

Contra Costa County Water and Wastewater Agencies

**Combined Municipal Service Review  
and Sphere of Influence Study  
(2<sup>nd</sup> Round)**

Final; Approved May 14, 2014

Contra Costa Local Agency Formation Commission  
May 2014

**PREPARED FOR:**

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION**

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## TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT – WATER/WASTEWATER SERVICES

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### OVERVIEW/BACKGROUND

The Town of Discovery Bay Community Services District (TODBCSD) is located in the eastern portion of the County, north of Highway 4, approximately one mile east of the Byron Highway. The service area encompasses the developed and developing unincorporated community of Discovery Bay of approximately 5,760 acres. Discovery Bay was originally established in the 1970s as a weekend and summer resort community.

Today, Discovery Bay has evolved into a year-round home for over 13,500 residents. TODBCSD was formed in 1998 as an independent district pursuant to the Community Services District Act (Government Code Section 61000 et seq.). TODBCSD is authorized to provide water and wastewater services, parks and park maintenance services, landscaping and recreation services. TODBCSD also provides flood control in specified areas. This report will focus on the TODBCSD's water and wastewater services which is TODBCSD's primary function. A map of TODBCSD's current boundary and sphere of influence (SOI) is shown in **Figure IV-28** on Page 284.

Two new residential development projects, Newport Pointe and Pantages Bay, were recently approved by the Contra Costa Board of Supervisors and will ultimately require TODBCSD services in the future:

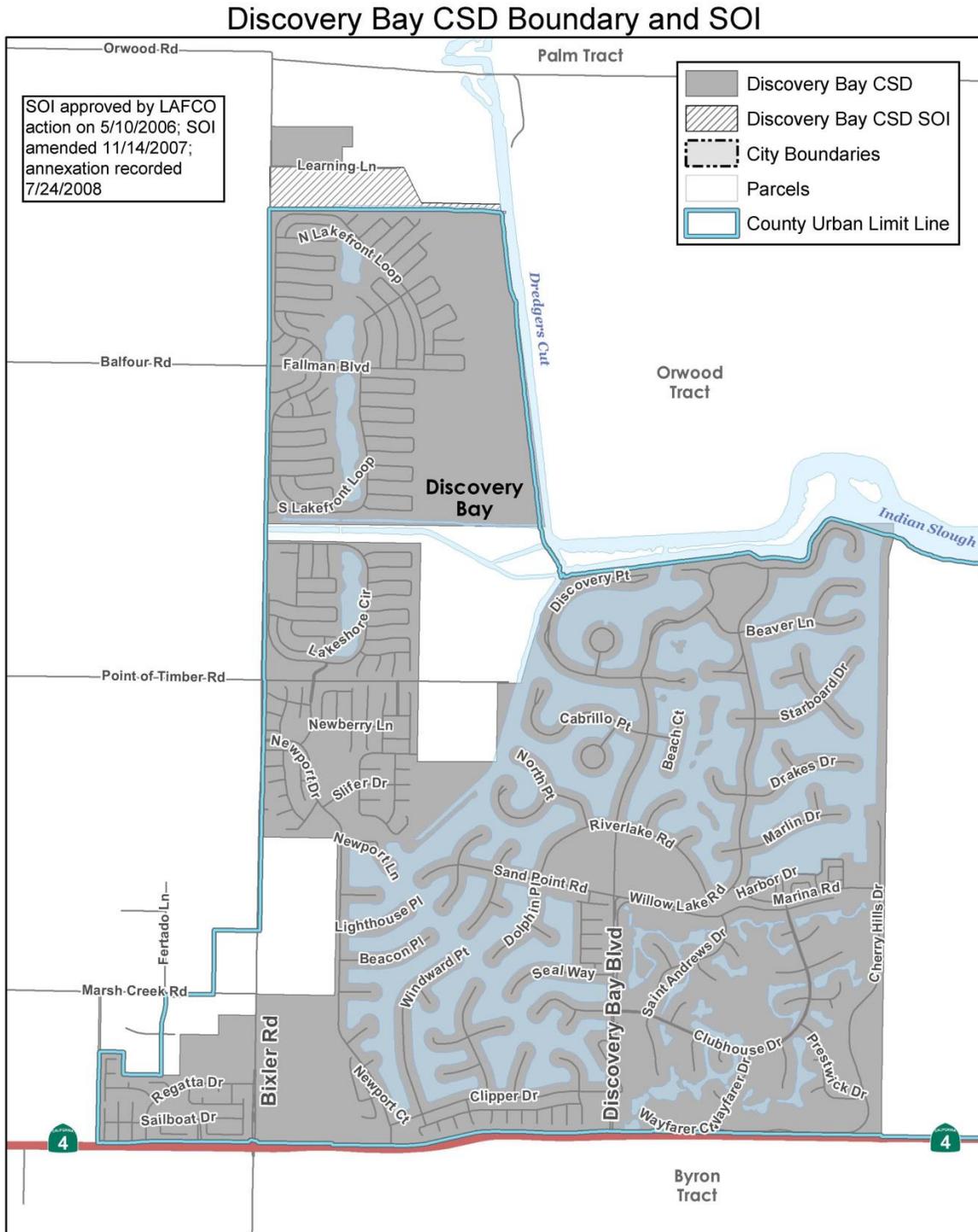
- The Newport Pointe development will result in 67 single family homes on 20 acres of undeveloped property (and approximately six acres of wetlands) in the Discovery Bay West area. The property is located outside the current TODBCSD SOI and service boundary. In July 2010, the landowner submitted applications to CC LAFCO to modify TODBCSD's SOI and boundary to include this property. The CC LAFCO applications are currently incomplete.
- The Pantages Bay development proposes 292 residential units (116 of which will have boat docks), creation of 47 acres of bays and covers, wetlands/emergent marsh preservation, trails and other project-related improvements, and a Sheriff's Marine Patrol Station. Most of the project territory is located outside the TDBRSD SOI and service boundary. A landowner application to CC LAFCO to remedy these outstanding boundary issues will be required.

