



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Chris Steele • Vice-President - Kevin Graves • Director - Jim Mattison • Director - Mark Simon • Director - Ray Tetreault

NOTICE OF THE REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
TOWN OF DISCOVERY BAY CSD  
Wednesday August 1, 2012  
REGULAR MEETING 7:00 P.M.  
1800 Willow Lake Road, Discovery Bay, California  
Website address: [www.todb.ca.gov](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 that is before the Board for consideration. Any person wishing to speak must come up and speak from the podium. There will be no dialog between the Board and the commenter. Any clarifying questions from the Board must go through the Chair.

### C. PRESENTATIONS

### D. AREA AGENCIES REPORTS / PRESENTATION

1. SHERIFF'S OFFICE REPORT
2. CHP REPORT
3. FIRE DISTRICT REPORT
4. EAST CONTRA COSTA FIRE PROTECTION DISTRICT REPORT
5. SUPERVISOR MARY PIEPHO, DISTRICT III REPORT

### E. COMMITTEE/LIAISON REPORTS

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

\*\*These meetings are held Quarterly

### F. 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. Minutes of previous Regular meeting dated July 18, 2012
2. District Invoices
3. Adoption of the Town of Discovery Bay CSD Resolution 2012-17 for the Proposed Series 2012 Enterprise Revenue Bonds
4. Approval of First Amendment to Employment Contract with General Manager
5. Purchase of 2012 Ford Escape

### G. PUBLIC HEARING to Consider the Following

1. Town of Discovery Bay CSD Water and Wastewater Service Charges Report for the Fiscal Year 2012-2013; continue Collection of the charges on the County Tax Roll and adoption of Resolution No. 2012-19
2. Town of Discovery Bay CSD Ravenswood Landscape Zone #9, Park, Lighting and Open Space Improvements District Assessments Report for the Fiscal Year 2012-2013; continue Collection of Assessments on County Tax Roll and adoption of Resolution No. 2012-18

**H. NEW BUSINESS AND ACTION ITEMS**

1. Contra Costa County Airports Comment Request – Airport Master Plan – Proposed use of the Mariposa Community Benefit Fund for Byron Airport improvements
2. Review "Draft" Town of Discovery Bay Community Services District Capacity Fee Program

**I. PRESIDENT REPORT AND DIRECTORS' COMMENTS**

1. Discussion regarding the Peripheral Canal Impact

**J. MANAGER'S REPORT**

**K. GENERAL MANAGER'S REPORT**

1. Consideration of Monthly Newspaper Article
2. Board Subcommittee Meeting Schedule
3. DRAFT of Town of Discovery Bay Emergency Operations Plan

**L. DISTRICT LEGAL COUNSEL REPORT**

**M. COMMITTEE UPDATES**

**N. CORRESPONDENCE – Discussion and Possible Action**

1. R - Central Valley Regional Water Quality Control Board regarding Wastewater Treatment Plant dated July 6, 2012
2. R - Byron Municipal Advisory Council meeting Minutes dated May 17, 2012
3. R - Contra Costa County Department of Conservation and Development regarding Notice of Extended Public Review Period for Pantages Bays dated July 23, 2012

**O. PUBLIC RECORD REQUESTS RECEIVED**

**P. FUTURE AGENDA ITEMS**

**Q. ADJOURNMENT**

1. Adjourn to the next regular meeting on August 15, 2012 at 1800 Willow Lake Rd – Located behind the Delta Community Presbyterian Church.

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

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



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Chris Steele • Vice-President - Kevin Graves • Director - Jim Mattison • Director - Mark Simon • Director - Ray Tetreault

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
TOWN OF DISCOVERY BAY CSD  
Wednesday July 18, 2012  
REGULAR MEETING 7:00 P.M.  
1800 Willow Lake Road, Discovery Bay, California  
Website address: [www.todb.ca.gov](http://www.todb.ca.gov)

## REGULAR MEETING 7:00 P.M.

### A. ROLL CALL AND PLEDGE OF ALLEGIANCE

Call business meeting to order – 7:00 p.m. by President Steele  
Pledge of Allegiance – Led by President Steele  
Roll Call – All Present

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

None

### C. PRESENTATIONS

Pantages Properties

Mark Armstrong – Provided a presentation of Pantages Properties – update of the DRAFT Environmental Impact Report (EIR)

President Steele – Brought the Regular meeting into a recess at 7:25 p.m. to reconvene into the Discovery Bay Public Financing Authority meeting

President Steele – Brought the Regular meeting back to order at 7:38 p.m. from the Discovery Bay Public Financing Authority meeting

### D. PRESIDENT REPORT AND DIRECTORS' COMMENTS

Vice-President Graves – Provided his reports and the details of the Contra Costa County Aviation Advisory meeting dated July 12, 2012, the Transplan Committee meeting dated July 12, 2012, and the Highway 4 Bypass Authority meeting dated July 12, 2012

President Steele – Provided his report and the details of the Byron Union School District dated June 28, 2012

### E. 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. Minutes of previous Special meeting dated June 20, 2012
2. Minutes of previous Regular meeting dated June 20, 2012
3. District Invoices
4. Authorization to Purchase Picnic Tables and Benches for Cornell Park
5. Public Access Ramp Replacement Project at 1800 Willow Lake Road

Motion by: Director Simon to approve the Consent Calendar

Second by: Director Tetreault

There was one (1) Public Comment Speaker

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

**F. NEW BUSINESS AND ACTION ITEMS**

1. Approve and adopt Resolution 2012-16, Intention to Levy and Collect Annual Assessment for the Ravenswood Improvement District – DB Lighting and Landscape Zone 9 for the Fiscal Year 2012-2013

General Manager Howard – Provided the details of Item F-1

Motion by: Director Simon to Approve and adopt Resolution 2012-16 authorizing the Levy and Collection of Annual Assessments for the Ravenswood Improvement District – DB Lighting and Landscape Zone 9 for the Fiscal Year 2012-2013

Second by: Director Tetreault

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

2. Authorize Purchase of a 50' Towable Genie Boom Lift pursuant to RFP No. L12-03

General Manager Howard - Provided the details of Item F-2

There was discussion between the General Manager, the Parks and Landscape Manager, and the Board

Motion by: Vice-President Graves to Authorize Purchase of a 50' Towable Genie Boom Lift pursuant to RFP No. L12-03

Second by: Director Simon

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

3. Authorize Design and Engineering contracts with HERWIT Engineering for the Oxidation Ditch and Clarifier Project, Pump Station W, completion of Solar Dryers and SCADA upgrades, respectively.

General Manager Howard – Provided the details of Item F-3

Motion by: Director Tetreault to approve items one (1) through four (4) of the recommended action

Second by: Director Simon

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

**G. VEOLIA REPORT**

Project Manager Berney Sadler – Provided the details of the May and June Monthly Operations Report

There was discussion between the General Manager, the Veolia Project Manager, and the Board

**H. MANAGER'S REPORTS**

Water and Wastewater Manager Koehne – Provided a presentation on the progress for the Dewatering and Solar Dryer #3 Project

There was discussion between the Water and Wastewater Manager, HERWIT Engineering, and the Board

**I. GENERAL MANAGER'S REPORT**

General Manager Howard – Provided details of the items sent to the Board – The Preliminary DRAFT Capacity Fee Study (will be at the next Board meeting dated August 1, 2012) and the Regional Water Quality Control Board Inspection Report

1. Communications Committee Items, Monthly newspaper articles, etc.

General Manager Howard – Provided the details of Item I-1

There was a discussion between the General Manager and the Board

2. Update on Commercial Water User Accounts

General Manager Howard – Provided the details of Item I-2

There was a discussion between the General Manager and the Board

**J. DISTRICT LEGAL COUNSEL REPORT**

None

**K. COMMITTEE UPDATES**

None

**L. CORRESPONDENCE-Discussion and Possible Action**

1. R – Letter from the Department of Conservation & Development regarding notice of public review and intent to adopt a proposed negative declaration – County Files #ZT09-0003 & #ZT09-0004 dated June 7, 2012

2. S – Letter to Contra Costa County Department of Conservation and Development regarding County File Number LP12-2067 dated June 21, 2012

3. R – Contra Costa County Aviation Advisory meeting minutes dated May 10, 2012

4. R – East Contra Costa Fire Protection District meeting minutes dated June 11, 2012

5. R – Letter from Supervisor Piepho to Sheriff Livingston regarding funding for School Resource officer dated June 25, 2012

6. R – Transplan Committee meeting minutes dated June 14, 2012

**M. PUBLIC RECORD REQUESTS RECEIVED**

1. Request from Don Flint – Director's Stipend – Request date June 19, 2012

**N. FUTURE AGENDA ITEMS**

President Steele – Emergency Preparedness Plan and Phone System  
There was one (1) Public Comment Speaker  
There was a discussion between Legal Counsel Schroeder and the Board

**O. OPEN SESSION DISCLOSURE OF CLOSED SESSION AGENDA**

(Government Code Section 54957.7)

Legal Counsel Schroeder – The Board is adjourning into Closed Session regarding action item P-1

**P. CLOSED SESSION:**

1. **CONFERENCE WITH LABOR NEGOTIATOR** Government Code Section 54957.6

Agency Designated Representative: Kevin Graves and Ray Tetreault

Unrepresented Employees: General Manager

**Q. RETURN TO OPEN SESSION: REPORT ON CLOSED SESSION**

(Government Code Section 54957.1)

Legal Counsel Schroeder – The Board reconvened from Closed Session regarding action item P-1, all five (5) Board Members were present during the entirety of the Closed Session and there is no reportable action

**R. ADJOURNMENT**

The meeting adjourned at 8:41 p.m. to next Regular meeting of August 1, 2012 starting at 7:00p.m. at 1800 Willow Lake Road

//cmc – 07.20.12

<http://www.todb.ca.gov/content/agenda-and-minutes/>



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

Meeting Date

August 1, 2012

**Prepared By:** Dina Breitstein, Finance Manager & Lesley Marable, Sr. Accounts Clerk  
**Submitted By:** Rick Howard, General Manager *rh*

### Agenda Title

District Invoices

### Recommended Action

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

### Executive Summary

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

### Fiscal Impact:

**Amount Requested** \$248,165.52

**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 2012/2013

Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District # 8 2012/2013

Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District # 9 2012/2013

AGENDA ITEM: F-2

**Request for authorization to pay invoices (RFA)  
For the Meeting on August 1, 2012  
Town of Discovery Bay CSD  
For Fiscal Year's 7/12 - 6/13**

	<u>Vendor Name</u>	<u>Invoice Number</u>	<u>Description</u>	<u>Invoice Date</u>	<u>Amount</u>
<b>Administration</b>					
	Bay Area News Group	2005834/510693	Classified Advertising	6/30/2012	\$68.80
	Big Dog Computer	20090930-28	IT Support	7/25/2012	\$1,284.00
	Big Dog Computer	20090930-28	IT Support	7/25/2012	\$3,000.00
	Big Dog Computer	20090930-28	IT Support	7/25/2012	\$199.00
	Chris Steele	12-Jul	Expense Report July 2012	7/18/2012	\$100.00
	Datamatic, Ltd.	17338	Training onsite, Liz & Aaron	7/5/2012	\$1,800.00
	Executive Leadership	70912	Individual Coaching	7/9/2012	\$360.00
	Jim Mattison	12-Jul	Expense Report July 2012	7/20/2012	\$100.00
	Kevin Graves	12-Jul	Expense Report July 2012	7/18/2012	\$400.00
	Kevin Graves	12-Jul	Expense Report July 2012	7/18/2012	\$62.16
	Kevin Graves	JULY EXPENSES 2012	July Expenses 2012	7/18/2012	\$112.31
	Lesley Marable	12-Jul	Expense Report July 2012	7/20/2012	\$37.41
	Mark Simon	12-Jul	Expense report July 2012	7/18/2012	\$100.00
	Neopost (Postage Account)	7900044908384658 07/	Postage for June 2012	7/8/2012	\$200.00
	Neumiller & Beardslee	249370	Attorney services thru 06/30/12	7/11/2012	\$15,029.04
	Neumiller & Beardslee	249371	Attorney services thru 06/30/12 Public Record	7/11/2012	\$494.50
	Odyssey Landscape Co, Inc.	36037380	Zone #35 Bixler Medial	6/30/2012	\$1,300.00
	Odyssey Landscape Co, Inc.	36037380	Zone #61 Bixler & P.O.T.	6/30/2012	\$950.00
	Odyssey Landscape Co, Inc.	36037381	Zone #57 Repairs at Regatta Park	6/30/2012	\$175.00
	Office Depot	615571000000	Copy paper, pad, chair mat	8/6/2012	\$115.95
	Office Depot	615571000000	Wristrest Office Supply	6/12/2012	\$13.68
	Office Depot	615571000000	Pens for Office	8/12/2012	\$14.39
	Office Depot	615978000000	binders, HP Ink cartridges, creamers	7/5/2012	\$135.30
	Office Depot	616898000000	labels, copy paper, files	7/13/2012	\$90.24
	Ray Tetreault	12-Jul	Expense report July 2012	7/18/2012	\$100.00
	ReliaStar Life Insurance Company	JR52 457(B) JULY2012	Life Ins 07/16/12-07/31/12	7/16/2012	\$169.74
	ReliaStar Life Insurance Company	JR52 457(B) JULY2012	Life Ins 07/16/12-07/31/12	7/16/2012	\$1,093.75
	ReliaStar Life Insurance Company	JR52 457(B) JULY2012	Life Ins 07/16/12-07/31/12	7/16/2012	\$169.74
	SDRMA	0011542-IN	Ancillary Benefits August 2012	8/1/2012	\$351.24
	Secretary of State	70112	Notice of Joint Powers Agreement	7/1/2012	\$1.00
	Shred-It	9400540827	Service date 06/28/12	6/28/2012	\$66.94
	Spectral Wireless Networks	3576	Monthly Internet Service	7/1/2012	\$240.00
			<b>Administration</b>	<b>Sub-Total</b>	<b>\$28,334.19</b>
<b>Water</b>					
	Bartle Wells Associates	BWA513A-1002	Capacity Fee Study	7/12/2012	\$10,314.93
	Croce & Company	1117381	Audit for 2011/2012	6/30/2012	\$6,928.00
	Datamatic, Ltd.	17338	Training onsite, Liz & Aaron	7/5/2012	\$1,800.00
	Golden State Flow Measurement, Inc	I-035185	Water meter for DB Elem. School	7/2/2012	\$3,036.41
	H & R Plumbing and Drain Cleaning	1221	2011-2012 CIP, Manhole rehab	7/10/2012	\$11,931.00
	Herwit Engineering	6-Dec	Job# 2000-02 & 2002-13	7/9/2012	\$9,256.50
	Herwit Engineering	6-Dec	Job# 2000-02 & 2002-13	7/9/2012	\$1,033.77
	Luhdorff & Scalmanini	27947	Water level Monitoring program	6/30/2012	\$530.50
	Luhdorff & Scalmanini	27949	Well 5A tesing and eval.	6/30/2012	\$11,650.00
	Luhdorff & Scalmanini	27950	CSD Site 7 Well & Pump station	6/30/2012	\$970.00
	Luhdorff & Scalmanini	27952	Servicing for EDU and Willow Booster Pump	6/30/2012	\$2,590.00
	Office Depot	615978000000	Tissue, towel, wiper	7/5/2012	\$24.44
	Office Depot	616898000000	foam tape	7/13/2012	\$11.87
	Pacific Gas & Electric	06/13-07/12/12	06/13-07/12/12	7/12/2012	\$47,179.08
	Paul E. Vaz Trucking, Inc.	20980	Rock for repair of water leaks	7/12/2012	\$600.44
	Paul E. Vaz Trucking, Inc.	20981	Hauling of rock	7/12/2012	\$811.27
	Platt Electrical Supply, Inc.	1678936	Kits to attached fireflies to meters	5/18/2012	\$151.74
	Platt Electrical Supply, Inc.	1678936	Lights bulbs and cables for shop	5/18/2012	\$53.12
	ReliaStar Life Insurance Company	JR52 457(B) JULY2012	Life Ins 07/16/12-07/31/12	7/16/2012	\$226.75
			<b>Water</b>	<b>Sub-Total</b>	<b>\$109,099.82</b>
<b>Wastewater</b>					
	American Retrofit Systems	235	Plant #2 Install outlet	7/9/2012	\$335.00
	American Retrofit Systems	236	Plant #2 AC unit	7/9/2012	\$220.00

Croce & Company	1117381	Audit for 2011/2012	6/30/2012	\$10,392.00
Herwit Engineering	6-Dec	Job# 2000-02 & 2002-13	7/9/2012	\$13,884.75
Herwit Engineering	6-Dec	Job# 2000-02 & 2002-13	7/9/2012	\$6,852.72
Herwit Engineering	6-Dec	Job# 2000-02 & 2002-13	7/9/2012	\$1,550.64
J.W. Backhoe & Construction, Inc.	1702	Plant #2 Installation of drain line	7/10/2012	\$4,200.00
Kleinfelder, Inc.	763278	WWTP Testing & Inspection Solar Dryer	6/11/2012	\$1,075.40
Office Depot	615978000000	Tissue, towel, wiper	7/5/2012	\$36.65
Pacific Gas & Electric	06/13-07/12/12	PGE for 06/12-07/12/12	7/12/2012	\$37,321.61
Platt Electrical Supply, Inc.	1678936	Lights bulbs and cables for shop	5/18/2012	\$79.68
ReliaStar Life Insurance Company	JR52 457(B) JULY2012	Life Ins 07/16/12-07/31/12	7/16/2012	\$12.00
RubberForm Recycled Products, LLC	RF62626	Road Crossing Ramps	6/20/2012	\$2,681.31
Stantec Consulting Services Inc	603722	UV Bioassay Tests	7/9/2012	\$15,863.05
Stantec Consulting Services Inc	605523	WWTP Master Plan	7/13/2012	\$1,442.00
			<b>Wastewater</b>	
			<b>Sub-Total</b>	<b>\$95,946.81</b>
			<b>TOTAL</b>	<b>\$233,380.82</b>

**Request For Authorization To Pay Invoices (RFA)  
 For the Meeting on July 18, 2012  
 Town of Discovery Bay, D.Bay L&L Park #8  
 For Fiscal Year's 7/12 - 6/13**

<u>Vendor Name</u>	<u>Invoice Number</u>	<u>Description</u>	<u>Invoice Date</u>	<u>Amount</u>
Bills Mower and Saw	29114	Chain saw Blower, Pruner	7/5/2012	\$1,465.23
Croce & Company	1117381	Audit for 2011/2012	6/30/2012	\$2,165.00
Odyssey Landscape Co, Inc.	36037397	Tile work at Cornell	6/30/2012	\$840.00
Pacific Gas & Electric	06/13-07/12/12	06/13-07/12/12	7/12/2012	\$6,849.87
Watersavers Irrigation Inc.	I1185639	Clipper Drive	6/27/2012	\$154.74
Watersavers Irrigation Inc.	I1190316	Sprinkler and nozzles	7/9/2012	\$8.70
Watersavers Irrigation Inc.	I1190979	Clipper Drive	7/10/2012	\$332.18
Watersavers Irrigation Inc.	I1191133	Clipper Drive	7/10/2012	\$400.89
Watersavers Irrigation Inc.	I1191133	Clipper Drive	7/10/2012	\$53.52
Watersavers Irrigation Inc.	I1191614	Parts for temp watering facility @ Edgeview f	7/11/2012	\$138.83
Watersavers Irrigation Inc.	I1193909	Clipper Drive	7/16/2012	\$24.36
			<b>Total</b>	<b>\$12,433.32</b>

**Request For Authorization To Pay Invoices (RFA)**  
**For the Meeting on July 18, 2012**  
**Town of Discovery Bay, D.Bay L&L Park #9 (Ravenswood)**  
**For Fiscal Year's 7/12 - 6/13**

<u>Vendor Name</u>	<u>Invoice Number</u>	<u>Description</u>	<u>Invoice Date</u>	<u>Amount</u>
Croce & Company	1117381	Audit for 2011/2012	6/30/2012	\$2,165.00
Pacific Gas & Electric	06/13-07/12/12	06/13-07/12/12	7/12/2012	\$186.38
			<b>Total</b>	<b>\$2,351.38</b>



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

Meeting Date

August 1, 2012

Prepared By: Cameron A. Weist, Weist Law Firm  
Submitted By: Rick Howard, General Manager

### Agenda Title

Adoption of the Town of Discovery Bay CSD Resolution 2012-17 for the Proposed Series 2012 Enterprise Revenue Bonds

### Recommended Action

That the Town of Discovery Bay Community Services District Board of Directors and the Discovery Bay Public Finance Authority Board of Directors: (1) approve and adopt their respective Resolutions and direct staff to work with Bond Counsel, Underwriter and Trustee to proceed with the issuance of not to exceed \$17,000,000.00 principal amount of Discovery Bay Public Financing Authority, Series 2012 Enterprise Revenue Bonds (the "Bonds"); (2) that the Community Services District Board of Directors Adopt Resolution No. 2012-17 Authorizing the issuance of not to exceed \$17,000,000.00 principal amount of Series 2012 Enterprise Revenue Bonds; approving the forms of and authorizing and directing execution and delivery of conveyance agreements, installment sale agreements, purchase contract and continuing disclosure certificate; approving the form of the official statement and the distribution thereof; and providing for other matters properly related thereto; and (3) that the Discovery Bay Public Financing Authority adopt PFA Resolution 2012-02 authorizing the issuance of not to exceed \$17,000,000.00 principal amount of series 2012 Enterprise Revenue Bonds; approving the forms of and authorizing and directing execution and delivery of an indenture, conveyance agreements, installment sale agreements and purchase contract; approving the form of the official statement and the distribution thereof; and providing for other matters properly related thereto.

### Executive Summary

As the Board(s) is/are aware, the Water and Wastewater Master plans identified a number of projects that are necessary to meet current demands and/or provide redundancy (the "Projects"). The CSD Board, at its June 6, 2012 meeting authorized the engagement of a financing team comprised of an Underwriter, Bond Counsel, and Rating agency, necessary to prepare for the issuance of revenue bonds to provide financing (the "Financing") for the Projects. On June 20, 2012 the CSD Board took action to provide for the formation of the Discovery Bay Public Financing Authority (the "Authority"). On July 18, 2012 the Authority held its first organizational meeting, and has done all things legally necessary to conduct business as a California Joint Powers Agency, which includes the issuance of revenue bonds.

As contemplated, and with the intention of providing Financing for the cost of the acquisition and construction of the Projects, it is being proposed that the District and the Authority consider the adoption of the accompany resolutions thereby providing for the issuance of the Bonds.

The Bonds are proposed to be structured as rated tax-exempt municipal bonds in a principal amount of not to exceed \$17,000,000.00, all pursuant to and secured by an Indenture of Trust (the "Indenture"), dated as of August 1, 2012, by and between the District and as the trustee thereto (the "Trustee").

If the Resolutions are approved, the Authority will be authorized to sell the Bonds within certain parameters, and District and Authority staff will be authorized and directed to complete the Bond transaction within those parameters. Approval of both Resolutions is a required prerequisite to accomplishing the issuance of the Bonds, which, if adopted, is expected to occur in mid-August.

### NEED FOR FINANCING

The capital improvements are of a type and nature that have a useful life expectancy of approximately thirty (30) to fifty (50) years. Improvements that have a useful life expectancy of this length of time are typically financed with long term debt that is repaid over a similar time period as the useful life expectancy of the asset. Thus, there is a matching of the utilization of the capital improvement over its useful life with the burden of funding/financing it over its useful life.

Continued...

Staff has determined that the issuance of the Bonds, in the manner and structure herein set forth, provides the needed liquidity to satisfy the Rating Agency, spreads the burden of repayment over several years, and aids in the balancing of future annual budgets by fixing the annual debt service of both the Water Enterprise and Wastewater Enterprise at known manageable levels.

#### FINANCING SUMMARY

The Bonds are being secured through two separate underlying agreements: (i) a Water Project Installment Sale Agreement (the "Water Installment Sale Agreement"), dated as of August 1, 2012, by and between the Authority and the District, pursuant to which the District will make installment payments from its water enterprise operations, sufficient in amount to pay a certain allocable share of the debt service on the Bonds, and (ii) a Wastewater Project Installment Sale Agreement (the "Wastewater Installment Sale Agreement," and together with the Water Installment Sale Agreement, the "Installment Sale Agreements"), dated as of August 1, 2012, by and between the Authority and the District, pursuant to which the District will make installment payments from its wastewater enterprise operations, sufficient in amount to pay a certain allocable share of the debt service on the Bonds.

The obligation of the District to make payments under each of the Installment Sale Agreements is limited solely to Net Revenues consisting generally of all gross income and revenue from the Water Enterprise, and from the Wastewater Enterprise, respectively, less the maintenance and operations costs of the Water Enterprise and the Wastewater Enterprise, respectively.

Each subject resolution being recommended for adoption essentially authorizes and approves the form of all the base legal documents (the "Financing Documents") necessary to provide for the successful issuance of the Bonds. The adoption of each Resolution is necessary for the financing team to move forward with completing the appropriate documentation and credit analysis before entering the market and locking interest rates.

