewater rates are established as set forth in Table 1 and Table 2, attached hereto as Exhibit A.
3. The General Manager shall have the authority, in the event of a parcel having large irrigated areas, to reduce the sewer use component of the above rates to recognize that water for irrigation does not enter the wastewater system.
4. The rates for water for all parcels which are non-metered and are not included in the categories set forth in Exhibit A of this Resolution are continued at the level established by Contra Costa County Sanitation District 19 pursuant to its Ordinance No. 18, and accepted and continued by the Town of Discovery Bay Community Services District Ordinance No. 1.
5. The rates for residential and commercial wastewater parcels which are metered and are not included in the categories set forth in Exhibit A of this Resolution are continued at the level established by Contra Costa County Sanitation District 19 pursuant to its Ordinance No. 18, and accepted and continued by the Town of Discovery Bay Community Services District Ordinance No. 1.
6. The Board finds and declares that the annual charge for non-metered water and wastewater services shall be collected on the Contra Costa County tax roll as set forth in Government Code §§ 61115 and following, and the Secretary of the Town of Discovery Bay Community Services District is authorized and directed to file the report of such charges, and all other documents necessary, with the Auditor-Controller of Contra Costa County.

7. The Board finds and declares that the adoption of this Resolution and the rates established herein is exempt from the requirements of the California Environmental Quality Act pursuant to Title 14, California Code of Regulations § 15273(a), and specifically adopts and incorporates herein as part of the record and as findings those sections of the Report which discuss the need for revenue, including the projected total operating expenses, the capital projects and the improvements required, and specifically finds and declares that the charges established herein are for the purposes specified in Title 14, California Code of Regulations, § 15273(a)(1) through 15273(a)(4).

7. The Secretary of the Town of Discovery Bay Community Services District is authorized and directed to file a Notice of Exemption pursuant to Title 14, California Code of Regulations, §15062.

PASSED, APPROVED AND ADOPTED THIS 3rd DAY OF JUNE, 2020

William Pease
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 June 3, 2020, by the following vote of the Board:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael Davies
Board Secretary

Exhibit A

**Table 1: Current and Proposed Monthly Water Rates
Town of Discovery Bay
Water and Wastewater Rate Study**

	Current Meter Fee (\$/month)	PROPOSED				
		FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation Account Charge:						
5/8"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
3/4"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1"	\$20.06	\$21.46	\$21.84	\$22.22	\$22.62	\$23.02
1 1/2"	\$39.16	\$40.08	\$40.78	\$41.50	\$42.24	\$42.98
2"	\$62.04	\$62.98	\$63.96	\$64.94	\$65.92	\$66.94
3"	\$123.06	\$124.56	\$126.10	\$127.64	\$129.20	\$130.80
4"	\$191.71	\$193.84	\$196.00	\$198.20	\$200.40	\$202.64
6"	\$382.43	\$386.30	\$390.22	\$394.18	\$398.18	\$402.22
Irrigation Account Charge:						
5/8"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
3/4"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1"	\$18.92	\$19.24	\$19.58	\$19.92	\$20.26	\$20.62
1 1/2"	\$36.87	\$37.12	\$37.38	\$37.64	\$37.90	\$38.18
2"	\$58.38	\$58.54	\$58.72	\$58.90	\$59.06	\$59.24
3"	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73	\$115.73
4"	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27	\$180.27
6"	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54	\$359.54
Metered Usage Charge:						
All Usage (\$/ccf)	\$2.257	\$2.266	\$2.340	\$2.405	\$2.479	\$2.577
Newly Metered Customers						
Meter Install Fee (10-year payback)	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01	\$8.01
ccf = 100 cubic feet = 748 gallons						

**Table 2: Current and Proposed Wastewater Rates and Charges
Town of Discovery Bay
Water and Wastewater Rate Study**

WASTEWATER	Current FY2019/20		Proposed FY2020/21		Proposed FY2021/22		Proposed FY2022/23		Proposed FY2023/24		Proposed FY2024/25	
	Monthly (\$/month)	Yearly (\$/year)										
Residential Unmetered												
Single Family - Each DU	\$82.55	\$990.63	\$83.34	\$1,000.08	\$84.59	\$1,015.08	\$85.86	\$1,030.32	\$87.15	\$1,045.80	\$88.46	\$1,061.52
Multiple Family/Condos - Each DU	\$61.92	\$743.03	\$63.89	\$766.68	\$65.92	\$791.04	\$68.01	\$816.12	\$70.17	\$842.04	\$72.40	\$868.80
Vacant	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00	\$18.67	\$224.00
Nonresidential Metered	Use (\$/ccf)											
Business/Government/Clubs	\$5.734		\$6.050		\$6.384		\$6.737		\$7.109		\$7.501	
Restaurants/Bars/Dining Facilities	\$16.793		\$17.337		\$17.899		\$18.479		\$19.078		\$19.696	
Schools	\$5.161		\$5.462		\$5.781		\$6.118		\$6.475		\$6.853	
Other Domestic Strength Users	\$5.734		\$6.050		\$6.384		\$6.737		\$7.109		\$7.501	

DU = Dwelling Unit
ccf = 100 cubic feet = 748 gallons



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Meeting Date

June 3, 2020

Prepared By: Julie Carter, Finance Manager

Submitted By: Michael R. Davies, General Manager 

Agenda Title

Discussion and Possible Action to Adopt Preliminary Fiscal Year 2020-21 Proposed DRAFT Operating, Capital and Revenue Budgets.

Recommended Action

Discuss and Receive Input, Comments and Direction to the Proposed Fiscal Year 2020-21 DRAFT Operating, Capital and Revenue Budgets.

Executive Summary

The preparation of the Proposed DRAFT Fiscal Year 2020-21 Operating, Capital and Revenue Budgets has been ongoing for the past few months. The Board of Directors reviewed the preliminary spending plans and revenue estimates at the May 20, 2020 Board Meeting.

For this coming fiscal year, the budget document continues to reflect the two-year forecast as in previous budget cycles. Staff determined that the two-year budget process is extremely beneficial for longer term planning for the Town. While the Board is presented with a two-year budget, only the upcoming fiscal year budget will be adopted.

The next step in the process is the Public Hearing on June 17, 2020, at the conclusion on the Public Hearing, the Board will vote to Adopt the Budget.

Fiscal Impact:

Amount Requested

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

Prog/Fund # Category:

Previous Relevant Board Actions for This Item

Presentation of the Preliminary Budget May 20, 2020

Presentation of the Proposed Budget June 3, 2020

Attachments

Fiscal Year 2020-21 **Proposed DRAFT** Operating, Capital and Revenue Budgets.

AGENDA ITEM: G-2



*Town of Discovery Bay Community Services District
Contra Costa County, California*



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT FISCAL YEAR 2020-2021 PROPOSED BUDGET

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Discovery Bay at a Glance

The Town of Discovery Bay Community Service District: At a Glance

Discovery Bay was established in the early 1970's as a weekend and summer resort community. Today, Discovery Bay has evolved into a thriving year-round home for more than 15,000 residents who enjoy small-town living against the backdrop of over 1,200 miles of Delta waterways. Discovery Bay boasts a full-service marina, three (3) public schools, one (1) private school, as well as two (2) shopping centers. However, this small town is no longer limited to Delta waterfront homes; it has developed into a community that provides something for everyone. Discovery Bay offers gated waterfront homes as well as Country Club homes located on an 18-hole championship golf course. There are four (4) gated communities, Clipper Estates, The Country Club, Lakeshore and The Lakes.

Town of Discovery Bay Community Services District "District" is approximately 9 square miles and was formed in 1998 following a vote of the people to form an Independent Special District with the purpose of providing essential public services to its residents. The Contra Costa County Local Agency Formation Commission (LAFCO) has authorized the District the responsibility of providing the following special services to the residents of Discovery Bay:

- Water supply collection, treatment, and distribution
- Wastewater collection, treatment, and distribution
- Parks and Landscape Maintenance
- Recreational Activities

District Form of Government

California's Independent Special Districts are legislatively authorized under California Government Code Sections 61000-61850. The Town of Discovery Bay Community Services District is governed by an elected five (5) member Board serving staggered four (4) year terms. The Board employs a General Manager to administer the day to day operations of the District.

Population

The census report states the total population in Discovery Bay to be 15,277 people.

Water Services

The Town of Discovery Bay CSD owns and maintains over fifty (50) miles of water mains in seven (7) residential developments: Discovery Bay West (Village 1, 2, 3 and 4, and Ravenswood); and two (2) of the older developments (Discovery Bay Proper and Centex). Currently, the District owns and operates six (6) water production wells that are located throughout the District and are capable of producing seven million gallons of domestic water per day. The raw water is then treated in two (2) water treatment facilities with water storage capacity of 2.5 million gallons of treated water for customer distribution. The total

water requirements of Discovery Bay are currently about 900 million gallons per year, which equates to an average daily demand of 2.5 million gallons per day.

Wastewater Services

The District provides wastewater collection, treatment, and distribution services to approximately 6,000 homes and businesses located in the town. The wastewater treatment process goes through two (2) separate conveyance systems; Plant 1 and Plant 2. Wastewater Treatment Plant 1 is located just north of Highway 4, within the Discovery Bay Development area. Wastewater Treatment Plant 2 is located south of Highway 4 at the Town's eastern boundary. The two (2) plants are interconnected and are dependent upon each other for various functions.

To facilitate and transport the raw wastewater to the main wastewater treatment, the District utilizes 15 wastewater lift stations to move the waste through 50 miles of sewer mains. The plants are capable of producing an average of 1.2 million gallons of wastewater per day. The wastewater treatment plants currently include an influent pump station, influent screening, and secondary treatment facilities using oxidation ditches, sand filters, and ultraviolet (UV) disinfection before discharging the treated water into Old River.

The water and wastewater facilities are operated and maintained by Veolia North America. Under a multi-year agreement with the District.

Parks and Landscaping Services

The District maintains all the public parks and landscaped areas in Discovery Bay. Every budget year, the Board of Directors establishes priorities to improve the landscape areas of Discovery Bay. The landscape areas in Discovery Bay are broken down into five (5) landscape zones. Two (2) of those zones are owned by the District, with the remaining three (3) owned by Contra Costa County and maintained under contract by the District. The five Landscaping & Lighting zones are:

Discovery Bay Landscape & Lighting Zone #8

Zone 8 is owned and maintained by the Town of Discovery Bay CSD. This zone includes the Discovery Bay entrance from Highway 4, Clipper Drive, Discovery Bay Boulevard, Willow Lake Road, and a variety of smaller landscaped areas. Cornell Park & Roberta Fuss Tot Lot are also included in this zone.

Discovery Bay Landscape & Lighting Zone #9 (Ravenswood)

Zone 9 is owned and maintained by the Town of Discovery Bay CSD. This zone includes the landscape streetscape frontages along Wilde Drive and Poe Drive. Ravenswood Park is also included in this zone.

Contra Costa County Landscape & Lighting Zone #35

Zone 35 is owned by Contra Costa County but is maintained by the Town of Discovery Bay CSD. The zone includes the landscaped median islands on Bixler Road at the intersection of Highway 4 and a pedestrian

pathway from the Sandy Cove Shopping Center to Newport Drive. There are also included two pedestrian bridges along the path.

Contra Costa County Landscape & Lighting Zone #57

Zone 57 is owned by Contra Costa County but is maintained by Town of Discovery Bay CSD. This zone includes all landscaped streetscape frontages in and outside of the Centex Development, along Highway 4, a portion of Bixler Road, and two (2) small parking areas. Regatta Park is also included in this zone.

Contra Costa County Landscape & Lighting Zone #61

Zone 61 is owned by Contra Costa County but is maintained by Town of Discovery Bay CSD. This zone includes landscaped streetscape frontages along a significant portion of Bixler Road, Point of Timber Road, the Park & Ride lot, a part of Newport Drive, Preston Drive, and Slifer Drive. Slifer Park is also included in this zone.

Recreation Services

The Town of Discovery Bay Community Services District is also responsible for providing recreational activities to the residents of the District. The Community Center opened its doors to the public on January 2, 2014. The Community Center offers a wide variety of programs for all ages and will continue to develop programming that will stimulate, educate and enrich the lives of people within Discovery Bay, and that is complemented by a system of parks, recreation areas and other facilities aimed to encourage recreational and leisure time activities.

DRAFT

Board of Directors

The Town of Discovery Bay is a California independent Community Services District (CSD) and is governed by a five-member Board of Directors. Directors are publicly elected and serve four-year staggered terms.

The Town of Discovery Bay is responsible for water, sewer, landscaping, parks and recreation. While the District does not have the jurisdiction or authority over land use, zoning, law enforcement or fire protection services, the District does advise the County on decisions that affect Discovery Bay. The District's General Manager is tasked to carry out the policy decisions of the Board and oversee the day-to-day operations of the Town of Discovery Bay.



Robert Leete, Bill Pease, Bill Mayer, Kevin Graves, Bryon Gutow

Board Position and Term

President Bill Pease	12/2016 to 12/2020
Vice-President Bryon Gutow	12/2018 to 12/2022
Director Kevin Graves	12/2018 to 12/2022
Director Robert Leete	12/2018 to 12/2022
Director Bill Mayer	12/2016 to 12/2020

Message from the General Manager

The Town of Discovery Bay is not a city; rather we are a type of local government known as a Community Services District, or “CSD.” In unincorporated areas such as Discovery Bay, basic services like water, sewer, security and fire protection are usually provided by the County. Because counties often consist of large and diverse geographical areas, providing a consistent and adequate service level across all areas can be difficult. Consequently, the Community Services District Law (Government Code §61000-61850) was created to provide an alternate method of providing services in unincorporated areas. In most cases, and due to the scope of their requirements, counties cannot provide tailored services to any one community. This leaves residents with little if any local control over services and no easy way to address problems or complaints. A CSD provides a method of offering local control on essential local services.

The Town of Discovery Bay Community Services District provides domestic water supply, treatment, and delivery, as well as wastewater collection, treatment, and disposal to the approximately 15,000 residents and businesses that call Discovery Bay home. We are also responsible for park maintenance and landscaping on many of our boulevards, streets, and roads.