These projects, as well as the continued built-out of entitled units in Discovery Bay West and Villages IV and V, will result in future growth for TODBCSD. According to the 2012 Wastewater Master Plan, at build out, the Town of Discovery Bay will add an additional 1,123 residential units, 90 acres of office and business park development and 10 acres of commercial land use. In 2012, TODBCSD adopted 10-Year Master Plans for both water and wastewater services along with long-term Capital Improvement Programs to meet Discovery Bay's future growth and capacity needs at build out, including both the proposed Newport Pointe and Pantages Bay developments. The TODBCSD's Agency Profile is included as **Table IV-28** on Page 283.

**Table IV-28, Agency Profile – Town of Discovery Bay Community Services District**

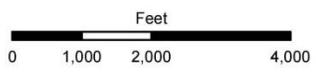
<b>General Information</b>			
Agency Type	Community Services District		
Principal Act	Community Services District Laws, Government Code Section 61000 et seq. and SB 135, Community Services District Law		
Date Formed	1998		
Services	Water, sewage collection and disposal, levee maintenance, parks and park maintenance, landscaping and recreation		
<b>Service Area</b>			
Location	Unincorporated community of Discovery Bay		
Square Miles/Acres	9 square miles/5,760 acres		
Land Uses	Predominantly residential with some commercial and irrigation uses		
Water Connections	5,523 service connections (residential, commercial, irrigation)		
Population Served	13,500 (2010 Census)		
Last SOI Update	11/14/2007		
<b>Water Infrastructure/Capacity</b>			
Facilities	2 water treatment plants, 4 water storage tanks, booster pumps, 46 miles of mainland pipe		
Storage Capacity	Willow Lake Water Treatment Plant – 1.5 MG Newport Water Treatment Plant – 1.0 MG		
Primary Source of Supply	5 active groundwater supply wells; 6 <sup>th</sup> well to be online by late spring/early summer 2014		
<b>Sewer Infrastructure/Capacity</b>			
Facilities	2 wastewater treatment plants, 15 lift stations		
Treatment Plant Capacity (MGD)	Average Annual Flow – 1.80 MGD Permitted Flow – 2.1 MGD Peak Day Flow – 3.60 MGD		
Primary Disposal Method	Secondary treatment, UV disinfection and discharge into Old River		
<b>Budget Information- FY 2013-2014 (All Services- Water/Wastewater/Parks/Recreation/Landscape)</b>			
	Revenues	Expenditures	Net Surplus/(Deficit)
General/Operating Fund	\$13,276,006	\$6,165,337	\$7,110,669
Combined Other Funds	Included Above	\$7,110,669	(\$7,110,669)
All Funds	\$13,276,006	\$13,276,006	\$0
	FY 2013-2014	Long Term Planned Expenditures	
Capital Expenditures	\$7,110,669	\$25,244,439- 5 Year Projection	
Net Assets (Reserves)	\$7,564,216	June 30, 2012 Financial Statement- Restricted & Unrestricted	
<b>Governance</b>			
Governing Body	Board of Directors (5 members)		
Agency Contact	Rick Howard, (925) 634-1131		
<b>Notes</b>			
Net Assets do not include Capital Assets			

Figure IV-28, Boundary/SOI Map – Town of Discovery Bay Community Services District



Map created 05/13/2013  
 by Contra Costa County Department of Conservation and Development, GIS Group  
 30 Muir Road, Martinez, CA 94553  
 37.59.41.791N 122.07.03.756W

This map or dataset was created by the Contra Costa County Department of Conservation and Development with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.