While the Financing Documents are fairly complex, they can be succinctly summarized as follows: the Discovery Bay Public Financing Authority will issue the Bonds, the proceeds of which will be used to provide Financing for the cost of the acquisition and construction of the Projects. The Bonds will be repaid from Water Installment Payments made to the Trustee by the Water Enterprise, and from Wastewater Installment payments made to the Trustee by the Wastewater Enterprise. The proposed Bonds are to be issued as limited obligation bonds (i.e., limited to Net Revenues of the respective Water and Wastewater Enterprises).

Please note that the Financing Documents are being presented to the appropriate CSD Board / PFA Board as form documents, as they cannot be fully completed at this time because certain critical components such as interest rates and annual debt service payments will depend on the state of the bond market at the time the transaction is actually priced (i.e., sold to the Underwriter), which is expected to occur sometime in mid-August. This method of approval is the normal method of approving a bond issue. The individual Financing Documents needed to complete this financing are included as attachments and are each briefly described below:

1. Indenture of Trust: This is an agreement between the Authority and the Trustee (TBD), as the Trustee for the Bonds, which sets out the covenants and specifics of the Bonds, including the flow of funds, establishment and management of funds and accounts, the Authority and Trustee's duties, repayment mechanisms and the Bond owners' rights and remedies.
2. Water Conveyance Agreement: This agreement provides the mechanism of conveying the Water Project to the Authority.
3. Wastewater Conveyance Agreement: This agreement provides the mechanism of conveying the Wastewater Project to the Authority.
4. Water Installment Sale Agreement: This agreement provides for the Authority's sale of the Water Project back to the District in exchange for installment payments commensurate with an allocable share of the debt service on the Bonds. As a source of repayment of the installment payments due from the District under the Water Installment Sale Agreement, the District will pledge the "net revenues" of the District's Water System to repay the installment sale payments. In addition, to insure that the net revenues of the Water System will at all times over the term of the Installment Sale Agreement be sufficient to meet the requirements of the agreement, the District covenants to set rates and charges for the use of the Water System at a level of 125% of the installment payments.
5. Wastewater Installment Sale Agreement: This agreement provides for the Authority's sale of the Wastewater Enterprise back to the District in exchange for installment payments commensurate with an allocable share of the debt service on the Bonds. As a source of repayment of the installment payments due from the District under the Wastewater Installment Sale Agreement, the District will pledge the "net revenues" of the District's Wastewater System to repay the installment sale payments. In addition, to insure that the net revenues of the Wastewater System will at all times over the term of the Installment Sale Agreement be sufficient to meet the requirements of the agreement, the District covenants to set rates and charges for the use of the Wastewater System at a level of 125% of the installment payments.
6. Preliminary Official Statement: To market the Bonds, a preliminary official statement (the "Preliminary Official Statement") has been prepared (by Disclosure Counsel to the District, with the help of the Underwriter and District staff). This document describes the District, the Authority, the financing, the Water System, the Wastewater System, and the Financing Documents. Once the Bond Purchase Contract (described below) is executed, the final pricing detail will be used to fill in the blanks of the Preliminary Official Statement, which will then be used as the basis for the final Official Statement.
7. Bond Purchase Contract: This agreement, by and between the Authority and the Underwriter, provides the terms and conditions for the sale of the Bonds to Kinsell, Newcomb & De Dios, Inc., as the Underwriter of the Bonds, and once signed, locks in the interest rates on the Bonds.

Continued...

8. Continuing Disclosure Certificate: This is an agreement between the District/Authority and the Trustee pursuant to which the District/Authority is obligated to make secondary market disclosure--including the provision of information regarding the fiscal health of both the Water Enterprise and the Wastewater Enterprise, and Financing related information--on an annual basis to comply with federal securities regulations. Please refer to the attached Financing Summary prepared by Kinsell, Newcomb & De Dios, Inc. for detailed estimates as to the analytical financial parameters of the proposed Financing.

**Fiscal Impact:**

Amount Requested – N/A

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

**Previous Relevant Board Actions for This Item**

June 6, 2012, June 20, 2012, July 18, 2012

**Attachments**

Town of Discovery Bay CSD Resolution 2012-17, Discovery Bay Public Financing Authority Resolution 2012-02

**AGENDA ITEM: F-3**



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**RESOLUTION NO. 2012-17**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT  
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$17,000,000.00  
PRINCIPAL AMOUNT OF SERIES 2012 ENTERPRISE REVENUE BONDS;  
APPROVING THE FORMS OF AND AUTHORIZING AND DIRECTING EXECUTION AND DELIVERY  
OF CONVEYANCE AGREEMENTS, INSTALLMENT SALE AGREEMENTS, PURCHASE CONTRACT  
AND CONTINUING DISCLOSURE CERTIFICATE; APPROVING THE FORM OF THE OFFICIAL STATEMENT  
AND THE DISTRIBUTION THEREOF; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO**

**WHEREAS**, the Town of Discovery Bay Community Services District (the "District") and the Byron Bethany Irrigation District (the "Irrigation District") have heretofore entered into a Joint Exercise of Powers Agreement, dated as of July 1, 2012, establishing the Discovery Bay Public Financing Authority (the "Authority") for the purpose of, among other things, providing financing alternatives for public capital improvements within the District; and

**WHEREAS**, the Authority was formed pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of, among other things, making loans, buying securities, purchasing facilities; and providing for lease and installment sale arrangements to assist the District to further its public purposes; and

**WHEREAS**, the District desires to finance the acquisition and construction of (i) certain additions, betterments, extensions and improvements to the District's water system (the "Water Project"), and (ii) certain additions, betterments, extensions and improvements to the District's wastewater system (the "Wastewater Project," and collectively with the Water Project, the "Projects"); and

**WHEREAS**, in order to finance the cost of the acquisition and construction of the Projects (the "Financing"), the District, after due investigation and deliberation, has determined that it is in the public interests of the District at this time to provide for the issuance of approximately \$17,000,000.00 aggregate principal amount of its Discovery Bay Public Financing Authority, Series 2012 Enterprise Revenue Bonds (the "Bonds"); and

**WHEREAS**, for the purpose of providing for the Financing, the District proposes to (i) convey its Water Project to the Authority pursuant to a Water Project Conveyance Agreement (the "Water Conveyance Agreement"), dated as of August 1, 2012, by and between the Authority and the District, and (ii) convey its Wastewater Project to the Authority pursuant to a Wastewater Project Conveyance Agreement (the "Wastewater Conveyance Agreement," and together with the Water Conveyance Agreement, the "Conveyance Agreements"); dated as of August 1, 2012, by and between the Authority and the District; and

**WHEREAS**, for the purpose of providing for the Financing, the Authority has proposed to (i) sell the Water Project back to the District pursuant to a Water Project Installment Sale Agreement (the "Water Installment Sale Agreement"), dated as of August 1, 2012, by and between the Authority and the District, pursuant to which the District will make installment payments from its water enterprise operations, sufficient in amount to pay a certain allocable share of the debt service on the Bonds, and (ii) sell the Wastewater Project back to the District pursuant to a Wastewater Project Installment Sale Agreement (the "Wastewater Installment Sale Agreement," and together with the Water Installment Sale Agreement, the "Installment Sale Agreements"), dated as of August 1, 2012, by and between the Authority and the District, pursuant to which the District will make installment payments from its wastewater enterprise operations, sufficient in amount to pay a certain allocable share of the debt service on the Bonds; and

**WHEREAS**, there has been submitted to this Board a form of preliminary Official Statement (the "Preliminary Official Statement") in connection with the marketing of the Bonds, and this Board, with the aid of its staff, has reviewed the Preliminary Official Statement to assure proper disclosure of all material facts relating to the Bonds that are in the personal knowledge of the Board Members and the District staff; and

WHEREAS, the District desires to approve the sale of the Bonds by the Authority to Kinsell, Newcomb & De Dios, Inc. (the "Underwriter"), all on the terms and conditions herein set forth and as provided in the form of a Bond Purchase Contract (the "Purchase Contract") presented at this meeting and on file with the Secretary; and

WHEREAS, there has been prepared and filed with the Secretary a proposed form of Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5), and this Board hereby finds and determines that it is in the public interest and for the public benefit that the form of Continuing Disclosure Certificate be approved and that certain policy and procedure be established therefore; and

WHEREAS, the Board of Directors, with the aid of its staff, has reviewed the Water Conveyance Agreement, the Wastewater Conveyance Agreement, the Water Installment Sale Agreement, Wastewater Installment Sale Agreement, the Purchase Contract, the Preliminary Official Statement and the Continuing Disclosure Certificate, the forms of which are on file with the Secretary, and the Board wishes at this time to approve the foregoing documents (collectively, the "Bond Documents") in the public interests of the District; and

WHEREAS, the Board wishes at this time to ratify and authorize all proceedings relating to the issuance of the Bonds and the execution and delivery of all agreements and documents relating thereto; and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

**Section 1. Recitals and Findings.** The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above and in the preambles of the documents approved herein are true and correct and that the Financing will result in significant public benefits for the residents of the District of the type described in Government Code Section 6586. The issuance of the Bonds by the Authority is hereby authorized and approved by this Board, and this Board does hereby consent to the application of the proceeds of the Bonds for the purposes contemplated by the District and the Authority, as provided for in the Bond Documents.

**Section 2. Authorized Representatives.** The President, Vice-President, General Manager, Finance Manager, Secretary, and any other person authorized by the Board to act on behalf of the District shall each be an "Authorized Representative" of the District for the purposes of structuring and providing for the issuance of the Bonds; and are hereby authorized, jointly and severally, for and in the name of and on behalf of the District, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the sale of the Bonds (including any documents necessary in connection with bond insurance or other credit enhancement for the bonds or the investment of proceeds of the Bonds), and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board of Directors has approved in this Resolution.

**Section 3. Approval of Water Conveyance Agreement.** The Board hereby authorizes and approves the conveyance of the Water Project by the District to the Authority pursuant to the Water Conveyance Agreement. The Board hereby approves the Water Conveyance Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the final amount of the conveyance price for the Water Project) deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Water Conveyance Agreement for and in the name and on behalf of the District and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Water Conveyance Agreement.

**Section 4. Approval of Wastewater Conveyance Agreement.** The Board hereby authorizes and approves the conveyance of the Wastewater Project by the District to the Authority pursuant to the Wastewater Conveyance Agreement. The Board hereby approves the Wastewater Conveyance Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the final amount of the conveyance price for the Wastewater Project) deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Wastewater Conveyance Agreement for and in the name and on behalf of the District and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Wastewater Conveyance Agreement.

**Section 5. Approval of Water Installment Sale Agreement.** The Board hereby authorizes and approves the purchase of the Water Project back from the Authority pursuant to the Water Installment Sale Agreement. The Board hereby approves the Water Installment Sale Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the final amount of the conveyance price for the Water Project and the final installment payment schedule) deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Water Installment Sale Agreement for and in the name and on behalf of the District and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Water Installment Sale Agreement.

**Section 6. Approval of Wastewater Installment Sale Agreement.** The Board hereby authorizes and approves the purchase of the Wastewater Project back from the Authority pursuant to the Wastewater Installment Sale Agreement. The Board hereby approves the Wastewater Installment Sale Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the final amount of the conveyance price for the Wastewater Project and the final installment payment schedule) deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Wastewater Installment Sale Agreement for and in the name and on behalf of the District and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Wastewater Installment Sale Agreement.

**Section 7. Approval of Preliminary Official Statement.** The form of the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), on file with the Secretary, is approved for distribution by the Underwriter to municipal bond broker-dealers, to banking institutions and to members of the general public who may be interested in purchasing the Bonds. The President, Vice-President or General Manager is authorized to approve changes in the Preliminary Official Statement, from time to time, pending such distribution as shall be required to cause the Preliminary Official Statement to contain any further information necessary to accurately describe the Bonds, the Bond Documents, the Projects, the Utility Systems, the District and the Authority. With respect to the distribution of the Preliminary Official Statement, the President, Vice-President or General Manager is authorized and directed, on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

**Section 8. Approval of Official Statement.** The Official Statement, which shall include such changes and additions thereto deemed advisable by the President, Vice-President or General Manager and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Bonds, and the President, Vice-President or General Manager or a written designee, is authorized and directed to execute the Official Statement for and on behalf of the District and the President, Vice-President or General Manager is authorized and directed to deliver to the Underwriter (i) a certificate with respect to the information set forth therein; and (ii) the Continuing Disclosure Certificate substantially in the form approved at this meeting and appended to the Official Statement.

**Section 9. Sale of Bonds.** The Board hereby authorizes and confirms the sale of the Bonds by the Authority to the Underwriter pursuant to and in accordance with the Purchase Contract in substantially the form on file with the Secretary, together with any changes deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute the final form of the Purchase Contract for and in the name and on behalf of the District, and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Purchase Contract.

**Section 10. Continuing Disclosure Certificate.** The Board hereby approves the Continuing Disclosure Certificate relating to the Bonds, in substantially the form on file with the Secretary, with such revisions, amendments and completions as shall be approved by an Authorized Representative of the District with such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Representative.

**Section 11. Consultants.** The District, for the purposes set forth herein, confirms the appointment of the investment banking firm of Kinsell, Newcomb & De Dios, Inc. as the Underwriter for the Bonds, The Weist Law Firm, as Bond Counsel and Disclosure Counsel for the Bonds, and the Trustee (To be determined) as the Trustee for the Bonds.

**Section 12. Official Action.** All actions heretofore taken by the officers and agents of the District with respect to the issuance of the Bonds are hereby approved, confirmed and ratified. The President, Vice-President or General Manager, Finance Manager, District Counsel, Secretary and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, including requisitions for the payment of costs of issuance of the Bonds, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale, issuance and delivery of the Bonds to the Underwriter in accordance with the Bond Documents approved herein. Whenever in this Resolution any officer of the

District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated and confirmed in a closing certificate by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

**Section 13. Certification.** The Secretary shall certify the adoption of this resolution. Notwithstanding the foregoing, such certification and any of the other duties and responsibilities assigned to the Secretary pursuant to this resolution may be performed by an Assistant Secretary with the same force and effect as if performed by the Secretary hereunder.

**Section 14. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 1st Day of August, 2012.

\_\_\_\_\_  
V. Chris Steele  
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 August 1, 2012, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Richard J. Howard  
Board Secretary

**DISCOVERY BAY PUBLIC FINANCING  
AUTHORITY**

**RESOLUTION NO. PFA 2012-02**

A RESOLUTION OF THE GOVERNING BOARD  
OF THE DISCOVERY BAY PUBLIC FINANCING AUTHORITY  
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$17,000,000.00 PRINCIPAL AMOUNT  
OF SERIES 2012 ENTERPRISE REVENUE BONDS; APPROVING THE FORMS OF  
AND AUTHORIZING AND DIRECTING EXECUTION AND DELIVERY OF AN  
INDENTURE, CONVEYANCE AGREEMENTS, INSTALLMENT SALE AGREEMENTS  
AND PURCHASE CONTRACT; APPROVING THE FORM OF THE OFFICIAL STATEMENT  
AND THE DISTRIBUTION THEREOF; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO

WHEREAS, the Town of Discovery Bay Community Services District (the "District") and the Byron Bethany Irrigation District (the "Irrigation District") have heretofore entered into a Joint Exercise of Powers Agreement, dated as of July 1, 2012, establishing the Discovery Bay Public Financing Authority (the "Authority") for the purpose of, among other things, providing financing alternatives for public capital improvements within the District; and

WHEREAS, the Authority was formed pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of, among other things, making loans, buying securities, purchasing facilities, and providing for installment sale arrangements to assist the District to further its public purposes; and

WHEREAS, the District desires to finance the acquisition and construction of (i) certain additions, betterments, extensions and improvements to the District's water system (the "Water Project"), and (ii) certain additions, betterments, extensions and improvements to the District's wastewater system (the "Wastewater Project," and collectively with the Water Project, the "Projects"); and

WHEREAS, in order to assist the District in the procurement of cost effective financing for the acquisition and construction of the Projects (the "Financing"), the Authority, after due investigation and deliberation, has determined that it is in the public interests at this time to provide for the issuance of not to exceed \$17,000,000.00 aggregate principal amount of its Discovery Bay Public Financing Authority, Series 2012 Enterprise Revenue Bonds (the "Bonds"), all pursuant to and secured by an Indenture of Trust (the "Indenture"), dated as of August 1, 2012, by and between the District and the Trustee (To be determined), as the trustee thereto (the "Trustee"); and

WHEREAS, as a necessary prerequisite to the arrangement of the Financing, the District has proposed to (i) convey its Water Project to the Authority pursuant to a Water Project Conveyance Agreement (the "Water Conveyance Agreement"), dated as of August 1, 2012, by and between the Authority and the District, and (ii) convey its Wastewater Project to the Authority pursuant to a Wastewater Project Conveyance Agreement (the "Wastewater Conveyance Agreement", and together with the Water Conveyance Agreement, the "Conveyance Agreements"), dated as of August 2, 2012, by and between the Authority and the District; and

WHEREAS, for the purpose of providing for the Financing, the Authority has proposed to (i) sell the Water Project back to the District pursuant to a Water Project Installment Sale Agreement (the "Water Installment Sale Agreement"), dated as of August 1, 2012, by and between the Authority and the District, pursuant to which the District will make installment payments from its water enterprise operations, sufficient in amount to pay a certain allocable share of the debt service on the Bonds; and (ii) sell the Wastewater Project back to the District pursuant to a Wastewater Project Installment Sale Agreement (the "Wastewater Installment Sale Agreement," and together with the Water Installment Sale Agreement, the "Installment Sale Agreements"), dated as of August 1, 2012, by and between the Authority and the District, pursuant to which the District will make installment payments from its wastewater enterprise operations, sufficient in amount to pay a certain allocable share of the debt service on the Bonds; and

WHEREAS, there has been submitted to this Board a form of preliminary Official Statement (the "Preliminary Official Statement") in connection with the marketing of the Bonds, and this Board, with the aid of its staff, has reviewed the preliminary Official Statement to assure proper disclosure of all material facts relating to the Bonds that are in the personal knowledge of the Board Members and the Authority staff; and

WHEREAS, the Authority proposes to sell the Bonds to Kinsell, Newcomb & De Dios, Inc. (the "Underwriter"), all on the terms and conditions herein set forth and as provided in the form of a Bond Purchase Contract (the "Purchase Contract") presented at this meeting and on file with the Secretary; and

WHEREAS, there has been prepared and filed with the Secretary a proposed form of Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5); and this Board hereby finds and determines that it is in the public interest and for the public benefit that the form of Continuing Disclosure Certificate be approved and that certain policy and procedure be established therefore; and

WHEREAS, the Board, with the aid of its staff, has reviewed the Indenture, the Conveyance Agreements, the Installment Sale Agreements, the Preliminary Official Statement, the Continuing Disclosure Certificate and the Purchase Contract, and the Authority wishes at this time to approve the foregoing documents (collectively, the "Bond Documents") in the public interests of the District and the Authority; and

WHEREAS, the Board wishes at this time to ratify and authorize all proceedings relating to the Bonds, and the execution and delivery of all agreements and documents relating thereto; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Discovery Bay Public Financing Authority, as follows:

**Section 1. Recitals and Findings.** The Board hereby specifically finds and declares that each of the statements, findings and determinations of the Authority set forth in the recitals set forth above and in the preambles of the Bond Documents approved herein are true and correct and that the Financing will result in significant public benefits of the type described in Government Code Section 6586. The issuance of the Bonds by the Authority is hereby approved by this Board, and this Board does hereby consent to the application of the proceeds of the Bonds for the purposes contemplated by the District and the Authority, as provided for in the Bond Documents.

**Section 2. Authorized Representatives.** The Chairperson, Vice-Chairperson, Executive Director, Treasurer, Secretary, and any other person authorized by the Board to act on behalf of the Authority, shall each be an "Authorized Representative" of the Authority for the purposes of structuring and providing for the issuance of the Bonds, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the Authority, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the sale of the Bonds (including any documents necessary in connection with bond insurance or other credit enhancement for the bonds or the investment of proceeds of the Bonds), and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion; to effectuate the actions which the Board has approved in this Resolution.

**Section 3. Approval of Indenture.** The Board hereby approves the Indenture in substantially the form thereof on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Representatives, upon advice of the Authority's Bond Counsel, including, without limitation, the insertion of the final principal amount and annual maturity amounts of the Bonds, and the final interest rates to be borne by the Bonds, as set forth in the executed Purchase Contract. Execution of the Indenture shall be deemed conclusive evidence of the Authority's approval of such additions or changes. The Authorized Representatives are hereby authorized and directed to execute, attest and affix the seal of the Authority to the Indenture for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Indenture.

**Section 4. Approval of Water Conveyance Agreement.** The Board hereby authorizes and approves the purchase of the Water Project by the Authority from the District pursuant to the Water Conveyance Agreement. The Board hereby approves the Water Conveyance Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the final amount of the sale price for the Water Project) deemed necessary or advisable by an Authorized Representative of the Authority. Any Authorized Representative of the Authority is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of the Water Conveyance Agreement for and in the name and on behalf of the Authority and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Water Conveyance Agreement.

**Section 5. Approval of Wastewater Conveyance Agreement.** The Board hereby authorizes and approves the purchase of the Wastewater Project by the Authority from the District pursuant to the Wastewater Conveyance Agreement. The Board hereby approves the Wastewater Conveyance Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the final amount of the sale price for the Wastewater Project) deemed necessary or advisable by an Authorized Representative of the Authority. Any Authorized Representative of the Authority is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of the Wastewater Conveyance Agreement for and in the name and on behalf of the Authority and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Wastewater Conveyance Agreement.

**Section 6. Approval of Water Installment Sale Agreement.** The Board hereby authorizes and approves the sale of the Water Project back to the District pursuant to the Water Installment Sale Agreement. The Board hereby approves the Water Installment Sale Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the final amount of the sale price for the Water Project and the final installment payment

schedule) deemed necessary or advisable by an Authorized Representative of the Authority. Any Authorized Representative of the Authority is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to; the final form of the Water Installment Sale Agreement for and in the name and on behalf of the Authority and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Water Installment Sale Agreement.

**Section 7. Approval of Wastewater Installment Sale Agreement.** The Board hereby authorizes and approves the sale of the Wastewater Project back to the District pursuant to the Wastewater Installment Sale Agreement. The Board hereby approves the Wastewater Installment Sale Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the final amount of the sale price for the Wastewater Project and the final installment payment schedule) deemed necessary or advisable by an Authorized Representative of the Authority. Any Authorized Representative of the Authority is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to; the final form of the Wastewater Installment Sale Agreement for and in the name and on behalf of the Authority and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Wastewater Installment Sale Agreement.

**Section 8. Approval of Preliminary Official Statement.** The form of the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), on file with the Secretary, is approved for distribution by the Underwriter to municipal bond broker-dealers, to banking institutions and to members of the general public who may be interested in purchasing the Bonds. The Chairman, Executive Director or Treasurer is authorized to approve changes in the Preliminary Official Statement, from time to time, pending such distribution as shall be required to cause the Preliminary Official Statement to contain any further information necessary to accurately describe the Bonds, the Bond Documents, the Project, the Utility Systems, the District and the Authority. With respect to the distribution of the Preliminary Official Statement, the Chairman, Executive Director or Treasurer of the Authority is authorized and directed, on behalf of the Authority, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

**Section 9. Approval of Official Statement.** The Official Statement, which shall include such changes and additions thereto deemed advisable by the Chairperson, Vice-Chairperson, Executive Director or Treasurer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Bonds, and the Chairperson, Vice-Chairperson, Executive Director or Treasurer, or a written designee, is authorized and directed to execute the Official Statement for and on behalf of the Authority and the Chairperson, Vice-Chairperson, Executive Director or Treasurer is authorized and directed to deliver to the Underwriter of the Bonds (i) a certificate with respect to the information set forth therein, and (ii) Continuing Disclosure Agreement substantially in the form approved at this meeting and appended to the Official Statement.

**Section 10. Sale of Bonds.** The Board hereby approves the sale of the Bonds to the Underwriter pursuant to and in accordance with the Purchase Contract in substantially the form on file with the Secretary together with any additions thereto or changes therein approved by either the Chairperson, Vice-Chairperson, Executive Director or Treasurer of the Authority, whose execution thereof shall be conclusive evidence of such approval. The Board hereby delegates and directs the Chairperson, the Vice-Chairperson, the Executive Director or the Treasurer, the authorization to accept, for and in the name and on behalf of the Authority, an offer from the Underwriter to purchase the Bonds from the Authority and to execute the Purchase Contract; provided, however, that the stated average annual interest rate payable with respect to the Bonds shall not exceed five percent (5%) per annum and the Underwriter's discount for the purchase of Bonds shall not be more than one percent (1%) of the par amount thereof.

**Section 11. Continuing Disclosure Certificate.** The Board hereby approves the Continuing Disclosure Certificate relating to the Bonds, in substantially the form on file with the Secretary, with such revisions, amendments and completions as shall be approved by an Authorized Representative of the Authority, such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Representative.

**Section 12. Appointment of Trustee.** The Authority, for the purposes set forth herein, appoints and employs the Trustee (To be determined) as the Trustee for the Bonds. The fees of the Trustee shall be set forth in a consulting agreement, and shall be contingent upon the successful issuance of the Bonds by the Authority.