The COVID-19 pandemic created the suspension of many Town activities during the first half of 2020; however, we are optimistic that during this FY20/21 budget year we will again see our Community Center and parks become a recreational hub with pickleball, tennis, dog park, Zumba, soccer, and many other year-round activities for all ages. Besides a lazy afternoon fishing off your dock, taking a turn at the end of the tow rope, or hitting the links, there’s a lot to do in Discovery Bay!

Discovery Bay is a great place to not only “Live Where You Play,” but it is also a great place to do business. The Discovery Bay Chamber of Commerce hosts monthly business “mixers” at different locations around town to show off the local business community. Check the Chamber’s website at www.discoverybaychamber.org for additional information on their many community activities.

From the standpoint of your local government, the CSD operates the water and wastewater utilities on a combined operating and capital budget of \$16.6 million for the Fiscal Year 2020-21. The Capital Improvement Program are projects that continue to address the long-term capital needs of the District. A robust capital replacement fund represents an ongoing structural element of long-term financial sustainability.

As Discovery Bay continues to mature, I can assure you that the Board of Directors and the entire staff are working diligently to provide a comfortable place where residents can live, work and play and where we can enjoy the many qualities of life we all like in a small town. Please join us at one of our Board of Directors’ meetings that are held the first and third Wednesday of the month at 7:00 p.m. Each meeting agenda is posted on the Town’s website: www.todb.ca.gov. The District Office can be reached during normal business hours at (925) 634-1131 or visit the main office at 1800 Willow Lake Road, Discovery Bay CA 94505.

Sincerely,

Michael R. Davies, General Manager

Finance Services Department

The Town of Discovery Bay CSD Finance Services Department operates under the Board of Directors who are the policy-making body of the District. The General Manager serves as the administrative head of the District. The Finance program operates a governmental accounting, reporting, and records maintenance system that provides financial information to management. This program controls and monitors the receipt and disbursement of public funds in compliance with statutory requirements and professional accounting standards. The Finance Services Department also has the responsibility for coordinating all external auditing functions.

The finance function is responsible for the continuing development of financial accounting software and implementation of new technology to increase efficiency in accounting processes and to improve both internal and external reporting. This program also oversees the implementation of any new accounting pronouncements by the Governmental Accounting Standards Board (GASB).

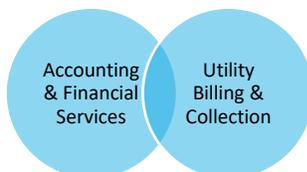
The payroll function of this program processes payroll for all District employees including interfacing with the District's payroll service provider to assure compliance with all regulatory requirements, laws and District policies pertaining to payroll.

Key Achievements

- ✓ Timely completion of annual audits with unqualified (clean) audit findings
- ✓ Structurally balanced budget
- ✓ Sufficient Reserves
- ✓ Completion of Rate Study
- ✓ Transitioned in New Finance Manager

Goals

- Ensure expenditures are consistent with adopted policies
- Move towards paperless documentation. Continue implementation and updating technologies to increase efficiencies to ensure accurate reporting
- Move to eliminating the use of Contra Costa County as Town's Treasury
- RFP new Financial System for the Town



Water & Wastewater Services Department

WATER

This Program provides water production, treatment and distribution to over 6,000 homes and businesses. Specifically, the Water Program includes information necessary for the Board of Directors to establish priorities and make well-informed decisions concerning the Town's water systems. The Water Quality program is responsible for the enforcement of regional water quality regulations. Response procedures have been developed to react to citizen water quality complaints and to pursue water misuse observed in the field. The program also assists with the development of water quality educational materials and outreach.

The Water Utility function maintains and operates automated water meters for the District's 6,000+ water accounts. The new technology transmits hourly water consumption data to our billing system by a wireless network. This reliable and frequent water usage information allows customers to monitor use and detect leaks. The Eye on Water portal <https://eyeonwater.com/signup> has been launched, and account holders can see daily water usage data and learn ways to conserve.

WASTEWATER

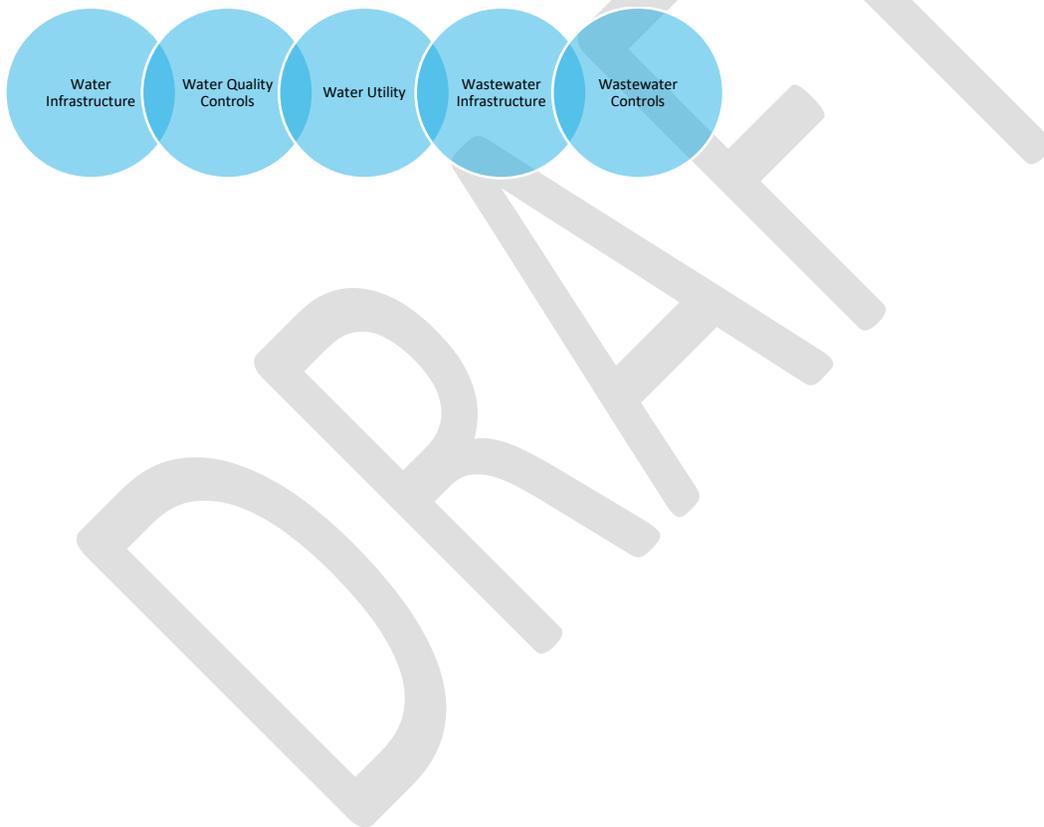
The Town of Discovery Bay Wastewater Program provides for the collection, conveyance, treatment, and discharge of treated effluent. Specifically, the Wastewater Program includes information necessary for the Board of Directors to establish priorities and make well-informed decisions regarding the Town's wastewater matters. In general, the wastewater program supports and directs the wastewater contractor, enabling them to carry out day-to-day operations, services and planning efforts. This program negotiates, administers, implements, and approves contracts for the provision of municipal services.

Key Achievements

- ✓ Successful negotiation of a temporary easement for placement of the Well #8 Monitoring Well
- ✓ Purchase of camera system for water and wastewater pipeline assessments
- ✓ Completed Motor replacement for Well 4 A
- ✓ Began design for Denitrification Process and Plant 1 Refurbishment
- ✓ Completed design and permit submittal of the Outfall Diffuser Project
- ✓ Successfully selected new Information Technology Consultant
- ✓ Completed Cyber Security System upgrades
- ✓ Implementation of a new phone system
- ✓ Purchased a new truck for the Water and Wastewater Department
- ✓ Completed Marina Pipeline Repair
- ✓ Completed implementation of Asset Management System
- ✓ Completed the Operations and Maintenance Manual for the Water & Wastewater Treatment and Distribution Systems
- ✓ Identified and planned the Districts Capital Improvement Projects for the next five year

Goals

- Complete design of the Denitrification and Plant 1 Refurbishment upgrades to go to bid
- Complete analysis of the Monitoring Well
- Begin Design on Well 8
- Complete refurbishment of office building at 1037 DB Blvd
- Complete the Districts Urban Water Management Plan
- Complete America's Water Infrastructure Act Emergency Response Plan
- Update the District's Emergency Response Plan
- Begin pipeline assessments and replacement project



Lighting and Landscaping Services Department

The Parks and Landscaping Program provides for the planning, maintenance and capital needs of the parks and landscaping network in Discovery Bay. Specifically, the Parks and Landscaping Program includes information necessary for the Board of Directors to establish priorities and make well-informed decisions concerning Town parks and landscaping matters. This program offers a comprehensive maintenance and rehabilitation program for five (5) parks and the streetscapes inside Discovery Bay. The maintenance and rehabilitation program includes repair and maintenance of the parks within Zones 8, 9, 35, 57, 61 and the Park and Ride. This program conducts preventative maintenance on streetscapes, which includes design and planting and ensuring proper drainage. This program maintains and replaces plants and trees to provide health, vitality and visual appeal as well as manage annual inventory lists to project funding and scheduling of future repairs, projects, and replacement.

Key Achievements

- ✓ Installed Front Entrance Amenity Lights
- ✓ Completed Dog Park Renovation
- ✓ Refurbish Front Entrance of Community Center
- ✓ Selected and Purchased new play structure for Ravenswood Park; implementation Summer 2020

Goals

- Propose Updated Streetscape Design & Construction Guidelines
- Refresh Selected Streetscapes to New Design & Construction Guidelines



Recreation Services Department

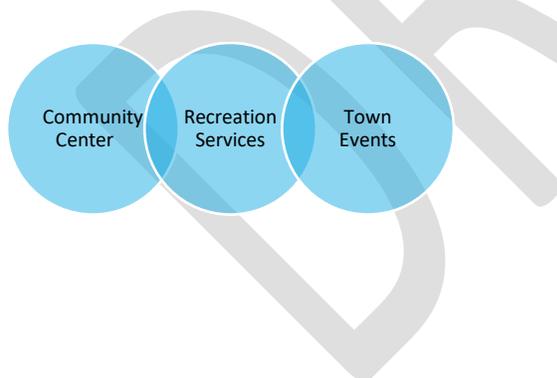
Recreation Services provides community-based and age-appropriate recreational programming. The Discovery Bay Community Center acts as the hub for these activities and is complimented by a network of parks, fields and other recreational and educational venues.

Key Achievements

- ✓ Continued development and implementation of community based and age appropriate recreation programs, activities, and community-wide special events for Recreation Services
- ✓ Continued and refined the partnership with the Discovery Bay Lions Club for a third summer of hosting community-wide concert series and a “Paws on Parade” dog event
- ✓ Refurbished Front Entrance of Community Center and replaced Community Center’s carpet

Goals

- Examine current special interest recreational opportunities offered and look for new and creative ways to expand current offerings
- Community Center Swimming Pool
- Continue the development and expansion of community relationships with local groups and organizations such as the Discovery Bay Lions Club, Discovery Bay Pickleball Club, Discovery Bay Chamber of Commerce, and the Contra Costa Sheriff’s Office in expanding community-wide programming and special events at the Discovery Bay Community Center
- Covert Tennis Courts 3 & 4 into Pickleball Courts
- Examine current pricing and cost recovery practices related to the Town’s recreation programming and facility usage fees and developed a methodology that results in fair and consistent cost recovery



District Consultants

General Counsel

Law Office of Neumiller & Beardslee

The District's General Counsel provides legal advice and training to the Board of Directors, General Manager and Department Heads. The General Counsel investigates and defends claims against the District and resolves them as directed by the Board of Directors. At the direction of the Board of Director's General Counsel may initiate litigation to enforce the District's rights or to protect the public health, safety or welfare. The General Counsel also drafts and approves the form of contracts and other legal documents, including ordinances, resolutions and legal notices.

<http://neumiller.com/>

Luhdorff & Scalmanini Consulting Engineers (Water)

Luhdorff & Scalmanini, Consulting Engineers (LSCE) is a recognized leader in groundwater resources investigation, planning, development, use, protection, and management. LSCE's multi-disciplinary staff of engineers, geologists, hydrologists, and hydrogeologists apply scientific methods and develop forward-thinking engineering solutions to today's complex water resource problems.

<http://lsce.com/>

Herwit Engineering (Wastewater)

HERWIT ENGINEERING plans and designs water and wastewater treatment plants and pump stations of all sizes with a specialty in mechanically intensive systems. HERWIT provides services for all elements necessary to develop projects from ground zero through operations and completion of construction. These services include: overall project management, initial site assessment and selection, management of the California Environmental Quality Act (CEQA) permitting, negotiation and preparation of National Pollution Discharge Elimination System (NPDES) discharge permits, preparing Army Corps of Engineers permits, Department of Fish and Game stream bed alteration permits, development of pre-design reports and preliminary cost estimates, final design of all mechanical, electrical and civil facilities, bidding support services, construction management, engineering support services during construction, and startup and operations assistance.

<http://herwit.com>

District Mission, Vision, Goals & Values

The Town of Discovery Bay Board of Directors has adopted its Mission, Vision, Goals, and Values.

These ideals serve as an important guide as the Town of Discovery Bay conducts its day-to-day business and interacts with the public.

MISSION

Provide effective and fiscally responsible municipal services in a manner which promotes a high standard of community life with a focus on the environment and the Delta in partnership with the community.

VISION

Maintain a full service and sustainable community

Grow in harmony with the environment and the Delta

Ensure assets and facilities are maintained, serviceable, and in compliance with all regulatory laws, regulations, and rules

Promote practices that provide enhanced and sustainable life now and for future generations

GOALS

Responsible management of public funds

Preservation of our neighborhoods and natural resources

Provide timely, effective and transparent communications between government and our citizens

Continually improve the quality of our services

Promote and protect the environment

Take pride in community assets

Provide leadership while considering all points of view, to ultimately set policy and make decisions based on what is in the best interest of the entire community

Recognize pioneers of the community

VALUES

Innovation * Accountability * Respect * Integrity * Professionalism

Budget Message

Dear Board of Directors,

I am pleased to submit to the Town of Discovery Bay Board of Directors the District's financial plan for the fiscal period July 1, 2020, through June 30, 2021. The annual Revenue, Operating, and Capital Improvement Program budgets are the planning tools utilized by staff and the Board to track revenues and expenditures over the respective forecast period.