## **DISTRICT OPERATIONS**

TODBCSD provides a variety of services including water and wastewater for the community of nine square miles. The water operations function provides: potable treatment capacity of approximately 2 million gallons per day (MGD); storage in 4 reservoirs; and distribution through several booster pumps and 46 miles of pipeline. TODBCSD operates 5 active wells for pumping groundwater to provide for treatment. A sixth well is under construction with a planned operational date in the summer of 2014. TODBCSD contracted to develop and approved a 10-Year Water Master Plan in 2012 that provides a framework for accommodating future development and a long range CIP including major infrastructure replacement as needed over time.

Wastewater operations functions include two relatively small but environmentally sensitive wastewater treatment plants (WWTP's) with capacity of 2.1 MGD and average flow of 1.8 MGD. A system of 15 pump stations takes collected effluent to the WWTP for treatment and disposal. TODBCSD currently contracts operation of the WWTP with Veolia Water since 2009 and has experienced reduced operational problems and environmental and permit issues.

As referenced in the 2006 MSR, TODBCSD experienced several permit violations and has since resolved those issues and received a new NPDES permit in 2008. A new expanded permit is expected in mid-2014. Issues of constituent discharges exceeding limits and Regional Water Quality Control Board (RWQCB) fines have been an ongoing concern. TODBCSD appears to have addressed these issues through the change of contract operators and oversight by management and engineering support. While it is realistic to expect occasional problems with a wastewater system, the challenge is to address issues and solve them for future operations. Close monitoring of this situation will be important for the next MSR cycle. TODBCSD has issued debt financing to fund capital improvement projects and has approximately \$7.1 million budgeted in 2013-14 including, among other upgrades, a new well, WWTP upgrades, and pipeline replacement.

### ***Infrastructure Needs***

TODBCSD has applied for a new NPDES permit for the WWTP with a capacity increase from 2.1 MGD to 2.35 MGD. Operation of the WWTP and upgrades to the inflow control, pump and UV system are expected to aid in operation. The Water and Wastewater Master Plans have identified potential rehabilitation projects for the next ten years as well as possible upgrades if new development is approved.

### ***Cooperative Programs***

TODBCSD has joined the Bay Area Chemical Consortium to purchase bulk chemicals for water and wastewater treatment, saving about \$50,000 per year. A Joint Powers Authority (JPA) agreement with the Byron Bethany Irrigation District (BBID) formed the Discovery Bay Financing Authority to finance bonds for long-term capital projects. TODBCSD is studying several possible cooperative programs for operations of its recreation programs.

### ***Cost Avoidance Opportunities***

The comprehensive review of the water and wastewater facilities and Master Plans have provided the ability to better phase major rehabilitation projects and reduce debt financing costs. Low energy lighting is being installed at facilities to reduce energy costs. TODBCSD's management has set cost containment or reduction as a major strategic goal for TODBCSD.

## **DISTRICT FINANCIAL OVERVIEW**

TODBCSD provides water, wastewater, parks and parks maintenance, and recreation and landscape maintenance services to the Discovery Bay area. TODBCSD operates its water and wastewater services as enterprise type activities, with a significant portion of its overall revenue from charges for services listed as property taxes in TODBCSD's budget. Overall, TODBCSD's financial status is stable. TODBCSD maintains a good long-term CIP and maintains sufficient revenue generation for funding projects. TODBCSD maintains a good reserve fund balance providing adequate capability to absorb short-term impacts and its debt service to annual expenditure ratio is low. TODBCSD reports that in 2013, it began a new four-year Water and Wastewater Rate Study for future operational and capital requirements, and the anticipated rate adjustments that may be required to support future needs.

There are five primary areas of criteria that have been utilized to assess the present and future financial condition of TODBCSD's wastewater service operations as discussed below:

### ***3 Year Revenue/Expenditure Budget Trends***

TODBCSD overall has been experiencing balanced budgets over the last few years. TODBCSD maintains adequate amounts of reserve fund balance and has established several infrastructure reserve funds for future capital improvements, with annual contributions to those funds.