**Section 13. Official Action.** All actions heretofore taken by the officers and agents of the Authority with respect to the issuance of the Bonds are hereby approved, confirmed and ratified. The Chairperson, Vice-Chairperson, Executive Director, Treasurer, General Counsel, Secretary and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, including requisitions for the payment of costs of issuance of the Bonds, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale, issuance and delivery of the Bonds to the Underwriter in accordance with the Bond Documents approved herein. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated and confirmed in a closing certificate by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

**Section 14. Secretary Certification.** The Secretary of the Authority shall certify the adoption of this resolution. Notwithstanding the foregoing, such certification and any of the other duties and responsibilities assigned to the Secretary pursuant to this resolution may be performed by an Assistant Secretary with the same force and effect as if performed by the Secretary hereunder.

**Section 15. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**THE FOREGOING RESOLUTION WAS PASSED AND ADOPTED** by the members of the Discovery Bay Public Financing Authority at its meeting held on August 1, 2012, by the following roll call vote:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

V. Chris Steele, Chairperson of the Discovery Bay  
Public Financing Authority

Richard J. Howard, Secretary of the Discovery Bay  
Public Financing Authority



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

Meeting Date

August 1, 2012

Prepared By: Daniel J. Schroeder, Counsel  
Submitted By: Rick Howard, General Manager

### Agenda Title

Approval of First Amendment to Employment Contract with General Manager

### Recommended Action

That the Board of Directors approve the First Amendment to the Employment Contract with the General Manager

### Executive Summary

On May 19, 2010, the Town of Discovery Bay Community Services District ("District") entered into an Employment Contract ("Contract") with its new General Manager, Rick Howard. The proposed amendment ("Amendment") to the Contract will amend the following terms:

Section 3A: Change Mr. Howard's annual salary from \$118,500.00 to \$126,202.50.

Section 7A: Provide Mr. Howard with any disability, health and/or life insurance available to District employees.

Section 11B: Replace the vehicle allowance of \$350.00 per month with providing Mr. Howard with a District vehicle to use for District business and allow him to commute to and from work using the vehicle.

The effective date of the proposed Amendment is July 1, 2012.

### Fiscal Impact:

Included in the FY 2012-13 Budget and pursuant to the Amended Contract  
(\$3,502.50)

### Previous Relevant Board Actions for This Item

### Attachments

First Amendment to Employment Contract between Richard J. Howard and the Town of Discovery Bay Community Services District

AGENDA ITEM: F-4

**FIRST AMENDMENT TO  
EMPLOYMENT CONTRACT BETWEEN RICHARD J. HOWARD AND  
THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

WHEREAS, this First Amendment to the Employment Contract between Richard J. Howard ("Employee") and Town of Discovery Bay Community Services District, a community services district organized under the laws of the State of California ("Employer"), dated May 19, 2010 ("Contract") is entered into this 1<sup>st</sup> day of August, 2012;

WHEREAS, the Employer and the Employee desire to increase the Employee's compensation; and

WHEREAS, the Employer desires to replace the current car allowance provided to Employee and instead provide the Employee with a vehicle for work use and for his commute to and from work and for ancillary use; and

WHEREAS, the Employer when it initially employed Employee did not provide any disability, health and/or life insurance to any of the District's employees; and

WHEREAS, the Employer has since established a policy to provide certain health benefits to District employees and providing them to Employee; and

WHEREAS, the Employer wants to amend the Contract to reflect the aforementioned changes;

NOW, THEREFORE, BE IT RESOLVED, that the Contract is amended as follows:

1. Section 3.A of the contract, as amended, is deleted, and is replaced with the following:

**"SECTION 3. SALARY**

A. Employer agrees to pay Employee for his duties as General Manager a base annual salary of ONE HUNDRED TWENTY-SIX THOUSAND TWO HUNDRED TWO DOLLARS AND FIFTY CENTS (\$126,202.50) payable via California Payroll, bi-monthly, twenty six (26) pay periods per year in the amount of FOUR THOUSAND EIGHT HUNDRED FIFTY-THREE DOLLARS AND NINETY-FOUR CENTS, subject to the usual and normal withholdings.

2. Section 7.A of the contract, as amended, is deleted, and is replaced with the following:

**"SECTION 7. DISABILITY, HEALTH AND LIFE INSURANCE**

A. Employer will provide Employee with any disability, health and/or life insurance as available to all District employees under the current District

policy, which may be amended from time to time, at the discretion of the Board.

3. Section 11.B of the contract, as amended is deleted, and is replaced with the following:

"SECTION 11. REIMBURSEMENT EXPENSES AND VEHICLE

B. Employer will provide Employee with a vehicle for work use and for commuting to and from work.

4. This Amendment is effective July 1, 2012.

Except as set forth above, each and every provision of the Agreement between the parties shall remain in full force and effect.

**EMPLOYER**

**EMPLOYEE**

TOWN OF DISCOVERY BAY COMMUNITY  
SERVICES DISTRICT

By

\_\_\_\_\_  
V. Chris Steele, President

\_\_\_\_\_  
Richard J. Howard



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

Meeting Date

August 1, 2012

Prepared By: Rick Howard, General Manager  
Submitted By: Rick Howard, General Manager

### Agenda Title

Purchase of 2012 Ford Escape

### Recommended Action

Approve the purchase of one (1) Ford Escape and authorize the General Manager to execute all purchase documents between the Town of Discovery Bay CSD and Bill Brandt Ford in the amount of \$23,575.00 plus tax and fees

### Executive Summary

The District owns and maintains a small fleet of vehicles for day-to-day use for its field employees.

As a part of the General Manager's contract amendment authorized earlier in this agenda, the Board approved the purchase of a vehicle for the business use of the General Manager. Previously, the General Manager had received an auto allowance of \$350 monthly. The General Manager's contract amendment calls for the elimination of the auto allowance and replacing that with a District vehicle.

Staff solicited four (4) bids for the purchase of the vehicle. As the vehicle is a 2012 model year and not a 2013 model year, one (1) dealer was unable to bid based on the dwindling supply of remaining 2012 model year units (2013 models have undergone a body style change and they are at dealers now).

The dealers asked to submit bids include Big Valley Ford in Stockton (Did not submit a bid); Diablo Ford in Pittsburg (\$24,001.77); Bill Brandt Ford in Brentwood (\$23,575.00); and Walnut Creek Ford in Walnut Creek (\$23,648.00).

The budget does not need to be amended to make this purchase as funds are available.

### Fiscal Impact:

Amount Requested \$23,575.00 plus Tax and applicable fees.

Sufficient Budgeted Funds Available?: YES (If no, see attached fiscal analysis) In Operating Budget

### Previous Relevant Board Actions for This Item

Adoption of 2012-13 Operating and Capital Budget

### Attachments

Dealer Bids

AGENDA ITEM: F-5

Attn:  
Rick Howard



8100 Brentwood Blvd. • Brentwood, CA 94513

Blue Oval Certified

Bus: (925) 634-3551  
Fax: (925) 634-1298  
Res: (925) 634-0366  
Cell: (925) 519-9403

J-brand1@dealeremail.com  
www.billbrandtford.com

Bill Brandt  
Vice President

AGENDA ITEM - F-5

Vehicle Description

**ESCAPE** 2012 XLT FWD  
2.5L I4 ENGINE  
6-SPEED AUTO TRANSMISSION

**Exterior**  
WHITE SUEDE  
**Interior**  
CAMEL PREMIUM LEATHER-TRIM BUG

Standard Equipment INCLUDED AT NO EXTRA CHARGE

**EXTERIOR**

- . 16" ALUMINUM WHEELS
- . AUTO HEADLAMPS
- . GRILLE - 3-BAR, CHROME
- . FOG LAMPS
- . MANUAL FOLD POWER MIRRORS
- . BLIND SPOT MIRRORS

**INTERIOR**

- . POWER DRIV SEAT - 6-WAY
- . LEATHER WRAPPED STR WHEEL
- . W/CRUISE AND AUDIO CONTR
- . SIRIUS SAT SVC N/A AK&HI
- . PREM CLOTH BCKT FRT SEATS
- . TIP FOLD FLAT REAR SEAT

**FUNCTIONAL**

- . EASYFUEL CAPLESS FILLER
- . 1-TOUCH DOWN DRIVER WINDOW
- . AM/FM CD/MP3/SAT CAPABL
- . W/ AUD INPUT JACK
- . ELECTROCHROMIC MIRROR
- . REMOTE KEYLESS ENTRY
- . POWER LOCKS, WINDOWS AND MIRRORS
- . ELECTRONIC PWR ASST STEER

**SAFETY/SECURITY**

- . SECURICODE KEYLESS K
- . 4-WHEEL ABS
- . ADVANCETRAC WITH RSC
- . ILLUMINATED ENTRY
- . AIRBAGS - SAFETY CANO
- . SECURILOCK PASS ANTI
- . AIRBAGS - SIDE AIR CURT
- . DRIVER/PASSENGER AIR

**WARRANTY**

- . 3YR/36,000 BUMPER / BUN
- . 5YR/60,000 POWERTRAIN
- . 5YR/60,000 ROADSIDE AS

Price Information

Included on this Vehicle  
EQUIPMENT GROUP 203A  
SUN & SYNC VALUE PKG  
POWER MOONROOF WITH SHADE  
SYNC VOICE ACTIVATED SYSTEMS  
SYNC EQUIPMENT GROUP  
CARGO PACKAGE  
LOCKABLE HIDDEN WET TRUNK  
RETRACTABLE CARGO COVER  
HORIZONTAL CROSS BARS  
LEATHER COMFORT PACKAGE  
AMBIENT LIGHTING

HEATED FRONT SEATS

2,470

Optional Equipment

2012 MODEL YEAR  
WHITE SUEDE  
CAMEL LTHR-TRIM SEATS  
2.5L I4 ENGINE  
6-SPEED AUTO TRANSMISSION  
.P235/70R16 A/S BSW TIRES  
FRONT LICENSE PLATE BRACKET  
CALIFORNIA EMISSIONS SYSTEM

BASE PRICE

TOTAL VEHICLE & OPTIONS  
DESTINATION & DELIVERY  
TOTAL BEFORE DISCOUNTS  
RAPID SPEC SAVINGS

TOTAL MSRP 28,165.

Disclaimer: Option pricing will be blank  
item that is priced as 0 or "No Charge".



Estimated Annual  
Fuel Cost: \$ 2,414

CITY MPG  
021  
HIGHWAY MPG  
028

Vehicle Engine Information

Actual mileage will vary with options, driving conditions, driving habits and vehicle's condition. Resu reported to EPA indicate that the majority of vehicles with these estimates will achieve between 17 25 mpg in the city and between 23 and \_\_\_ mpg on the highway.  
For Comparison Shopping all vehicles classified as \_\_\_ have been issued mileage ratings from \_\_\_ t city and \_\_\_ to \_\_\_ mpg highway.

26,075. - Sale  
price  
- 2,500. - Rebate

23,575 plus  
TAX + FEES

KAN-001135 CA

9-NORMAL, NB, 201135, CC282

7198

120120404 6127

CA

1FMUCUD7Z CKC68101 NB



Drive one.  
ford.com

VEHICLE DESCRIPTION

**ESCAPE**

2012 ESCAPE XLT AUTO RWD  
103" WHEELBASE  
2.5L I4 ENGINE  
6-SPEED AUTO TRANSMISSION

**CK C68101**

EXTERIOR SUEDE  
INTERIOR  
CAMEL LTHR-TRIM SEATS

STANDARD EQUIPMENT INCLUDED AT NO. EXTRA CHARGE

- EXTERIOR:**
- 16" ALUMINUM WHEELS
  - AUTO HEADLAMPS
  - GRILLE-3BAR, CHROME
  - FOG LAMPS
  - 16" WHEELS
  - BLIND SPOT MIRRORS

- INTERIOR:**
- POWER DRIV SEAT - 6WAY
  - LEATHER WRAPPED STR WHEEL
  - W/CRUISE AND AUDIO CONTR
  - SIRIUS SAT SVC I/A AK&H
  - PREM CLOTH BOGT FRT SEATS
  - TIP FOLD FLAT REAR SEAT

- FUNCTIONAL:**
- EASY FUEL COUPLER FILLER
  - TOUCH POINT DRIVER WINDOW
  - AWAY COVERS, CAPABLE
  - W/ AUD INLET JACK
  - ELECTROCHROMIC MIRROR
  - REMOTE KEYLESS ENTRY
  - SECURELOCK PASS ANT THEFT
  - ORRANGS - SIDE AIR CURTAIN
  - DRIVER/PASSENGER AIR BAGS

- SAFETY/SECURITY:**
- SECURITYCODE KEYLESS KEYPAD
  - 4-WHEELABS
  - ADVANCETRAC WITH RSC
  - ILLUMINATED ENTRY
  - AIRBAGS - SAFETY CANOPY
  - SECURELOCK PASS ANT THEFT
  - ORRANGS - SIDE AIR CURTAIN
  - DRIVER/PASSENGER AIR BAGS

- WARRANTY:**
- 5YR/60,000 BUMPER TO BUMPER
  - 5YR/60,000 POWERTRAIN
  - 5YR/60,000 ROADSIDE ASSIST

INCLUDED ON THIS VEHICLE (MSRP)

- EQUIPMENT GROUP 203A** 2,470.00
- SUN & SYNC VALUE PKG
  - POWER MOONROOF WITH SHADE
  - SYNC VOICE ACTIVATED SYSTEMS
  - SYNC EQUIPMENT GROUP
  - CARGO PACKAGE
  - LOCKABLE HIDDEN WET TRUNK
  - RETRACTABLE CROSS BARS
  - LEATHER COMFORT PACKAGE
  - AMBIENT LIGHTING
  - HEATED FRONT SEATS

- OPTIONAL EQUIPMENT:**
- FRONT LICENSE PLATE BRACKET
  - CALIFORNIA EMISSIONS SYSTEM

PRICE INFORMATION (MSRP)

BASE PRICE \$24,870.00

TOTAL OPTIONS 2,470.00

TOTAL VEHICLE & OPTIONS DESTINATION & DELIVERY 27,340.00

TOTAL BEFORE DISCOUNTS 28,185.00

EQUIPMENT GROUP SAVINGS - 485.00

**EPA Fuel Economy Estimates**

CITY MPG

**21**

Expected range for most drivers 17 to 25 MPG

HIGHWAY MPG

**28**

Expected range for most drivers 23 to 33 MPG

Combined Fuel Economy

This Vehicle

**23**

All SUVs

See the **FREE** Fuel Economy Guide at dealers or [www.fueleconomy.gov](http://www.fueleconomy.gov)

**GOVERNMENT 5-STAR SAFETY RATINGS**

Overall Vehicle Score ★★ ★

Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Crash

Driver ★★ ★

Passenger ★★ ★

Based on the risk of injury in a frontal impact. Should ONLY be compared to other vehicles of similar size and weight.

Side Crash

Front seat ★★ ★

Rear seat ★★ ★

Based on the risk of injury in a side impact.

Rollover

★★ ★

Based on the risk of rollover in a single-vehicle crash.

Star ratings range from 1 to 5 stars '★★★★★' with 5 being the highest. Source: National Highway Traffic Safety Administration (NHTSA). [www.safercar.gov](http://www.safercar.gov) or 1-888-327-4236



Drive quality.



Drive green.



Drive safe.



Drive smart.



1FMUCUD7ZCKC68101

Extended Service Plan information. Ford Credit: [www.fordcredit.com](http://www.fordcredit.com)

07/24/2012 www.d2d.dealerconnection.com

1201204046127



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

Meeting Date

August 1, 2012

Prepared By: Rick Howard, General Manager  
Submitted By: Rick Howard, General Manager

### Agenda Title

Public Hearing to Consider the Town of Discovery Bay CSD Water & Wastewater Service Charges Report for the Fiscal Year 2012-2013; continue Collection of the charges on the County Tax Roll and adoption of Resolution No. 2012-19

### Recommended Action

Approve and Adopt Resolution No. 2012-19 to continue the Established Charges for Water and Wastewater Service and Continuing Collection of the service charges on the Contra Costa County Tax Roll for the Fiscal Year 2012-13

### Executive Summary

Each year, as a part of the District's budgetary process, it is necessary to review water and wastewater rates in order to ensure revenues match expenditures. After a lengthy budget review process including four (4) meetings conducted by the Budget Review Committee, one (1) Budget Workshop with the Board of Directors, and one (1) Budget hearing, the FY 2012-13 Operating and CIP Budget was adopted by the Board of Directors on June 20, 2012.

Hornberger Engineering was authorized at the May 18, 2011 Board meeting to conduct a rate study for the two (2) year period beginning on July 1, 2011 and ending June 30, 2013. On June 1, 2011 Mr. Hornberger presented his findings to the Board. Those findings resulted in a proposed blended service rate increase of 22.0% for FY 2011-12 and 13.6% for FY 2012-13. As illustrated in Tables 1-3 in the Water and Wastewater Rate Study, an increase of 27.4% in FY 2011-12 and 27.8% in FY 2012-13 over prior year rates was proposed for water service fees.

After a series of Board deliberations and discussions, the Board took action by Adopting Resolution No. 2011-13 to moderate the proposed rate increases and successfully cut 5% from the FY 2011-12 rates. Resolution No. 2011-13 also provided for the rate structure for FY 2012-13. Fiscal Year 2012-13 blended rates will increase 18.4%. As a result of the rate increases approved by the Board at the August 3, 2011 public hearing, the average homeowner in Discovery Bay with a 5,000-10,000 square foot parcel will see an increase of \$181.56 this fiscal year as illustrated on the Town of Discovery Bay CSD Overall Rate Increase worksheet that is attached.

Pursuant to Proposition 218 approved by voters in 1996, each year that the District finds it necessary to increase utility rates that exceed the Consumer Price Index (CPI), a rate study and a public hearing must take place. The current CPI is 2.5%. For the rate increase for the two (2) year period, notices were mailed to all Discovery Bay property owners pursuant to Government Code §53755 on June 10, 2011. At the Public Hearing on August 3, 2011 there were a total of 157 confirmed letters of protest received of the 5,025 notices mailed. A copy of this notice is also attached.

Adoption of Resolution 2012-19 imposes the service charges and also approves the filing of the attached Notice of Exemption.

Continued...

### Fiscal Impact:

Amount Requested \$

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

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

**Previous Relevant Board Actions for This Item**

Presentation by Hornberger Engineering on June 1, 2011

Budget Workshop Meeting – June 8, 2011

Adoption of the FY 2011-12 Operating and Capital Improvement Program Budget on June 15, 2011

Adoption of Resolution 2011-13 Establishing Charges for Water and Wastewater Service and Continuing Collection of the service charges on the Contra Costa County Tax Roll for the Fiscal Years 2011-12 and 2012-13, respectively.

Adoption of the FY 2012-13 Operating and Capital Improvement Program Budget on June 20, 2012

**Attachments**

1. Prop 218 Required Public Notice
2. Rate Study Prepared by Hornberger Engineering – June 2011
3. Town of Discovery Bay CSD – Overall Rate Increase excel worksheet by Parcel Size for FY 2012-13
4. Resolution No. 2011-13 Establishing Charges for Water and Wastewater Service and Continuing Collection of the service charges on the Contra Costa County Tax Roll for the Fiscal Years 2011-12 and 2012-13
5. Resolution 2012-19
6. Notice of Exemption

**AGENDA ITEM: G-1**

NOTICE OF PUBLIC HEARING  
WATER & WASTEWATER SERVICES  
PROPOSED RATE INCREASE

FY 2011/2012 and 2012/2013

WEDNESDAY,

AUGUST 3, 2011 at 7:00p.m.

TOWN OF DISCOVERY BAY  
COMMUNITY

SERVICES DISTRICT

1800 Willow Lake Road

(925) 634-1131

Compliance with Proposition 218

In 1996, California voters approved Proposition 218, which amended the state constitution as it relates to the passage of property related fees. This requires that local governments follow a strictly defined process when setting fees. The District must 1) inform property owners that a proposed rate increase is being considered, 2) clearly demonstrate the basis on which these fees are calculated (the rate study), and 3) hold a public hearing at least 45 days after notice where the District hears all protests to the rate increase. Water & Wastewater rates are subject to "majority protest" meaning they cannot be passed if a majority of property owners impacted by the rate change submit written protests opposing the increase.

Concerns, Please Contact Us

If you have any questions or comments about the proposed rate increases or wish to protest, you may:

Address the Board: Attend the Public Hearing on Wednesday, August 3, 2011.

Write: Written protests against the proposed rate change have to identify the address, or the parcel number of the impacted property, and include the signature(s) of the property owner(s). If the District receives written protests against the proposed water & wastewater rates by a majority of the affected property owners prior to the end of the hearing, the Board will not approve the change. Only one protest of each property will be counted.

When will the changes take place?

If approved, the rate changes would start for the fiscal year 2011/2012.

Rate Study

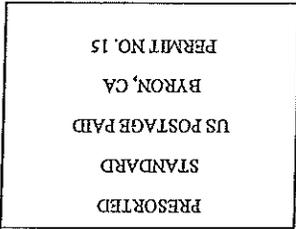
The District has contracted with Hornberger Engineering who prepared a rate review study report. This report has been filed with the District's Secretary and forecasts what the District plans to spend during the next two (2) years on operating expenses and system improvements in order to continue to provide and maintain the water and wastewater services to our customers. The data in the report is then compared to our water & wastewater revenue for the next two (2) years and used to develop future rates. Copies of the rate study are available at the district office at 1800 Willow Lake Road, Discovery Bay, CA 94505 and on our website at [www.todbc.gov](http://www.todbc.gov).

Basis of Proposed Rates

Rates are proposed to increase due to a number of factors, including, but not limited to the following:

- Increased costs associated with a new five (5) year contract to operate and maintain our water and wastewater facilities;
- Existing capacity requirements for our wastewater facilities;
- Increasing costs of fuel and electricity;
- Implementation of a long-term capital replacement reserve account; and an aging infrastructure requiring increased maintenance.
- State requirement to study salinity in our wastewater.

In summary, increased operating expenses, additional capital improvements; and maintaining an aging infrastructure were the primary considerations in development of the current proposed rate study. It is important to note that the proposed increases in rates are not designed to accommodate residential growth.



TOWN OF DISCOVERY BAY CSD

1800 Willow Lake Road

Discovery Bay, CA 94505



TO:

In order to allow for public input and comment, the Board of Directors of the Town of Discovery Bay Community Services District at their August 3, 2011 meeting at 7:00p.m. will hold a public hearing to consider adoption of Resolution No. 2011-13, increasing fees for water and sewer. The meeting location is at the District office at 1800 Willow Lake Road behind the Delta Community Presbyterian Church.

THE PROPOSED WATER & WASTEWATER RATES SHOWN IN TABLE 1 & TABLE 2 BELOW REPRESENT AN OVERALL INCREASE OF 22% IN THE FISCAL YEAR 2011/12 AND 13.6% IN THE FISCAL YEAR 2012/13.

<b>Table 1 - WATER</b>	<b>Existing FY 2010/11</b>		<b>Proposed FY 2011/12</b>		<b>Proposed FY 2012/13</b>	
<b>Residential Unmetered</b>	Monthly (\$/month/DU)	Yearly (\$/year/DU)	Monthly (\$/month/DU)	Yearly (\$/year/DU)	Monthly (\$/month/DU)	Yearly (\$/year/DU)
Parcel Size (Square Feet/DU)						
Multiple Family/Condo - No Irrigation			\$15.52	\$186.24	\$20.32	\$243.84
Under 5,000	\$18.75	\$225.00	\$23.80	\$285.60	\$30.92	\$371.04
5,000 - 10,000	\$23.77	\$285.24	\$30.15	\$361.80	\$39.05	\$468.60
10,001 - 15,000	\$28.79	\$345.48	\$36.50	\$438.00	\$47.17	\$566.04
Over 15,000,	\$28.79	\$345.48	\$36.50	\$438.00	\$47.17	\$566.04
Plus Each Additional 1,000	\$1.67	\$20.04	\$2.12	\$25.44	\$2.71	\$32.52
<b>WATER All Metered</b>	Monthly (\$/month)	Use (\$/ccf)	Monthly (\$/month)	Use (\$/ccf)	Monthly (\$/month)	Use (\$/ccf)
Nonirrigation Account Charge:						
5/8" Inch Meter	\$5.49		\$7.07		\$8.95	
1 Inch Meter	\$5.74		\$7.37		\$9.25	
1 1/2 Inch Meter	\$5.98		\$7.66		\$9.56	
2 Inch Meter	\$6.66		\$8.48		\$10.41	
3 Inch Meter	\$11.61		\$14.46		\$16.63	
4 Inch Meter	\$13.45		\$16.68		\$18.93	
6 Inch Meter	\$17.73		\$21.86		\$24.30	
Irrigation Account Charge:						
5/8" Inch Meter	\$1.80		\$2.32		\$2.41	
1 Inch Meter	\$2.05		\$2.61		\$2.72	
1 1/2 Inch Meter	\$2.29		\$2.91		\$3.02	
2 Inch Meter	\$2.97		\$3.72		\$3.87	
3 Inch Meter	\$7.92		\$9.71		\$10.90	
4 Inch Meter	\$9.76		\$11.93		\$12.39	
6 Inch Meter	\$14.04		\$17.10		\$17.76	
Metered Usage Charge:						
All Usage		\$0.803		\$1.104		\$1.413
<b>Table 2 - WASTEWATER</b>	<b>Existing FY 2010/11</b>		<b>Proposed FY 2011/12</b>		<b>Proposed FY 2012/13</b>	
<b>Residential Unmetered</b>	Monthly (\$/month)	Yearly (\$/year)	Monthly (\$/month)	Yearly (\$/year)	Monthly (\$/month)	Yearly (\$/year)
Single Family - Each DU	\$44.38	\$532.56	\$53.02	\$636.24	\$55.78	\$669.36
Multiple Family/Condos - Each DU	\$33.29	\$399.48	\$39.76	\$477.12	\$41.83	\$501.96
<b>Nonresidential Metered</b>	Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)	
Business/Government/Clubs	\$3.082		\$3.682		\$3.874	
Restaurants/Bars/Dining Facilities	\$9.048		\$10.783		\$11.344	
Schools	\$2.773		\$3.314		\$3.487	
Other Domestic Strength Users	\$3.082		\$3.682		\$3.874	

DU = Dwelling Unit

ccf = 100 cubic feet = 748 gallons

The charges above are based on the "Water & Wastewater Rate Study" prepared by Hornberger Engineering for the District.