This budget states program goals for each department, considering the desires of the Board, the expectations of the public, the needs of the department, and available resources. Each supervisor was given the opportunity to directly participate in the budget process, allowing them to share their expertise and to offer options and solutions. Adoption of a budget that includes specified program goals ensures a unified effort and sets forth a work plan for the year.

Several major projects are expected to continue or commence this year, including a water well, the state-mandated denitrification project, mainline pipe replacements, lift station upgrades, and the refurbishment of Wastewater Plant #1. The District will be accessing the relocation of the office building located on Willow Lake Road. The Lighting and Landscaping department will be working on the Community Center pool project, landscape master plan, and the conversion of tennis courts 3 & 4 to pickleball courts. District security continues to be an ongoing project to ensure our cybersecurity and assets are protected.

From an operational standpoint, the District continues to operate efficiently and in a manner that is financially prudent. The water and wastewater departments continue to refine their perspective capital plans into the future to enable timely replacement and funding of aging infrastructure. The community center continues to grow recreation services by offering community-based age-appropriate programs, activities, and special events as well as focusing on future program development. Due to the COVID-19 pandemic, the community center temporarily shut down most of its operations, the opening of programs and activities will be assessed and refined to meet new guidelines as required by the County Health Officer.

I am pleased to present a budget where the District's operating and infrastructure necessities are met while offering a strategic look at the overall assets of the District. Staffing levels continue to meet projected needs; ongoing training continues to improve service levels and financial management policies continue to guide the District in decision-making that is grounded and consistent over time.

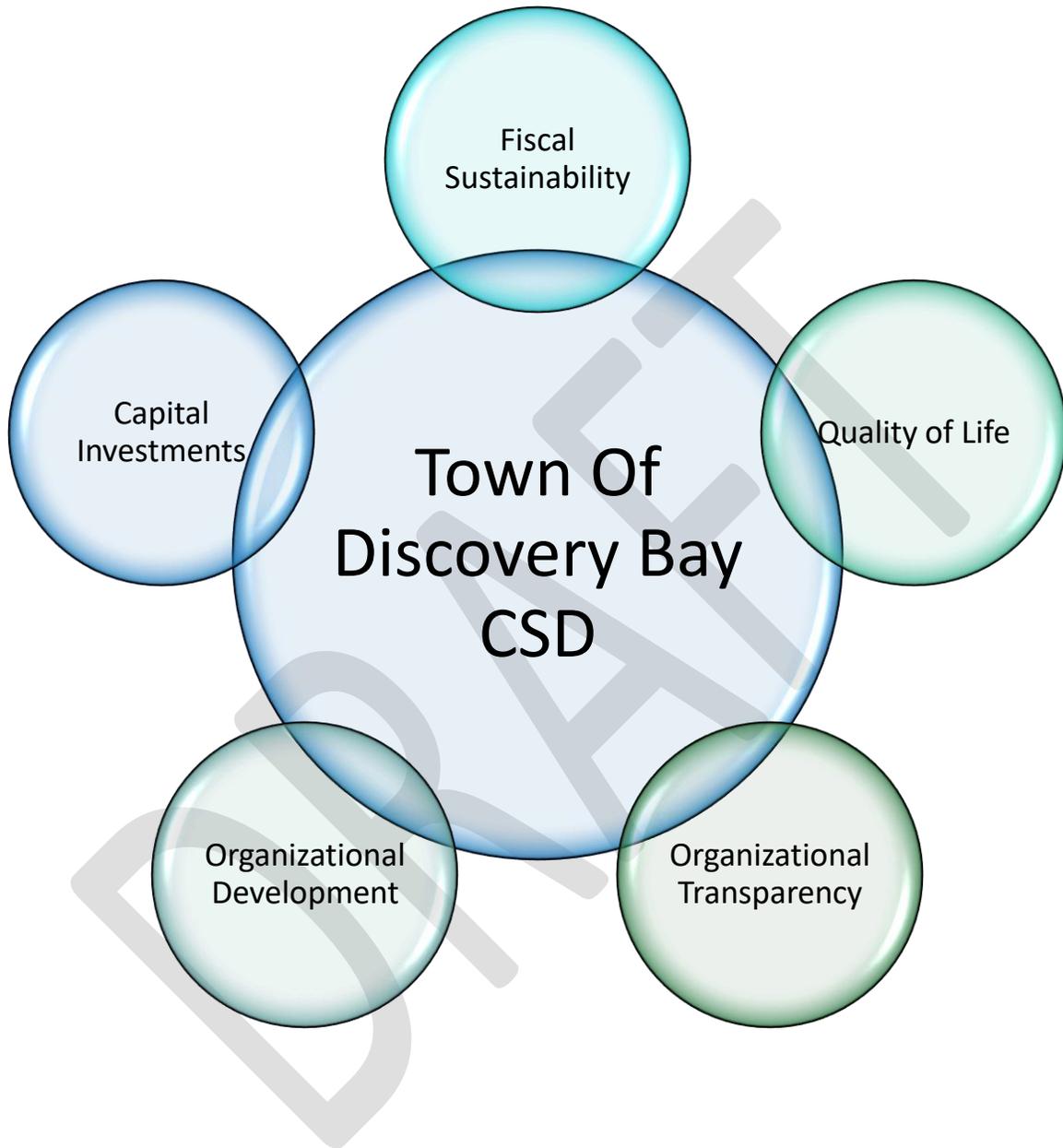
I would like to thank the District staff for their contributions toward producing the budget. I am delighted to work with employees that care deeply about the Town of Discovery Bay. I, along with staff, look forward to serving the community, executing the District's capital projects, and working together to build and maintain long-term fiscal sustainability.

I would also like to thank the entire Board of Directors for their support over the past fiscal year. In preparing for the next fiscal year and continuing into the future, I expect that the District will continue to remain resourceful, innovative, and successful.

Respectfully submitted,

Julie Carter, Finance Manager

Strategic Goals



Goals, Objectives, and Action

Goal	Objective	Performance Outlook
Fiscal Sustainability	<ul style="list-style-type: none"> • Balance Revenues and expenditures to ensure fiscal stability • Monitor trends in key revenue sources • Provide core services in an efficient and effective manner 	<ul style="list-style-type: none"> • Review expenditure vs. budget reports for each department on a monthly basis • Conduct a quarterly review and make adjustments as needed
Quality of Life	<ul style="list-style-type: none"> • Focus on key services, programs, and activities for seniors and youth. • Partner with service clubs to promote community-wide events • Maintain and expand parks throughout the community 	<ul style="list-style-type: none"> • Provide quarterly reports on activities for youth, seniors, and park & recreation programs
Organizational Transparency	<ul style="list-style-type: none"> • Post key information on the District's website • Use media to inform and engage the public • Prepare the budget in a user-friendly, informative & transparent format 	<ul style="list-style-type: none"> • Post all agendas, reports, and contracts on the District's website • Post all policy documents and resolutions on the website • Prepare the budget in a user-friendly, informative & transparent format
Organizational Development	<ul style="list-style-type: none"> • Evaluate staffing levels to ensure adequate delivery of core services • Provide training and resources to sustain a talented workforce • Maintain accountability and recognition of employees 	<ul style="list-style-type: none"> • Prepare a long-term staffing plan • Develop training of key management and supervisory staff • Uphold and maintain safety training
Capital Investments	<ul style="list-style-type: none"> • Prioritize and evaluate needed capital investments 	<ul style="list-style-type: none"> • Deliver capital projects on time and within budget • Seek funding opportunities to fund infrastructure projects • Continuous updates to District master plans

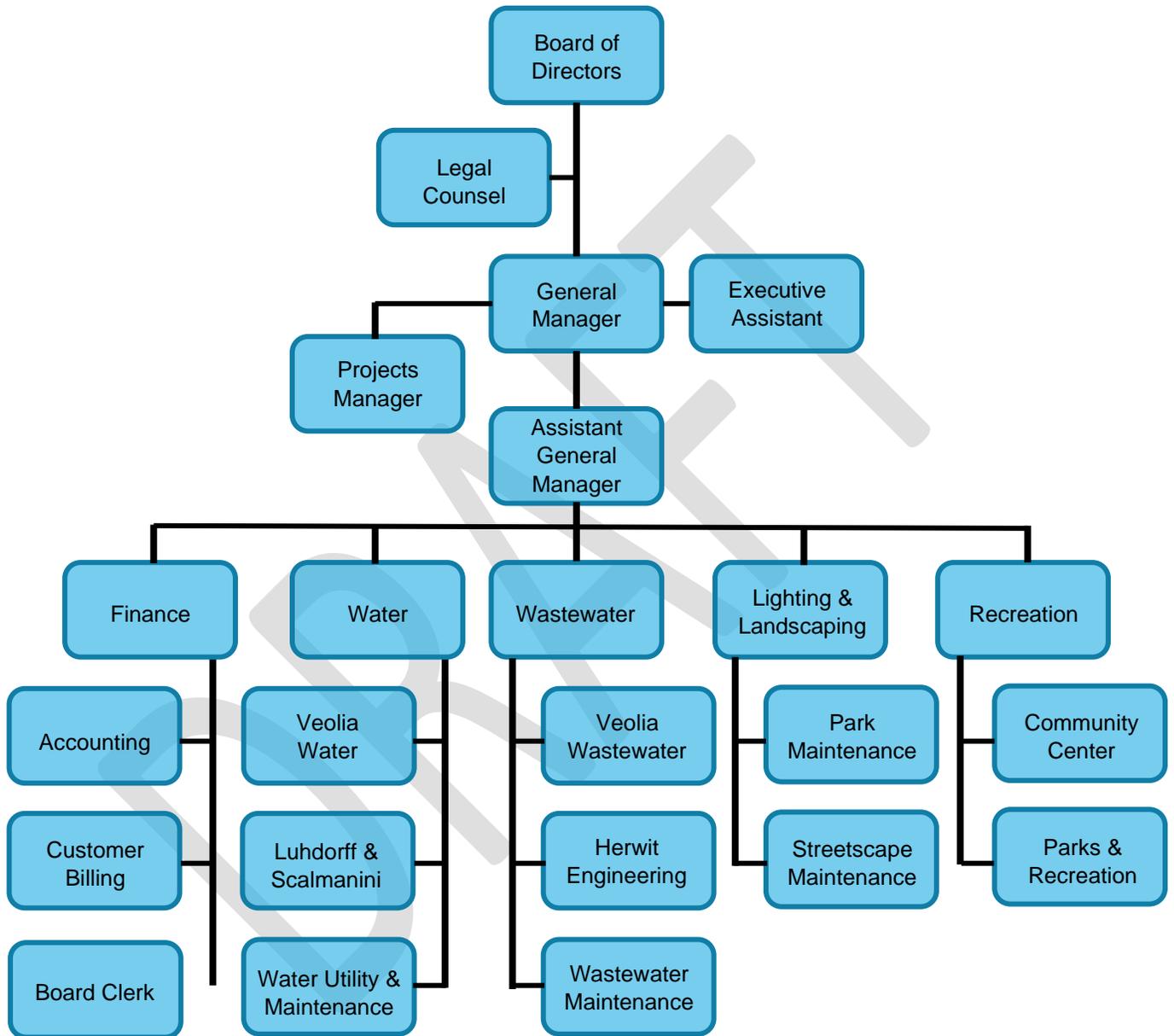
Authorized Positions

Current Positions

Position Title	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022
Office Assistant	2	2	2	2
Administrative Assistant	2	2	2	2
Executive Assistant	1	1	1	1
Accountant	1	1	1	1
Water Services Technician I	1	2	2	2
Water Services Technician II	1	1	1	1
Parks & Maintenance Worker I	1	1	1	1
Parks & Maintenance Worker II	3	2	2	2
Parks & Maintenance Worker III	1	1	1	1
Recreation Programs Supervisor	1	1	1	1
Parks & Landscape Manager	1	1	1	1
Water & Wastewater Manager	1	1	1	1
Finance Manager	1	1	1	1
Projects Manager	0	1	1	1
Assistant General Manager	0	1	1	1
General Manager	1	1	1	1
Total	18	20	20	20

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Organizational Chart by Department



Salary & Wages

	Range #	Bottom Step Hourly	Biweekly	Monthly	Top Step Hourly*	Biweekly	Monthly
100 Series – Temporary/Intermittent Staff							
Recreation Leader I	100	\$13.00	\$1,040	\$2,253	\$13.20	\$1,056	\$2,288
Recreation Leader II	105	\$13.25	\$1,060	\$2,297	\$13.45	\$1,076	\$2,331
Lifeguard	110	\$13.50	\$1,080	\$2,340	\$13.80	\$1,104	\$2,392
Lifeguard/Swim Instructor and Recreation Leader III	115	\$14.00	\$1,120	\$2,427	\$14.40	\$1,152	\$2,496
Pool Supervisor	125	\$15.50	\$1,240	\$2,687	\$15.90	\$1,272	\$2,756
200 Series – Non-Management Staff							
	Range #	Bottom Step Hourly	Monthly	Annual	Top Step Hourly	Monthly	Annual
Park/Landscaper/Maintenance I	220	\$20.91	\$3,624	\$43,483	\$23.65	\$4,099	\$49,184
Park/Landscaper/Maintenance II	235	\$24.86	\$4,310	\$51,717	\$28.13	\$4,876	\$58,509
Park/Landscaper/Maintenance III	250	\$27.43	\$4,754	\$57,046	\$31.04	\$5,380	\$64,559
Office Assistant/Customer Service Representative A	225	\$21.42	\$3,713	\$44,554	\$24.23	\$4,200	\$50,407
Office Assistant/Customer Service Representative B	230	\$23.64	\$4,097	\$49,162	\$26.74	\$4,635	\$55,626
Account Clerk	240	\$25.48	\$4,417	\$53,006	\$28.82	\$4,996	\$59,951
Administrative Assistant/Parks-Recreation Assistant A	245	\$26.09	\$4,523	\$54,272	\$29.53	\$5,118	\$61,414
Administrative Assistant/Parks-Recreation Assistant B	260	\$28.81	\$4,994	\$59,929	\$32.59	\$5,649	\$67,791
Sr. Account Clerk	255	\$28.13	\$4,876	\$58,509	\$31.83	\$5,516	\$66,197
Accountant I	275	\$31.21	\$5,409	\$64,908	\$38.98	\$6,756	\$81,070
Executive Assistant A	270	\$32.61	\$5,653	\$67,835	\$36.90	\$6,395	\$76,746
Executive Assistant B	280	\$36.00	\$6,241	\$74,889	\$40.74	\$7,061	\$84,739
Water Tech I	210	\$22.51	\$3,902	\$46,825	\$25.47	\$4,415	\$52,984
Water Tech II	270	\$32.61	\$5,653	\$67,835	\$36.90	\$6,395	\$76,746
Water Tech III	280	\$36.90	\$6,395	\$76,746	\$40.30	\$6,985	\$83,822
Series 300: Management Staff							
	Range #	Bottom Step Hourly	Monthly	Annual	Top Step Hourly	Monthly	Annual
Recreation Programs Supervisor	300	\$32.61	\$5,653	\$67,835	\$40.73	\$7,060	\$84,717
Managers: Finance; Water/Wastewater	350	\$40.91	\$7,091	\$85,089	\$51.07	\$8,852	\$106,230
Manager: Parks/Landscape	350	\$40.12	\$6,954	\$83,451	\$50.11	\$8,685	\$104,220
Series 400: Senior Management Staff							
	Range #	Bottom Step Hourly	Monthly	Annual	Top Step Hourly	Monthly	Annual
Assistant General Manager	400	\$49.09	\$8,508	\$102,102	\$61.30	\$10,625	\$127,502
Projects Manager	425	\$73.50					

Minimum Wage Adjustment January 2021

The State of California minimum wage will increase year over year. The below table represents how the minimum wage increase affects the District Temporary & Intermittent Staff Salary Range Table.