### ***Ratios of Revenue Sources***

TODBCSD overall receives approximately 55% of its revenues from charges and fees for services, most of which are identified as property taxes in TODBCSD's budget, 41% from financing proceeds and 4% from miscellaneous other sources. The financing proceeds are designated for capital improvement projects. Overall, sufficient revenue is collected to support operational and maintenance expenditures, with sufficient reserves to absorb for short term impacts.

### ***Ratio of Reserves or Fund Balance to Annual Expenditures***

An indicator of the ability to absorb an unexpected loss of revenue in a given fiscal year is exhibited by the amount of unrestricted cash reserve or fund balance the service fund maintains in relation to the annual fund expenditures. TODBCSD currently reflects an overall fund balance ratio for all funds of approximately 57% of annual expenditures, a good ratio. TODBCSD reports that it maintains a base reserve of \$3 million, and has instituted annual contributions to several capital reserve funds for future capital, facilities, equipment and vehicle replacement requirements. TODBCSD reports that for FY 12/13, the combined reserve fund balance for these capital reserve funds was \$820,000, and that the combined annual contribution rate to the reserve funds is \$500,000.

### ***Annual Debt Service Expenditures to Total Annual Expenditures***

The ratio of annual debt service to total fund annual expenditures is an indicator of TODBCSD's ability to meet debt obligations in relation to service provision expenditures. Ideally, a ratio of 10% or less would reflect a very stable ratio. TODBCSD's annual debt service ratio to total expenditures is approximately 6%, a good ratio. TODBCSD reports that it has retired its previous debt of approximately \$1.8 million, and has recently incurred new debt of approximately \$14.1 million via the Discovery Bay Public Financing Authority. This debt is in the form of enterprise revenue bonds and designated for capital improvement projects identified in TODBCSD's Master Plans.

**Capital Improvement Program**

TODBCSD has developed and implemented a comprehensive CIP for its water and wastewater infrastructure improvements. Its current 5-Year CIP identifies approximately \$25.2 million in capital improvement expenditures. TODBCSD budget for FY 13/14 includes approximately \$7.1 million in capital project expenditures. TODBCSD reports that it has completed several capital improvements in the last several years, including the construction of a new domestic water well and upgrades to the wastewater treatment facility.

**Rate Structure**

TODBCSD's rate structure for water is an annual fixed charge for unmetered service and consumption based for metered service. New rates for FY 11/12 and FY 12/13 were established by a rate study conducted in 2011. For FY 12/13, fixed charge annual rates ranged from \$232.44 to \$542.88 dependent on size of the parcel served. Metered service monthly charges per ccf range from \$ 8.66-\$25.03 for domestic water dependent on meter size, and \$2.57-\$18.94 for irrigation water dependent on meter size.

Wastewater charges for residential connections for FY 12/13 are annual fixed charges at \$669.24 per unit for single family homes, and \$501.96 per unit for multi-family developments. Commercial rates are consumption based with monthly rates ranging from \$3.49-\$11.34 per ccf dependent on type of commercial activity. TODBCSD reports that in 2013, a new four-year Water and Wastewater Rate Study was completed for future operational and capital requirements.

**DISADVANTAGED UNINCORPORATED COMMUNITIES**

There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the TODBCSD SOI.

**STATUS OF ISSUES IDENTIFIED IN PREVIOUS MSR**

The 2006 CC LAFCO MSR identified a number of issues and recommendations with respect to TODBCSD. The section below provides an update, based on information provided by TODBCSD, identifying how those issues have been addressed since 2006 MSR.

- *Provisions made since 2006 to accommodate growth for the Discovery Bay area.*

In order to identify TODBCSD's ability to provide water and wastewater service to planned projects within TODBCSD, several key actions were taken: in 2012, DBCSD completed a 10-Year Wastewater Master Plan which included a comprehensive review of TODBCSD's wastewater infrastructure, potential impacts of future development, and long-range CIP based upon build out of future development; and, in 2012, DBCSD also completed a 10-Year Water Master Plan identifying a long-range capital improvement program to address community build out of identified future development. TODBCSD has also completed a review of the Town's water and wastewater rate structure, established the Discovery Bay Public Financing Authority, a JPA with Byron Bethany Financing Authority, completed a Capacity Fee Study, and completed a four-year water and wastewater rate study.

- *Status of NPDES Permit.*

TODBCSD's NPDES permit was renewed in 2008. Because the permits are on a five-year renewal cycle, the permit was scheduled for renewal in November 2013. TODBCSD contracted with Stantec Engineering to perform the necessary steps required by RWQCB, and TODBCSD submitted the necessary paperwork to renew the NPDES permit within the RWQCB time guidelines. The current permit has been extended as confirmed by the RWQCB and it is anticipated the permit will be renewed in 2014. The RWQCB issued an extension to the 2008 permit until the new NPDES permit is in place. It is expected that the new five-year NPDES permit will be effective mid-2014. The Draft permit is presently in a 30 day public review cycle.