Water and wastewater rates comply with Proposition 218 and the wastewater rates also comply with the Revenue Program Guidelines of the State Water Resources Control Board.

... 6.2.11. ...



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**WATER AND WASTEWATER RATE STUDY**

**Fiscal Years  
2011/12 – 2012/13**

**June 2011**

**Hornberger Engineering  
Campbell, California**

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## Findings and Recommendations

### Findings

1. The Town of Discovery Bay CSD's rates for water and wastewater service have been in effect since July 1, 2010. The Town would receive revenues of approximately \$4,793,000 from user charges, vacant parcel fees and miscellaneous revenues in fiscal year 2011/12 under the current fee schedules.
2. In July 2008 the Town initiated billing residential customers based on water meter readings. In 2010, 1,880 residential customers in the first eight phases of this program were billed for water on the basis of metered usage.
3. The Town's projected 2011/12 budget for water and wastewater operating expenses is \$4,032,000. This amount has increased by 9.2% from 2010/11 primarily due increases in general repairs, power and staff costs. The projected increase in operating expenses for 2012/13 is 3.2%.
4. The Town has identified \$3,480,000 in total capital costs for proposed projects in fiscal years 2011/12 and 2012/13. This amount includes \$840,000 for the water system and \$2,640,000 for the wastewater system. These projects will be financed on pay-as-you-go basis.
5. The Town has created four Infrastructure Replacement Funds to properly maintain the existing water and wastewater systems. The total annual replacement funding is \$384,000 in 2011/12 and \$ 400,000 in 2012/13.
6. The total revenue required to fund operating expenses, capital projects and replacements for the water system in fiscal years 2011/12 and 2012/13 is \$4,966,000. The total projected revenue from user charges, vacant parcel fees and miscellaneous revenues for that period is \$3,432,000, leaving a deficiency of \$1,534,000. This will require annual water rate increases of 27.4% in 2011/12 and 27.8% in 2012/13.
7. The total revenue required to fund operating expenses, capital projects and replacements for the wastewater system in fiscal years 2011/12 and 2012/13 is \$7,492,000. The total projected revenue from user charges, vacant parcel fees and miscellaneous revenues for

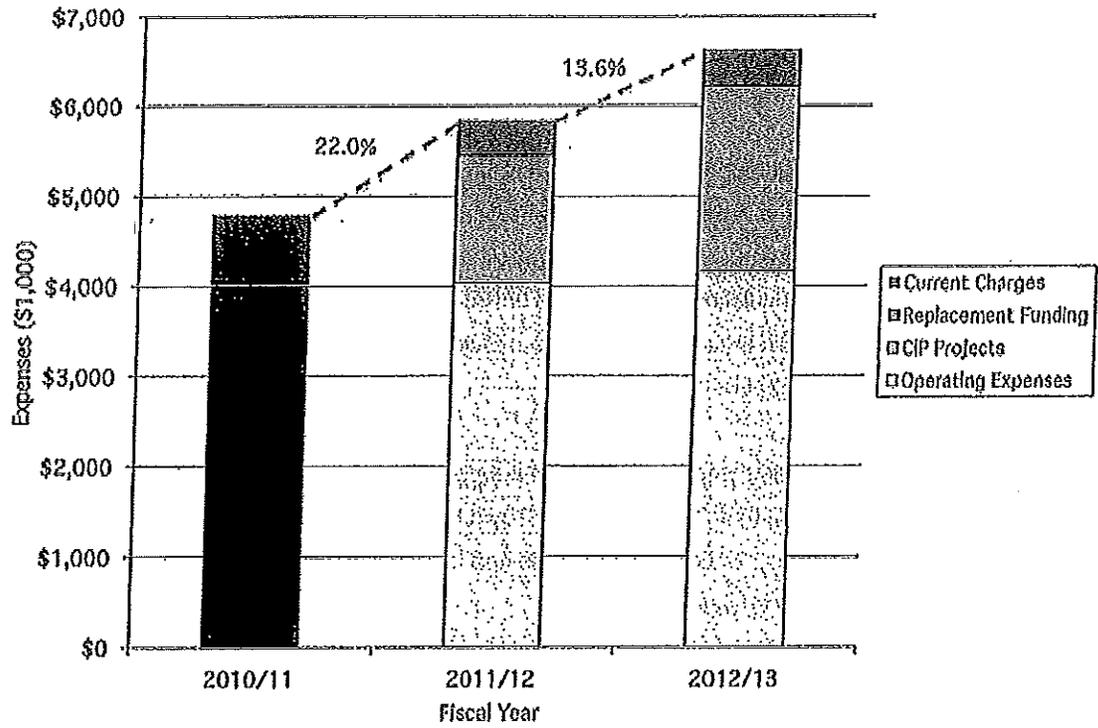
that period is \$6,152,000, leaving a deficiency of \$1,340,000. This will require annual wastewater rate increases of 18.9% in 2011/12 and 5.1% in 2012/13.

8. The overall rate increases required to fund operating expenses, capital projects and replacements of both systems are 22.0% in 2011/12 and 13.6% in 2012/13. The total revenue requirements are illustrated in Figure 1.

### **Recommendations**

9. The Town should adopt the rate structures for its water and wastewater systems shown in Tables 1 and 2. These rates will be effective in fiscal years 2011/12 and 2012/13. They are proportional to the cost of providing service to the customers of both systems and fulfill the calculation requirements of Proposition 218. Additionally, the wastewater rates comply with the Revenue Program Guidelines issued by the California State Water Resources Control Board.
10. The Town should comply with the rate adoption provisions of Proposition 218. This requires a public hearing at which the Town Board of Directors will consider all protests against the rates. Notices of the public hearing must be mailed to all parcel owners at least 45 days in advance.
11. The water and wastewater rates should be reviewed on an annual basis and increased to provide funding for inflation, additional operating expenses, capital projects and replacements.

Figure 1  
Total Revenue Requirements



**Table 1  
Proposed Water Rates**

Residential Unmetered	Existing FY 2010/11		Proposed FY 2011/12		Proposed FY 2012/13	
	Monthly (\$/month/DU)	Yearly (\$/year/DU)	Monthly (\$/month/DU)	Yearly (\$/year/DU)	Monthly (\$/month/DU)	Yearly (\$/year/DU)
<b>Parcel Size (Square Feet/DU)</b>						
MF/Condos-No Irrigation (1)						
Under 5,000	\$18.75	\$225.00	\$15.52	\$186.24	\$20.32	\$243.84
5,000 - 10,000	\$23.77	\$285.24	\$23.80	\$285.60	\$30.92	\$371.04
10,001 - 15,000	\$28.79	\$345.48	\$30.15	\$361.80	\$39.05	\$468.60
Over 15,000,	\$28.79	\$345.48	\$36.50	\$438.00	\$47.17	\$566.04
Plus Each Additional 1,000	\$1.67	\$20.04	\$36.50	\$438.00	\$47.17	\$566.04
			\$2.12	\$25.44	\$2.71	\$32.52
<b>Residential Metered</b>	<b>Monthly (\$/month)</b>	<b>Use (\$/ccf)</b>	<b>Monthly (\$/month)</b>	<b>Use (\$/ccf)</b>	<b>Monthly (\$/month)</b>	<b>Use (\$/ccf)</b>
Account Charge: All	\$5.74		\$7.37		\$9.25	
Metered Usage Charge: All Usage		\$0.803		\$1.104		\$1.413
<b>Nonresidential Metered</b>	<b>Monthly (\$/month)</b>	<b>Use (\$/ccf)</b>	<b>Monthly (\$/month)</b>	<b>Use (\$/ccf)</b>	<b>Monthly (\$/month)</b>	<b>Use (\$/ccf)</b>
<b>Nonirrigation Account Charge:</b>						
5/8" Inch Meter	\$5.49		\$7.07		\$8.95	
1 Inch Meter	\$5.74		\$7.37		\$9.25	
1 1/2 Inch Meter	\$5.98		\$7.66		\$9.56	
2 Inch Meter	\$6.66		\$8.48		\$10.41	
3 Inch Meter	\$11.61		\$14.46		\$16.63	
4 Inch Meter	\$13.45		\$16.68		\$18.93	
6 Inch Meter	\$17.73		\$21.86		\$24.30	
<b>Irrigation Account Charge:</b>						
5/8" Inch Meter	\$1.80		\$2.32		\$2.41	
1 Inch Meter	\$2.05		\$2.61		\$2.72	
1 1/2 Inch Meter	\$2.29		\$2.91		\$3.02	
2 Inch Meter	\$2.97		\$3.72		\$3.87	
3 Inch Meter	\$7.92		\$9.71		\$10.09	
4 Inch Meter	\$9.76		\$11.93		\$12.39	
6 Inch Meter	\$14.04		\$17.10		\$17.76	
Metered Usage Charge: All Usage		\$0.803		\$1.104		\$1.413

DU = Dwelling Unit  
ccf = 100 cubic feet = 748 gallons  
(1) Included with parcels under 5,000 square feet in 2010/11 rates.

**Table 2**  
**Proposed Wastewater Rates**

Residential Unmetered	Existing FY 2010/11		Proposed FY 2011/12		Proposed FY 2012/13	
	Monthly (\$/month)	Yearly (\$/year)	Monthly (\$/month)	Yearly (\$/year)	Monthly (\$/month)	Yearly (\$/year)
Single Family - Each DU	\$44.38	\$532.56	\$53.02	\$636.24	\$55.78	\$669.36
Multiple Family/Condos - Each DU	\$33.29	\$399.48	\$39.76	\$477.12	\$41.83	\$501.96
Nonresidential Metered	Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)	
Business/Government/Clubs	\$3.082		\$3.682		\$3.874	
Restaurants/Bars/Dining Facilities	\$9.048		\$10.783		\$11.344	
Schools	\$2.773		\$3.314		\$3.487	
Other Domestic Strength Users	\$3.082		\$3.682		\$3.874	

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

**Table 3**  
**Total Residential Charges**

Type	Parcel Size (Square Feet)	Service	FY 2010/11	FY 2011/12		FY 2012/13	
			Yearly (\$/year)	Yearly (\$/year)	Increase (\$/year)	Yearly (\$/year)	Increase (\$/year)
<b>Unmetered</b>							
Single Family	Under 5,000	Water	\$225.00	\$285.60		\$371.04	
		Wastewater	\$532.56	\$636.24		\$669.36	
		<b>Total</b>	<b>\$757.56</b>	<b>\$921.84</b>	<b>22%</b>	<b>\$1,040.40</b>	<b>13%</b>
Single Family	5,000 - 10,000	Water	\$285.24	\$361.80		\$468.60	
		Wastewater	\$532.56	\$636.24		\$669.36	
		<b>Total</b>	<b>\$817.80</b>	<b>\$998.04</b>	<b>22%</b>	<b>\$1,137.96</b>	<b>14%</b>
Single Family	10,001 - 15,000	Water	\$345.48	\$438.00		\$566.04	
		Wastewater	\$532.56	\$636.24		\$669.36	
		<b>Total</b>	<b>\$878.04</b>	<b>\$1,074.24</b>	<b>22%</b>	<b>\$1,235.40</b>	<b>15%</b>
Multiple Family & Condominiums	Under 5,000	Water	\$225.00	\$288.60		\$371.04	
		Wastewater	\$399.48	\$477.12		\$501.96	
		<b>Total</b>	<b>\$624.48</b>	<b>\$762.72</b>	<b>22%</b>	<b>\$873.00</b>	<b>14%</b>
Multiple Family & Condominiums - No Irrigation	Under 5,000	Water	\$225.00	\$186.24		\$243.84	
		Wastewater	\$399.48	\$477.12		\$501.96	
		<b>Total</b>	<b>\$624.48</b>	<b>\$663.36</b>	<b>6%</b>	<b>\$745.80</b>	<b>12%</b>
<b>Metered</b>							
Single Family	18 ccf/month	Water	\$242.40	\$327.00		\$416.40	
		Wastewater	\$532.56	\$636.24		\$669.36	
		<b>Total</b>	<b>\$774.96</b>	<b>\$963.24</b>	<b>24%</b>	<b>\$1,085.76</b>	<b>13%</b>

## Chapter 1 - Introduction

### **Purpose of Study**

The Town of Discovery Bay CSD currently provides waster and wastewater services to 5,498 existing customers and 351 vacant lots within an unincorporated area of eastern Contra Costa County. It was formed as the Discovery Bay Community Services District on July 1, 1998 and assumed responsibility for those services upon the dissolution of County Sanitation District No. 19. The current name became effective on January 1, 2000.

The primary source of revenues for waster and wastewater services has been charges for both metered and unmetered customers that were adopted in July 2010. Vacant parcels are billed \$400 per year, which has not changed since 1998. Water billing methods for residential customers include a parcel size rate for unmetered customers and a uniform commodity rate for metered customers. Residential wastewater is billed on a classified dwelling unit flat rate basis. Nonresidential billings for both systems are based on metered use.

In 2008 the Town initiated a residential water meter program in response to California law requiring that all new homes be metered by January 2010. The remaining homes must be metered by 2024. Approximately 1,880 homes were billed on a metered basis in 2010/11.

The user charges must also comply with the provisions of Proposition 218, the "Right to Vote on Taxes Act." Article XIII D, Section 6, of this constitutional initiative sets forth the procedures for new or increased fees and charges. A fee rate calculation established that no property owner's fee is greater than the proportionate cost of the service attributable to the parcel. In addition, the wastewater rates comply with the Revenue Program Guidelines of the California State Water Resources Control Board.

The purpose of this study is to develop charges for the water and wastewater charges that recover the revenue requirements of both system for next two fiscal years, 2011/12 through 2021/22. These requirements include operating expenses and funding for capital projects and replacements. A two-year rate model for the water and wastewater systems has been provided separately.

### **Town Facilities and Revenue Collection**

The Town's water supply and distribution system includes five wells and approximately 30 miles of distribution lines. This system also includes two water treatment facilities. One treatment facility serves the customers in the original development and the second treatment facility serves the Discovery Bay West development and some adjacent customers.

The wastewater collection and treatment system includes a biological treatment facility, 13 lift stations and approximately 30 miles of lines. The treatment plant was expanded to serve the Discovery Bay West development.

Contra Costa County currently collects charges for unmetered customers and vacant parcels on the property tax bill. Revenues are deposited in an account held by the County with excess cash invested in a County pool. The Town maintains a secondary account at a local bank for small transactions. The Town bills metered customers directly for water and wastewater services. Residential customers are billed monthly and nonresidential customers are billed quarterly.

## Chapter 2 - Customer Information

### **Parcels and Accounts**

The total number of parcels and accounts in each classification for the water and wastewater systems are shown in Tables 4 and 5. These included the metered and unmetered residential customers, metered and unmetered nonresidential customers and vacant parcels. Unmetered and vacant parcels are billed on the tax roll. The Town bills metered customers directly. The totals in 2010/11 are shown with projections to the midpoint for each year in the study period. The residential water meter program includes 1,880 parcels in 2009/10. No additional homes will be metered during the study period. No growth in the customer base is projected for the study period.

### **Metered Residential Water Usage**

The Town initiated the residential water meter program in April 2008. Customers in the Village 4, Lakes West, Lakes East, Lakeshore West, Lakeshore East, Village 1, Ravenswood and Centes areas are currently metered. Customers are provided with trial bills for three months before being billed on the basis of meter readings. Credits are provided at the initiation of metered billing for water charges that were previously billed on the tax roll in the current fiscal year.

The average metered usages for Phases 1-8 are shown in Table 6. The time frame is the 12-month period of April 2010 through March 2011, which excludes the trial periods for each phase. The data indicates that the average annual metered water use for residential customers varies from 15.0 ccf per month in Phase 1 to 20.3 ccf per month in Phase 7. A value of 18.0 ccf per month is used in this study to estimate the total water usage from metered customers.

**Table 4**  
**Total Parcels and Accounts – Water System**

User Type	Classification	Fiscal Year		
		2009/10	2010/11	2011/12
	<b>Residential Parcels</b>			
Unmetered	Multiple Family/Condos - No Irrigation	174	174	174
	Under 5,000 Square Feet	137	137	137
	5,000 - 10,000 Square Feet	2,866	2,866	2,866
	10,001 - 15,000 Square Feet	307	307	307
	Over 15,000 Square Feet	28	28	28
	Additional 1,000 Square Feet	128	128	128
	<b>Total Unmetered Parcels</b>	<b>3,512</b>	<b>3,512</b>	<b>3,512</b>
Metered	<b>Total Metered Parcels</b>	<b>1,880</b>	<b>1,880</b>	<b>1,880</b>
Vacant Parcels	Empty Lots	59	59	59
	Vacant Lots/W&S Services	292	292	292
	<b>Total Vacant Parcels</b>	<b>351</b>	<b>351</b>	<b>351</b>
<b>Total Residential</b>		<b>5,743</b>	<b>5,743</b>	<b>5,743</b>
	<b>Nonresidential Accounts</b>			
Metered	Domestic	28	28	28
	Irrigation	67	67	67
Unmetered	LU/No meter	9	9	9
	Island on Lake	2	2	2
<b>Total Nonresidential</b>		<b>106</b>	<b>106</b>	<b>106</b>
<b>Total Parcels and Accounts - Water System</b>		<b>5,849</b>	<b>5,849</b>	<b>5,849</b>

**Table 5**

**Total Parcels and Accounts – Wastewater System**

User Type	Classification	Fiscal Year			
		2010/11	2011/12	2012/13	
Occupied	<b>Residential Parcels</b>				
	Single Family	5,167	5,167	5,167	
	Multiple Family/Condos	224	224	224	
	<b>Total Occupied Parcels</b>		<b>5,391</b>	<b>5,391</b>	<b>5,391</b>
Vacant Parcels	Empty Lots	59	59	59	
	Vacant Lots/W&S Services	292	292	292	
	<b>Total Vacant Parcels</b>		<b>351</b>	<b>351</b>	<b>351</b>
	<b>Total Residential</b>		<b>5,742</b>	<b>5,742</b>	<b>5,742</b>
Metered	<b>Nonresidential Accounts</b>				
	Businesses	18	18	18	
	Restaurants	8	8	8	
	Schools	2	2	2	
	Unmetered	Large Users	6	6	6
	<b>Total Nonresidential</b>		<b>34</b>	<b>34</b>	<b>34</b>
	<b>Total Parcels and Accounts - Wastewater System</b>		<b>5,776</b>	<b>5,776</b>	<b>5,776</b>

**Table 6**  
**Metered Residential Water Usage**

Phase	Average Monthly Usage												Average Annual Usage (ccf/month)
	2010						2011						
	April (ccf)	May (ccf)	June (ccf)	July (ccf)	Aug. (ccf)	Sept. (ccf)	Oct. (ccf)	Nov. (ccf)	Dec. (ccf)	Jan. (ccf)	Feb. (ccf)	March (ccf)	
1 Village 4	11.9	17.7	17.5	23.4	23.1	23.8	14.7	11.5	8.7	8.4	8.5	9.1	15.0
2 Lakes West	21.1	19.7	23.5	27.9	27.6	25.7	17.0	19.3	11.5	10.5	10.2	12.1	18.8
3 Lakes East	13.8	22.1	25.7	27.6	27.4	26.3	19.6	13.9	10.5	10.2	10.0	10.7	18.2
4 Lakeshore West	16.5	18.5	25.9	28.0	28.1	26.4	17.7	13.5	9.6	9.2	9.0	9.4	17.6
5 Lakeshore East	13.1	21.9	25.5	29.7	27.9	28.2	18.2	13.4	10.2	9.1	9.3	9.8	18.1
6 Village 1	12.3	21.1	26.9	30.0	28.5	27.7	18.5	13.0	10.2	9.7	9.3	10.1	18.1
7 Ravenswood	16.6	24.2	30.5	32.7	38.4	30.9	18.6	13.4	8.9	8.7	9.9	10.1	20.3
8 Centex	11.2	20.2	24.2	27.2	25.4	24.9	17.3	12.1	10.3	10.3	9.9	10.0	16.9
Phases 1-8	14.6	20.8	25.5	28.6	28.3	26.8	17.9	13.9	10.2	9.7	9.6	10.3	18.0

**Unmetered Residential Water Usage**

Unmetered residential water usage is based on parcel size, divided into three tiers of 5,000 square foot increments. This method recognizes varying water use on small, medium and large parcels. An additional tier includes those multiple family and condo parcels that have no irrigation usage. The four-tier rate structure is shown in Table 7. Approximately 82% of unmetered parcels on the 2010/11 tax roll fall within the second tier. A parcel in this tier is established as one ERU (Equivalent Dwelling Unit) with a usage of 23 ccf per month, as calculated below. Usage by parcels in the first and third tiers is set at 75% and 125%, respectively, of one ERU. Parcels larger than 15,000 square feet are assigned usage of 0.083 ERUs per 1,000 square feet above that threshold. Starting in 2011/12, multiple family and condo parcels that have no irrigation are assigned usage equivalent to their wastewater discharge as shown in Table 12.

The total residential and unmetered nonresidential water ERUs for 2010 are shown in Table 8 and the calculation of water use per ERU shown in Table 9. This is based on the actual water production records for the year 2010. Metered residential and nonresidential usage in that year is deducted from total water production and divided by the total ERUs. The calculated value has been rounded to 23 ccf per month per ERU.

**Table 7**  
**Unmetered Residential Water Billing Method**

Parcel Size (Square Feet)	Equivalent Residential Units (ERUs)	Water Use	
		ccf/month	gallons/day
Under 5,000	0.75	17.25	424
5,000 - 10,000	1.00	23.00	566
10,001 - 15,000	1.25	28.75	707
Each Additional 1,000	0.083	1.92	47
Multiple Family/Condos - No Irrigation	0.42	9.75	240

**Table 8**  
**2010 Water ERUs**

Parcel Size (Square Feet)	Parcels	ERUs/ Parcel	Total ERUs
Residential			
Under 5,000	137	0.75	103
5,000 - 10,000	2,866	1.00	2,866
10,001 - 15,000	307	1.25	384
Over 15,000	28	1.25	35
Additional 1,000	128	0.083	11
MF/Condos - No Irrigation	174	0.42	73
Unmetered Nonresidential	13		37
<b>Total ERUs</b>			<b>3,508</b>

**Table 9**  
**Water Usage Calculation**

Item	Water Use	Units
Total 2010 Water Production	1,199.00 1,602,941	MG/year ccf/year
Less: 2010 Nonresidential Metered Use	(199,771)	ccf/year
Less: 2010 Residential Metered Use	(424,914)	ccf/year
Unmetered Water Use	978,256	ccf/year
Water ERUs - Table 8	3,508	ERUs
Water Use per ERU	23.2	ccf/month
Assigned Use per ERU	23.0	ccf/month

**Metered Nonresidential Water and Wastewater Usage**

The projected water usage for metered nonresidential customers is based actual 2010 billings prepared by the Town staff. Wastewater usage is also assigned to strength classifications. Irrigation meters are only billed for water use. The projected nonresidential metered water and wastewater use for the study period is shown in Table 10.

**Table 10**  
**Metered Nonresidential Water and Wastewater Usage**

Customer Group	Service Type	No. Meters	Projected Usage		Wastewater Strength Classification
			Water (ccf/yr)	Wastewater (ccf/yr)	
Sandy Cove Shopping Center	Domestic	4	1,039	1,039	Business Restaurant
	Domestic	4	3,010	3,010	
	Irrigation	1	2,679		
	Subtotals	9	6,728	4,049	
Lakeview Business Plaza	Domestic	1	2,882	2,882	Restaurant Business
	Irrigation	1	152	152	
	Subtotals	2	2,406	3,034	
Other Nonresidential	Domestic	14	24,053	13,568	Business School Restaurant
	Domestic	2	1,043	1,043	
	Domestic	3	2,872	2,832	
	Irrigation	65	159,635		
	Subtotals	84	187,603	17,443	
Total Metered Nonresidential	Domestic	18	25,244	14,759	Business Restaurant School
	Domestic	8	8,764	8,724	
	Domestic	2	1,043	1,043	
	Irrigation	67	164,720		
	Totals	95	199,771	24,526	

Total Water Usage

The total projected water usage for the study period is shown in Table 11. This is based on the parcels and accounts in Table 4, estimated metered residential usage of 18.0 ccf per month, the unmetered residential usage shown in Table 7 and the metered nonresidential usage in Table 10. No growth in the customer base is included in these projections.