	Step 1	Step 2	Step 3	Step 4	Step 5
Recreation Leader I	\$14.00	\$14.05	\$14.10	\$14.15	\$14.20
Recreation Leader II	\$14.25	\$14.30	\$14.35	\$14.40	\$14.45
Lifeguard	\$14.50	\$14.60	\$14.70	\$14.80	\$14.90
Lifeguard/Swim Instructor & Rec Leader III	\$15.00	\$15.10	\$15.20	\$15.30	\$15.40
Assist. Pool Supervisor	\$15.50	\$15.60	\$15.70	\$15.80	\$15.90
Pool Supervisor	\$16.50	\$16.70	\$16.90	\$17.10	\$17.30

- The number in blue represents the immediate effect.
- The numbers in red are the new pay scale rates.

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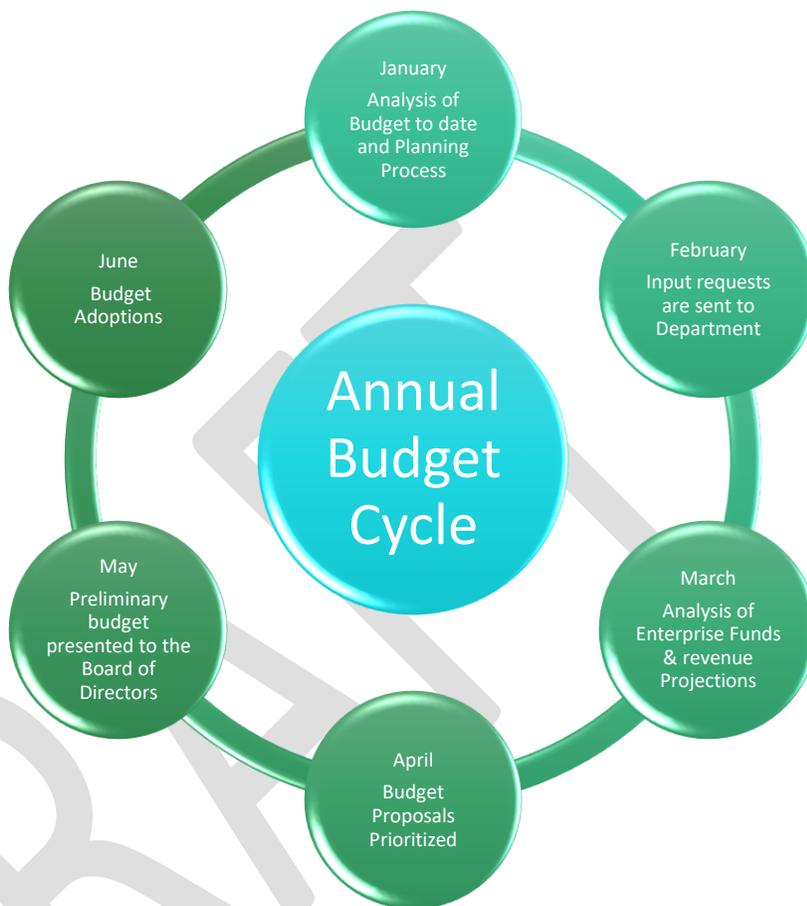
The Budget Process

Fiscal Years 2021 & 2022

2 Year Budget Build

The Budget is a spending management plan for the District’s financial resources. Through the use of these resources, services are provided to meet the needs of the Town of Discovery Bay’s residents.

The District’s annual budget process begins in January and concludes in June where the final budget is adopted.



January: Operating budget preparations begin with the analysis of the current year’s budget, which helps to determine the base budget for the following year.

February: Budget guidelines and instructions are distributed to each Department Head.

March: Department Managers meet with the Finance Manager to discuss their budget requests.

April: Department Managers meet with the Finance Committee to review the preliminary budget, where the budget is prioritized, refined, and compiled into the preliminary budget to bring to the Board of Directors.

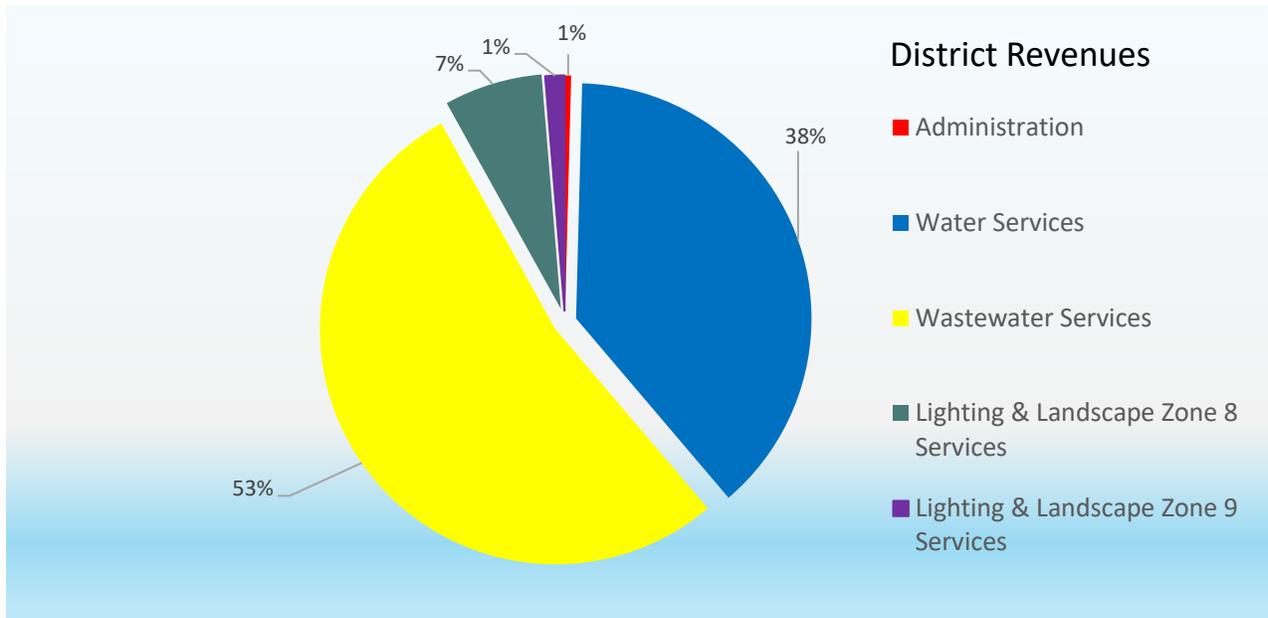
May: The preliminary budget is presented to the Board of Directors requesting any comments or recommendations.

June: The final budget is presented and adopted by the Board of Directors.

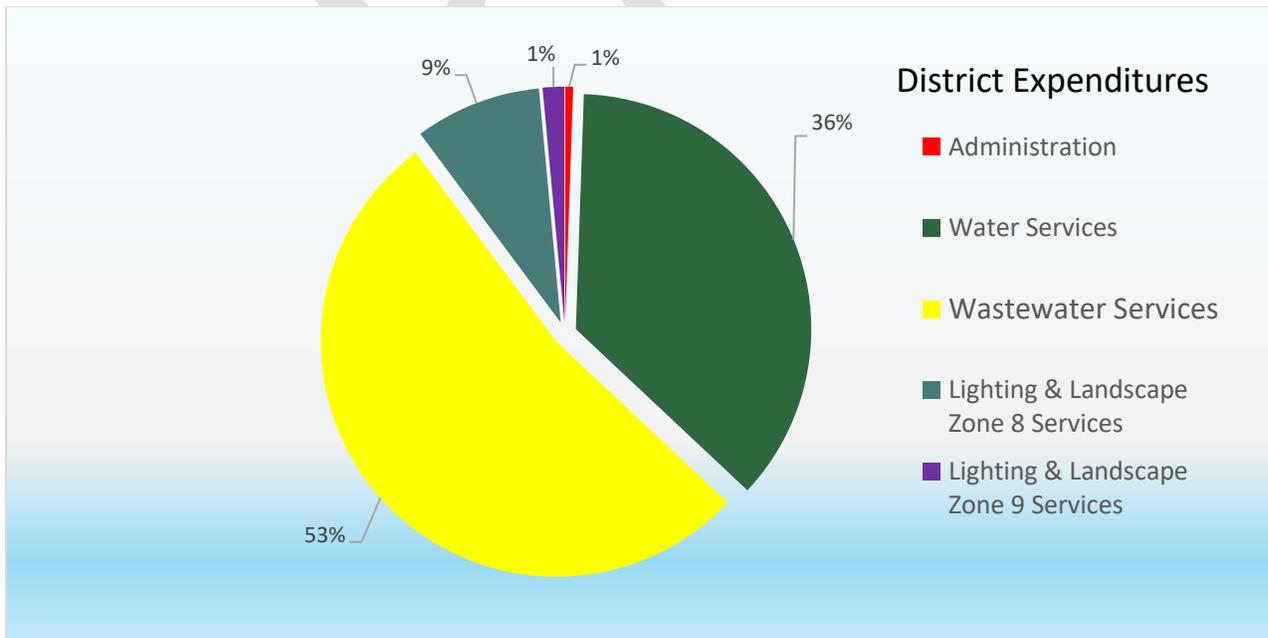
Budget Overview

The Town of Discovery Bay supports the Water Department, Wastewater Department and two Lighting and Landscaping Department Zones 8 & 9. Data is for budget year 2020-2021.

District Revenue



District Expenditures



Administration Services Revenue, Operations & Maintenance, and Capital Improvements

The Administration Fund revenue and expenditures cover all the Contra County Special District transactions for Contra Costa Lighting and Landscaping Zones 35, 57, & 61 which are maintained by the Town of Discovery Bay and reimbursed back to the District from Contra Costa County. These Zones included the following:

- Zone 35 includes the landscaped median islands on Bixler Road at the intersection of Highway 4, and a pedestrian pathway from the Sandy Cove Shopping Center to Newport Drive and two pedestrian bridges along the path.
- Zone 57 includes all landscaped streetscape frontages in and outside of the Centex Development along Highway 4, a portion of Bixler Road, and two (2) small parking areas. Regatta Park is also included in this zone.
- Zone 61 includes landscaped streetscape frontages along a major portion of Bixler Road, Point of Timber Road, the Park & Ride lot, a portion of Newport Drive, Preston Drive, and Slifer Drive. Slifer Park is also included in this zone.

Revenue

Account Code	Revenue	Actuals to Date FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2018-2019	Budgeted FY 2020-2021	Budgeted FY 2021-2022
10-31-5150	Landscape Related Payroll Reimbursements	134,447	0	(18,629)	0	0
10-31-5226	L&L Vehicle Reimbursements	28,926	35,000	(34,209)	35,000	35,000
	Total	\$163,373	\$35,000	(\$52,838)	\$35,000	\$35,000

Expenditures

Account Code	Expenditures	Actuals to Date FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2018-2019	Budgeted FY 2020-2021	Budgeted FY 2021-2022
10-41-7000	Salary & Wages	79,566	0	0	0	0
10-41-7271	Consulting Services	24,750	0	0	0	0
10-41-7529	Landscape Related Reimbursable	46,816	35,000	(20,438)	35,000	35,000
	Total	\$151,131	\$35,000	(\$20,438)	\$35,000	\$35,000

Capital Improvements

There are no capital improvements planned for Zones 35, 57 and 61 in the fiscal year 2020-2021.

Administration Services Notations

Contra Costa County increased the budgets for the Landscaping & Maintenance Zones 35, 57 and 61 by an aggregate of \$2,400 from the 2019/2020 budget. The District is continuing with its review of these zones and the sustainability to financially maintain them.

Due to systematic issues, the Payroll and Vehicle budgets for the year ending 2019 and 2020 have been moved to the wastewater department. The expenses will be paid out of wastewater. Therefore, the reimbursement revenue will be received in wastewater.

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Water Services Revenue, Operations & Maintenance, and Capital Improvements

The revenue table below identifies the various sources of revenue that are anticipated during the next fiscal year. The primary source of the water revenue is derived from monthly volume water usage.

