



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT



President – Robert Leete • Vice-President – Kevin Graves • Director – Bill Mayer • Director – Bill Pease • Director – Chris Steele

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

Wednesday January 18, 2017
REGULAR MEETING 7:00 P.M.

Community Center

1601 Discovery Bay Boulevard, Discovery Bay, California

Website address: www.todb.ca.gov

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

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

Public Comment regarding the water meter project:

1. Reconsider the water meter installation project – future meeting agenda;
2. Not opposed of having a water meter, happy with the work that the board and town has done for the community. Wasn't aware of any public notification, only found out about the \$906.20 fee from the paper and not happy about the cost of the meter.

C. AREA AGENCIES REPORTS / PRESENTATION

1. East Contra Costa Fire Protection District Report – No Report

D. MONTHLY WATER AND WASTEWATER REPORT – VEOLIA

1. Veolia Report – Month of December 2016

Project Manager Berney Sadler – Provided the details of the December 2016 Monthly Operations Report. There was discussion regarding fire hydrant flushing. The process is quarterly and during the time of water conservation the flushing was done more often, with automatic flushing that begins in the morning. Backlog work orders are no longer an issue.

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. Approval of regular meeting minutes January 4, 2017.
2. Approve Register of District Invoices
3. Authorize the payment of \$475.20 to Bob Murray and Associates for additional expenses related to the General Manager recruitment.

Motion by: Director Pease to approve the Consent Calendar

Second by: Vice –President Graves

Public Comment – Regarding item E-3 – opposes additional expenses to Bob Murray and Associates.

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

President Leete – Reordered Business and Action Items - F-3 to F-1

F. BUSINESS AND ACTION ITEMS:

1. Public Hearing to Review and Consider Adopting Resolution 2017-01 approving proceedings to finance improvements to the District's municipal water and wastewater system, approving the issuance of water and wastewater revenue bonds by the Discovery Bay Public Financing Authority, and approving related documents and actions.
General Manager Davies – Provided the details of the Resolution 2017-01 approving proceedings to finance improvements to the District's municipal water and wastewater system, approving the issuance of water and

wastewater revenue bonds by the Discovery Bay Public Financing Authority, and approving related documents and actions and will summarize with a background of the item.

1. State Law requires all residential water consumers to be on metered system by the year 2025.
2. Discovery Bay West, Centex, and Ravenswood – received smart water meters at time of construction (cost paid by the developer). These homes are billed and pay for their water usage.
3. There are 3,531 water users that are not metered – estimate by County Parcel Tax Map and staff observation.
4. Unmetered customers pay a flat rate on the property tax bill (regardless of the amount of water consumed)
5. Currently underway for installing smart water meters – installs are mostly residential, a few vacant lots)
6. Two separate lots will receive separate meters for each Town connection
7. Cost of the project break down; cost of products are fixed (\$1,288,720.00), cost of construction is fixed (\$1,391,490.00)
8. Construction contingency – estimated at (9.4%, total \$131,149.00)
9. All other staffing and support – estimate at (\$300,000.00)
10. Total estimated project - \$3,111,359.00

The estimated total takes in consideration – meter variables exist for each individual location (size of meter box, difficulty of impediments; such as encasement of the existing meter box and hardscape or plant barriers). Properties that have extreme construction impairments (excess cost not included in the project estimate and the responsibility of the homeowner. The November 29 2016 board workshop briefed on installation costs variables and provided resident payback options. The board concurred by consensus that cost will be spread equally among those residents receiving a new meter and payback to the water reserves would be a 3 year plan billed on property tax roll. The board meeting on December 21, 2016, Interim General Manager Kutsuris suggested that the board consider shifting the cost of the water meter project out of reserve funds and add to the bond funding for consideration for the Wastewater Filtration Project. The meeting on January 4, 2017 the board discussed options and considered to fund the Water Meter Project, in whole or in part, with bond funding and or reserves, and considered various payback options for residents receiving the new water meter. The board decided to finance the Water Meter Project in full through bond funding. The new meters could be paid in full at no interest or over a ten year period with interest. The new meter cost of \$906.20 was calculated – rounding total estimated project cost to \$3.2 million, dividing the estimated 3,531 new meter installs. An estimated install of \$906.20 at a 10 year estimated interest rate of 4.5%, the monthly payment would be approximately \$9.40 per month, \$112.80 annually, \$1,128.00 (end of ten year total interest) \$221.74. Before you for adoption is the revised Resolution No. 2017-01 – passing this resolution gives authorization to the Public Financing Authority to issue bonds that would finance the \$7.4 million Wastewater Filtration Project underway at the Wastewater Treatment Plant No. 2 and the \$3.11 million dollar Water Meter Completion Project, also currently underway. Principal amount sought under this bond of \$11,500,000.00 constitutes a not to exceed (gives flexibility what the cost may or not be at the time of issuance). Also, note that this is a revised version of the resolution that was originally sent out in the packet. Staff is here to answer any questions,

Public Comments:

1. Regarding the notification of the Water Meter Project, (Discovery Bay Residents not represented well on this project). Does welcome the water meters. Did not receive a brochure from the Town.
2. Regarding the 23 questions that were submitted to the Town via email. On our website there are FAQ that should answer the 23 questions.