**Table 11**  
**Total Water Usage**

User Type	2011/12		2012/13	
	Accounts (No.)	Usage (ccf/yr.)	Accounts (No.)	Usage (ccf/yr.)
<b>Residential</b>				
<b>Unmetered</b>				
Under 5,000 SF	137	28,359	137	28,359
5,000 - 10,000 SF	2,866	791,016	2,866	791,016
10,001 - 15,000 SF	307	105,915	307	105,915
Over 15,000 SF	28	9,660	28	9,660
Additional 1,000 SF	128	2,949	128	2,949
MF/Condos - No Irrigation	174	20,358	174	20,358
<b>Metered</b>	1,880	406,080	1,880	406,080
<b>Total Residential</b>	5,392	1,364,337	5,392	1,364,337
<b>Nonresidential</b>				
<b>Metered</b>				
Domestic	28	35,051	28	35,051
Irrigation	67	164,720	67	164,720
<b>Total Nonresidential</b>	95	199,771	95	199,771
<b>Total Water System (1)</b>	5,487	1,564,108	5,487	1,564,108

(1) Excludes Vacant Lots

#### Unmetered Residential Wastewater Usage

Unmetered residential wastewater discharge is based on two classifications of dwelling units, single family and multiple family/condominiums. This method recognizes varying wastewater discharges between the smaller and larger dwelling units and is similar to the rate structures used by most agencies.

The two-classification wastewater rate structure is shown in Table 12. Approximately 96% of the parcels are in the single family classification. A parcel in this classification is established as one ERU with a wastewater discharge of 13 ccf per month, as calculated below. Discharge by multiple family/condominium parcels is set at 75% of one ERU, or 9.75 ccf per month.

The total residential and unmetered nonresidential water ERUs for 2013 are shown in Table 13 and the calculation of wastewater discharge per ERU shown in Table 14. This is based on the wastewater treatment plant influent records for the year 2010. Metered nonresidential usage in that year is deducted from total water production and divided by the total ERUs. The calculated value has been rounded to 13 ccf/month.

**Table 12**  
**Residential Wastewater Billing Method**

Residential Classification	Equivalent Residential Units (ERUs)	Wastewater Discharge	
		ccf/month	gallons/day
Single Family	1.00	13.00	320
Multiple Family/Condos	0.75	9.75	240

**Table 13**  
**2010 Wastewater ERUs**

Residential Classification	Residential Parcels	ERUs/Parcel	Total ERUs
Single Family	5,167	1.00	5,167
Multiple Family/Condos	224	0.75	168
Unmetered Nonresidential	3		8
<b>Total ERUs</b>			<b>5,343</b>

### Wastewater Strength

Wastewater service charges are based on both the volume of wastewater discharged and the pollutants in the wastewater. Pollutants are measured by two parameters, biochemical oxygen demand (BOD) and suspended solids (SS). BOD is a measure of the organic material in the discharge and SS is a measure of suspended material. Both of these are removed at the wastewater treatment plant. BOD and SS discharges are expressed in pounds, which are a function of concentration, milligrams per liter (mg/l), and the volume of wastewater discharged. Residential pollutant concentrations are based on influent sampling at the treatment plant. Nonresidential concentrations are based on standards published in the Revenue Program Guidelines issued by the State Water Resources Control Board. The assigned wastewater pollutant strengths are shown in Table 15.

**Table 14**

### Wastewater Discharge Calculation

Item	Wastewater Discharge	Units
2010 Treatment Plant Influent	651.37	MG/year
Less: 2010 Nonresidential Metered Discharge	870,816 (24,526)	ccf/year ccf/year
Unmetered Wastewater Discharge	846,290	ccf/year
Wastewater ERUs - Table 13	5,343	ERUs
Wastewater Discharge per ERU	13.2	ccf/month
Assigned Discharge per ERU	13.0	ccf/month

Table 15

### Wastewater Pollutant Strengths

User Classification	Pollutant Concentrations	
	BOD (mg/l)	Suspended Solids (mg/l)
Residential	175	200
Business/Government/Clubs	150	150
Restaurants/Bars/Dining Facilities	1,000	600
Schools	130	100
Other Domestic Strength Users	150	150

#### Total Wastewater Discharge

The total projected wastewater discharge for the study period is shown in Table 16. This is based on the parcels and accounts in Table 5, the metered nonresidential usage in Table 10 and the unmetered residential discharges shown in Table 12. No growth in the customer base is included in these projections.

**Table 16  
Total Wastewater Discharge**

User Type	2011/12		2012/13	
	Accounts (No.)	Usage (ccf/yr.)	Accounts (No.)	Usage (ccf/yr.)
<b>Residential</b>				
Single Family	5,167	806,052	5,167	806,052
Multiple Family/Condos	224	26,208	224	26,208
<b>Total Residential</b>	<b>5,391</b>	<b>832,260</b>	<b>5,391</b>	<b>832,260</b>
<b>Nonresidential</b>				
<b>Metered</b>				
Businesses	18	14,759	18	14,759
Restaurants	8	8,724	8	8,724
Schools	2	1,043	2	1,043
<b>Total Nonresidential</b>	<b>28</b>	<b>24,526</b>	<b>28</b>	<b>24,526</b>
<b>Total Wastewater System (1)</b>	<b>5,419</b>	<b>856,786</b>	<b>5,419</b>	<b>856,786</b>

(1) Excludes Vacant Lots

#### Revenues at Current Rates

The total revenues generated by the current water rates for the two-year study period are shown in Table 18. These revenues are based on the current water rates in Table 17, the parcels and accounts in Table 4 and water usage in Table 11. Vacant lots and unmetered nonresidential customers are currently billed at \$176 per year for water and \$226 per year for wastewater. The total estimated water revenues for the study period are \$3,396,000.

The total revenues generated by the current wastewater rates for the two-year study period are shown in Table 20. These revenues are based on the current wastewater rates in Table 19, the parcels and accounts in Table 5 and the wastewater discharge in Table 16. The total estimated wastewater revenues for the study period are \$6,097,000.

The total estimated revenues from the current rates for both systems are \$9,493,000 for fiscal years 2011/12 and 2012/13. These are summarized in Table 21.

**Table 17**  
**Current Water Rates**

Residential Unmetered	FY 2010/11	
	Monthly (\$/month/DU)	Yearly (\$/year/DU)
Parcel Size (Square Feet/DU)		
Under 5,000 (1)	\$18.75	\$225.00
5,000 - 10,000	\$23.77	\$285.24
10,001 - 15,000	\$28.79	\$345.48
Over 15,000, Plus Each Additional 1,000	\$28.79 \$1.67	\$345.48 \$20.04
Residential Metered	Monthly (\$/month)	Use (\$/ccf)
Account Charge: All	\$5.74	
Metered Usage Charge: All Usage		\$0.803
Nonresidential Metered	Monthly (\$/month)	Use (\$/ccf)
Nonirrigation Account Charge:		
5/8" Inch Meter	\$5.49	
1 Inch Meter	\$5.74	
1 1/2 Inch Meter	\$5.98	
2 Inch Meter	\$6.66	
3 Inch Meter	\$11.61	
4 Inch Meter	\$13.45	
6 Inch Meter	\$17.73	
Irrigation Account Charge:		
5/8" Inch Meter	\$1.80	
1 Inch Meter	\$2.05	
1 1/2 Inch Meter	\$2.29	
2 Inch Meter	\$2.97	
3 Inch Meter	\$7.92	
4 Inch Meter	\$9.76	
6 Inch Meter	\$14.04	
Metered Usage Charge: All Usage		\$0.803

DU = Dwelling Unit  
 ccf = 100 cubic feet = 748 gallons  
 (1) Includes Multiple Family/Condos with No Irrigation

**Table 18**

**Water System Revenues at Current Rates**

User Type	Classification	Fiscal Year		Two-Year Totals
		2011/12	2012/13	
	<b>Residential Parcels</b>			
Unmetered	Under 5,000 Square Feet (1)	\$69,975	\$69,975	\$139,950
	5,000 - 10,000 Square Feet	\$817,498	\$817,498	\$1,634,996
	10,001 - 15,000 Square Feet	\$106,062	\$106,062	\$212,124
	Over 15,000 Square Feet	\$9,673	\$9,673	\$19,346
	Additional 1,000 Square Feet	\$2,463	\$2,463	\$4,926
	<b>Total Unmetered Parcels</b>	<b>\$1,005,671</b>	<b>\$1,005,671</b>	<b>\$2,011,342</b>
Metered	<b>Total Metered Parcels</b>	<b>\$463,328</b>	<b>\$463,328</b>	<b>\$926,656</b>
Vacant Parcels	Vacant Lots/W&S Services	\$51,392	\$51,392	\$102,784
	Others	\$12,320	\$12,320	\$24,640
	<b>Total Vacant Parcels</b>	<b>\$63,712</b>	<b>\$63,712</b>	<b>\$127,424</b>
<b>Total Residential</b>		<b>\$1,532,711</b>	<b>\$1,532,711</b>	<b>\$3,065,422</b>
	<b>Nonresidential Accounts</b>			
Metered	Domestic	\$30,915	\$30,915	\$61,830
	Irrigation	\$134,541	\$134,541	\$269,082
<b>Total Nonresidential</b>		<b>\$165,456</b>	<b>\$165,456</b>	<b>\$330,912</b>
<b>Total Water System Revenues</b>		<b>\$1,698,167</b>	<b>\$1,698,167</b>	<b>\$3,396,334</b>

(1) Includes Multiple Family/Condos with No Irrigation

**Table 19  
Current Wastewater Rates**

Residential	FY 2010/11	
	Monthly (\$/month)	Yearly (\$/year)
Single Family - Each DU	\$44.38	\$532.56
Multiple Family/Condos - Each DU	\$33.29	\$399.48
<b>Nonresidential Metered</b>	<b>Use (\$/ccf)</b>	
Business/Government/Clubs	\$3.082	
Restaurants/Bars/Dining Facilities	\$9.048	
Schools	\$2.773	
Other Domestic Strength Users	\$3.082	

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

**Table 20**

**Wastewater System Revenues at Current Rates**

User Type	Classification	Fiscal Year		Two-Year Totals
		2010/11	2011/12	
Unmetered	Residential Parcels			
	Single Family	\$2,751,811	\$2,751,811	\$5,503,622
	Multiple Family/Condos	\$89,472	\$89,472	\$178,944
	Total Unmetered Parcels	\$2,841,283	\$2,841,283	\$5,682,566
Vacant Parcels	Vacant Lots/W&S Services	\$65,408	\$65,408	\$130,816
	Others	\$14,560	\$14,560	\$29,120
	Total Vacant Parcels	\$79,968	\$79,968	\$159,936
Total Residential		\$2,921,251	\$2,921,251	\$5,842,502
Metered	Nonresidential Accounts			
	Total Nonresidential	\$127,312	\$127,312	\$254,624
Total Wastewater System Revenues		\$3,048,563	\$3,048,563	\$6,097,126

**Table 21**  
**Total Customer Revenues**

System	Classification	Fiscal Year		Two-Year Totals
		2011/12	2012/13	
Water	Residential	\$1,532,711	\$1,532,711	\$3,065,422
	Nonresidential	\$165,456	\$165,456	\$330,912
	Total Water Revenue	\$1,698,167	\$1,698,167	\$3,396,334
Wastewater	Residential	\$2,921,251	\$2,921,251	\$5,842,502
	Nonresidential	\$127,312	\$127,312	\$254,624
	Total Wastewater Revenue	\$3,048,563	\$3,048,563	\$6,097,126
Both Systems	Residential	\$4,453,962	\$4,453,962	\$8,907,924
	Nonresidential	\$292,768	\$292,768	\$585,536
	Total Revenue	\$4,746,730	\$4,746,730	\$9,493,460

## Chapter 3 - Operating Expenses

### **Introduction**

Veolia Water (Veolia) provides operation, maintenance and management of the Town's water and wastewater systems. Veolia provides all operational services and a specified amount of preventive and corrective maintenance and repairs for a fixed monthly cost. Annual adjustments are made for inflation. Adjustments may also be made for additional staffing requirements. Additional maintenance and line repairs are performed by outside contractors.

The Town's 12 person staff includes the General Manager, three division managers and eight staff members. Staff salary costs and expenses associated with landscaping services provided by the Town are segregated from those for water and wastewater services. Legal assistance is provided by outside counsel. An independent firm provides engineering consulting services. Contra Costa County provides revenue collection, investment and accounting services.

### **Projected Total Operating Expenses**

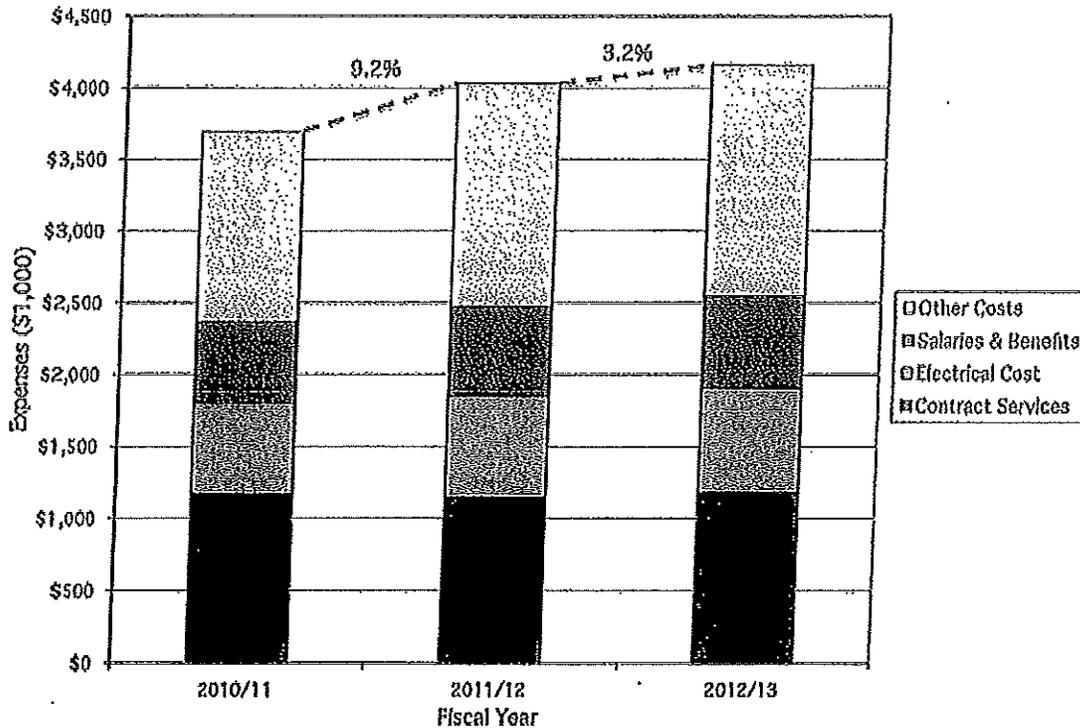
General repairs and pump repairs represent the most significant increase in the Town's operating expenses. The 2010/11 budget for these services is \$500,000. The projections for the study period are \$650,000 in 2011/12 and \$670,000 in 2012/13. These are based on actual expenditures required as the systems age. Other significant increases include \$80,000 for power costs and \$50,000 for Town staff costs.

The total projected operating expenses for the water and wastewater systems are shown in Table 22 and illustrated in Figure 2. These exclude landscaping costs in the budget, which are reimbursed. The operating expense increase in 2011/12 is \$341,000, or 9.2%. An additional 3.2% increase of \$130,000 is projected for 2011/12.

**Table 22  
Projected Total Operating Expenses**

Account No.	Budget Item	2011/12	2012/13	Two-Year Totals
7000	Salary & Wages			
7001	Salary & Wages	\$531,551	\$547,498	\$1,079,049
7005	Overtime	\$5,000	\$5,150	\$10,150
7007	Auto Allowance	\$4,200	\$4,326	\$8,526
7010	Payroll Taxes	\$53,658	\$55,265	\$108,923
7011	Group Insurance (Partial EE Reimb.)	\$44,400	\$45,732	\$90,132
7021	Landscape Related Salary & Wages (Reimb.)	\$157,737	\$162,469	\$320,206
7022	Landscape Related Overtime (Reimb.)	\$3,000	\$3,090	\$6,090
7023	Landscape Related Payroll Taxes (Reimb.)	\$16,073	\$16,555	\$32,628
7024	Landscape Related Group Ins (Partial EE Reimb.)	\$23,600	\$24,308	\$47,908
7030	Worker's Comp	\$8,000	\$8,240	\$16,240
	<b>Subtotal Salaries &amp; Wages</b>	<b>\$847,216</b>	<b>\$872,632</b>	<b>\$1,719,848</b>
7100	Board of Directors			
7010	Compensation	\$36,000	\$37,080	\$73,080
7102	Travel & Training	\$2,500	\$2,575	\$5,075
	<b>Subtotal Board of Directors</b>	<b>\$38,500</b>	<b>\$39,655</b>	<b>\$78,155</b>
7200	Contractual Services			
7205	Legal Services	\$80,000	\$82,400	\$162,400
7210	Consulting Services	\$210,000	\$216,300	\$426,300
7215	Water & Wastewater Services Contract	\$1,148,000	\$1,182,440	\$2,330,440
7220	Liability Insurance	\$50,000	\$51,500	\$101,500
7225	Accounting Financial Services	\$30,000	\$30,900	\$60,900
	<b>Subtotal Contractual Services</b>	<b>\$1,518,000</b>	<b>\$1,563,540</b>	<b>\$3,081,540</b>
7300	Operations & Maintenance			
7012	Preventive & Corrective Fund	\$107,000	\$110,210	\$217,210
7014	Outsource of Water Billing	\$15,000	\$15,450	\$30,450
7138	Electrical Cost (water)	\$335,000	\$345,050	\$680,050
7137	Electrical Cost (sewer)	\$370,000	\$381,100	\$751,100
7210	Public Communications & Noticing	\$5,000	\$5,150	\$10,150
7220	Election Expenses	\$0	\$10,000	\$10,000
7230	Rent - Public Meetings	\$500	\$515	\$1,015
7250	Memberships	\$17,500	\$18,025	\$35,525
7260	Permits	\$40,000	\$41,200	\$81,200
7285	NPDES NOV Fines (s)	\$25,000	\$25,000	\$50,000
7290	Travel & Training	\$3,000	\$3,090	\$6,090
7300	General Repairs - Water/Sewer	\$550,000	\$566,500	\$1,116,500
7305	General Repairs - Pumps	\$100,000	\$103,000	\$203,000
7310	NTR/SIP Testing - RWQCB	\$5,000	\$5,150	\$10,150
7320	Special Equipment	\$3,000	\$3,090	\$6,090
7330	Chemicals/Other Supplies	\$100,000	\$103,000	\$203,000
7410	Copier Maintenance	\$4,500	\$4,635	\$9,135
7420	Postage	\$2,500	\$2,575	\$5,075
7430	Office Supplies	\$8,000	\$8,240	\$16,240
7510	Info Systems Maintenance	\$2,500	\$2,575	\$5,075
7520	Cellular Communications/Data	\$6,500	\$6,695	\$13,195
7550	Telephone	\$4,800	\$4,944	\$9,744
7630	Facility Maintenance/Landscape	\$15,000	\$15,450	\$30,450
7665	Office Buildings/Improvements	\$10,000	\$10,300	\$20,300
7670	Office Equipment/Software	\$30,000	\$30,900	\$60,900
7680	Office Furnishings	\$1,000	\$1,030	\$2,030
7685	Miscellaneous Small Tools	\$3,500	\$3,605	\$7,105
7690	Equipment Maintenance/Fuel	\$20,000	\$20,600	\$40,600
7925	Miscellaneous Bank Charges	\$500	\$515	\$1,015
7950	Miscellaneous Services & Supplies	\$2,500	\$2,575	\$5,075
7981	Miscellaneous Reimbursable	\$1,000	\$1,030	\$2,030
7982	Landscape Related Reimbursables	\$200,000	\$206,000	\$406,000
7970	Unrecoverable Charges	\$5,000	\$5,150	\$10,150
7990	G.F. Expenditures	\$24,000	\$24,720	\$48,720
	<b>Subtotal Operations and Maintenance</b>	<b>\$2,017,300</b>	<b>\$2,087,059</b>	<b>\$4,104,359</b>
7800	Inter-Governmental Charges			
7805	Revenue Collection	\$6,000	\$6,180	\$12,180
7810-0810	Investment Fee	\$200	\$206	\$406
7815-2315	Data Processing/Payroll Wire Transfer Fees	\$480	\$494	\$974
7820	Accounting (A/P, A/R, GL)	\$2,000	\$2,060	\$4,060
7825	Public Works - Permits	\$10,000	\$10,300	\$20,300
7850	Property Taxes	\$10,000	\$10,300	\$20,300
	<b>Subtotal Inter-Governmental Charges</b>	<b>\$28,680</b>	<b>\$29,540</b>	<b>\$58,220</b>
	<b>Total Operations &amp; Maintenance Budget</b>	<b>\$4,145,980</b>	<b>\$4,116,609</b>	<b>\$8,262,589</b>
	Landscape & Other Deductions			
9015	EE Group Insurance Contributions	\$17,052	\$17,564	\$34,616
9251	Landscape Related Payroll Reimbursements	\$176,810	\$182,114	\$358,924
9252	Landscape Related Reimbursements	\$200,000	\$206,000	\$406,000
9253	Landscape Related Group Insurance (Partial EE Reimb.)	\$23,600	\$24,308	\$47,908
	<b>Total Landscape &amp; Other Deductions</b>	<b>\$417,462</b>	<b>\$429,986</b>	<b>\$847,448</b>
	<b>Total Water &amp; Sewer Operations &amp; Maintenance Budget</b>	<b>\$4,032,234</b>	<b>\$4,102,451</b>	<b>\$8,134,685</b>

**Figure 2**  
**Projected Total Operating Expenses**



**Water and Wastewater Operating Expenses**

In order to develop the revenue requirements for each system, total operating expenses are separated into water and wastewater components. Line items in the budget are assigned between the two systems, as discussed below.

The Town staff estimates that 20% of contracted consulting services and 40% of Veolia services are related to the water system. In addition, 60% of the general repairs to lines and 60% of the chemicals are also related to water. The balance of these costs is assigned to the wastewater system. Power costs are assigned directly to each system. Special testing and fines are assigned directly to wastewater. Water meter billing and maintenance are assigned directly to water. Staff salaries and benefits costs are assigned 40% to water and 60% to wastewater. The remaining operating expenses are assigned 40% to water and 60% to wastewater.

The projected 2011/12 and 2012/13 operating expenses for each system are shown in Table 23.

**Table 23**  
**Water and Wastewater Operating Expenses**

Budget Item	Assignment		FY 2011/12		FY 2012/13	
	Water	Wastewater	Water	Wastewater	Water	Wastewater
Consulting Services	20%	80%	\$42,000	\$168,000	\$43,260	\$173,040
Water & WW Services Contract	40%	60%	\$459,200	\$688,800	\$472,976	\$709,464
Prev. & Corrective Fund	40%	60%	\$42,800	\$64,200	\$44,084	\$66,126
Electrical Cost - Water	100%		\$335,000	\$0	\$345,050	\$0
Electrical Cost - Wastewater		100%	\$0	\$370,000	\$0	\$381,100
General Repairs - Water/Sewer	60%	40%	\$330,000	\$220,000	\$339,900	\$226,600
General Repairs - Pumps	60%	40%	\$60,000	\$40,000	\$61,800	\$41,200
NTR/SIP Testing		100%	\$0	\$5,000	\$0	\$5,150
NPDES NOV Fines		100%	\$0	\$25,000	\$0	\$25,000
Chemicals/Odor Materials	60%	40%	\$60,000	\$40,000	\$61,800	\$41,200
Water Meter Billing Staff	100%		\$93,085	\$0	\$95,878	\$0
Water Meter Maintenance Staff	100%		\$62,649	\$0	\$64,528	\$0
Other Staff	40%	60%	\$189,608	\$284,412	\$195,296	\$292,945
Outsource of Water Billing	100%		\$15,000	\$0	\$15,450	\$0
Other Operating Expenses	40%	60%	\$174,992	\$262,488	\$184,242	\$276,362
<b>Total Operating Expenses</b>			<b>\$1,864,334</b>	<b>\$2,167,900</b>	<b>\$1,924,264</b>	<b>\$2,238,187</b>

## Chapter 4 - Capital Improvement Program

### **Introduction**

The capital improvement program for each system has been divided into two general classifications: (1) capital projects, and (2) infrastructure replacement funding. Examples of capital projects for the water system include the new filters and supply wells. Examples of capital projects for the wastewater system are the belt presses and the salinity project. Revenue from rates, capacity charges, capital contributions or other sources may fund these costs.

Replacement costs are those expenditures required to keep the water and wastewater systems in proper operating condition throughout their useful lives. Commencing in 2011/12, the Town has established four infrastructure replacement funds for these costs. Replacement items typically include pumps, motors, electrical controls, mobile equipment, main replacement and small projects. Replacement costs are considered to be part of operation and maintenance expenses and are funded by revenue from rates.

### **Water System Capital Projects**

The Town staff has developed a two-year capital improvement program for the water system. The total project costs in 2011/12 are \$144,000 plus \$16,000 of miscellaneous projects allocated to the water system. The total project costs in 2112/13 are \$680,000. These projects will be funded on a pay as you go basis in revenue from rates. The Water Meter Program is not included as customers reimburse the Town directly for meter installation. The water system capital projects are shown in Table 24.

### **Wastewater System Capital Projects**

The Town staff has developed a two-year capital improvement program for the wastewater system. The total project costs in 2011/12 are \$1,235,655 plus \$24,000 of miscellaneous projects allocated to the water system. The total project costs in 2112/13 are \$1,380,000. These projects will be funded on a pay as you go basis in revenue from rates. The wastewater system capital projects are shown in Table 25.