Revenue Details

Account Code	Revenue	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
20-31-5100	SEC Collections Water	17,600	0	0	0	0
20-31-5102	SEC Collections Account Charge	1,281,222	1,361,000	1,427,437	1,440,000	1,461,600
20-31-5145	Meter Installation Fee	335,713	5,000	279,310	335,218	335,218
20-31-5179	Misc.-Water Service Fees	19,607	10,000	21,399	10,000	10,000
20-31-5226	Water Meter Rental	250	0	425	0	0
20-31-5243	Other	134,189	2,000	9,960	2,000	2,000
20-31-6000	Water Charges	2,304,579	2,421,000	2,209,161	2,775,000	2,816,625
20-31-6030	Connection Fees CIP	3,400	10,000	3,900	6,000	6,000
20-31-6045	Capacity Fee CIP	164,900	20,000	189,150	15,000	15,000
20-31-6046	Permit Fee	1,700	5,000	1,950	5,000	5,000
20-31-6047	Inspection Fee	5,440	5,000	6,240	5,000	5,000
20-31-6086	Meter Charge-Commercial	72,111	69,000	71,330	69,000	69,000
	Total Revenue	\$4,340,710	\$3,908,000	\$4,220,262	\$4,662,218	\$4,725,443

Expenditure Details

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
20-41-7000	Salary & Wages	348,054	455,000	329,728	540,000	581,287
20-41-7001	Overtime	0	2,000	0	2,000	2,000
20-41-7030	Group Insurance	92,002	110,000	79,016	121,000	121,000
20-41-7045	Workers Comp	11,768	22,000	17,196	25,000	25,000
20-41-7060	457 B Plan	9,212	13,000	10,789	27,925	27,925
20-41-7135	Vacation	3,325	0	0	0	0
20-41-7150	Temporary Employees	904	3,000	12,846	3,000	3,000
20-41-7152	Temporary EE YE Accrual	0	0	0	0	0
20-41-7165	Board of Directors Compensation	8,464	14,400	8,786	14,400	14,400
20-41-7180	Training Conferences Travel	0	30,000	1,456	31,000	31,000

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
20-41-7181	Travel & Meetings - BOD	1,193	0	2,535	0	0
20-41-7182	Travel	4,229	0	1,816	0	0
20-41-7196	Training & Education - BOD	746	0	1,032	0	0
20-41-7197	Train, Meet & Education	3,526	0	525	0	0
20-41-7210	Dues & Subscriptions	0	1,200	0	2,200	2,200
20-41-7225	Memberships	6,131	8,000	5,801	8,000	8,000
20-41-7255	TODB Sponsored Events	0	2,400	0	2,400	2,400
20-41-7271	Consulting Services	101,036	167,000	139,757	192,000	240,260
20-41-7272	Water Service Contract	651,455	655,700	610,844	680,181	697,185
20-41-7274	Contract Services	7,629	0	0	0	0
20-41-7275	Preventative & Corrective-V	27,536	30,000	15,377	30,000	30,000
20-41-7276	Contract Mailing	32,405	39,000	30,599	41,000	41,000
20-41-7277	Veolia W Large Replacement	13,598	25,000	17,615	25,000	25,000
20-41-7286	Legal - General	38,952	47,000	36,331	51,700	51,700
20-41-7288	Legal - Litigation	6,912	18,800	2,950	18,800	18,800
20-41-7301	Annual Audit Services	13,162	25,000	961	25,000	25,000
20-41-7315	PR, Advertising & Elections	0	0	0	0	0
20-41-7316	Election Expense	3,289	0	0	5,000	0
20-41-7317	Advertising	1,233	2,000	1,031	2,000	2,000
20-41-7318	Public Relations	5,596	6,000	2,458	6,000	6,000
20-41-7319	Internet Website	0	4,800	0	4,800	4,800
20-41-7345	Public Communications and Notices	0	2,400	0	2,400	2,400
20-41-7361	Telephone - general	4,847	5,500	4,562	5,500	5,500
20-41-7362	Telecom - networking	5,096	5,000	4,437	5,000	5,000
20-41-7363	Telephone - cellular	3,042	6,000	2,552	6,000	6,000
20-41-7376	Road/Construction Materials	8,460	10,000	44,947	50,000	51,500
20-41-7391	Diesel Fuel	0	1,500	0	0	0
20-41-7392	Vehicle & Equipment - Fuel	4,972	6,500	4,165	6,500	6,500
20-41-7393	Vehicle & Equipment Sup & Rep	1,847	4,400	2,230	4,400	4,400
20-41-7404	Water Meter and Registers	88,418	93,000	79,583	50,000	50,000
20-41-7405	General Repairs - Pumps-V	20,558	30,000	0	30,000	30,000
20-41-7406	General Repairs	399,658	300,000	214,686	300,000	309,000
20-41-7408	Special Equipment	646	1,200	0	1,200	1,200

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
20-41-7409	Info System - Maintenance	7,187	10,000	16,470	10,000	10,000
20-41-7410	Equipment Maintenance	1,763	3,600	1,109	3,600	3,600
20-41-7411	Software Hosting	19,475	12,000	25,984	33,000	33,000
20-41-7412	Computer Equipment & Supplies	1,578	3,500	12,061	3,500	3,500
20-41-7413	Miscellaneous Small Tools	1,491	2,000	4,620	3,000	3,000
20-41-7414	Equipment Repair	0	400	0	400	400
20-41-7415	Computer Software	565	4,000	371	4,000	4,000
20-41-7417	Instrument & Controls-V	7,666	12,500	176	12,500	12,500
20-41-7421	Cleaning Supplies	0	0	691	0	0
20-41-7422	Minor Equipment/Furniture	0	2,000	0	2,000	2,000
20-41-7423	Office Furniture	484	0	0	0	0
20-41-7424	Postage	718	1,000	735	1,000	1,000
20-41-7425	Office Supplies	9,099	10,000	10,247	10,000	10,000
20-41-7437	Rent Public Meetings	0	200	0	200	200
20-41-7438	Building Rent	13,200	13,200	13,200	13,200	13,200
20-41-7439	Equipment Rental/Leasing	343	2,000	257	2,000	2,000
20-41-7440	Facility Maintenance - Landscape	0	1,600	975	1,600	1,600
20-41-7441	Building Maintenance	6,138	6,000	8,718	6,000	6,000
20-41-7451	Insurance Liability & Property	41,273	59,000	46,982	65,775	72,352
20-41-7453	Insurance - Property	0	0	159	0	0
20-41-7466	Permits & Fees	33,167	45,000	28,997	45,000	45,000
20-41-7469	Personal Protective Equipment	909	3,000	1,236	3,000	3,000
20-41-7470	Safety Equipment & Supplies	1,002	1,400	1,277	1,400	1,400
20-41-7481	Utilities/Electrical Cost	485,549	425,000	397,399	460,000	460,000
20-41-7483	Utilities/Waste Cost	0	0	4,209	0	0
20-41-7495	Chemicals	25,677	26,000	22,803	32,000	32,000
20-41-7510	Freight	0	800	0	800	800
20-41-7511	UPS/Courier	219	320	0	320	320
20-41-7525	Reserve Expense	0	0	0	0	0
20-41-7526	Miscellaneous Bank Charges	22,117	12,000	20,224	25,000	25,000
20-41-7527	Miscellaneous Services & Suppl	3,973	1,200	1,794	1,200	1,200

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
20-41-7528	Miscellaneous Reimbursable	0	400	0	400	400
20-41-7530	Unrecoverable Charges	0	1,000	0	1,000	1,000
20-41-7532	Miscellaneous	0	2,000	0	2,000	2,000
20-41-7533	Bad Debt	12,293	5,000	21,050	5,000	5,000
20-41-7534	Special Expense	2,028	2,000	894	2,000	2,000
20-41-7535	Credit Memo	0	5,000	0	5,000	5,000
20-41-7536	Operating Transfer Out	143,344	0	0	0	0
20-41-7537	Debt Service	0	259,000	144,278	260,000	751,100
20-41-7542	Taxes & Assessments	0	400	0	400	400
20-41-7545	Revenue Collection	0	2,400	0	2,400	2,400
20-41-7546	Investment Fee	0	0	0	0	0
20-41-7547	Payroll Wire Transfer Fee	226	1,040	286	1,040	1,040
20-41-7548	Accounting (A/P, A/R, GL)	0	800	0	800	800
20-41-7549	Public Works - Permits	9,881	20,000	2,548	20,000	20,000
20-41-7550	Property Taxes	155	1,200	200	1,200	1,200
20-41-7585	Gain or Loss Disposal/Sale of	4,996	0	0	0	0
20-41-7587	Developer Deposit Reimbursement	556	0	479	0	0
	Total	\$2,813,671	\$3,104,765	\$2,477,038	\$3,361,141	\$3,970,869

Capital Improvement Details

Account Code	Expenses	Actual FY 2018-2019	Budgeted FY 2019-2020	Actual FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
20-1156	CIP for Water Supply Capacity (Source, Treatment and Storage)		700,000	13,619	750,000	2,650,000
20-1170	Upgrades and Maintenance for Existing Water Supply Facilities		325,000		350,000	218,000
20-1170	Water Distribution System/Pipeline Replacements		990,000		1,440,000	500,000
20-1170	Additional Capital Improvements - Water Distribution System & Maintenance		25,000		25,000	25,000
20-1170	Master Plans		250,000		315,000	0
20-1135/20-1120	Water/WW Combined Project Total (trucks, building repairs, equipment)		124,000	15,499	296,000	1,040,000
	Total	\$276,870	\$2,414,000	\$29,119	\$3,176,000	\$4,433,000

In fiscal year 2020/2021, the District will begin the Capital Improvement Projects which include:

- the design and site acquisition for a new well named Well #8
- major pipeline replacements at Lakeview Business Park, Edgeview, St. Andrews/Clubhouse and, Marina Underwater Crossing
- cathodic protection
- an Urban Water Master Management Plan which is state mandated and a cross connection survey and plan

For a complete listing of capital projects, scheduled year and associated costs please see page 48.

Water Fund Summary	Year End Fund Balance FY 18/19	Budgeted Revenues FY 19/20	Budgeted Expenses FY 19/20	Budgeted Fund Balance FY 19/20	Estimated Revenues FY 20/21	Estimate Expenses FY 20/21	Estimate Fund Balance FY 20/21	Estimated Revenues FY 21/22	Estimate Expenses FY 21/22	Estimate Fund Balance FY 21/22
Beginning Fund Balance(Carryover)		5,950,738			4,572,754			2,914,212		
O&M Funds	681,756	3,104,760	2,911,984	874,532	3,361,141	3,104,760	1,130,913	3,232,660	3,232,660	1,130,913
Capital Improvement Funds	3,306,428	553,240	2,374,000	1,485,668	1,051,077	3,176,000	(639,255)	1,242,783	2,768,000	(2,164,472)
Revolving Funds	762,154	250,000	0	1,012,154	250,000	40,000	1,222,154	250,000	0	1,472,154
Reserve Funds	1,200,400	0	0	1,200,400	0	0	1,200,400	0	0	1,200,400
YE Fund Balance	\$5,950,738	\$9,858,738	\$5,285,984	\$4,572,754	\$9,234,972	\$6,320,760	\$2,914,212	\$7,639,655	\$6,000,660	\$1,638,995

Budgeted Fund Summary

The water revenue is distributed to the O&M Funds, the Capital Improvements Funds, the Revolving Funds and the Reserve Funds per the annual budget.

O&M Funds are District revenues and expenses needed to operate the Water Services Department. This fund maintains a balance of 20-22% of the O&M expenses for operational cash flow.

Capital Improvement Funds are District revenues and expenses needed for capital improvements of the water distribution systems. These funds are generally budgeted revenues comprised of water volume use and capacity and connection fees.

Revolving Funds are for the future maintenance or improvements of the water infrastructure system, pumps, generator facilities, and vehicles replacements.

Reserve Funds have been established for emergency use for the water utility system. This reserve is 30% of the water operating budget.

As of fiscal year 20/21, the District will need to identify funding opportunities to complete the necessary capital projects. In fiscal year 19/20, the District is in the process of a rate study to properly plan for the costs of these future projects.

Wastewater Services Revenue, Operations & Maintenance, and Capital Improvements

The revenue table below identifies the various sources of revenue that can be anticipated during the next fiscal year. The primary source of the Wastewater revenue is derived from Property Tax charges for the collection, conveyance, treatment, and discharge of treated effluent.

Revenue

Account Code	Revenue	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
21-31-5101	SEC Collections Wastewater	5,649,284	5,875,195	5,709,749	5,965,127	6,054,604
21-31-5177	Reimbursements	0	6,300	1,142	6,300	6,300
21-31-5179	Misc.	7,460	0	0	0	0
21-31-5243	Other	12,965	1,000	149,716	1,000	1,000
21-31-6015	Sewer Charges	142,469	153,000	97,667	157,000	157,000
21-31-6030	Connection Fees CIP	3,400	10,000	3,900	10,000	10,000
21-31-6045	Capacity Fee CIP	194,469	65,000	254,619	65,000	65,000
21-31-6046	Permit Fee	0	5,000	0	5,000	5,000
21-31-6047	Inspection Fee	5,440	5,000	6,240	5,000	5,000
21-31-6086	CO ZONES VEHICLE REIMBURSABLE	0	81,000	63,596	81,000	81,000
21-31-6087	CO ZONES PAYROLL REIMBURSABLE	0	162,000	407,231	162,000	162,000
	Total	\$6,015,487	\$6,363,495	\$6,693,859	\$6,457,427	\$6,546,904

Expenditures

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
21-41-7000	Salary & Wages	408,252	557,000	347,808	610,000	663,611
21-41-7001	Overtime	0	2,000	0	2,000	2,000
21-41-7003	ER Taxes	31,103	0	0	0	0
21-41-7030	Group Insurance	138,003	164,000	118,524	180,000	180,000
21-41-7045	Workers Comp	17,651	30,000	25,794	33,000	33,000
21-41-7060	457 B Plan	13,863	19,000	16,183	14,125	14,125
21-41-7135	Vacation	7,851	0	0	0	0
21-41-7150	Temporary Employees	1,356	5,000	19,269	5,000	5,000
21-41-7165	Board of Directors Compensation	12,351	22,000	13,179	22,000	22,000
21-41-7180	Training Conferences Travel	0	30,000	1,836	30,000	30,000