- *Corrective actions taken to address home plumbing systems exceeding permit standards for copper.*

The Town of Discovery Bay has been working with the RWQCB for exceeding permit standards for copper in wastewater since 2000. Copper levels in the water are comparable to other communities. However, there was an interpretation of environmental impact made in 2000 by the RWQCB that created an artificially low copper standard for the Town of Discovery Bay. TODBCSD has since provided information to the RWQCB showing that copper levels in the discharge from TODBCSD are not harmful to aquatic life at the concentrations normally discharged by TODBCSD. RWQCB has concurred with these findings and has modified the discharge permit to adjust the copper levels to accurately reflect the actual impact.

- *Outstanding RWQCB (or other State) fines or orders.*

RWQCB issued a series of orders and fines including a Notice of Violation (issued February 13, 2013) for minimum penalties concerning Coliform violations on January 25-26, 2011, February 2, 2011, June 16-17, 2011, June 21-22, 2011, June 24, 2011 and May 9, 2012. TODBCSD reports that these fines have been resolved through an agreement between the TODBCSD and the RWQCB. On July 3, 2013 the Town of Discovery Bay Board of Directors authorized a Supplemental Environmental Program (SEP) as proposed to the RWQCB. On August 7, 2013, the Central Valley Regional Water Quality Control Board authorized the SEP program as submitted by the TODBCSD. The SEP, as presented, provides a Grant to the University of California, Berkeley in the amount of \$34,500 to continue to fund the wetlands demonstration project presently taking place at Wastewater Treatment Plant I. The funds will support a graduate student and purchase of instruments to continuing work on pharmaceutical removal with the wetlands for one year. The SEP was approved by the TODBCSD and the RWQCB in September, 2013.

TODBCSD also exceeded its annual average electrical conductivity. The annual electrical conductivity limit is a result of new salinity limits added to the 2008 NPDES permit which was modified in 2011.

- *Other RWQCB (or other State) fines or orders since the completion of the 2006 MSR.*

Since 2006, TODBCSD has been subject to fines, notices of violation and orders from the RWQCB related to violations of the Town's NPDWS permit and other state regulations. These incidents include a number of SSO violations in 2008. TODBCSD changed operators after these events and the fines were paid. In 2009 and 2010 there were notices of violation relating to discrepancies

in the newly implemented electronic self-monitoring reports by the RWQCB. These discrepancies were resolved by modifying the report format and no fines were assessed.

- *Update on Community Center.*

The TODBCSD has purchased a 7.25 acre site for the Town's Community Center. On January 1, 2014, the TODBCSD began offering recreations programming to the community.

- *Steps taken to prevent spills like the 2008 raw sewage spill (94,000 gallons) into a lake.*

It was determined the primary cause of the Lakeshore Sanitary Sewer Overflow was operator error and overall lack of attention to the sanitary system. In response, TODBCSD ended its contract with its operator and contracted with Veolia Water N. A. to manage and oversee the system's operation. TODBCSD reports that the prior contract firm, Southwest Water Services (SWWS), was held 100% liable for the 2008 SSO that occurred at the "Lakes" residential development and that SWWS was ultimately responsible for the entire fine to the RWQCB. This was only after the TODBCSD brought action against SWWS and the TODBCSD prevailed in a mediated civil litigation.

- *Status of 2010 Urban Water Management Plan.*

The TODBCSD has not submitted its 2010 Urban Water Management Plan. TODBCSD is currently obtaining proposals to prepare the UWMP utilizing the data in the 2012 Water Master Plan. CC LAFCO will be unable to consider any future SOI/boundary changes until the TODBCSD completes this update.

- *Actions taken to ensure operating revenues/reserves are sufficient to operate major capital projects.*

TODBCSD has made a number of site and facility upgrades since 2006, including, among others: construction of domestic water production Well #6; the addition of a Trojan 3000Plus UV upgrade to the wastewater treatment process; and the addition of two solids handling belt presses and solar drying sheds. TODBCSD has conducted rate studies, issued long-term debt, and completed a capacity fee study ensuring that all financial obligations are met and assets of TODBCSD are properly maintained, repaired, serviced or constructed pursuant to the long-term Master Plan recommendations.