Table 24

### Water System Capital Projects

Account Number	Project	Fiscal Year		Two-Year Totals
		2011/12	2012/13	
0910-011	Security Door Locks (12)	\$8,000		\$8,000
0910-012	Ladder Vandal Guard	\$10,000		\$10,000
1011-013	Rehab Wells	\$30,000	\$30,000	\$60,000
1011-015	Water Meter Trailer	\$20,000		\$20,000
1112-006	New supply well to Willow Lake WTP	\$40,000	\$575,000	\$615,000
1112-008	Install water well transducers & wellhead survey	\$36,000		\$36,000
	Miscellaneous Water projects (TBD)		\$75,000	\$75,000
1011-018	Portable Message Units - 40% (1)	\$12,000		\$12,000
1112-007	Fuel Tank - Regular Fuel - 40% (1)	\$4,000		\$4,000
	<b>Total Water System Capital Projects</b>	<b>\$160,000</b>	<b>\$680,000</b>	<b>\$840,000</b>

(1) Miscellaneous Capital Improvement Program project allocation to Water System

**Table 25**  
**Wastewater System Capital Projects**

Account Number	Project	Fiscal Year		Two-Year Totals
		2011/12	2012/13	
0910-001	Carport for Equipment	\$110,000		\$110,000
0910-004	Manhole Rehabilitation Project	\$15,000	\$15,000	\$30,000
0910-005	Landscape @ Plant #1	\$7,000		\$7,000
0910-007	UV System	\$23,665		\$23,665
0910-008	Salinity Project	\$70,000		\$70,000
1011-002	Upgrade/Replace SCADA PLC's (Multi-Year)	\$25,000	\$25,000	\$50,000
1011-003	Biosolids Pumps (2) wet well	\$20,000		\$20,000
1011-004	Re-Activate Pump Station W	\$20,000	\$358,000	\$378,000
1011-005	Bypass Valve Lift Sta "S"	\$10,000		\$10,000
1011-006	Metal Cover for UV Area	\$25,000		\$25,000
1011-008	Paving for Biosolids Containment Area	\$15,000		\$15,000
1011-010	Road Crossing Ramps	\$15,000		\$15,000
1112-001	Trailer Trash-Pump	\$20,000		\$20,000
1112-002	Raise Manholes	\$20,000		\$20,000
1112-003	Two New Solar Dryers and 2 Belt Presses	\$800,000	\$800,000	\$1,600,000
1112-009	Collection System Pump Station Improvements	\$40,000	\$50,000	\$90,000
	Portable Mixer In Influent Pump Station (If needed)		\$5,000	\$5,000
	Influent Pump Station Modifications, Upgrade		\$90,000	\$90,000
	Emergency Storage Facilities (Plant 1 Lagoon)		\$27,000	\$27,000
	Revise UV Disinfection Weirs		\$10,000	\$10,000
1011-018	Portable Message Units - 60% (1)	\$18,000		\$18,000
1112-007	Fuel Tank - Regular Fuel - 60% (1)	\$6,000		\$6,000
	<b>Total Wastewater System Capital Projects</b>	<b>\$1,259,665</b>	<b>\$1,380,000</b>	<b>\$2,639,665</b>

(1) Miscellaneous Capital Improvement Program project allocation to Wastewater System

### Infrastructure Replacement Funds

The Town has established four separate funds for infrastructure replacement, starting in 2011/12. The total funding to be generated from water and wastewater rates is \$384,000 in 2011/12 and \$400,000 in 2012/13. A list of these funds and their allocation to the two utilities is shown in Table 26.

**Table 26**  
**Infrastructure Replacement Funds**

Account Number	Replacement Fund	Assignment		2011/12			2012/13		
		Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater
R1112-008	Sewer Facilities		100%	\$150,000	\$0	\$150,000	\$150,000	\$0	\$150,000
R1112-009	Pumps/Motors	60%	40%	\$40,000	\$24,000	\$16,000	\$100,000	\$60,000	\$40,000
R1011-010	Water Facilities	100%		\$94,000	\$94,000	\$0	\$100,000	\$100,000	\$0
R1112-011	Facilities & Vehicles	40%	60%	\$100,000	\$40,000	\$60,000	\$50,000	\$20,000	\$30,000
	Totals Funds			\$384,000	\$158,000	\$226,000	\$400,000	\$180,000	\$220,000

## Chapter 5 - Total Revenue Requirements

### Total Revenues and Revenue Requirements

Projected revenues from the current 2010/11 rates are developed in Chapter 2. Operating expenses and capital improvement program costs are developed in Chapters 3 and 4. The total revenues and revenue requirements for the individual water and wastewater systems are shown in Table 27. There is a \$1,570,000,000 funding deficit at the current rates for the water system and a \$1,395,000 funding deficit for the wastewater system over the two-year study period.

**Table 27**  
**Water and Wastewater Revenues and Revenue Requirements**

Item	Table No.	Fiscal Year		Two-Year Totals
		2011/12	2012/13	
<b>Water System Revenues</b>				
Revenue from Current Rates	18	\$1,698,167	\$1,698,167	\$3,396,334
<b>Revenue Requirements</b>				
Operating Expenses	23	\$1,864,344	\$1,924,264	\$3,788,608
Capital Projects	24	\$160,000	\$680,000	\$840,000
Replacement Funding	26	\$158,000	\$180,000	\$338,000
<b>Total Revenue Requirements</b>		<b>\$2,182,344</b>	<b>\$2,784,264</b>	<b>\$4,966,608</b>
<b>Revenues less Requirements</b>		<b>(\$484,177)</b>	<b>(\$1,086,097)</b>	<b>(\$1,570,274)</b>
<b>Wastewater System Revenues</b>				
Revenue from Current Rates	20	\$3,048,563	\$3,048,563	\$6,097,126
Operating Expenses	23	\$2,167,900	\$2,238,187	\$4,406,087
Capital Projects	25	\$1,259,665	\$1,380,000	\$2,639,665
Replacement Funding	26	\$226,000	\$220,000	\$446,000
<b>Total Revenue Requirements</b>		<b>\$3,653,565</b>	<b>\$3,838,187</b>	<b>\$7,491,752</b>
<b>Revenues less Requirements</b>		<b>(\$605,002)</b>	<b>(\$789,624)</b>	<b>(\$1,394,626)</b>

### Revenue Required from Rates

An additional adjustment is made to the total revenue requirements for each system in order to develop the revenues to be recovered from rates in the study period. This includes interest income and other miscellaneous revenues. These other revenues total \$46,000 per year and are allocated 40% to the water system and 60% to the wastewater system. The total revenues required from rates

for each system are shown in Table 28. The water and wastewater rates required to generate these revenues are developed in the Chapter 6.

**Table 28**  
**Revenue Required from Rates**

Item	Table No.	Fiscal Year		Two-Year Totals
		2011/12	2012/13	
<b>Water System</b>				
Total Revenue Requirements	27	\$2,182,344	\$2,784,264	\$4,966,608
Less: Miscellaneous Revenues		(\$18,400)	(\$18,400)	(\$36,800)
<b>Total Revenue from Rates</b>		<b>\$2,163,944</b>	<b>\$2,765,864</b>	<b>\$4,929,808</b>
<b>Wastewater System</b>				
Total Revenue Requirements	27	\$3,653,565	\$3,838,187	\$7,491,752
Less: Miscellaneous Revenues		(\$27,600)	(\$27,600)	(\$55,200)
<b>Total Revenue from Rates</b>		<b>\$3,625,965</b>	<b>\$3,810,587</b>	<b>\$7,436,552</b>

**Total Cash Flow**

The projected cash flow from July 2011 through June 2013 is shown in Table 29. This is presented on a semiannual basis to recognize the tax roll revenue lag at the beginning of each fiscal year. The Town receives revenues from the tax roll billings for unmetered water and wastewater customers just prior to the middle of the current fiscal year. Revenues from metered residential water customers are received monthly. Revenues from metered nonresidential water and wastewater customers are received quarterly. The cash flow in Table 29 is based on the receipt of tax roll funds at the end of December and equal semiannual operating expenses and capital improvement expenses. A minimum cash balance of \$2,407,000 occurs in December 2012.

**Table 29**

**Total Cash Flow at Proposed Rates**

Item	Fiscal Year			
	2011/12		2012/13	
	July-Dec.	Jan.-June	July-Dec.	Jan.-June
Beginning Balance (1)	\$5,269,560	\$2,736,055	\$5,269,560	\$2,407,460
Source of Funds:				
Revenue From Water Rates	\$322,326	\$1,841,609	\$385,030	\$2,380,835
Revenue From Wastewater Rates	\$39,119	\$3,586,846	\$41,096	\$3,769,491
Miscellaneous Revenues	\$23,000	\$23,000	\$23,000	\$23,000
<b>Total Source of Funds</b>	<b>\$384,445</b>	<b>\$5,451,455</b>	<b>\$449,126</b>	<b>\$6,173,326</b>
Use of Funds:				
Operating Expenses	\$2,016,117	\$2,016,117	\$2,081,226	\$2,081,226
Water CIP	\$159,000	\$159,000	\$430,000	\$430,000
Wastewater CIP	\$742,833	\$742,833	\$800,000	\$800,000
<b>Total Use of Funds</b>	<b>\$2,917,950</b>	<b>\$2,917,950</b>	<b>\$3,311,226</b>	<b>\$3,311,226</b>
Ending Balance (1)	\$2,736,055	\$5,269,560	\$2,407,460	\$5,269,560

(1) Includes \$3,000,000 held for reserves.

## Chapter 6 - Water and Wastewater Rates

### **Water Unit Costs**

In order to calculate unit costs, the components of the water revenue requirements are initially classified as variable or fixed costs. Variable costs are expenses that change with the volume of water provided to customers and include power and chemicals. Fixed costs are expenses that do not vary with water usage and include all the remaining items. In this study, 100% of the operating costs for power and chemicals and 25% of the Veolia operations costs are classified as variable. All of the remaining operating expenses, addition and improvement funding and replacement costs are classified as fixed. In addition, public fire protection costs are assumed to be 20% of total fixed costs. This is based on the American Water Works Association Water Rates Manual M1. All costs are reduced for prorated vacant parcel revenue and miscellaneous revenues.

Unit fixed costs are calculated by dividing the total fixed costs, excluding fire protection, by the total annual usage from all parcels shown in Table 11. Unit costs for fire protection are calculated by dividing those costs by the total number of accounts, excluding irrigation accounts. This process allocates fire protection costs equally to all customers. Unit variable costs are calculated by dividing the total variable costs by the total annual usage from all parcels.

Unit costs for water meter billing are calculated by dividing those costs by the total number of metered customers shown in Table 11. Since 36% of the current customers are metered, the total costs for billing have reduced accordingly. These costs will be phased in as additional meters are installed.

The unit costs for meter maintenance are developed on the basis of meter equivalents. Typical meter equivalents are published in AWWA Manual M1 and recognize the relative difference in costs incurred with various size water meters. Residential meters in the Town are 1 inch and nonresidential meters currently vary from 5/8 inch to 4 inches. The number of water meters and meter equivalents for the study period are shown in Table 30. Similar to billing costs, meter maintenance costs are reduced and will be phased in as additional meters are installed.

The calculated unit costs for the water system in 2011/12 and 2012/13 are shown in Tables 31 and 32.

**Table 30**  
**Meters and Meter Equivalents**

Meter Size	3/8 Inch	1 Inch	1 1/2 Inch	2 Inch	3 Inch	4 Inch	6 Inch	Totals
Meter Equivalent	1.0	1.4	1.8	2.9	11.0	14.0	21.0	
Residential Meters		1,880						1,880
Nonresidential Meters	1	26	22	34	5	7	0	95
<b>Total Meters</b>	<b>1</b>	<b>1,906</b>	<b>22</b>	<b>34</b>	<b>5</b>	<b>7</b>	<b>0</b>	<b>1,975</b>
Meter Equivalents	1	2,668	40	99	55	98	0	2,961

**Table 31**  
**2011/12 Water Unit Costs**

Item	Table No.	FY 2011/12					
		Total	Fixed	Fire	Variable	Billing	Meter Maint.
Operating Expenses:	23						
Veolia Water		\$459,200	\$275,520	\$68,880	\$114,800		
Electrical & Chemicals		\$395,000			\$395,000		
Meter Billing and Postage (2)		\$38,911				\$38,911	
Meter Maintenance (2)		\$27,288					\$27,288
Other Operating Expenses		\$943,935	\$755,148	\$188,787			
<b>Total Operating Expenses</b>		<b>\$1,864,334</b>	<b>\$1,030,668</b>	<b>\$257,667</b>	<b>\$509,800</b>	<b>\$38,911</b>	<b>\$27,288</b>
Capital Projects	24	\$160,000	\$128,000	\$32,000			
Replacement Funding	26	\$158,000	\$126,400	\$31,600			
<b>Total Revenue Requirement</b>		<b>\$2,182,334</b>	<b>\$1,285,068</b>	<b>\$321,267</b>	<b>\$509,800</b>	<b>\$38,911</b>	<b>\$27,288</b>
Adjustments:							
Miscellaneous Revenues	28	(\$18,400)	(\$10,835)	(\$2,709)	(\$4,298)	(\$328)	(\$230)
Vacant Parcel Revenue	18	(\$63,712)	(\$37,517)	(\$9,379)	(\$14,883)	(\$1,136)	(\$797)
<b>Net Revenue Requirement</b>		<b>\$2,100,222</b>	<b>\$1,236,716</b>	<b>\$309,179</b>	<b>\$490,618</b>	<b>\$37,447</b>	<b>\$26,261</b>
Total Usage	11/30		1,564,108 ccf/year	5,420 accounts	1,564,108 ccf/year	1,978 meters	2,961 meter equiv.
Unit Costs		\$1.1044 \$/ccf (1)	\$0.7907 \$/ccf	\$4.7537 \$/month	\$0.3137 \$/ccf	\$1.5800 \$/month	\$0.7391 \$/month/ meter equiv.

- (1) Total Fixed and Variable Unit Costs.  
(2) 36% of total. Balance in Other Operating Expenses.

**Table 32**

**2012/13 Water Unit Costs**

Item	Table No.	FY 2012/13					
		Total	Fixed	Fire	Variable	Billing	Meter Maint.
Operating Expenses:	23						
Veolia Water		\$472,976	\$283,786	\$70,946	\$118,244		
Electrical & Chemicals		\$406,850			\$406,850		
Meter Billing and Postage (2)		\$40,078				\$40,078	
Meter Maintenance (2)		\$28,106					\$28,106
Other Operating Expenses		\$976,254	\$781,003	\$195,251			
<b>Total Operating Expenses</b>		<b>\$1,924,264</b>	<b>\$1,064,789</b>	<b>\$266,197</b>	<b>\$525,094</b>	<b>\$40,078</b>	<b>\$28,106</b>
Capital Projects	24	\$680,000	\$544,000	\$136,000			
Replacement Funding	26	\$180,000	\$144,000	\$36,000			
<b>Total Revenue Requirement</b>		<b>\$2,784,264</b>	<b>\$1,752,789</b>	<b>\$438,197</b>	<b>\$525,094</b>	<b>\$40,078</b>	<b>\$28,106</b>
Adjustments:							
Miscellaneous Revenues	28	(\$18,400)	(\$11,583)	(\$2,896)	(\$3,470)	(\$265)	(\$186)
Vacant Parcel Revenue	18	(\$63,712)	(\$40,109)	(\$10,027)	(\$12,016)	(\$917)	(\$643)
<b>Net Revenue Requirement</b>		<b>\$2,702,152</b>	<b>\$1,701,097</b>	<b>\$425,274</b>	<b>\$509,608</b>	<b>\$38,896</b>	<b>\$27,377</b>
Total Usage	11/30		1,564,108 ccf/year	5,420 accounts	1,564,108 ccf/year	1,975 meters	2,961 meter equiv.
Unit Costs		\$1.4134 \$/ccf (1)	\$1.0876 \$/ccf	\$6.5387 \$/month	\$0.3258 \$/ccf	\$1.6412 \$/month	\$0.7677 \$/month/ meter equiv.

- (1) Total Fixed and Variable Unit Costs.  
 (2) 36% of total. Balance in Other Operating Expenses.

**Water Rates**

The water use assigned to each unmetered residential parcel size in Table 7 and the unit costs in Tables 31 and 32 are used to develop the proposed rates for those parcels. These include the fixed, variable and fire protection unit costs. Unmetered parcels do not pay for metered billing and meter maintenance. The proposed unmetered water rates are shown in Tables 33 and 34.

**Table 33  
Proposed 2011/12 Unmetered Residential Water Rates**

Residential Parcel Size (Square Feet)	Monthly Use (ccf/month)	FY 2011/12			
		Fixed & Variable \$1.1044/ccf	Fire Protection \$4.7537/month	Total Monthly (\$/month)	Total Yearly (\$/year)
MF/Condos-No Irrigation	9.75	\$10.77	\$4.75	\$15.52	\$186.24
Under 5,000	17.25	\$19.05	\$4.75	\$23.80	\$285.60
5,000 - 10,000	23.00	\$25.40	\$4.75	\$30.15	\$361.80
10,001 - 15,000	28.75	\$31.75	\$4.75	\$36.50	\$438.00
Each Additional 1,000	1.92	\$2.12		\$2.12	\$25.44

**Table 34  
Proposed 2012/13 Unmetered Residential Water Rates**

Residential Parcel Size (Square Feet)	Monthly Use (ccf/month)	FY 2012/13			
		Fixed & Variable \$1,4134/ccf	Fire Protection \$6.5387/month	Total Monthly (\$/month)	Total Yearly (\$/year)
MF/Condos - No Irrigation	9.75	\$13.78	\$6.54	\$20.32	\$243.84
Under 5,000	17.25	\$24.38	\$6.54	\$30.92	\$371.04
5,000 - 10,000	23.00	\$32.51	\$6.54	\$39.05	\$468.60
10,001 - 15,000	28.75	\$40.64	\$6.54	\$47.17	\$566.04
Each Additional 1,000	1.92	\$2.71		\$2.71	\$32.52

Water rates for metered customers include all the unit costs shown in Tables 31 and 32. Both metered and unmetered water rates include the same fixed, variable costs and fire protection unit costs. In addition, metered rates include billing and meter maintenance unit costs. An exception is that irrigation accounts are excluded from paying fire protection costs. The residential and nonresidential water rates are based on the same units and meet the requirement that they be proportional to the cost of service attributable to each parcel. Calculations of the proposed water rates are shown in Tables 35 and 36.

**Table 35  
Proposed 2011/12 Metered Water Rates**

Meter Size	Meter Equivalent (ME)	FY 2011/12				
		Meter Billing (\$1,5800/month)	Meter Maintenance (\$0.7391/ME/mo.)	Total Irrigation (\$/month)	Fire Protection (\$4.7537/month)	Total Nonirrigation (\$/month)
<b>Account Charge:</b>						
5/8 inch	1.0	\$1.58	\$0.74	\$2.32	\$4.75	\$7.07
1 inch	1.4	\$1.58	\$1.03	\$2.61	\$4.75	\$7.37
1 1/2 inch	1.8	\$1.58	\$1.33	\$2.91	\$4.75	\$7.66
2 inch	2.9	\$1.58	\$2.14	\$3.72	\$4.75	\$8.48
3 inch	11.0	\$1.58	\$8.13	\$9.71	\$4.75	\$14.46
4 inch	14.0	\$1.58	\$10.35	\$11.93	\$4.75	\$16.68
6 inch	21.0	\$1.58	\$15.52	\$17.10	\$4.75	\$21.86
<b>Metered Usage Charge:</b>		<b>\$1.104/ccf</b>				

**Table 36  
Proposed 2012/13 Metered Water Rates**

Meter Size	Meter Equivalent (ME)	FY 2012/13				
		Meter Billing (\$1,6412/month)	Meter Maintenance (\$0.7677/ME/mo.)	Total Irrigation (\$/month)	Fire Protection (\$6,5387/month)	Total Nonirrigation (\$/month)
<b>Account Charge:</b>						
5/8 inch	1.0	\$1.64	\$0.77	\$2.41	\$6.54	\$8.95
1 inch	1.4	\$1.64	\$1.07	\$2.72	\$6.54	\$9.25
1 1/2 inch	1.8	\$1.64	\$1.38	\$3.02	\$6.54	\$9.56
2 inch	2.9	\$1.64	\$2.23	\$3.87	\$6.54	\$10.41
3 inch	11.0	\$1.64	\$8.45	\$10.09	\$6.54	\$16.63
4 inch	14.0	\$1.64	\$10.75	\$12.39	\$6.54	\$18.93
6 inch	21.0	\$1.64	\$16.12	\$17.76	\$6.54	\$24.30
<b>Metered Usage Charge:</b>			\$1,413/ccf			

### Wastewater Unit Costs

The components of the wastewater revenue requirements are initially classified as fixed or variable costs using the same classification methodology as the water system. In addition, the costs are allocated to the parameters of flow, BOD and suspended solids. Typically in a wastewater system, 75% of the total revenue requirement is related to the treatment function and 25% is related to the collection function. The treatment function costs are allocated equally to flow, BOD and suspended solids. Collection function costs are allocated to entirely to flow. This results in an overall allocation of 50% to flow, 25% to BOD and 25% to suspended solids. All costs are adjusted by prorated vacant parcel revenue, interest income and funds used for rate stabilization.

Unit costs are calculated by dividing the fixed and variable costs for each parameter by the total annual discharge of that parameter from all parcels. For example, the fixed costs allocated to BOD are divided by the total pounds of BOD discharged by all customers. This results in a unit cost expressed as dollars per pound of BOD. Unit variable costs for each parameter are calculated in a similar manner. The calculated unit costs for the study period are shown in Tables 37 and 38.

**Table 37  
2011/12 Wastewater Unit Costs**

Item	Table No.	Total	Fixed Costs				Variable Costs			
			Total	Flow	BOD	SS	Total	Flow	BOD	SS
Operating Expenses:	23									
Veolia Water		\$688,800	\$516,600	\$258,300	\$129,150	\$129,150	\$172,200	\$86,100	\$43,050	\$43,050
Electrical Cost		\$370,000					\$370,000	\$185,000	\$92,500	\$92,500
Chemicals/Odor Materials		\$40,000					\$40,000	\$20,000	\$10,000	\$10,000
Other Operating Expenses		\$1,069,100	\$1,069,100	\$534,550	\$267,275	\$267,275				
<b>Total Operating Expenses</b>		<b>\$2,167,900</b>	<b>\$1,585,700</b>	<b>\$792,850</b>	<b>\$396,425</b>	<b>\$396,425</b>	<b>\$582,200</b>	<b>\$291,100</b>	<b>\$145,550</b>	<b>\$145,550</b>
Capital Projects	25	\$1,259,665	\$1,259,665	\$629,833	\$314,916	\$314,916				
Replacement Funding	26	\$226,000	\$226,000	\$113,000	\$56,500	\$56,500				
<b>Total Revenue Requirement</b>		<b>\$3,653,365</b>	<b>\$3,071,368</b>	<b>\$1,535,683</b>	<b>\$767,841</b>	<b>\$767,841</b>	<b>\$582,200</b>	<b>\$291,100</b>	<b>\$145,550</b>	<b>\$145,550</b>
Adjustments:										
Miscellaneous Revenues	28	(\$27,600)	(\$23,202)	(\$11,601)	(\$5,800)	(\$5,800)	(\$4,398)	(\$2,199)	(\$1,100)	(\$1,100)
Vacant Parcel Revenue	20	(\$79,968)	(\$67,225)	(\$33,613)	(\$16,806)	(\$16,806)	(\$12,743)	(\$6,371)	(\$3,186)	(\$3,186)
<b>Net Revenue Requirement</b>		<b>\$3,545,997</b>	<b>\$2,980,938</b>	<b>\$1,490,469</b>	<b>\$745,235</b>	<b>\$745,235</b>	<b>\$565,059</b>	<b>\$282,529</b>	<b>\$141,265</b>	<b>\$141,265</b>
Total Discharge	16			856,786 ccf/year	977,663 lbs/year	1,085,498 lbs/year		856,786 ccf/year	977,663 lbs/year	1,085,498 lbs/year
Unit Costs				\$1.73960 \$/ccf	\$0.76228 \$/lb	\$0.68654 \$/lb		\$0.32975 \$/ccf	\$0.14449 \$/lb	\$0.13014 \$/lb
<b>Total Fixed and Variable Unit Costs</b>				<b>\$2.06936 \$/ccf</b>	<b>\$0.90675 \$/lb</b>	<b>\$0.81668 \$/lb</b>				

Table 38  
2012/13 Wastewater Unit Costs

Item	Table No.	Total	Fixed Costs				Variable Costs			
			Total	Flow	BOD	SS	Total	Flow	BOD	SS
Operating Expenses:	23									
Veolia Water		\$709,464	\$532,098	\$266,049	\$133,025	\$133,025	\$177,366	\$88,683	\$44,342	\$44,342
Electrical Cost		\$381,100					\$381,100	\$190,550	\$95,275	\$95,275
Chemicals/Odor Materials		\$41,200					\$41,200	\$20,600	\$10,300	\$10,300
Other Operating Expenses		\$1,106,423	\$1,106,423	\$553,212	\$276,606	\$276,606				
<b>Total Operating Expenses</b>		<b>\$2,238,187</b>	<b>\$1,638,521</b>	<b>\$819,261</b>	<b>\$409,630</b>	<b>\$409,630</b>	<b>\$599,666</b>	<b>\$299,833</b>	<b>\$149,917</b>	<b>\$149,917</b>
Capital Projects	25	\$1,380,000	\$1,380,000	\$690,000	\$345,000	\$345,000				
Replacement Funding	26	\$220,000	\$220,000	\$110,000	\$55,000	\$55,000				
<b>Total Revenue Requirement</b>		<b>\$3,838,187</b>	<b>\$3,238,521</b>	<b>\$1,619,261</b>	<b>\$809,630</b>	<b>\$809,630</b>	<b>\$599,666</b>	<b>\$299,833</b>	<b>\$149,917</b>	<b>\$149,917</b>
Adjustments:										
Miscellaneous Revenues	28	(\$27,600)	(\$23,288)	(\$11,644)	(\$5,822)	(\$5,822)	(\$4,312)	(\$2,156)	(\$1,078)	(\$1,078)
Vacant Parcel Revenue	20	(\$79,968)	(\$67,474)	(\$33,737)	(\$16,869)	(\$16,869)	(\$12,494)	(\$6,247)	(\$3,123)	(\$3,123)
<b>Net Revenue Requirement</b>		<b>\$3,730,619</b>	<b>\$3,147,759</b>	<b>\$1,573,880</b>	<b>\$786,940</b>	<b>\$786,940</b>	<b>\$582,660</b>	<b>\$291,430</b>	<b>\$145,715</b>	<b>\$145,715</b>
Total Discharge	16			856,786 ccf/year	977,663 lbs/year	1,085,498 lbs/year		856,786 ccf/year	977,663 lbs/year	1,085,498 lbs/year
Unit Costs				\$1.83696 \$/ccf	\$0.80492 \$/lb	\$0.72496 \$/lb		\$0.34014 \$/ccf	\$0.14904 \$/lb	\$0.13424 \$/lb
<b>Total Fixed and Variable Unit Costs</b>				<b>\$2.17710 \$/ccf</b>	<b>\$0.95398 \$/lb</b>	<b>\$0.85920 \$/lb</b>				

Wastewater Rates

The discharges assigned to each residential classification in Table 12, the pollutant strengths in Table 15 and the total unit costs in Tables 37 and 38 are used to develop the proposed residential and nonresidential wastewater rates. Total discharge rates, in terms of dollars per hundred cubic feet, are based on both the volume of wastewater and the quantities of pollutants in the wastewater. They are the sum of the following three items: (1) the unit flow cost, (2) the pounds of BOD in each hundred cubic feet multiplied by the BOD unit cost per pound, and (3) the pounds of suspended solids in each hundred cubic feet multiplied by the suspended solids unit cost per pound. The charges for residential customers are equivalent to the assigned monthly discharge multiplied by the total residential discharge rate. The charges for nonresidential customers are equivalent to the metered use multiplied by the total discharge rate for each specific classification.