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
21-41-7181	Travel & Meetings - BOD	1,789	0	3,822	0	0
21-41-7182	Travel	3,850	0	1,571	0	0
21-41-7196	Training & Education - BOD	1,119	0	1,548	0	0
21-41-7197	Train, Meet & Education	2,461	0	375	0	0
21-41-7210	Dues & Subscriptions	0	1,600	0	2,600	2,600
21-41-7225	Memberships	7,579	12,000	6,292	12,000	12,000
21-41-7255	TODB Sponsored Events	0	3,600	0	3,600	3,600
21-41-7270	Environmental Studies	9,442	0	0	0	0
21-41-7271	Consulting Services	105,533	180,000	232,991	180,000	227,900
21-41-7272	Wastewater Service Contract	1,006,625	1,043,000	916,265	1,020,271	1,045,778
21-41-7275	Preventative & Corrective-V	72,392	65,000	58,301	70,000	70,000
21-41-7277	Veolia WW Large Replacement	72,113	100,000	63,849	110,000	110,000
21-41-7286	Legal - General	41,236	106,000	36,912	106,000	106,000
21-41-7288	Legal - Litigation	10,368	25,000	5,155	25,000	25,000
21-41-7301	Annual Audit Services	19,744	30,000	1,441	30,000	30,000
21-41-7315	PR, Advertising & Elections	3,330	0	0	0	0
21-41-7316	Election Expense	4,933	15,000	0	10,000	0
21-41-7317	Advertising	1,342	3,000	1,273	3,000	3,000
21-41-7319	Internet Website	0	600	0	600	600
21-41-7345	Public Communications and Notices	0	3,600	0	3,600	3,600
21-41-7361	Telephone - general	13,108	15,000	11,116	15,000	15,000
21-41-7362	Telecom - networking	10,376	15,000	8,708	15,000	15,000
21-41-7363	Telephone - cellular	3,998	6,000	2,778	6,000	6,000
21-41-7376	Road/Construction Materials	2,851	3,000	0	3,000	3,000
21-41-7391	Diesel Fuel	0	5,000	0	0	0
21-41-7392	Vehicle & Equipment - Fuel	2,121	6,000	1,493	6,000	6,000
21-41-7393	Vehicle & Equipment Sup & Rep	28,675	30,000	6,230	30,000	30,000
21-41-7405	General Repairs - Pumps-V	53,912	30,000	53,485	30,000	30,000
21-41-7406	General Repairs-V	34,806	100,000	20,674	100,000	100,000
21-41-7407	NTR/SIP Testing - RWQCB	0	5,000	0	5,000	5,000
21-41-7408	Special Equipment	970	3,000	0	3,000	3,000
21-41-7409	Info System - Maintenance	11,026	15,000	24,182	15,000	15,000
21-41-7410	Equipment Maintenance	2,784	5,400	3,063	5,400	5,400
21-41-7411	Software Hosting	3,952	6,000	12,626	15,000	15,000

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
21-41-7412	Computer Equipment & Supplies	2,269	6,000	18,051	6,000	6,000
21-41-7413	Miscellaneous Small Tools	665	3,000	299	3,000	3,000
21-41-7414	Equipment Repair	0	600	0	600	600
21-41-7415	Computer Software	438	1,500	670	1,500	1,500
21-41-7416	UV Parts	17,413	50,000	3,500	50,000	50,000
21-41-7417	Instrument & Controls-V	25,835	47,000	18,794	47,000	47,000
21-41-7421	Cleaning Supplies	0	0	664	0	0
21-41-7423	Office Furniture	726	0	0	0	0
21-41-7424	Postage	1,229	1,500	1,044	1,500	1,500
21-41-7425	Office Supplies	6,824	10,000	6,681	10,000	10,000
21-41-7437	Rent Public Meetings	0	300	0	0	0
21-41-7438	Building Rent	19,800	19,800	19,800	19,800	19,800
21-41-7439	Equipment Rental/Leasing	515	3,000	386	3,000	3,000
21-41-7440	Facility Maintenance - Landscape	3,475	2,400	3,995	2,400	2,400
21-41-7441	Building Maintenance	9,145	12,000	12,306	12,000	12,000
21-41-7451	Insurance Liability & Property	54,590	69,000	70,473	98,662	108,528
21-41-7453	Insurance - Property	0	0	238	0	0
21-41-7466	Permits & Fees	50,484	36,000	52,350	55,000	55,000
21-41-7468	NPDES Permits & Fines	10,016	70,000	35,182	70,000	70,000
21-41-7469	Personal Protective Equipment	462	1,020	525	1,020	1,020
21-41-7470	Safety Equipment & Supplies	2,299	3,000	761	3,000	3,000
21-41-7481	Utilities/Electrical Cost	537,893	575,000	412,314	575,000	575,000
21-41-7483	Utilities/Waste Cost	953	4,000	1,025	2,000	2,000
21-41-7495	Chemicals	24,176	31,000	35,610	33,000	33,000
21-41-7510	Freight	0	1,000	0	1,000	1,000
21-41-7511	UPS/Courier	56	0	0	0	0
21-41-7526	Miscellaneous Bank Charges	1,429	1,000	118	1,000	1,000
21-41-7527	Miscellaneous Services & Suppl	2,275	4,500	2,201	4,500	4,500
21-41-7528	Miscellaneous Reimbursable	0	600	0	600	600
21-41-7530	Unrecoverable Charges	0	1,000	0	1,000	1,000
21-41-7532	Miscellaneous	0	2,000	0	2,000	2,000
21-41-7533	Bad Debt	(372)	5,000	0	5,000	5,000

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
21-41-7534	Special Expense	2,863	3,000	1,341	3,000	3,000
21-41-7535	Credit Memo	0	2,000	0	2,000	2,000
21-41-7536	Operating Transfer Out	1,204,469	0	0	0	0
21-41-7537	Debt Service	0	1,102,000	1,209,412	1,102,000	1,711,900
21-41-7542	Taxes & Assessments	0	1,000	0	1,000	1,000
21-41-7543	Interfund Investment Prop Tax	178	0	0	0	0
21-41-7545	Revenue Collection	5,308	6,500	0	6,500	6,500
21-41-7547	Payroll Wire Transfer Fee	339	1,560	429	1,560	1,560
21-41-7548	Accounting (A/P, A/R, GL)	0	1,200	0	1,200	1,200
21-41-7549	Public Works - Permits	334	2,000	3,292	3,500	3,500
21-41-7550	Property Taxes	11,697	17,000	11,923	17,000	17,000
21-41-7587	Developer Deposit Reimbursement	6,256	0	4,710	0	0
	Total	\$4,166,906	\$4,759,280	\$3,944,838	\$4,868,539	\$5,605,322

Capital Improvements

Account Code	Capital Improvements	Actual FY 2018-2019	Budgeted FY 2018-2019	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
	Annual Wastewater Lift Station Improvements		280,000		150,000	200,000
	Clarifier Rehabilitation-Wastewater System		160,000		5,000	150,000
	Wastewater Treatment Plant 1 Refurbishment		0		178,112	3,628,575
	Additional Capital Improvements - Wastewater System & Maintenance		650,000	80,273	110,000	230,000
	Denitrification Project		450,000	24,334	427,168	4,221,029
	Mainline Piping Replacement		250,000		-	-
	Master Plans		0	175,699	-	-
	Water/WW Combined Project Total (trucks, building repairs, equipment)		186,000	42,559	444,000	1,560,000
	Total	\$99,430	\$1,976,000	\$322,866	\$1,314,280	\$9,989,604

In fiscal year 2020/2021, the District will begin the Capital Improvement Projects which include multiple wastewater treatment plant modifications such as:

- Denitrification, engineering and design.
- UV disinfection improvements.
- Step Screen Headworks.
- 3 Lift Station upgrades.
- Plant 1 refurbishment – engineering and design.

District Staff and the Board of Directors will continue to discuss and plan to fund Denitrification in fiscal year 2020/2021. For a complete listing of capital projects and associated costs please see page 48.

Budgeted Fund Summary

Wastewater Fund Summary	Year End Fund Balance FY 18/19	Budgeted Revenues FY 19/20	Budgeted Expenses FY 19/20	Budgeted Fund Balance FY 19/20	Estimated Revenues FY 20/21	Estimate Expenses FY 20/21	Estimate Fund Balance FY 20/21	Estimated Revenues FY 21/22	Estimate Expenses FY 21/22	Estimate Fund Balance FY 21/22
Beginning Fund Balance (Carryover)		10,854,059			10,482,274			10,756,882		
O&M Funds	4,181,357	4,759,280	4,759,280	4,181,357	4,868,539	4,868,539	4,181,357	5,605,322	5,605,322	4,181,357
Capital Improvement Funds	2,789,676	1,329,215	1,976,000	2,142,891	1,313,888	1,314,280	2,142,499	666,582	9,989,604	(7,180,523)
Revolving Funds	2,082,426	275,000	0	2,357,426	275,000		2,632,426	275,000	0	2,907,426
Reserve Funds	1,800,600	0	0	1,800,600	0	0	1,800,600	0	0	1,800,600
YE Fund Balance	\$10,854,059	\$17,217,554	\$6,735,280	\$10,482,274	\$16,939,701	\$6,182,819	\$10,756,882	\$17,303,786	\$15,594,926	\$1,708,860

The wastewater revenue is distributed to the O&M Funds, the Capital Improvements Funds, the Revolving Funds and the Reserve Funds per the annual budget.

O&M Funds are District revenues and expenses needed to operate the Wastewater Services Department. This fund maintains a balance of 20-22% of the O&M expenses for operational cash flow.

Capital Improvement Funds are District revenues and expenses needed for capital improvements of the water distribution systems. These funds are generally budgeted revenues comprised of rate payers and capacity and connection fees.

Revolving Funds are for the future maintenance or improvements of the wastewater infrastructure system, pumps, generators facilities, and vehicles replacements.

Reserve Funds have been established for emergency use for the wastewater system. This reserve is 30% of the water operating budget.

As of fiscal year 20/21, the District will need to identify funding opportunities to complete the necessary capital projects. In fiscal year 19/20, the District is in the process of a rate study to properly plan for the costs of these future projects.

Lighting & Landscaping, Community Center Zone #8 Services Revenue, Operations & Maintenance, and Capital Improvements

The Lighting and Landscaping Zone #8 (Zone 8) receives its revenues from property taxes (appropriations limit set by the California Department of Finance); and from cost recovery fees and charges derived from the recreational classes, facility rentals, donations, novelty/beverage/food sales and community center events.

Revenue

Account Code	Revenue	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
40-31-5106	Current Secured Property Tax	679,564	672,615	668,740	684,000	690,840
40-31-5148	Advertising Revenue	0	800	930	0	0
40-31-5149	Community Center Program Fees	33,128	75,000	27,207	40,000	50,000
40-31-5150	Community Center Events	210	3,000	484	3,000	3,000
40-31-5151	Landscape Related Reimbursable	0	6,000	0	6,000	6,000
40-31-5195	Interest Income	0	0	32,819	26,255	19,692
40-31-5226	CCC Vehicle Reimbursement	71,301	55,000	0	14,200	15,000
40-31-5243	Other	1,313,141	131,275	119	6,000	6,000
40-31-6000	Recreation Revenue	5,440	0	1,465	0	0
40-31-6690	Swim Team	38,950	60,000	(500)	0	0
40-31-6695	Rentals	39,256	38,000	5,489	38,000	38,000
40-31-6996	Community Center Apparel	51	300	115	300	300
40-31-6997	Community Center Food	136	100	0	100	100
40-31-6998	Community Center Beverage	501	500	232	500	500
40-31-6999	Community Center Pool Fee	2,655	7,500	0	1,000	7,500
	Total	\$2,184,331	\$1,050,090	\$737,100	\$819,355	\$836,932

Expenditures

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
40-41-7000	Salary & Wages	126,154	160,000	98,060	175,000	183,750
40-41-7003	ER Taxes	10,103	0	0	0	0
40-41-7135	Vacation	2,720	0	0	0	0
40-41-7150	Temporary Employees	0	0	2,552	0	0
40-41-7180	Training Conferences Travel	0	3,000	624	1,500	1,500

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
40-41-7197	Train, Meet & Education	100	0	441	0	0
40-41-7210	Dues & Subscriptions	0	200	0	200	200
40-41-7225	Memberships	0	525	0	525	525
40-41-7271	Consulting Services	816	0	395	0	0
40-41-7286	Legal - General	452	1,000	1,235	1,000	1,000
40-41-7301	Annual Audit Services	2,200	2,200	0	2,200	2,200
40-41-7317	Advertising	0	50	667	50	50
40-41-7361	Telephone - general	0	1,125	0	1,125	1,125
40-41-7362	Telecom - networking	1,814	900	1,378	900	900
40-41-7363	Telephone - cellular	1,158	2,000	1,235	2,000	2,500
40-41-7376	Road/Construction Materials	0	500	0	500	500
40-41-7392	Vehicle & Equipment - Fuel	5,945	5,000	5,819	6,500	6,500
40-41-7393	Vehicle & Equipment Sup & Rep	3,123	3,000	4,900	3,500	3,500
40-41-7409	Info System - Maintenance	0	800	199	800	800
40-41-7410	Equipment Maintenance	363	3,000	1,107	500	500
40-41-7412	Computer Equipment & Supplies	0	150	1,909	150	150
40-41-7413	Miscellaneous Small Tools	1,865	1,500	716	1,000	1,000
40-41-7414	Equipment Repair	1,582	1,000	951	1,000	1,000
40-41-7415	Computer Software	0	0	270	0	0
40-41-7421	Cleaning Supplies	0	1,000	131	500	500
40-41-7422	Minor Equipment/Furniture	0	150	0	0	0
40-41-7424	Postage	0	150	0	150	150
40-41-7425	Office Supplies	716	1,200	1,258	1,000	1,000
40-41-7438	Building Rent	7,800	9,000	0	9,000	9,000
40-41-7439	Equipment Rental/Leasing	0	2,000	449	1,500	1,500
40-41-7440	Facility Maintenance - Landscape	73,001	50,000	15,825	30,000	30,000
40-41-7441	Building Maintenance	12,663	8,000	8,009	10,000	10,000
40-41-7451	Insurance Liability & Property	1,865	1,700	1,700	2,611	2,872
40-41-7467	Special Expense	8,323	0	0	0	0
40-41-7469	Personal Protective Equipment	2,600	3,000	2,543	3,000	3,000
40-41-7470	Safety Equipment & Supplies	414	0	347	0	0
40-41-7481	Utilities/Electrical Cost	92,644	90,000	72,548	92,000	92,000
40-41-7482	Utilities/Water Cost	51,907	40,000	36,923	50,000	50,000

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
40-41-7483	Utilities/Waste Cost	12,448	5,000	8,811	5,000	5,000
40-41-7526	Miscellaneous Bank Charges	778	0	575	0	0
40-41-7527	Miscellaneous Services & Suppl	606	2,000	209	2,000	2,000
40-41-7534	Special Expense	0	1,000	0	1,000	1,000
40-41-7536	Operating Transfer Out	248,037	0	0	0	0
40-41-7542	Taxes & Assessments	0	2,000	0	2,000	2,000
40-41-7543	Interfund Investment Prop Tax	0	300	0	300	300
40-41-7544	Reimbursement for County Admin	0	500	0	500	500
40-41-7545	Revenue Collection	5,364	2,000	5,207	5,500	5,500
40-41-7549	Public Works - Permits	0	500	0	500	500
40-41-7550	Property Taxes	3,379	3,000	1,463	3,000	3,000
40-41-7551	CCC DB Sign Replacement	1,019	5,000	979	2,000	2,000
40-41-7585	Gain or Loss Disposal/Sale of	44,677	0	0	0	0
40-41-8000	Salary & Wages	194,188	265,000	143,545	204,394	246,510
40-41-8003	ER Taxes	15,269	0	0	0	0
40-41-8150	Temporary Employees	0	0	1,465	0	0
40-41-8180	Training Conferences Travel	0	2,500	278	1,000	500
40-41-8182	<i>Travel & Meetings</i>	242	0	0	0	0
40-41-8197	<i>Train, Meet & Education</i>	425	0	576	0	0
40-41-8210	Dues & Subscriptions	175	300	175	0	0
40-41-8225	Memberships	979	500	913	500	500
40-41-8255	Donation Expenditures	6,273	0	7,422	6,000	6,000
40-41-8256	Events	5,793	3,000	463	1,500	1,500
40-41-8271	Consulting Services	316	0	0	0	0
40-41-8273	Professional Fees	0	0	0	0	0
40-41-8286	Legal - General	13,989	1,500	7,087	10,000	5,000
40-41-8301	Annual Audit Services	1,000	1,000	0	1,000	1,000
40-41-8317	Advertising	14,484	16,000	14,214	15,000	15,000
40-41-8319	Internet Website	0	0	0	0	0
40-41-8361	Telephone - general	4,825	5,000	3,798	4,000	4,000
40-41-8362	Telecom - networking	2,453	3,000	2,046	2,500	2,500
40-41-8363	Telephone - cellular	645	1,200	487	1,000	1,000
40-41-8392	Vehicle & Equipment - Fuel	0	100	4	0	0
40-41-8393	Vehicle & Equipment Sup & Rep	0	0	105	0	0

Account Code	Expenditures	Actuals to Date FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
40-41-8406	General Repairs	2,500	5,000	776	5,000	5,000
40-41-8408	Special Equipment	765	100	313	100	100
40-41-8409	Info System - Maintenance	110	2,000	3,370	2,000	2,000
40-41-8410	Equipment Maintenance	100	800	0	800	800
40-41-8411	Software Hosting	4,665	5,000	4,136	5,000	5,000
40-41-8412	Computer Equipment & Supplies	180	1,500	724	500	500
40-41-8413	Miscellaneous Small Tools	84	500	0	500	500
40-41-8422	Minor Equipment/Furniture	46	0	0	0	0
40-41-8424	Postage	3,027	6,000	3,173	3,500	3,500
40-41-8425	Office Supplies	3,476	4,000	3,164	4,000	4,000
40-41-8438	Rent & Facility Expense	53	0	767	0	0
40-41-8439	Equipment Rental/Leasing	0	1,000	0	0	0
40-41-8440	Facility Maintenance - Landscape	17,714	15,000	1,804	12,000	12,000
40-41-8441	Building Maintenance	11,141	15,000	6,795	13,000	13,000
40-41-8442	Pool Maintenance	467	10,500	0	2,500	11,000
40-41-8451	Insurance Liability & Property	3,600	3,500	3,600	10,439	12,483
40-41-8453	Insurance - Property	270	1,000	37	0	0
40-41-8466	Permits & Fees	1,132	2,000	835	2,000	2,000
40-41-8469	Personal Protective Equipment	0	600	289	600	600
40-41-8470	Safety Equipment & Supplies	658	1,500	492	1,000	1,000
40-41-8481	Utilities/Electrical Cost	12,083	24,000	7,571	13,000	28,000
40-41-8482	Utilities/Water Cost	9,689	14,000	9,506	14,000	14,000
40-41-8483	Utilities/Waste Cost	6,648	6,000	2,630	6,000	7,000
40-41-8495	Chemicals	3,523	10,000	0	1,000	12,000
40-41-8526	Miscellaneous Bank Charges	4,278	2,500	2,306	2,500	2,500
40-41-8527	Miscellaneous Services & Suppl	296	1,000	335	500	500
40-41-8534	Special Expense	0	300	0	0	0
40-41-8535	Credit Memo	2,054	3,500	594	2,500	2,500
40-41-8539	COGS - Community Center	0	300	567	600	600
40-41-8540	Swim Team Expenses	14,550	0	766	0	0
40-41-8541	Food Exp	0	100	0	100	100
40-41-8542	Beverage Exp	0	500	0	100	500
40-41-8543	Program Fees	21,510	35,000	20,152	30,000	35,000
40-41-8548	Inter-governmental Charges	0	200	0	200	200
40-41-8550	Property Taxes	470	500	470	500	500

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
	Total	\$1,205,007	\$885,450	\$537,183	\$800,844	\$889,915

Capital Improvements

Account Code	Capital Improvements	Actual FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
	Landscaping/Streetscapes		150,000	9,510	85,000	500,000
	Parks	131,109	335,000	50,593	495,000	210,000
	Building/Equipment	22,725				
	Total	\$153,834	\$485,000	\$60,103	\$580,000	\$710,000

Zone #8 maintains the front entrance into Discovery Bay, the streetscapes, Cornell Park, and manages the Community Center park grounds. In fiscal year 20/21 plans are underway to complete;

- The Community Center Pool Project
- Convert Tennis Courts 3 & 4 to Pickleball courts
- Landscaping Master Plan

For a complete listing of capital projects and associated costs please see page 48.

Budgeted Fund Summary

Zone 8 Fund Summary	Year End Fund Balance FY 19/20	Budgeted Revenues FY 19/20	Budgeted Expenses FY 19/20	Budgeted Fund Balance FY 19/20	Estimated Revenues FY 20/21	Estimate Expenses FY 20/21	Estimate Fund Balance FY 20/21	Estimated Revenues FY 21/22	Estimate Expenses FY 21/22	Estimate Fund Balance FY 21/22
Beginning Fund Balance (Carryover)		2,179,796			1,859,436			1,327,947		
O&M Funds	1,405,589	885,450	885,450	1,405,589	800,844	800,844	1,405,589	889,915	889,915	1,405,589
Capital Improvement Funds	304,207	129,640	485,000	(51,153)	18,511	550,000	(582,642)	(52,983)	710,000	(1,345,625)
Revolving Funds	70,000	35,000	-	105,000			105,000		-	105,000
Reserve Funds	400,000	-	-	400,000	-	-	400,000	-	-	400,000
YE Fund Balance	2,179,796	3,229,886	1,370,450	1,859,436	2,678,791	1,350,844	1,327,947	2,164,879	1,599,915	564,964

The Zone 8 revenue is distributed to the O&M Funds, the Capital Improvements Funds, the Revolving Funds and the Reserve Funds per the annual budget.

O&M Funds are District revenues and expenses needed to operate the Lighting & Landscaping Zone 8 Services Department. This fund maintains a balance of 20-22% of the O&M expenses for operational cash flow.

Capital Improvement Funds are Zone 8 revenues and expenses needed for capital improvements of the landscaping and parks including the Community Center. These funds are generally budgeted revenues comprised of property taxes; and from cost recovery fees and charges derived from the recreational classes, facility rentals, donations, novelty/beverage/food sales and community center events.

Revolving Funds are for the future maintenance or improvements of the landscaping, parks, and vehicles replacements.

Reserve Funds have been established for emergency use for the Lighting and Landscape Zone 8 Department. This reserve is 50% of the Zone 8 operating budget.

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Lighting & Landscaping Zone #9 Services Revenue, Operations & Maintenance, and Capital Improvements

The Lighting and Landscaping Zone #9 (Zone 9) receives its revenues from an Assessment. Annually an engineering report is completed by Herwit Engineering. The District uses this engineering report to calculate the operating revenue needed to maintain and operate the Lighting and Landscaping Zone 9.

Revenue

Account Code	Revenue	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
41-31-5120	Assessment Income	133,680	143,521	143,869	146,391	149,319
41-31-5226	CCC Vehicle Reimbursement	17,825	13,000	0	13,000	13,000
	Total	\$151,505	\$156,521	\$143,869	\$159,391	\$162,319

Expenditures

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
41-41-7000	Salary & Wages	25,903	61,000	18,904	42,000	45,840
41-41-7003	ER Taxes	2,004	0	0	0	0
41-41-7135	Vacation	358	0	0	0	0
41-41-7150	Temporary Employees	0	0	1,316	0	0
41-41-7165	Board of Directors Compensation	230	0	0	0	0
41-41-7180	Training Conferences Travel	0	1,000	1,239	1,000	1,000
41-41-7181	Travel & Meetings - BOD	201	0	0	0	0
41-41-7196	Training & Education - BOD	850	0	0	0	0
41-41-7197	Train, Meet & Education	355	0	269	0	0
41-41-7210	Dues & Subscriptions	0	200	0	200	200
41-41-7225	Memberships	127	400	0	400	400
41-41-7271	Consulting Services	264	3,900	395	3,900	3,900
41-41-7286	Legal - General	0	1,000	1,370	1,000	1,000
41-41-7301	Annual Audit Services	2,200	2,000	0	2,000	2,000
41-41-7317	Advertising	0	0	750	0	0
41-41-7361	Telephone - general	99	1,000	122	1,000	500
41-41-7362	Telecom - networking	86	700	166	700	500
41-41-7363	Telephone - cellular	1,158	1,200	1,181	1,200	1,200

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
41-41-7376	Road/Construction Materials	0	200	0	200	200
41-41-7392	Vehicle & Equipment - Fuel	5,069	5,000	4,228	5,000	5,000
41-41-7393	Vehicle & Equipment Sup & Rep	3,089	1,500	1,934	2,000	2,000
41-41-7406	General Repairs	0	100	0	100	100
41-41-7409	Info System - Maintenance	0	1,000	199	1,000	500
41-41-7410	Equipment Maintenance	290	1,500	479	1,500	1,500
41-41-7412	Computer Equipment & Supplies	0	750	1,890	750	750
41-41-7413	Miscellaneous Small Tools	2,232	3,000	1,026	2,500	2,500
41-41-7414	Equipment Repair	846	1,500	893	1,250	1,250
41-41-7415	Computer Software	0	0	90	0	0
41-41-7421	Cleaning Supplies	0	500	29	500	500
41-41-7422	Minor Equipment/Furniture	0	500	0	500	500
41-41-7424	Postage	0	50	0	50	50
41-41-7425	Office Supplies	0	500	188	500	500
41-41-7438	Building Rent	15,600	9,000	0	9,000	9,000
41-41-7439	Equipment Rental/Leasing	0	1,000	0	1,000	1,000
41-41-7440	Facility Maintenance - Landscape	9,521	17,000	1,382	17,000	17,000
41-41-7441	Building Maintenance	4,284	3,000	3,669	4,000	4,000
41-41-7451	Insurance Liability & Property	165	1,200	1,200	1,680	2,016
41-41-7466	Permits & Fees	0	0	50	0	0
41-41-7469	Personal Protective Equipment	1,836	3,000	2,112	3,000	3,000
41-41-7470	Safety Equipment & Supplies	391	0	20	0	0
41-41-7481	Utilities/Electrical Cost	1,164	1,350	989	1,350	1,350
41-41-7482	Utilities/Water Cost	23,744	20,000	13,650	25,000	25,375
41-41-7483	Utilities/Waste Cost	1,971	1,500	3,599	3,000	3,000
41-41-7526	Miscellaneous Bank Charges	0	0	110	0	0
41-41-7527	Miscellaneous Services & Suppl	50	500	320	500	500
41-41-7534	Special Expense	0	500	0	500	500
41-41-7536	Operating Transfer Out	48,066	0	0	0	0

Account Code	Expenditures	Actuals FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
41-41-7542	Taxes & Assessments	0	0	423	0	0
41-41-7545	Revenue Collection	423	600	0	600	600
41-41-7550	Property Taxes	0	1,000	0	1,000	1,000
	Total	\$152,575	\$148,150	\$64,191	\$136,880	\$140,231

Capital Improvements

Account Code	Capital Improvements	Actual FY 2018-2019	Budgeted FY 2019-2020	Actuals to Date FY 2019-2020	Budgeted FY 2020-2021	Budgeted FY 2021-2022
	Landscaping/Streetscapes	0	0	0	0	0
	Parks	0	173,000	100,000	0	0
	Building/Equipment	22,725	0	0	0	0
	Total	\$22,725	\$173,000	\$100,000	\$0	\$0

Lighting and Landscaping Zone 9 is the Ravenswood area of Discovery Bay. There are no capital improvement plans for FY20/21.

Budgeted Fund Summary

Zone 9 Fund Summary	Year End Fund Balance FY 19/20	Budgeted Revenues FY 19/20	Budgeted Expenses FY 19/20	Budgeted Fund Balance FY 19/20	Estimated Revenues FY 20/21	Estimate Expenses FY 20/21	Estimate Fund Balance FY 20/21	Estimated Revenues FY 21/22	Estimate Expenses FY 21/22	Estimate Fund Balance FY 21/22
Beginning Fund Balance (Carryover)		298,677			134,048			156,559		
O&M Funds	-	148,150	148,150	-	136,880	136,880	-	140,231	140,231	-
Capital Improvement Funds	198,677	(36,629)	173,000	(10,952)	2,511	-	(8,441)	2,088		(6,353)
Revolving Funds	25,000	45,000	-	70,000	20,000		90,000	20,000	-	110,000
Reserve Funds	75,000	-	-	75,000	-	-	75,000	-	-	75,000
YE Fund Balance	298,677	455,198	321,150	134,048	293,439	136,880	156,559	318,878	140,231	178,647

The Zone 9 revenue is distributed to the O&M Funds, the Capital Improvements Funds, the Revolving Funds and the Reserve Funds per the annual budget.

O&M Funds are District revenues and expenses needed to operate the Lighting & Landscaping Zone 9 Services Department. This fund maintains a balance of 20-22% of the O&M expenses for operational cash flow.

Capital Improvement Funds are Zone 9 revenues and expenses needed for capital improvements of the landscaping and parks. These funds are generally budgeted revenues comprised of the Engineering Report Assessment.

Revolving Funds are for the future maintenance or improvements of the landscaping, parks, and vehicles replacements.

Reserve Funds have been established for emergency use for the Zone 9 Lighting & Landscape Department. This reserve is 50% of the Zone 9 operating budget.

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Lighting & Landscaping Zone #9 Engineer's Report

As part of the annual assessment process for the Ravenswood Improvement District (Zone 9), the Town of Discovery Bay Board of Directors adopt a Resolution annually, which directs HERWIT Engineering to prepare the assessment report. HERWIT provides the Draft of the Final Assessment Engineer's Report to District Staff. In that report, HERWIT determines assessed costs per parcel based on the operating budget.

HERWIT Engineering lists all factors leading to any increased assessment as well as the funds needed to maintain the reserve amount and cover the increased cost of operations.

The Annual Assessment can be viewed on the Districts website at <http://www.todb.ca.gov/>.

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Capital Projects

The Capital Improvement Projects for Fiscal Year 2020/2021 are valued at \$5,060,280. The budgeted projects include funding necessary to properly service, maintain and support the essential functions of District operations; continued rehabilitation of the wastewater lift stations as well as Water and Wastewater pipeline maintenance and replacements, Lighting & Landscaping Projects, and equipment purchases.

Wastewater Capital Improvements and Structures & Replacements

For FY 2020/2021 the Wastewater CIP and Structures & Replacements represent four (4) major projects with multiple components per project for a total combined cost of \$870,280. These costs are allocated to the approved CIP projects including, Lift Station Improvements, Plant 1 Refurbishment, Denitrification Design, Wastewater Distribution System & Maintenance.

Water Capital Improvements and Structures & Replacements

For FY 2020/2021 The Water CIP and Structures & Replacements includes five (5) projects at a total combined cost of \$2,880,000. The CIP projects include Water Supply Capacity (source, treatment & storage) and Upgrades & Maintenance of the Existing Water Supply Facilities, Water Distribution System Upgrades and Replacements, Water Master & Asset Management Plan, as well as Infrastructure Replacements as required.

Vehicle Capital

The District plans to purchase a new truck in fiscal year 2020/2021 for an estimated cost at \$40,000.

Building and Improvements Capital

In fiscal year 2020/2021, the District plans to improve upon its physical security systems at our Water & Wastewater plant facilities. New electronic gates and locks will be installed at all operation facilities for an estimated cost of \$150,000 along with an upgrade to its Cyber Security and Information Technology platforms for an estimated cost of \$150,000. The District plans to begin the process of relocating its offices away from Treatment Plant on Willow Lake Road.

Revolving funds for Infrastructure Replacements and Maintenance

In fiscal year 2020/2021, the District plans to add additional funds into the infrastructure replacement funds. \$275,000 for wastewater, \$250,000 for water.

Lighting & Landscaping Zone #8, Community Center & Zone #9 Capital

Zone 8 Community Center Pool project is currently under review. Zone #9 does not have any capital projects for FY 2020/2021.

Capital Project Listing

Project #	Project Name	FY 20/21 Year (1)	FY 21/22 Year (2)	FY 22/23 Year (3)	FY 23/24 Year (4)	FY 24/25 Year (5)
Water						
CIP for Water Supply Capacity (Source, Treatment and Storage)						
6001	Well 8 - Site Acquisition, CEQA, Exploratory, Production Well, Pipeline, Design & Construction for 1,800 gpm well (STAND ALONE WELL PROJECT) Entire Project, including engineering, studies, monitoring well	750,000	2,650,000	877,500		
	Abandon and Destroy Well 5A and Site Decommissioning			75,000		
Upgrades and Maintenance for Existing Water Supply Facilities						
6003	Well Rehab every 3-4 years (Wells 1B, 2, 4A, 6) going to do 1B first	250,000			200,000	
6007	Filter Repair (Newport & Willow)	100,000	218,000			
Water - Replacements						
6010	Mainline CIP Program Long-Term (budget to replace/upgrade 46 Miles total for DB) REPLACE 18 MILES OF ORIGINAL AC PIPE		500,000	750,000	1,000,000	1,500,000
6011	Cathodic Protection	250,000				
6013	6-inch pipeline replacement Lakeview Business Park (400 ft. Firwood to business park)	290,000				
6015	Edgeview St. Andrews /Clubhouse	300,000				
6021	Marina Underwater Crossing	600,000				
	Additional Capital Improvements - Water Distribution System & Maintenance	25,000	25,000			
Master Plans						
6018	Water Master & Asset Management Plans	250,000				
6019	2020 Urban Water Management Plan (state mandated)	40,000				
6020	America's Water Infrastructure Act (AWIA) Emergency Response & Emergency Preparedness Plans	25,000				

Capital Project Listing (Continued)

Project #	Project Name	FY 20/21 Year (1)	FY 21/22 Year (2)	FY 22/23 Year (3)	FY 23/24 Year (4)	FY 24/25 Year (5)
Wastewater						
7001	Annual Wastewater Lift Station Improvements	150,000	200,000			
	Clarifier Rehabilitation-Wastewater System	5,000	150,000	-	299,000	-
	Wastewater Treatment Plant 1 Refurbishment	178,112	3,628,575	490,908	-	-
	Additional Capital Improvements - Wastewater System & Maintenance	110,000	230,000	225,000	132,000	-
	Other Mast Plan Projects				180,000	362,000
7018	Denitrification Project	427,168	4,221,029	4,288,029	-	-
7019	Mainline Piping Replacement - 235 ft of pipe replacement Lakeview Business Plaza from Cherry Hills				250,000	
Relocate District Office						
8002	Move District Main Office Building to new site due to Willow Lake Storage Tank	400,000	2,600,000			
8003	Vehicle & Equipment Purchases - Truck	40,000				
8004	District Security Phase 3	150,000				
8005	Cyber Security/Information Technology - system and hardware upgrades	150,000				100,000
Zone 8						
	Pool Refurbishment or New Pool - DECISION TO BE DETERMINED	360,000				
<u>Tennis Courts</u>						
	Courts 1&2					30,000
	Courts 3&4 (Grant to change to Pickleball)	68,000				
	Courts 5&6	30,000				
	Courts 7&8		30,000			
	Storage Replacement (kids club) including concrete slab		30,000			
	HVAC Back of the building)	12,000				
	Property Fencing	25,000				

Capital Project Listing (Continued)

Project #	Project Name	FY 20/21 Year (1)	FY 21/22 Year (2)	FY 22/23 Year (3)	FY 23/24 Year (4)	FY 24/25 Year (5)
	Bathroom Remodel ADA (also included with new pool)			115,000		
	Electrical (repair current electrical system and install new lighting-throughout property)		150,000			
	Paint outside building replace dry rot					300,000
	Replace interior wood doors (3) ADA			80,000		
4001	Landscaping					
	Medians landscape replacement-DB BLVD		100,000			
	Master Plan	85,000				
	Clipper Drive - Planting & Enhancements		250,000			
	Newport Dr. from Capstan to Clipper Planting & Enhancements		150,000			
	Willow Lake Ct- Sprinklers & Planting				18,000	
4002	Parks					
	Basketball Court - resurfacing			20,000		
	Bocce Ball & Horseshoe Pit (removal)			10,000		
Zone 9						
5000	Parks					
	Ravenswood enhancements			20,000		
5002	Landscaping					
	Poe enhancements					350,000
	Wilde enhancements			20,000		
	Total Budget	5,070,280	15,132,604	6,971,437	2,079,000	2,642,000

Public Financing Authority

A Public Financing Authority or (PFA) is a tax-exempt bond issuing authority that was created by local governments, for local governments, with the goal of increasing and streamlining economic development projects. PFA was established to simplify the issuance of conduit bonds.

The Town of Discovery Bay, prior to issuing Revenue Bonds that will be necessary to finance large capital projects, must first become a member of a financing authority. While there are a number of financing authorities throughout the state which the District could join and become a member, it is also not uncommon for two agencies to form their own Joint Powers Authority (JPA) to facilitate the establishment of a financing authority.

In 2012 District staff met with the staff of the Byron Bethany Irrigation District (BBID) and both parties along with their Board of Directors decided that the two agencies create a JPA to establish a financing authority. As a result, two separate JPA's were formed – one for the benefit of Discovery Bay and one for the benefit of the BBID. This provides both agencies the ability to utilize the JPA as a financing authority as they deem appropriate. Each JPA is solely responsible for their Authority.

The JPA's mutually benefit both the Town as well as the BBID in that either district could utilize the financing powers of their respective JPA to issue Municipal Bonds as future needs arise.

The formation of the JPA's requires two separate legal public entities to facilitate the creation of a new legal entity in accordance with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. It is a five-member board governs the Town of Discovery Bay JPA, comprised of the Board of Directors for the Town and a five-member board governs the BBID JPA, comprised of the Board of Directors for the BBID (the "Governing Board(s)").

At the time of the formation, there were minimal cost implications to the Town of Discovery. The costs were related to staff time spent on administrative tasks associated with meetings of the JPA. In the future, there would be significant interest cost savings for financings associated with the JPA.

Debt Service

The 2012 Municipal bonds were issued for \$14,100,000. The projects under this bond are listed below:

** to date all monies have been expended.*

2012 Bonded Projects	Bond Year	Project Cost
Water Project Improvements		
Planning & Construction of Well #7	2012	\$1,500,000.00
Wastewater Project Improvements		\$250,000.00
UV Bank 4 Installation	2012	\$500,000.00
Lift Station F Rehabilitation	2012	\$1,050,000.00
Influent Pump station	2012	\$400,000.00
Re-Activate Pump Station W	2012	\$250,000.00
Emergency Storage Facilities	2012	\$6,050,000.00
Splitter Box, Ox Ditch, Clarifier, RAS Pumps at Plant 2, Standby Aerators	2012	\$3,800,000.00
New Solar Dryer and Belt Presses	2012	\$300,000.00
Contingency	2012	
Total		*\$14,100,000.00

In 2017 the District issued its second Municipal bond for \$8,825,000. The projects under this bond are listed below: ** investors paid a premium for these bonds, variance between \$8.825M and \$8.900M.*

2017 Bonded Projects	Bond Year	Project Cost
Water Project Improvements		
Water Meter Completion Project	2017	\$1,500,000.00
Wastewater Project Improvements		
Filtration Project	2017	\$7,400,000.00
Total		*\$8,900,000.00

Debt Service Payments

Debit Service Payments	Bond	Date	Amount Paid
Deutsche Bank	2012	November-12	\$139,167.40
Deutsche Bank	2012	April-13	\$254,283.46
US Bank	2012	October-13	\$559,355.55
US Bank	2012	April-14	\$266,453.90
US Bank	2012	October-14	\$561,456.04
US Bank	2012	April-15	\$263,505.78
US Bank	2012	November-15	\$586,505.15
US Bank	2012	April-16	\$258,919.88
US Bank	2012	September-16	\$568,886.14
US Bank	2012	April-17	\$257,218.89
US Bank	2012	October-17	\$567,173.50
US Bank	2017	October-17	\$248,064.90
US Bank	2012	April-18	\$255,010.04
US Bank	2017	April-18	\$176,382.68
US Bank	2012	November-18	\$570,155.47
US Bank	2017	November-18	\$351,350.00
US Bank	2012	April-19	\$252,651.47
US Bank	2017	April-19	\$173,655.85
US Bank	2012	October-19	\$572,675.43
US Bank	2017	October-19	\$180,536.20
US Bank	2012	April-20	\$249,427.78
US Bank	2017	April-20	\$169,652.24
Total			\$7,482,487.75

Future Debit Service Payments	Bond	Date	Annual Amount
US Bank	2012	Fiscal Year 2020-2021	\$829,762.50
US Bank	2017	Fiscal Year 2020-2021	\$526,568.75

District Awards

The Town has earned District of Distinction, District Transparency Certificate of Excellence, and Special District Governance Platinum-Level through *Special District Leadership Foundation (SDLF)*.

**(The District of Distinction was awarded in 2014, 2016 and 2018. The recertification process is every two years.)*

The Board of Directors and the General Manager of the Town of Discovery Bay have each achieved individual recognition in SDLF Special District Governance

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Supplemental Information

Glossary

ADOPTED OPERATING BUDGET: The official budget as approved by the Board of Directors at the start of each fiscal year.

APPROPRIATION: A legal authorization by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and to the time when it may be expended.

BENEFITS: These include retirement/pension, health, life and disability insurance, worker's compensation, vacation, administrative, medical, and special leave of absence time.

BUDGET: A plan of financial operation comprised of estimated expenditures for a given period (a single fiscal year for the District) and the proposed means of financing the expenditures (through revenues).

BUDGET MESSAGE: A written discussion of the proposed budget presented by the Finance Manager to the Board of Directors.

CAPITAL IMPROVEMENT PROJECT: The budget unit to group all activities and costs necessary to implement a specific capital improvement and/or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or improvement. Projects often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

DEBT SERVICE: Established for the payment of interest and principal on all debt other than payable exclusively from special assessments.

DEPARTMENT: A major organizational group of the District with overall management responsibility for an operation or a group of related operations within a functional area.

EXPENSES: Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position, the results of the operations, and adopts a budget for the coming year. The Town of Discovery Bay's fiscal year is from July 1 to June 30.

FUND: A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves, and equities segregated for the purpose of carrying out specific activities of attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE: Is an accumulation of revenues minus expenditures. Each fund maintained by the District has a fund balance. Fund balance can be used in future years for purposes determined by Board of Directors.

OBJECTIVE: A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

PRELIMINARY BUDGET: A budget in its preliminary preparation stage prior to review and formulation by the Board of Directors. In the preliminary stage, a budget forecasting current costs into the future and new or modified spending proposals for the future.

PROPOSED BUDGET: The budget as formulated and proposed by Finance Manager; it is submitted to the Board of Directors for review and approval.

RESOLUTION: A special or temporary order of a legislative body requiring less formality than an ordinance.

REVENUE: Money that the District receives as income such as utility payments, fees from specific services, receipts from other governments, fines, grants, and interest income.

SALARIES AND BENEFITS: Compensation paid to or on behalf of District employees for salaries and wages, and overtime. Benefits include health, and life, Dental and Vision.

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