- *Status of long-term debt.*

In August 2010, TODBCSD issued \$14.1 million in Discovery Bay Public Financing Authority 2012 Enterprise Revenue Bonds to provide the necessary long-term funding for a series of capital improvement projects that were recommended as part of the Master Plans.

- *Actions taken to address operating costs/revenues of the community center, park and recreation-related activities.*

Ongoing operational funding is derived from service fees and Landscape Zone 8 funds which provide for parks, landscaping and recreation.

- *District cost avoidance and/or resource sharing endeavors.*

TODBCSD outsources services (i.e., maintenance and operations of water and wastewater facilities) and contracts with a private company for park and landscape maintenance; uses efficient facility design to reduce costs; participates in the Water/Wastewater Response Network, a voluntary program of public utility agencies to share equipment and staff during emergencies. The largest cost at TODBCSD other than the Veolia Water Contract is PG&E at approximately \$700,000 annually. TODBCSD makes every effort to maximize efficiencies and minimize costs.

- *Status of discussion with other agencies regarding a regional approach to wastewater services in East Contra Costa County.*

The TODBCSD has not been a party to any further discussions on regionalization of services since August 2006.

- *Current rates for water and wastewater services.*

TODBCSD's rate structure for water is an annual fixed charge for unmetered service and consumption based for metered service. New rates for FY 11/12 and FY 12/13 were established by a rate study conducted in 2011. For FY 12/13, fixed charge annual rates ranged from \$232.44 to \$542.88 dependent on size of the parcel served. Metered service monthly charges per ccf range from \$ 8.66-\$25.03 for domestic water dependent on meter size, and \$2.57-\$18.94 for irrigation water dependent on meter size.

Wastewater charges for residential connections for FY 12/13 are annual fixed charges at \$669.24 per unit for single family homes, and \$501.96 per unit for multi-family developments. Commercial rates are consumption based with monthly rates ranging from \$3.49-\$11.34 per ccf dependent on type of commercial activity. TODBCSD reports that in August 2013, a new four-year Water and Wastewater Rate Study was adopted pursuant to a Proposition 218 hearing for future operational and capital requirements, and the anticipated rate adjustments that are required to support future operational and capital requirements.

- *Status of Consumer Confidence Report (CCR) and other methods to enhance local accountability and transparency.*

Pursuant to State law, TODBCSD produces a CCR. Additionally, TODBCSD launched a new website in 2010.

- *Comments on two governance options identified in the 2006 MSR: (1) dissolution of Byron Sanitary District and annexation of its service area to TODBCSD; and (2) a service agreement between Byron Sanitary District and TODBCSD to treat and dispose of sewage from the Byron Sanitary District.*

These issues have been considered. Byron Sanitary District has contracted with BBID to perform essential functions. The TODBCSD indicates that it is not necessary to further that discussion at this time.

- *Timetable to annex two properties currently receiving service outside of TODBCSD.*

There is no timetable for annexation of the two properties within TODBCSD. In 2012, CC LAFCO approved an out of agency service request to extend sewer service to a 15.38± acre parcel located at 14021 Highway 4 in unincorporated Byron. The property houses a single family residential unit and is located outside the Urban Limit Line.

- *Comments on other potential SOI/boundary changes to TODBCSD.*

*Two boundary changes are contemplated for Discovery Bay: (1) the Pantages Bay residential project which is primarily located outside TODBCSD and will require annexation, and (2) the Newport Pointe residential project which is located completely outside TODBCSD and will also require annexation.*

- *Additional TODBCSD services planned in the next five years.*

None anticipated at this time.

- *Interest in forming a Municipal Advisory Council (MAC).*

Not at this time. When TODBCSD, an Independent Special District, was formed in December 1998 by CC LAFCO, the Discovery Bay MAC was dissolved. Only its advisory functions were assumed by the Town of Discovery Bay Board of Directors.