Legal Counsel Attebery – For the record if the 23 questions turned into a Public Document Request, the Town could provide documents responsive to his request, however in terms of asking written response to each question, we don't provide that. Most of the questions are answered on the website and through the FAQ.

3. Regarding the Town borrowing the money through a bond rather than through the reserves.
4. Regarding the issuance of the bonds to pay for the Water Meter Project – feels that there are sufficient funds in the reserves, and requesting reconsideration of the Water Meter Project.
5. Regarding owning homes here for the last 16 years – did not know anything about the project, and the cost of the water meters, owns 4 houses in Discovery Bay, however is in favor of the water meters.
6. Regarding the notification of the Water Meter Project.
7. Regarding the installation of the Water Meter Project; does not want to pay someone else for the installation.
8. Regarding the State Law of installation of the meters by 2025; what is the rush, not properly notified.
9. Regarding Nextdoor and the use of Social Media to post our agendas. Did not receive a brochure from the Town.
10. Regarding owns 2 homes, did not receive a brochure from the Town. How will the homeowner be billed? Once you receive a water meter you will be monthly, and that service fee will drop off of your property tax bill.
11. Regarding the cost of the meter and the installation. Did not receive a brochure from the Town.
12. Regarding the response of the 23 questions submitted via email. Recommended calling Town Staff.
13. Regarding the cost of the meter, should not have to subsidize.
14. Regarding reconsideration or alternatives to the cost.

Legal Counsel Attebery – has been discussing the water meter installation for approximately 3 years – passed in

2004 as a State mandated requirement by 2025. This board gave staff recommendation to start this year, in terms of financing. Before the board this evening is a staff recommendation to consider financing the meter project through the bond to allow more flexibility.

The discussion continued within the board regarding the Public Comment questions related to the difference between the surplus and reserves (restricted fund and unrestricted funds)

Legal Counsel Attebery – there is a reserve policy that identifies what should be used for a disaster, there is a baseline for what needs to be in the reserve fund; if reserve funds were used for the water meter project those funds would need to be replaced. There are several different accounts – Water, Wastewater, Parks, Lighting, Landscaping; which are maintained for maintenance and repair (restricted funds).

Finance Manager Breitstein – there is a reserve for water and for wastewater (\$4mil). Infrastructure replacement funds – generators, vehicle, sewer replacement and water replacements. Water and wastewater was combined and the Finance Department has separated the accounts. Water reserves amount (including the infrastructure replacement is approximately \$3mil and the wastewater reserves is the remaining amount. How was the cost of the meter determined; the installation of the water meters is a contract in the amount of \$1.3 mil; spread that out across the 3,500 homes that is \$394.00. On top of that is the product (meter, meter reader, rocks, bricks, etc.) each cost as well, total products is roughly \$1.288 mil (another \$364.00 per home). If you add those numbers you are close to \$758.00 for this meter project, not including the contingency and the other staffing and support. The meter in the ground can withstand water – researched different companies for the project; tested meters in the ground, long lifespan (warranty meter is a life expectancy of 20 years).

The discussion continued regarding the meters; the access to a customer portal that allows you to see your usage, will give you leak updates; will notify the Town office of a leak. The meters have been purchased in advance to eliminate costs and anticipation of having a shortage of meters once the project gets started.

The board gave a background of the water meters and the communication to the residents. The board discussed that all residents would receive the notification for the project well in advance. Also, in the committee meeting there was discussion regarding a tiered level, where a resident with a simple installation would pay for the simple install and for a more expensive installation that resident would pay for the more expensive install.

There was discussion within the board and staff regarding the financing of the water meter project through reserves or through the bond, along with continuing the discussion of a tiered level and the Notice to Proceed sent to JW Backhoe.

Motion by: Director Pease to adopt the revised Resolution 2017-01 which authorizes the Discovery Bay Public Finance Authority to issue Bonds to finance the improvements to the Town of Discovery Bay's Water and Wastewater Enterprises with a principal amount not to exceed \$11,500,000; approves the Installment Sale Agreements, the Preliminary Official Statement and other documents that are on file with the Secretary, along with changes as the Designated Officers may deem necessary or appropriate; and authorizes the General Manager, the Finance Manager, and the Secretary in the name of and on behalf of the District to take actions necessary in order to consummate the lawful issuance and sale of the Bonds; and direct the General Manager to work with the Financial Advisor, Bond Counsel, Underwriter and Trustee to proceed with the issuance of not to exceed \$11,500,000 principal amount of Discovery Bay Public Financing Authority, Series 2017 Water and Wastewater Enterprise Revenue Bonds.