The residential and nonresidential wastewater rates are based on the same unit costs and meet the requirement that they be proportional to the cost of service attributable to each customer. Calculations of the proposed wastewater rates for the study period are shown in Tables 39 and 40.

**Table 39  
Proposed 2011/12 Wastewater Rates**

Classification	Monthly Discharge (ccf/month)	Strength		Unit Costs					Total Discharge (\$/ccf)	Total Monthly (\$/month)
		BOD (mg/l)	SS (mg/l)	Flow (\$/ccf)	BOD @ \$0.90675/lb (lbs/ccf)	SS @ \$0.81668/lb (lbs/ccf)	SS @ \$0.81668/lb (\$/ccf)			
<b>Residential</b>										
Single Family	13.00	175	200	\$2.069	1.09	\$0.990	1.25	\$1.019	\$4.078	\$53.02
Multiple Family/Condos	9.73	175	200	\$2.069	1.09	\$0.990	1.25	\$1.019	\$4.078	\$39.76
<b>Nonresidential</b>										
	Metered									
Business/Gov./Clubs		150	150	\$2.069	0.94	\$0.848	0.94	\$0.764	\$3.682	
Restaurants/Bars/Dining		1,000	600	\$2.069	6.24	\$5.687	3.74	\$3.057	\$10.783	
Schools		130	100	\$2.069	0.81	\$0.735	0.62	\$0.509	\$3.314	
Other Domestic Strength		150	150	\$2.069	0.94	\$0.848	0.94	\$0.764	\$3.682	

**Table 40  
Proposed 2012/13 Wastewater Rates**

Classification	Monthly Discharge (ccf/month)	Strength		Unit Costs					Total Discharge (\$/ccf)	Total Monthly (\$/month)
		BOD (mg/l)	SS (mg/l)	Flow (\$/ccf)	BOD @ \$0.95398/lb (lbs/ccf)	SS @ \$0.85920/lb (lbs/ccf)	SS @ \$0.85920/lb (\$/ccf)			
Residential										
Single Family	13.00	175	200	\$2.177	1.09	\$1.041	1.25	\$1.072	\$4.291	\$55.78
Multiple Family/Condos	9.75	175	200	\$2.177	1.09	\$1.041	1.25	\$1.072	\$4.291	\$41.83
Nonresidential										
Metered										
Business/Gov./Clubs		150	150	\$2.177	0.94	\$0.893	0.94	\$0.804	\$3.874	
Restaurants/Bars/Dining		1,000	600	\$2.177	6.24	\$5.951	3.74	\$3.216	\$11.344	
Schools		130	100	\$2.177	0.81	\$0.774	0.62	\$0.536	\$3.487	
Other Domestic Strength		150	150	\$2.177	0.94	\$0.893	0.94	\$0.804	\$3.874	

### Proposed Rates Increases

A comparison of the existing and proposed rates for residential customers is shown in Table 41. This comparison is based on the proposed water rates shown in Tables 33 through 36 and the proposed wastewater rates shown in Tables 39 and 40. Charges for nonresidential customers will vary with actual metered usage and classification. The current fee for vacant parcels will be retained. The overall rate increases for the two-year study period are shown in Table 42.

**Table 41  
Proposed Residential Rate Increases**

Type	Parcel Size (Square Feet)	Service	FY 2010/11	FY 2011/12		FY 2012/13	
			Yearly (\$/year)	Yearly (\$/year)	Increase (\$/year)	Yearly (\$/year)	Increase (\$/year)
Unmetered							
Single Family	Under 5,000	Water	\$225.00	\$285.60		\$371.04	
		Wastewater	\$532.56	\$636.24		\$669.36	
		Total	\$757.56	\$921.84	22%	\$1,040.40	13%
Single Family	5,000 - 10,000	Water	\$285.24	\$361.80		\$468.60	
		Wastewater	\$532.56	\$636.24		\$669.36	
		Total	\$817.80	\$998.04	22%	\$1,137.96	14%
Single Family	10,001 - 15,000	Water	\$345.48	\$438.00		\$566.04	
		Wastewater	\$532.56	\$636.24		\$669.36	
		Total	\$878.04	\$1,074.24	22%	\$1,235.40	15%
Multiple Family & Condominiums	Under 5,000	Water	\$225.00	\$285.60		\$371.04	
		Wastewater	\$399.48	\$477.12		\$501.96	
		Total	\$624.48	\$762.72	22%	\$873.00	14%
Multiple Family & Condominiums - No Irrigation	Under 5,000	Water	\$225.00	\$186.24		\$243.84	
		Wastewater	\$399.48	\$477.12		\$501.96	
		Total	\$624.48	\$663.36	6%	\$745.80	12%
Metered							
Single Family	18 ccf/month	Water	\$242.40	\$327.00		\$416.40	
		Wastewater	\$532.56	\$636.24		\$669.36	
		Total	\$774.96	\$963.24	24%	\$1,085.76	13%

**Table 42  
Proposed Overall Rate Increases**

Item	Fiscal Year		
	2010/11	2011/12	2012/13
<b>Water System</b>			
Residential	\$1,468,999	\$1,873,290	\$2,412,701
Nonresidential	\$165,456	\$226,932	\$289,451
Vacant Parcels	\$63,712	\$63,712	\$63,712
<b>Total Revenues</b>	<b>\$1,698,167</b>	<b>\$2,163,934</b>	<b>\$2,765,864</b>
<b>Rate Increase</b>		<b>27.4%</b>	<b>27.8%</b>
<b>Wastewater System</b>			
Residential	\$2,841,283	\$3,394,128	\$3,570,843
Nonresidential	\$127,312	\$151,869	\$159,776
Vacant Parcels	\$79,968	\$79,968	\$79,968
<b>Total Revenues</b>	<b>\$3,048,563</b>	<b>\$3,625,965</b>	<b>\$3,810,587</b>
<b>Rate Increase</b>		<b>18.9%</b>	<b>5.1%</b>
<b>Both Systems</b>			
<b>Total Revenues</b>	<b>\$4,746,730</b>	<b>\$5,789,899</b>	<b>\$6,576,451</b>
<b>Rate Increase</b>		<b>22.0%</b>	<b>13.6%</b>

**Town of Discovery Bay CSD  
Overall Rate Increase Tables for 2011/12 vs. 2012/13  
By Parcel Size Chart**

Discovery Bay's Parcel Size/Sq. ft.	2011/12 Increase Rate per Year			2012/13 Increase Rate per Year			\$ Increase Per Year
	Water Rate	Sewer Rate	Total	Water Rate	Sewer Rate	Total	
under 5,000 condo w/no irrigation	\$180.60	\$453.48	\$634.08	\$243.72	\$501.96	\$745.68	\$111.60
under 5,000 condo w/irrigation	\$277.32	\$453.48	\$730.80	\$370.92	\$501.96	\$872.88	\$142.08
under 5,000 homes	\$277.32	\$604.68	\$882.00	\$370.92	\$669.24	\$1,040.16	\$158.16
5,000 to 10,000	\$351.48	\$604.68	\$956.16	\$468.48	\$669.24	\$1,137.72	\$181.56
10,001 to 15,000	\$425.64	\$604.68	\$1,030.32	\$566.04	\$669.24	\$1,235.28	\$204.96
15,001 to 16,000	\$450.36	\$604.68	\$1,055.04	\$598.56	\$669.24	\$1,267.80	\$212.76
16,001 to 17,000	\$475.08	\$604.68	\$1,079.76	\$631.08	\$669.24	\$1,300.32	\$220.56
17,001 to 18,000	\$499.80	\$604.68	\$1,104.48	\$663.60	\$669.24	\$1,332.84	\$228.36
18,001 to 19,000	\$524.52	\$604.68	\$1,129.20	\$696.12	\$669.24	\$1,365.36	\$236.16
19,001 to 20,000	\$549.24	\$604.68	\$1,153.92	\$728.64	\$669.24	\$1,397.88	\$243.96
20,001 to 21,000	\$573.96	\$604.68	\$1,178.64	\$761.16	\$669.24	\$1,430.40	\$251.76
21,001 to 22,000	\$598.68	\$604.68	\$1,203.36	\$793.68	\$669.24	\$1,462.92	\$259.56
22,001 to 23,000	\$623.40	\$604.68	\$1,228.08	\$826.20	\$669.24	\$1,495.44	\$267.36
23,001 to 24,000	\$648.12	\$604.68	\$1,252.80	\$858.72	\$669.24	\$1,527.96	\$275.16
24,001 to 25,000	\$672.84	\$604.68	\$1,277.52	\$891.24	\$669.24	\$1,560.48	\$282.96
25,001 to 26,000	\$697.56	\$604.68	\$1,302.24	\$923.76	\$669.24	\$1,593.00	\$290.76
26,001 to 27,000	\$722.28	\$604.68	\$1,326.96	\$956.28	\$669.24	\$1,625.52	\$298.56
33,001 to 34,000	\$870.60	\$604.68	\$1,475.28	\$1,151.40	\$669.24	\$1,820.64	\$345.36



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**RESOLUTION 2011-13**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT  
ESTABLISHING CHARGES FOR WATER AND WASTEWATER SERVICE AND CONTINUING  
COLLECTION OF WATER AND WASTEWATER  
SERVICE CHARGES ON THE COUNTY ROLL**

WHEREAS, the Board of Directors of the Town of Discovery Bay Community Services District ("Board") has caused to be prepared a report entitled "Water and Wastewater Rate Study – Fiscal Years 2011/12 & 2012/13" by Hornberger Engineering of Campbell (called the "Report"); and

WHEREAS, the Board has adopted the Report on June 1, 2011; and

WHEREAS, the Board has determined that it is necessary to increase the water and wastewater service charges for metered users; and

WHEREAS, the Board has determined that it is necessary to increase the water and wastewater 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 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

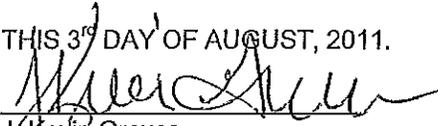
WHEREAS, the Board finds and declares that the Town of Discovery Bay Community Services District has complied with the requirements of California Constitution Article XIII D, Section 6 (Proposition 218), and that no majority protest was received;

NOW THEREFORE BE IT RESOLVED the Board of Directors of the Town of Discovery Bay Community Services District as follows:

1. The above recitals are true and correct, and are incorporated as part of this Resolution.
2. For Fiscal Years 2011/2012 and 2012/2013 the water and wastewater 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.

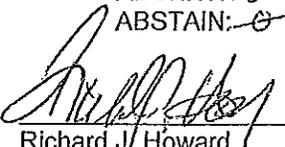
4. The rates for water and wastewater service for all parcels which are non-metered and are not included in the categories set forth in Exhibit A of this Resolution are continued at the level established by Contra Costa County Sanitation District 19 pursuant to its Ordinance No. 18, and accepted and continued by the Town of Discovery Bay Community Services District Ordinance No. 1.
5. The 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.
6. For fiscal year 2013/2014 and thereafter the rates set forth in this Resolution shall be changed each year as inflation rises or falls and the cost of labor to read metered water meters increases or decreases. This change shall be based on the Consumer Price Index for All Urban Consumers for the San Francisco-Oakland-San Jose, CA area. This percentage shall increase or decrease each fiscal year by using the CPI for the two (2) previous years.
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).
8. 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 3<sup>rd</sup> DAY OF AUGUST, 2011.

  
 J. Kevin Graves  
 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 August 3, 2011, by the following vote of the Board:

AYES: 4  
 NOES: 1 Director Simon  
 ABSENT: 0  
 ABSTAIN: 0

  
 Richard J. Howard  
 Board Secretary

**EXHIBIT "A"**  
**Town of Discovery Bay CSD**  
**Proposed 2011/12 - 2012/13 Water & Wastewater Rates**

<b>Table 1 - WATER</b>	<b>Existing FY 2010/11</b>		<b>Proposed FY 2011/12</b>		<b>Proposed FY 2012/13</b>	
<b>Residential Unmetered</b>	<b>Monthly (\$/month/DU)</b>	<b>Yearly (\$/year/DU)</b>	<b>Monthly (\$/month/DU)</b>	<b>Yearly (\$/year/DU)</b>	<b>Monthly (\$/month/DU)</b>	<b>Yearly (\$/year/DU)</b>
<b>Parcel Size (Square Feet/DU)</b>						
Multiple Family - No Irrigation	\$18.75	\$225.00	\$15.05	\$180.60	\$20.31	\$243.72
Under 5,000	\$18.75	\$225.00	\$23.11	\$277.32	\$30.91	\$370.92
5,000 - 10,000	\$23.77	\$285.24	\$29.29	\$351.48	\$39.04	\$468.48
10,001 - 15,000	\$28.79	\$345.48	\$35.47	\$425.64	\$47.17	\$566.04
Over 15,000, Plus Each Additional 1,000	\$28.79 \$1.67	\$345.48 \$20.04	\$35.47 \$2.06	\$425.64 \$24.72	\$47.17 \$2.71	\$566.04 \$32.52
<b>WATER All Metered</b>	<b>Monthly (\$/month)</b>	<b>Use (\$/ccf)</b>	<b>Monthly (\$/month)</b>	<b>Use (\$/ccf)</b>	<b>Monthly (\$/month)</b>	<b>Use (\$/ccf)</b>
<b>Nonirrigation Account Charge:</b>						
5/8" Inch Meter	\$5.49		\$6.90		\$8.95	
1 Inch Meter	\$5.74		\$7.19		\$9.26	
1 1/2 Inch Meter	\$5.98		\$7.49		\$9.57	
2 Inch Meter	\$6.66		\$8.31		\$10.41	
3 Inch Meter	\$11.61		\$14.31		\$16.65	
4 Inch Meter	\$13.45		\$16.54		\$18.96	
6 Inch Meter	\$17.73		\$21.73		\$24.36	
<b>Irrigation Account Charge:</b>						
5/8" Inch Meter	\$1.80		\$2.33		\$2.42	
1 Inch Meter	\$2.05		\$2.62		\$2.73	
1 1/2 Inch Meter	\$2.29		\$2.92		\$3.03	
2 Inch Meter	\$2.97		\$3.74		\$3.88	
3 Inch Meter	\$7.92		\$9.74		\$10.12	
4 Inch Meter	\$9.76		\$11.97		\$12.43	
6 Inch Meter	\$14.04		\$17.16		\$17.83	
<b>Metered Usage Charge:</b>						
All Usage		\$0.803		\$1.075		\$1.413
<b>Table 2 - WASTEWATER</b>	<b>Existing FY 2010/11</b>		<b>Proposed FY 2011/12</b>		<b>Proposed FY 2012/13</b>	
<b>Residential Unmetered</b>	<b>Monthly (\$/month)</b>	<b>Yearly (\$/year)</b>	<b>Monthly (\$/month)</b>	<b>Yearly (\$/year)</b>	<b>Monthly (\$/month)</b>	<b>Yearly (\$/year)</b>
Single Family - Each DU	\$44.38	\$532.56	\$50.39	\$604.68	\$55.77	\$669.24
Multiple Family/Condos - Each DU	\$33.29	\$399.48	\$37.79	\$453.48	\$41.83	\$501.96
<b>Nonresidential Metered</b>	<b>Use (\$/ccf)</b>		<b>Use (\$/ccf)</b>		<b>Use (\$/ccf)</b>	
Business/Government/Clubs	\$3.082		\$3.499		\$3.873	
Restaurants/Bars/Dining Facilities	\$9.048		\$10.248		\$11.343	
Schools	\$2.773		\$3.150		\$3.486	
Other Domestic Strength Users	\$3.082		\$3.499		\$3.873	

DU = Dwelling Unit

ccf = 100 cubic feet = 748 gallons

The charges above are based on the "Water & Wastewater Rate Study" prepared by Hornberger Engineering for the District

Water and wastewater rates comply with Proposition 218 and the wastewater rates also comply with the Revenue Program Guidelines of the State Water Resources Control Board.



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**RESOLUTION 2012-19**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT  
ESTABLISHED CHARGES FOR WATER AND WASTEWATER SERVICE  
AND CONTINUING COLLECTION OF WATER AND WASTEWATER  
SERVICE CHARGES ON THE COUNTY ROLL**

WHEREAS, the Board of Directors of the Town of Discovery Bay Community Services District ("Board") has caused to be prepared a report entitled "Water and Wastewater Rate Study – Fiscal Years 2011/12 & 2012/13" by Hornberger Engineering of Campbell (called the "Report"); and

WHEREAS, the Report was prepared and covered a two year period commencing on July 1, 2011 and ending on June 30, 2013; and

WHEREAS, the Board has adopted the Report on June 1, 2011; and

WHEREAS, the Board has determined that it is necessary to increase the water and wastewater service charges for metered users; and

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

WHEREAS, the Board adopted Resolution No. 2011-13 on August 3, 2011 establishing charges for water and wastewater service for a two-year period beginning on July 1, 2011 and ending on June 30, 2013; 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 the Board of Directors of the Town of Discovery Bay Community Services District as follows:

1. The above recitals are true and correct, and are incorporated as part of this Resolution.
2. For Fiscal Year 2012/2013 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 and wastewater service 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 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.
6. For fiscal year 2013/2014 and thereafter the rates set forth in this Resolution shall be changed each year as inflation rises or falls and the cost of labor to read metered water meters increases or decreases. This change shall be based on the Consumer Price Index for All Urban Consumers for the San Francisco-Oakland-San Jose, CA area. This percentage shall increase or decrease each fiscal year by using the CPI for the two (2) previous years.
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).
8. 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 1st DAY OF AUGUST, 2012.

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V. Chris Steele  
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 August 1, 2012, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Richard J. Howard  
Board Secretary

Exhibit A

Town of Discovery Bay CSD  
2011/12 - 2012/13 Water & Wastewater Rates

Table 1 - WATER	Existing FY 2011/12		Approved FY 2012/13	
Residential Unmetered	Monthly (\$/month/DU)	Yearly (\$/year/DU)	Monthly (\$/month/DU)	Yearly (\$/year/DU)
Parcel Size (Square Feet/DU)				
Multiple Family - No Irrigation	\$15.05	\$180.60	\$20.31	\$243.72
Under 5,000	\$23.11	\$277.32	\$30.91	\$370.92
5,000 - 10,000	\$29.29	\$351.48	\$39.04	\$468.48
10,001 - 15,000	\$35.47	\$425.64	\$47.17	\$566.04
Over 15,000,	\$35.47	\$425.64	\$47.17	\$566.04
Plus Each Additional 1,000	\$2.06	\$24.72	\$2.71	\$32.52
<b>WATER All Metered</b>	Monthly (\$/month)	Use (\$/ccf)	Monthly (\$/month)	Use (\$/ccf)
Nonirrigation Account Charge:				
5/8" Inch Meter	\$6.90		\$8.95	
1 Inch Meter	\$7.19		\$9.26	
1 1/2 Inch Meter	\$7.49		\$9.57	
2 Inch Meter	\$8.31		\$10.41	
3 Inch Meter	\$14.31		\$16.65	
4 Inch Meter	\$16.54		\$18.96	
6 Inch Meter	\$21.73		\$24.36	
Irrigation Account Charge:				
5/8" Inch Meter	\$2.33		\$2.42	
1 Inch Meter	\$2.62		\$2.73	
1 1/2 Inch Meter	\$2.92		\$3.03	
2 Inch Meter	\$3.74		\$3.88	
3 Inch Meter	\$9.74		\$10.12	
4 Inch Meter	\$11.97		\$12.43	
6 Inch Meter	\$17.16		\$17.83	
Metered Usage Charge:				
All Usage		\$1.075		\$1.413
<b>Table 2 - WASTEWATER Residential Unmetered</b>	Existing FY 2011/12		Approved FY 2012/13	
	Monthly (\$/month)	Yearly (\$/year)	Monthly (\$/month)	Yearly (\$/year)
Single Family - Each DU	\$50.39	\$604.68	\$55.77	\$669.24
Multiple Family/Condos - Each DU	\$37.79	\$453.48	\$41.83	\$501.96
Nonresidential Metered	Use (\$/ccf)		Use (\$/ccf)	
Business/Government/Clubs	\$3.499		\$3.873	
Restaurants/Bars/Dining Facilities	\$10.248		\$11.343	
Schools	\$3.150		\$3.486	
Other Domestic Strength Users	\$3.499		\$3.873	

DU = Dwelling Unit

ccf = 100 cubic feet = 748 gallons

The charges above are based on the "Water & Wastewater Rate Study" prepared by Hornberger Engineering for the District

Water and wastewater rates comply with Proposition 218 and the wastewater rates also comply with the Revenue Program Guidelines of the State Water Resources Control Board.

## NOTICE OF EXEMPTION

To: County Clerk  
County of Contra Costa  
555 Escobar Street  
P.O. Box 350  
Martinez, CA 94553

From: Town of Discovery Bay Community  
Services District (CSD)  
1800 Willow Lake Road  
Discovery Bay, CA 94505

Project Title: Usage Rate Increase for Water & Wastewater Services for the 2012-13 Tax Roll Year

Project Location – Specific: Service Area of the Town of Discovery Bay CSD

Project Location – City: Town of Discovery Bay CSD Project Location – County: Contra Costa

Description of Nature, Purpose, and Beneficiaries of Project:

Increase of water and wastewater usage fees & charges for all users within the Town of Discovery Bay CSD service area

Name of Public Agency Approving Project: Town of Discovery Bay CSD

Name of Person or Agency Carrying Out Project: Town of Discovery Bay CSD

Exempt Status: *(check one)*

- Ministerial (Sec. 21080(b) (1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number:
- Statutory Exemptions. State code number: California Code of Regulations § 15273

Reasons why project is exempt: "Statutorily exempt; for purposes set forth in 14 CCR Sections 15273 (a) (1) through (4), and not for system expansion."