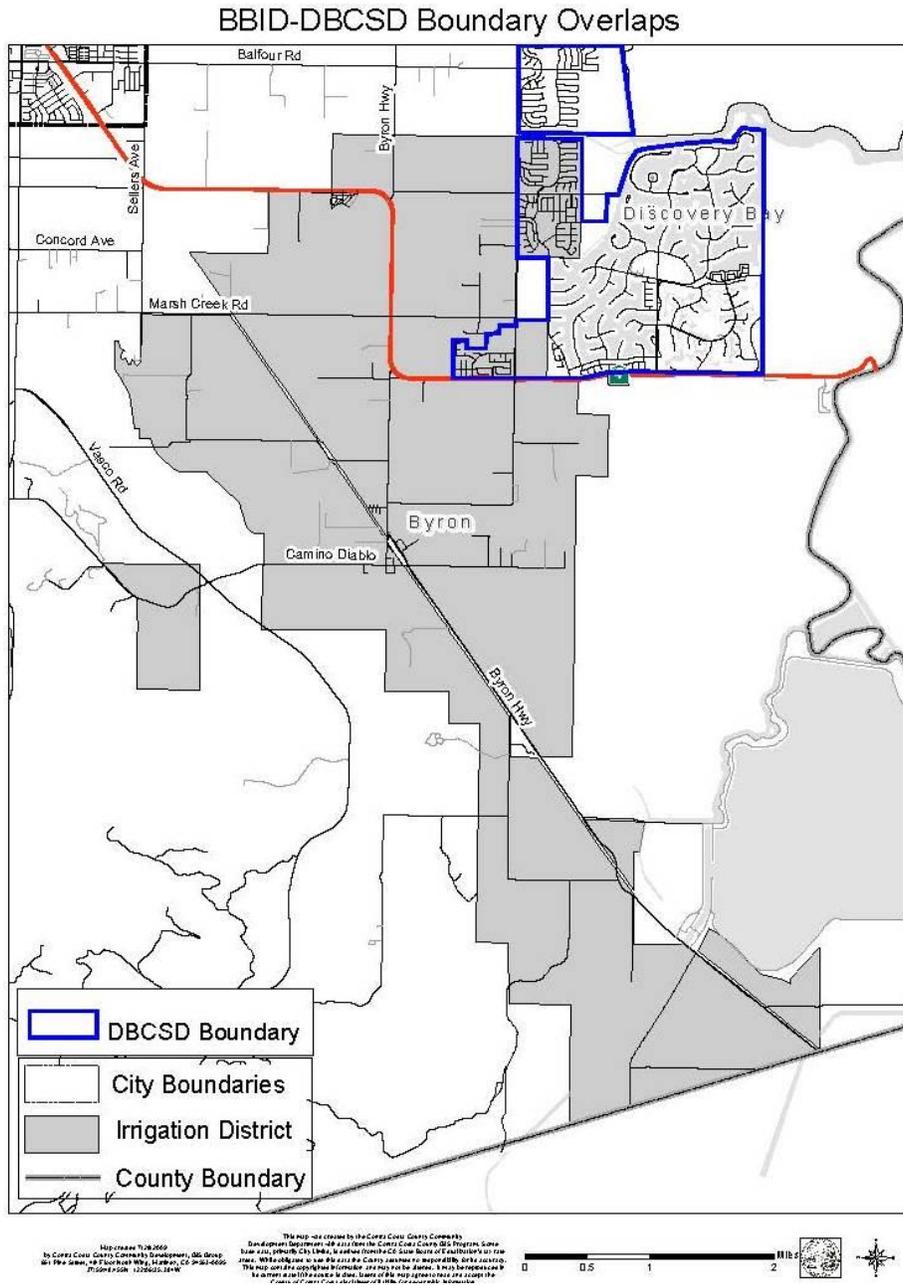
## GOVERNMENT STRUCTURE ALTERNATIVES

There are two residential development proposals, Pantages Bay and Newport Pointe, which have been approved by the Contra Costa County Board of Supervisors and will require future water and wastewater services from TODBCSD. The majority of the Pantages Bay property is located outside TODBCSD's boundary and SOI. The entire Newport Pointe project is located outside TODBCSD's boundary and SOI.

In July 2010, the landowner of Newport Pointe filed an application to amend TODBCSD's SOI and concurrently annex the property to TODBCSD. The applications are currently incomplete. For the Pantages Bay property, the landowner will be required to annex to TODBCSD but, to date, has not filed an application with CC LAFCO. In 2012, TODBCSD adopted 10-Year Master Plans for both water and wastewater services along with long-term CIP to meet Discovery Bay's future growth and capacity needs at build out, incorporating both the proposed Newport Pointe and Pantages Bay developments.

It should be noted that TODBCSD and BBID have overlapping boundaries as identified in **Figure IV-28A** on Page 292. The overlap results in some residents of Discovery Bay having a portion of their one percent Ad Velorum property tax allocated to both BBID and TODBCSD. Because the two districts utilize different treatment processes (TODBCSD uses well water and BBID relies on Central Valley Project surface water), it is unlikely that Discovery Bay residents will use BBID water. As discussed in the BBID chapter of this report, consideration should be given to reducing BBID's SOI in the overlap area. San Joaquin LAFCO is the principal LAFCO for BBID and therefore would be required to initiate any SOI or boundary revision.

Figure IV-28A, Overlapping Boundary – BBID & TODBCSD



One government structure option has been identified for TODBCSD:

**Maintain the Status Quo:**

TODBCSD is currently providing adequate water and wastewater services for its residents and businesses in Discovery Bay. TODBCSD maintains its infrastructure, is planning for the future through appropriated infrastructure planning and investment and is financially sound.

**RECOMMENDED MUNICIPAL SERVICE REVIEW DETERMINATIONS**

Based on the information, issues, and analysis presented in this report, proposed MSR determinations pursuant to Section 56430 are presented below for Commission consideration:

<p><i>Growth and Population for the affected area.</i></p>	<p>According to recent Census data, the population of the Town of Discovery Bay is currently 13,500. Two new residential development projects, Newport Pointe and Pantages Bay, were recently approved by the Contra Costa County Board of Supervisors and will impact the TODBCSD. These projects, as well as the continued built-out of entitled units in Discovery Bay West and Villages IV and V, will result in substantial future growth for TODBCSD. According to the 2012 Wastewater Master Plan, at build out, the Town of Discovery Bay will add 1,123 residential units, 90 acres of office and business park development and 10 acres of commercial land uses.</p>
<p><i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no DUCs located within, or contiguous to, the TODBCSD SOI.</p>
<p><i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>TODBCSD contracted to develop and approved a 10-Year Water Master Plan in 2012 that provides a framework for accommodating future development and a long range capital improvement program including major infrastructure replacement as needed over time. Wastewater operations functions include two relatively small but environmentally sensitive WWTP’s with capacity of 2.1 MGD and average flow of 1.8 MGD. A system of 15 pump stations takes collected effluent to the WWTP for treatment and disposal. TODBCSD currently contracts operation of the WWTP with Veolia Water North America since 2009 and has experienced reduced operational problems and environmental and permit issues.</p> <p>TODBCSD has applied for a new NPDES permit for the WWTP increasing its capacity from 2.1 MGD to 2.35 MGD. It is anticipated that the revised permit will be issued in late 2014. In the meantime, the RWQCB has extended the current TODBCSD NPDES permit until such time as the new permit is adopted. Operation of the WWTP and upgrades to the inflow control, pump and UV system are expected to aid in operation. The Water and</p>

WATER AND WASTEWATER DISTRICTS MSR-SOI STUDY (2<sup>nd</sup> Round)  
CONTRA COSTA LAFCO

	<p>Wastewater Master Plans have identified potential rehabilitation projects for the next ten years as well as possible upgrades if new development is approved.</p> <p>The TODBCSD has not completed its UWMP, therefore CC LAFCO will be unable to consider any SOI or boundary changes until the UWMP is complete.</p> <p>There are no DUCs located within, or contiguous to, the TODBCSD SOI.</p>
<p><i>Financial ability of agencies to provide services.</i></p>	<p>Overall, TODBCSD’s financial status is stable. TODBCSD maintains a good long-term capital improvement program and maintains sufficient revenue generation for funding projects. TODBCSD maintains a good reserve fund balance providing adequate capability to absorb short-term impacts and its debt service to annual expenditure ratio is low. TODBCSD reports that in 2013, it began a new four-year Water and Wastewater Rate Study for future operational and capital requirements, and the anticipated rate adjustments that may be required to support future needs.</p>
<p><i>Status of, and opportunities for, shared facilities.</i></p>	<p>TODBCSD has joined the Bay Area Chemical Consortium to purchase bulk chemicals for water and wastewater treatment, saving about \$50,000 per year. A Joint Powers Authority agreement with the Byron Bethany Irrigation District formed the Discovery Bay Financing Authority to finance bonds for long- term capital projects. TODBCSD is studying several possible cooperative programs for operations of its recreation programs.</p>
<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>TODBCSD is an Independent Special District governed by a five-member Board of Directors elected at large. TODBCSD meetings are open to the public, and Board agendas and meeting minutes are available on its website. TODBCSD’s website also includes district financial information, master planning documents, rate studies, employee compensation, and community events announcements.</p> <p>One government structure option was identified: (1) maintain the status quo.</p>
<p><i>Any other matter related to effective or efficient</i></p>	<p>No additional issues have been identified.</p>

<i>service delivery, as required by commission policy.</i>	
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**Recommended Sphere of Influence:** Reaffirm TODBCSD’s existing sphere of influence determinations, and reaffirm TODBCSD’s current sphere of influence.

It is noted that the TODBCSD’s Waste Water Treatment Plant is located outside TODBCSD’s boundary and SOI. The TODBCSD may wish to review the feasibility of annexing that facility into the TODBCSD’s boundaries.