Second by: President Leete

Vote: Motion Carried – AYES: 3 - President Leete, Director Mayer, Director Pease; NOES: 2 – Vice-President Graves, Director Steele

2. Consider for approval moving the date of the Annual Board Workshop that is currently scheduled for January 21, 2017 to January 28, 2017 or to another date.

General Manager Davies – Provided the details for the annual board workshop and the need to reschedule due to a board member not available on January 21st. The new meeting date will be Thursday, February 2, 2017 beginning at 6:30 p.m.

3. Review and Consider Adopting Resolution 2017-03 approving the proposed Debt Management Policy as required by California Government Code 8855(i)

General Manager Davies – Provided the details of a Debt Management Policy. The policy ensures that the long term debt is financed in a prudent way.

Finance Manager Breitstein – Provided additional details regarding a new Government Code in which we are now in compliance of.

Motion by: Director Pease to adopt revised Resolution 2017-03 Approving the Proposed Debt Management Policy as required by California Government Code 8855(i)

Second by: Vice-President Graves

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

4. Consider approving the proposal by the Board President to make modifications to the Board Bylaws and Policies related to staff sub-committees and regional committees.

General Manager Davies – Provided the details of the proposed Bylaws modifications related to the staff sub-committee and regional committees.

President Leete – Provided additional details regarding the transition to standing committees which will meet along with the public, and an opportunity at an informal level for discussion. The Brown Act does not determine if a meeting is informal or formal, however, Roberts Rule of Order does apply to those meeting. The discussion continued regarding the time of the meeting.

Legal Counsel Attebery – Stated that a standing committee is subject to the Brown Act because the legislative body creates the committee. The desire to have the entire board is allowable under the Brown Act, however, only the two members are the members of the committee who can speak; the other board members that attend cannot speak.

The discussion continued regarding the 5 proposed standing committees along with how the members of the board would be assigned, along with the regional committees. President Leete will amend his proposal to withdraw any discussion regarding the Regional Committees and move to a future meeting.

Motion by: Director Pease to adopt Resolution No. 2017-04 and amend the Bylaws to reflect the change as Section 2 Terms and Responsibilities of Elected Officers and remove the references in respect to Regional Representation
Second by: Director Mayer

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

5. Assignment/Selection of Committee Assignments by Board Members:

- Finance Committee – President Bob Leete
- Water and Wastewater Committee – Vice-President Kevin Graves
- Parks and Recreation Committee – Director Chris Steele
- Water and Wastewater Committee – Director Bill Pease
- Finance Committee – Director Bill Mayer
- Internal Operations Committee – President Bob Leete
- Internal Operations Committee – Vice-President Kevin Graves
- Communications Committee – Director Chris Steele
- Parks and Recreation Committee – Director Bill Pease
- Communications Committee – Director Bill Mayer

Motion by: Vice-President Graves to accept the appointments as volunteers to the committees for Finance, Water and Wastewater, Parks and Recreation, Internal Operations, and Communications.

Second by: Director Pease

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

G. INFORMATIONAL ITEMS ONLY (NO ACTION NECESSARY)

1. District Financial Statement Report for the Period ending September 30, 2016

H. PRESENTATIONS

None

I. PRESIDENT REPORT AND DIRECTORS' COMMENTS

None

J. MANAGER'S REPORT – Discussion and Possible Action

None

K. GENERAL MANAGER'S REPORT – Discussion and Possible Action

General Manager Davies – Provided the details regarding the Solar Dryer panel which has been replaced, price \$500.00; Contra Costa County Health update – has not tested any positives for the Blue Green Algae, cautiously it is safe for swimming, however keep your eyes open, could possibly return.

L. DISTRICT LEGAL COUNSEL REPORT

None

M. SUB-COMMITTEE UPDATES – Discussion and Possible Action

N. CORRESPONDENCE – Discussion and Possible Action

None

O. PUBLIC RECORD REQUESTS RECEIVED

1. Request from Bill Helfrick - Water Meter Installation Cost and Financing – Request date December 21, 2016.

P. FUTURE AGENDA ITEMS

None

Legal Counsel Attebery – Provided the details regarding social media and that there is no legal requirement that you cannot provide agenda to social media, however, the recommendation is to stay off of social media.

Q. ADJOURNMENT

1. The meeting adjourned at 9:20 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

//cmc – 01-23-2017

<http://www.todb.ca.gov/agendas-minutes>