Lead Agency

Contact Person: Rick Howard Area Code/Telephone/Extension: (925) 634-1131

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?  Yes  No

Signature: \_\_\_\_\_ Date: 8/2/12 Title: General Manager

Signed by Lead Agency  
 Signed by Applicant

Date received for filing at OPR:



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

Meeting Date

August 1, 2012

Prepared By: Fairin Perez, Parks and Landscape Manager  
Submitted By: Rick Howard, General Manager

### Agenda Title

Public Hearing to Consider Town of Discovery Bay CSD Ravenswood Landscape Zone #9, Park, Lighting and Open Space Improvements District Assessments Report for the Fiscal Year 2012-2013; continue Collection of Assessments on County Tax Roll and adoption of Resolution No. 2012-18

### Recommended Action

Approve and adopt Resolution 2012-18 Confirming the Report and Ordering the Levy and Collection of Charges for the Annual Assessments for Ravenswood Improvement District Assessments within the Town of Discovery Bay Community Services District for the Fiscal Year 2012-2013; continue Collection of Assessments on County Tax Roll for Ravenswood Landscape, Park, Lighting and Open Space Improvements District

### Executive Summary

As part of the annual assessment process for the Ravenswood Improvement District-DB L&L Zone #9, the Board approved and adopted Resolution 2012-09 which directed HERWIT Engineering to prepare the 2012-2013 assessment report. On July 18, 2012 the Board approved Resolution 2012-16 which adopted the Assessment Engineers Report submitted by HERWIT. In that report, HERWIT determined that based on operating costs (as shown on the Adopted Operating and Capital Budget for Discovery Bay Lighting and Landscape Zone 9) the per parcel assessment shall be set at \$555.76; with a maximum allowable assessment of \$573.19. The final assessment for the 2012-2013 fiscal year is \$555.76. This is an \$8.68 decrease from the 2011-2012 assessment.

In order to levy and collect the annual assessment, the Board must approve and adopt the attached resolution. Adoption of Resolution 2012-18 imposes the assessment on real property within DB L&L #9 and also approves the filing of the attached Notice of Exemption.

### Fiscal Impact:

Amount Requested - \$50  
Sufficient Budgeted Funds Available?: Yes  
Zone # 9, 2479 Category: Operating

### Previous Relevant Board Actions for This Item

Approval and adoption of Resolution 2012-09 on May 16, 2012; Directing HERWIT Engineering to prepare annual assessment for the Ravenswood Improvement District - DB L&L Zone #9  
Approval and adoption of 2012-2013 Final Operating and Capital Improvement Budget for Discovery Bay Landscape and Lighting Zone #9, - June 20, 2012  
Approval and adoption of Resolution 2012-16, Intention to Levy and Collect Annual Assessment for the Ravenswood Improvement District DB L&L #9 for the Fiscal Year 2012-13, July 18, 2012

### Attachments

Resolution 2012-18, Final Assessment Engineer's Report 2012-2013, DB L&L Zone #9, Notice of Exemption

AGENDA ITEM: G-2

The Town of Discovery Bay Community Services District ("District") that provides your home and/or business with drinking water and wastewater services is committed to providing excellent service to you. Our water supply and distribution system includes four (4) wells, two (2) water treatment facilities and approximately 50 miles of distribution lines. Our wastewater collection and treatment system includes a state of the art, bio-solids treatment facility, fifteen (15) lift stations, & two (2) wastewater treatment plants. The District is planning to hold a public hearing to discuss and possibly approve new water and wastewater rate increases for your parcel(s) for the FY 2011/12 and 2012/13. This public hearing date is scheduled for Wednesday, August 3, 2011 at 7:00p.m. at the District Office located at 1800 Willow Lake Road, Discovery Bay, California.

#### Rate Study

The District has contracted with Hornberger Engineering who prepared a rate review study report. This report has been filed with the District's Secretary and forecasts what the District plans to spend during the next two (2) years on operating expenses and system improvements in order to continue to provide and maintain the water and wastewater services to our customers. The data in the report is then compared to our water & wastewater revenue for the next two (2) years and used to develop future rates. Copies of the rate study are available at the district office at 1800 Willow Lake Road, Discovery Bay, CA 94505 and on our website at [www.todbc.ca.gov](http://www.todbc.ca.gov).

#### Basis of Proposed Rates

Rates are proposed to increase due to a number of factors, including, but not limited to the following:

- Increased costs associated with a new five (5) year contract to operate and maintain our water and wastewater facilities;
- Existing capacity requirements for our wastewater facilities;
- Increasing costs of fuel and electricity;
- Implementation of a long-term capital replacement reserve account; and an aging infrastructure requiring increased maintenance.
- State requirement to study salinity in our wastewater.

In summary, increased operating expenses, additional capital improvements; and maintaining an aging infrastructure were the primary considerations in development of the current proposed rate study. It is important to note that the proposed increases in rates are not designed to accommodate residential growth.

# NOTICE OF PUBLIC HEARING WATER & WASTEWATER SERVICES PROPOSED RATE INCREASE

FY 2011/2012 and 2012/2013

WEDNESDAY,

AUGUST 3, 2011 at 7:00p.m.

TOWN OF DISCOVERY BAY  
COMMUNITY

SERVICES DISTRICT

1800 Willow Lake Road

(925) 634-1131

#### Compliance with Proposition 218

In 1996, California voters approved Proposition 218, which amended the state constitution as it relates to the passage of property related fees. This requires that local governments follow a strictly defined process when setting fees. The District must 1) inform property owners that a proposed rate increase is being considered, 2) clearly demonstrate the basis on which these fees are calculated (the rate study), and 3) hold a public hearing at least 45 days after notice where the District hears all protests to the rate increase. Water & Wastewater rates are subject to "majority protest" meaning they cannot be passed if a majority of property owners impacted by the rate change submit written protests opposing the increase.

#### Concerns, Please Contact Us

If you have any questions or comments about the proposed rate increases or wish to protest, you may:

Address the Board: Attend the Public Hearing on Wednesday, August 3, 2011.

Write: Written protests against the proposed rate change have to identify the address, or the parcel number of the impacted property, and include the signature(s) of the property owner(s). If the District receives written protests against the proposed water & wastewater rates by a majority of the affected property owners prior to the end of the hearing, the Board will not approve the change. Only one protest of each property will be counted.

#### When will the changes take place?

If approved, the rate changes would start for the fiscal year 2011/2012.

RESORTED  
STANDARD  
US POSTAGE PAID  
BYRON, CA  
PERMIT NO. 15

TOWN OF DISCOVERY BAY CSD  
1800 Willow Lake Road  
Discovery Bay, CA 94505



TO:

In order to allow for public input and comment, the Board of Directors of the Town of Discovery Bay Community Services District at their August 3, 2011 meeting at 7:00p.m. will hold a public hearing to consider adoption of Resolution No. 2011-13, increasing fees for water and sewer. The meeting location is at the District office at 1800 Willow Lake Road behind the Delta Community Presbyterian Church.

THE PROPOSED WATER & WASTEWATER RATES SHOWN IN TABLE 1 & TABLE 2 BELOW REPRESENT AN OVERALL INCREASE OF 22% IN THE FISCAL YEAR 2011/12 AND 13.6% IN THE FISCAL YEAR 2012/13.

<b>Table 1 - WATER</b>	<b>Existing FY 2010/11</b>		<b>Proposed FY 2011/12</b>		<b>Proposed FY 2012/13</b>	
<b>Residential Unmetered</b>	<b>Monthly</b>	<b>Yearly</b>	<b>Monthly</b>	<b>Yearly</b>	<b>Monthly</b>	<b>Yearly</b>
	<b>(\$/month/DU)</b>	<b>(\$/year/DU)</b>	<b>(\$/month/DU)</b>	<b>(\$/year/DU)</b>	<b>(\$/month/DU)</b>	<b>(\$/year/DU)</b>
Parcel Size (Square Feet/DU)						
Multiple Family/Condo - No Irrigation			\$15.52	\$186.24	\$20.32	\$243.84
Under 5,000	\$18.75	\$225.00	\$23.80	\$285.60	\$30.92	\$371.04
5,000 - 10,000	\$23.77	\$285.24	\$30.15	\$361.80	\$39.05	\$468.60
10,001 - 15,000	\$28.79	\$345.48	\$36.50	\$438.00	\$47.17	\$566.04
Over 15,000,	\$28.79	\$345.48	\$36.50	\$438.00	\$47.17	\$566.04
Plus Each Additional 1,000	\$1.67	\$20.04	\$2.12	\$25.44	\$2.71	\$32.52
<b>WATER</b>	<b>Monthly</b>	<b>Use</b>	<b>Monthly</b>	<b>Use</b>	<b>Monthly</b>	<b>Use</b>
<b>All Metered</b>	<b>(\$/month)</b>	<b>(\$/ccf)</b>	<b>(\$/month)</b>	<b>(\$/ccf)</b>	<b>(\$/month)</b>	<b>(\$/ccf)</b>
Nonirrigation Account Charge:						
5/8" Inch Meter	\$5.49		\$7.07		\$8.95	
1 Inch Meter	\$5.74		\$7.37		\$9.25	
1 1/2 Inch Meter	\$5.98		\$7.66		\$9.56	
2 Inch Meter	\$6.66		\$8.48		\$10.41	
3 Inch Meter	\$11.61		\$14.46		\$16.63	
4 Inch Meter	\$13.45		\$16.68		\$18.93	
6 Inch Meter	\$17.73		\$21.86		\$24.30	
Irrigation Account Charge:						
5/8" Inch Meter	\$1.80		\$2.32		\$2.41	
1 Inch Meter	\$2.05		\$2.61		\$2.72	
1 1/2 Inch Meter	\$2.29		\$2.91		\$3.02	
2 Inch Meter	\$2.97		\$3.72		\$3.87	
3 Inch Meter	\$7.92		\$9.71		\$10.90	
4 Inch Meter	\$9.76		\$11.93		\$12.39	
6 Inch Meter	\$14.04		\$17.10		\$17.76	
Metered Usage Charge:						
All Usage		\$0.803		\$1.104		\$1.413
<b>Table 2 - WASTEWATER</b>	<b>Existing FY 2010/11</b>		<b>Proposed FY 2011/12</b>		<b>Proposed FY 2012/13</b>	
<b>Residential Unmetered</b>	<b>Monthly</b>	<b>Yearly</b>	<b>Monthly</b>	<b>Yearly</b>	<b>Monthly</b>	<b>Yearly</b>
	<b>(\$/month)</b>	<b>(\$/year)</b>	<b>(\$/month)</b>	<b>(\$/year)</b>	<b>(\$/month)</b>	<b>(\$/year)</b>
Single Family - Each DU	\$44.38	\$532.56	\$53.02	\$636.24	\$55.78	\$669.36
Multiple Family/Condos - Each DU	\$33.29	\$399.48	\$39.76	\$477.12	\$41.83	\$501.96
<b>Nonresidential Metered</b>	<b>Use</b>		<b>Use</b>		<b>Use</b>	
	<b>(\$/ccf)</b>		<b>(\$/ccf)</b>		<b>(\$/ccf)</b>	
Business/Government/Clubs	\$3.082		\$3.682		\$3.874	
Restaurants/Bars/Dining Facilities	\$9.048		\$10.783		\$11.344	
Schools	\$2.773		\$3.314		\$3.487	
Other Domestic Strength Users	\$3.082		\$3.682		\$3.874	

DU = Dwelling Unit

ccf = 100 cubic feet = 748 gallons

The charges above are based on the "Water & Wastewater Rate Study" prepared by Hornberger Engineering for the District.

Water and wastewater rates comply with Proposition 218 and the wastewater rates also comply with the Revenue Program Guidelines of the State Water Resources Control Board.



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**RESOLUTION 2012-18**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT  
CONFIRMING THE REPORT AND ORDERING THE LEVY AND COLLECTION OF  
CHARGES FOR THE ANNUAL ASSESSMENTS FOR RAVENSWOOD IMPROVEMENT DISTRICT  
ASSESSMENTS WITHIN THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT  
FOR THE FISCAL YEAR 2012-2013**

WHEREAS, all property owners in Ravenswood approved the formation of a landscaping, parks, lighting and open space assessment district pursuant to California Streets and Highways Code sections 22500 and following; and

WHEREAS, the formation of such district, and the levy of assessment on the real property therein was approved by the landowners in such district in accordance with California Constitution Article XIID (Proposition 218);

WHEREAS, the proposed assessments for the 2012-2013 fiscal year are within the limits approved by the landowners in accordance with Proposition 218;

WHEREAS, the assessments against the real property in each assessment area are not levied with regard to property values and these assessments are for the purpose of paying for the operation and maintenance of landscaping, parks, lighting and open space installed in such district; and

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

1. The above recitals are true and correct.
2. The report, diagram and assessment set forth in that report ("Report") prepared by HERWIT Engineers for the Ravenswood Improvement for fiscal year 2012-2013 is adopted and confirmed.
3. The assessment specified in the Report for the Ravenswood District, for fiscal year 2012-2013 is hereby imposed on the real property within such district for fiscal year 2012-2013.
4. The Board of Directors of the Town of Discovery Bay Community Services District orders the levy and collection of such assessments in accordance with California Streets and Highway Code sections 22645 and 22646.
5. The Secretary of the Board of Directors is authorized and directed to file the diagram and assessments, and any other necessary documents, with the Auditor-Controller of Contra Costa County in accordance with California Streets and Highway Code section 22641.

6. The President of the Board of Directors or the General Manager is authorized and directed to execute any documents necessary to carry out the intent of this Resolution.
7. The Secretary of the Board of Directors is authorized and directed to file a Notice of Exemption pursuant to Public Resources Code section 21080 (b)(8) and Title 14 California Code of Regulations section 15062.

PASSED, APPROVED AND ADOPTED THIS 1<sup>st</sup> DAY OF AUGUST, 2012.

---

V. Chris Steele  
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 August 1, 2012, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Richard J. Howard  
Board Secretary

**FINAL ASSESSMENT ENGINEER'S  
REPORT**

**Prepared for the**

**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**Landscaping, Park, Lighting and Open-Space  
Improvements District DB L&L #9**

**For Fiscal Year 2012-2013**

**Prepared by  
HERWIT Engineering**

**6200 Center Street, Suite 310  
Clayton, California 94517  
(925) 672-6599**

**JULY 2012**



**Town of Discovery Bay Community Services District**

**Director and President**

Chris Steele

**Director and Vice President**

Kevin Graves

**Director**

Jim Mattison

**Director**

Mark Simon

**Director**

Ray Tetreault

**General Manager**

Rick Howard

**Water and Wastewater Manager**

Virgil Koehne

**Parks & Landscape Manager**

Fairin Perez

**District's Attorney**

Neumiller & Beardslee

**Assessment Engineer**

HERWIT Engineering

Date: July 2012

**Assessment Engineers Report  
For  
Landscape, Park, Lighting and Open-Space District DB L&L #9, Zone #1  
Subdivision 8710 (Ravenswood)**

Pursuant to Governmental Code 61710 and procedures of the Landscaping and Lighting District Act of 1972, the Town of Discovery Bay Community Services District (CSD) is responsible for the Landscape, Park, Lighting and Open-Space District DB L&L #9 submits this "Assessment Engineers Report" for the 2012-2013 year, which consists of five (5) parts as follows.

**PART A. Plans and Specifications**

This part describes the improvements in this District. The plans, drawings and specifications are on file in the Town of Discovery Bay CSD District Office. A listing of these documents and drawings are outlined in the original Assessment Engineers Report approved in 2006.

**PART B. Estimate of Cost**

This part contains an estimate of the cost of proposed improvements, including incidental costs and expenses in connection therewith, is as forth on the lists, which are on file in the Town of Discovery Bay CSD District office.

**PART C. Method of Apportionment of Assessment**

This part contains the method by which the undersigned engineering firm has determined the amount proposed to be assigned against each parcel, based upon parcel classification of land within this District, in proportion to the estimated benefits to be received. This listing is also on file in the Town of Discovery Bay CSD District office.

**PART D. District Diagram of Assessment**

This part by reference of a diagram shows the parcel lot numbers that are within this District.

**PART E. Property Owner List & Assessment Roll**

The listing of Assessed parcels and their owners are on file in the Town of Discovery Bay CSD District office.

**Engineers Assessment Report for 2011-2012 year**

During this time period the DB L&L #9, Zone #1 District financial report is as follows:

\$ 113,972 Annual assessments & investment revenue was received

\$ 105,024 Annual expenses grounds maintenance, capital improvements, and administrative expenses.

A copy of the income and expenses is attached to this report.

**\$ 118,233** Fund total after 2011-2012 annual expenses.

**Note:** The expenses were lower for the 2011-2012 fiscal year than the previous fiscal years because no large capital improvements were constructed for the District. The expenses for the 2011-2012 were slightly less than the assessment and revenue collected, resulting in a slight increase in the District's reserve account.

### *Current Assessment*

The 2011-2012 fiscal year assessment per parcel based on the engineer's formula defined in the Assessment Engineers Report adopted in 2006 is \$561.44 per parcel. This is greater than the initial year assessment as defined in the Assessment Engineers Report due to large capital improvement projects, and to rebuild the reserve account balance which had dropped significantly due to large capital improvement projects.

### *Inflation Adjustment to Maximum Assessment*

The maximum assessment defined in the Assessment Engineers Report adopted in 2006 is \$501 per parcel based upon build out of the facilities and maintenance of the storm water basins. As specified in the Assessment Engineers Report, the maximum assessment is escalated annually by the consumer price index for San Francisco-Oakland-San Jose. At the time of preparation and adoption of the Assessment Engineers Report, the CPI index as published by the Bureau of Labor Statistics (BLS) for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco – Oakland – San Jose reported for April 2006 was 208.9. The base year for the index is an average of 1982, 1983, and 1984 (hence 1982-1984=100). On April 2012, the same CPI index is reported as 239.0. Based upon the change in the CPI, the new maximum assessment allowed for the 2012-2013 fiscal year is \$573.19.

### *Calculation of Maximum Reserve Account Balance*

As stated in the adopted Assessment Engineers Report, the total funds in the reserve account are limited to 200% of the total funds collected by the District's not to exceed annual assessment. The new maximum not to exceed annual assessment allowable for the 2012-2013 fiscal year is \$ 573.19. This assessment is equally assessed to 203 parcels for an annual total of \$116,357.57. Therefore, the maximum Reserve Account Balance is \$ 232,715.14. After the reserve account has accrued to the maximum amount, any money received by the District in excess of annual maintenance and administrative costs will be returned to the property owner in the form of a reduced assessment in the following fiscal year.

### *New Assessment for 2012-2013 Fiscal Year*

The District will incur normal expenses for the maintenance of the landscape District this year. The District will also incur minimal charges for completion of previously budgeted capital improvements construction projects this fiscal year. The estimated budget for 2012-2013 is \$ 112,818. This equates to \$ 555.76 per parcel for all 203 parcels, which is less than the maximum allowable assessment of \$ 573.19 per parcel, or \$ 116,357.57 maximum assessment.

Based on this report, the assessment for 2012-2013 tax year should be \$ 555.76 to maintain the current balance in the reserve fund. The assessment for the 2012-2013 fiscal year is then \$ 555.76 per parcel applied equally to all 203 parcels as defined in the adopted Assessment Engineers Report.

A	0116000019 J3	3431	9754	555.76
A	0116000027 J3	3431	9754	555.76
A	0116000035 J3	3431	9754	555.76
A	0116000043 J3	3431	9754	555.76
A	0116000050 J3	3431	9754	555.76
A	0116000068 J3	3431	9754	555.76
A	0116000076 J3	3431	9754	555.76
A	0116000084 J3	3431	9754	555.76
A	0116000092 J3	3431	9754	555.76
A	0116000100 J3	3431	9754	555.76
A	0116000118 J3	3431	9754	555.76
A	0116000126 J3	3431	9754	555.76
A	0116000134 J3	3431	9754	555.76
A	0116000142 J3	3431	9754	555.76
A	0116000159 J3	3431	9754	555.76
A	0116000167 J3	3431	9754	555.76
A	0116000175 J3	3431	9754	555.76
A	0116000183 J3	3431	9754	555.76
A	0116000191 J3	3431	9754	555.76
A	0116000209 J3	3431	9754	555.76
A	0116000217 J3	3431	9754	555.76
A	0116000225 J3	3431	9754	555.76
A	0116000233 J3	3431	9754	555.76
A	0116000241 J3	3431	9754	555.76
A	0116000258 J3	3431	9754	555.76
A	0116000266 J3	3431	9754	555.76
A	0116000274 J3	3431	9754	555.76
A	0116000282 J3	3431	9754	555.76
A	0116000290 J3	3431	9754	555.76
A	0116000308 J3	3431	9754	555.76
A	0116000316 J3	3431	9754	555.76
A	0116000324 J3	3431	9754	555.76
A	0116000332 J3	3431	9754	555.76
A	0116000340 J3	3431	9754	555.76
A	0116000357 J3	3431	9754	555.76
A	0116000365 J3	3431	9754	555.76
A	0116000373 J3	3431	9754	555.76
A	0116000381 J3	3431	9754	555.76
A	0116000399 J3	3431	9754	555.76
A	0116000407 J3	3431	9754	555.76
A	0116000415 J3	3431	9754	555.76
A	0116000423 J3	3431	9754	555.76
A	0116000431 J3	3431	9754	555.76
A	0116000449 J3	3431	9754	555.76
A	0116000456 J3	3431	9754	555.76
A	0116000464 J3	3431	9754	555.76
A	0116000472 J3	3431	9754	555.76
A	0116000480 J3	3431	9754	555.76
A	0116000498 J3	3431	9754	555.76
A	0116000506 J3	3431	9754	555.76
A	0116000514 J3	3431	9754	555.76
A	0116000522 J3	3431	9754	555.76
A	0116000530 J3	3431	9754	555.76
A	0116000548 J3	3431	9754	555.76
A	0116000555 J3	3431	9754	555.76
A	0116000563 J3	3431	9754	555.76
A	0116000571 J3	3431	9754	555.76
A	0116000589 J3	3431	9754	555.76
A	0116000597 J3	3431	9754	555.76
A	0116100017 J3	3431	9754	555.76
A	0116100025 J3	3431	9754	555.76
A	0116100033 J3	3431	9754	555.76
A	0116100041 J3	3431	9754	555.76
A	0116100058 J3	3431	9754	555.76
A	0116100066 J3	3431	9754	555.76
A	0116100074 J3	3431	9754	555.76
A	0116100082 J3	3431	9754	555.76
A	0116100090 J3	3431	9754	555.76

A	0116100108 J3	3431	9754	555.76
A	0116100116 J3	3431	9754	555.76
A	0116100124 J3	3431	9754	555.76
A	0116100132 J3	3431	9754	555.76
A	0116100140 J3	3431	9754	555.76
A	0116100157 J3	3431	9754	555.76
A	0116100165 J3	3431	9754	555.76
A	0116100173 J3	3431	9754	555.76
A	0116100181 J3	3431	9754	555.76
A	0116100199 J3	3431	9754	555.76
A	0116100207 J3	3431	9754	555.76
A	0116100215 J3	3431	9754	555.76
A	0116100223 J3	3431	9754	555.76
A	0116100231 J3	3431	9754	555.76
A	0116100249 J3	3431	9754	555.76
A	0116100256 J3	3431	9754	555.76
A	0116100264 J3	3431	9754	555.76
A	0116100272 J3	3431	9754	555.76
A	0116100280 J3	3431	9754	555.76
A	0116100298 J3	3431	9754	555.76
A	0116100306 J3	3431	9754	555.76
A	0116100314 J3	3431	9754	555.76
A	0116100322 J3	3431	9754	555.76
A	0116100330 J3	3431	9754	555.76
A	0116100348 J3	3431	9754	555.76
A	0116100355 J3	3431	9754	555.76
A	0116100363 J3	3431	9754	555.76
A	0116100371 J3	3431	9754	555.76
A	0116100389 J3	3431	9754	555.76
A	0116100397 J3	3431	9754	555.76
A	0116100405 J3	3431	9754	555.76
A	0116100413 J3	3431	9754	555.76
A	0116100421 J3	3431	9754	555.76
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## NOTICE OF EXEMPTION

To: County Clerk  
County of Contra Costa  
555 Escobar Street  
P.O. Box 350  
Martinez, CA 94553

From: Town of Discovery Bay Community  
Services District (CSD)  
1800 Willow Lake Road  
Discovery Bay, CA 94505

**Project Title:** Ravenswood Improvement District Annual Assessment

**Project Location – Specific:** Ravenswood Subdivision - Northwest quarter of Section 26, Township 1 North, Range 3 East, Mount Diablo Meridian as recorded in Book 458 of Maps, Pages 1-15, Contra Costa County Records.

**Project Location – City:** Town of Discovery Bay CSD **Project Location – County:** Contra Costa

**Description of Nature, Purpose, and Beneficiaries of Project:**

Levy of the annual assessment for fiscal year 2012--2013 for the landscaping, park, lighting and open space district, known as Ravenswood Improvement District - DB L&L Zone #9, for the purpose of providing for the operation and maintenance of landscaping, parks, street lights and open space installed in the subdivision.

**Name of Public Agency Approving Project:** Town of Discovery Bay CSD

**Name of Person or Agency Carrying Out Project:** Town of Discovery Bay CSD

**Exempt Status:** *(check one)*

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number:
- Statutory Exemptions. State code number: Public Resource Code § 21080(b)(8); California Code of Regulations § 15273

**Reasons why project is exempt:** The formation of the assessment district and the levy of assessments is not designed to increase services or expand a system, but if for the purpose of meeting operating expenses, purchasing supplies, equipment and materials, meeting financial reserve needs, and obtaining funds necessary for repair and replacement to maintain such services and systems for the Improvement District already determined to be installed pursuant to the various documents approving the Ravenswood subdivision.

**Lead Agency**

**Contact Person:** Rick Howard **Area Code/Telephone/Extension:** (925) 634-1131

**If filed by applicant:**

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?  Yes  No

**Signature:** \_\_\_\_\_ **Date:** 8/2/2012 **Title:** General Manager

Signed by Lead Agency  
 Signed by Applicant

Date received for filing at OPR: