



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



President – Carolyn Graham • Vice-President – Bryon Gutow • Director – Kevin Graves • Director – Ashley Porter • Director – Lesley Belcher

**NOTICE OF THE REGULAR MEETING  
OF THE STANDING FINANCE COMMITTEE  
OF THE TOWN OF DISCOVERY BAY  
Wednesday, February 5, 2025, 4:30 P.M.**

**TO ATTEND IN PERSON:** The meeting will be held at the Community Center located at 1601 Discovery Bay Boulevard.

In addition to physical attendance at the address indicated above, the Town of Discovery Bay Community Services District is offering the following teleconferencing options as an alternative means for the public to participate in this meeting.

**TO ATTEND BY ZOOM WEBINAR:** <https://us06web.zoom.us/j/82820740593>

**TO ATTEND BY PHONE:** +1 (669) 444 9171 or +1 (719) 359 4580 **WEBINAR ID:** 828 2074 0593

Download Agenda Packet and Materials at [www.todb.ca.gov](http://www.todb.ca.gov)

**Finance Committee Members**

*Kevin Graves  
Ashley Porter*

**A. ROLL CALL**

1. Call business meeting to order 4:30 p.m.
2. 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 Committee on any issue within the District's jurisdiction which is not on the Agenda. The public may comment on any item on the Agenda at the time the item is before the Committee for consideration. Any person wishing to speak will have 3 minutes to make their comment. There will be no dialog between the Committee and the commenter as the law strictly limits the ability of Committee members to discuss matters not on the agenda. We ask that you refrain from personal attacks during comment, and that you address all comments to the Committee only. Any clarifying questions from the Committee must go through the Chair. Comments from the public do not necessarily reflect the viewpoint of the Committee members.

**C. DRAFT MINUTES TO BE APPROVED**

1. Approve Finance DRAFT Meeting Minutes of December 4, 2024.

**D. PRESENTATIONS**

1. Bi-Monthly Financial Report.

**E. UPDATES**

**F. DISCUSSION**

1. Discussion Regarding Establishing Chair and Vice-Chair.
2. Discussion and Possible Feedback on Rate Study and Proposition 218 Process Schedule.

**G. FUTURE DISCUSSION/AGENDA ITEMS**

**H. ADJOURNMENT**

1. Adjourn to the next Standing Finance Committee meeting on April 2, 2025, at the Community Center located at 1601 Discovery Bay Boulevard.

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

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



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



President – Michael Callahan • Vice-President –Carolyn Graham • Director – Kevin Graves • Director – Bryon Gutow • Director – Ashley Porter

**MINUTES OF THE REGULAR MEETING  
OF THE STANDING FINANCE COMMITTEE  
OF THE TOWN OF DISCOVERY BAY  
Wednesday, December 4, 2024 4:30 P.M.**

**Finance Committee Members**

Chair Carolyn Graham  
Vice-Chair Ashley Porter

**A. ROLL CALL**

1. Call business meeting to order 4:30 p.m.
2. Roll Call was taken. Chair Graham announced Vice-Chair Porter would be late. Vice-Chair Porter arrived at 4:43p.m.

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

None.

**C. DRAFT MINUTES TO BE APPROVED**

1. Approve Finance DRAFT Meeting Minutes of June 5, 2024.
2. Approve Finance DRAFT Meeting Minutes of August 7, 2024.

Vice-Chair Porter made a Motion to Approve the June 5, 2024 and August 7, 2024 Draft Meeting Minutes.

Chair Graham seconded.

Vote: Motion Carried – AYES: 2, NOES: 0, ABSTAINED: 0, ABSENT: 0

**D. PRESENTATIONS**

1. Bi-Monthly Financial Report.

Presented by Finance Manager Margaret Moggia.

- Water
  - First receipt of fixed charge funds is expected in December.
  - Salary and benefits came in under budget due to unfilled positions.
  - Facility maintenance charges were higher than budget due to emergency repairs.
- Wastewater
  - First receipt of fixed charge funds is expected in December.
  - Salary and benefits came in under budget due to unfilled positions.
  - Consulting, contract operations and facility maintenance all came in under budget.
- Zone 8
  - First receipt of fixed charge funds is expected in December. Supplemental amount of \$24,820 was received.
  - \$26,055 of interest income was earned.
  - Salary and benefits came in under budget due to unfilled positions.
- Community Center Expenses
  - Salary and benefits came in under budget due to unfilled positions.

- Landscape Expenses
  - Salary and benefits came in under budget due to unfilled positions.
  - Facility maintenance came in higher than budget due to deferred maintenance.
- Zone 9
  - First receipt of fixed charge funds is expected in December.
  - Salary and benefits came in under budget due to unfilled positions.
  - Facility maintenance was lower than budgeted.
- FY 2025 Capital Projects
  - Administrative building, Willow Filter Repair, Well 8, Marina Underwater Crossing, Cathodic Protection, O&M Manual.
- FY 2025 Debt Portfolio
  - Current debt outstanding:
    - 2017 Bond: \$7,640,000
    - 2022 Bond: \$16,400,000
    - 2022B Bond: \$10,768,000
- Upcoming FY 2025 Finance Activities
  - State Reporting
  - Classification and Compensation Study
  - Rate Study
  - Financial Software Implementation

**E. UPDATES**

None.

**F. DISCUSSION**

None.

**G. FUTURE DISCUSSION/AGENDA ITEMS**

None.

**H. ADJOURNMENT**

1. Adjourned at 4:55p.m. to the next Standing Finance Committee meeting on February 5, 2025, at the Community Center located at 1601 Discovery Bay Boulevard.

# Finance Committee Meeting February 5, 2025

Financial Results through December 2024

Fiscal Year 2025 Finance Activities



## Fiscal Year 2025 Financial Results (through December 31)

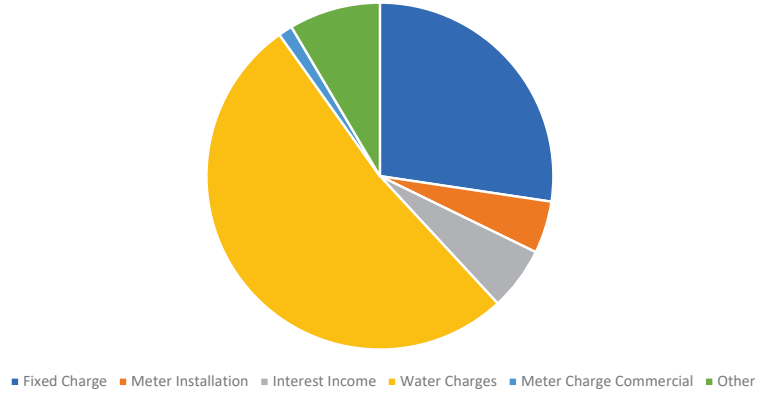
	Fund 20 (Water)	Fund 21 (Wastewater)	Fund 40 (Zone 8)	Fund 41 (Zone 9)
Revenues	\$3,449,643	\$3,961,853	\$643,811	\$105,208
Expenses	\$3,309,973	\$3,490,178	\$479,172	\$55,613
Net Income (loss)	<b>\$139,670</b>	<b>\$471,675</b>	<b>\$164,639</b>	<b>\$49,595</b>



# Fiscal Year 2025 Financial Results (Water)

	Actual	Budget
Fixed Charge	943,806	879,000
Meter Installation	167,981	168,000
Interest Income	203,326	212,500
Water Charges	1,795,101	1,653,570
Meter Charge Commercial	45,471	45,000
Other	293,958	35,000
<b>Total Revenues</b>	<b>\$3,449,643</b>	<b>\$2,993,070</b>

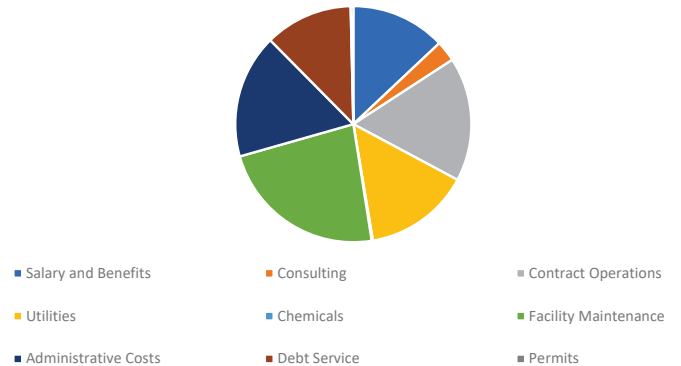
Fiscal Year 2025 - Through December 2024  
Revenues



# Fiscal Year 2025 Financial Results (Water)

	Actual	Budget
Salary and Benefits	429,589	593,054
Consulting	94,078	252,500
Contract Operations	562,521	513,000
Utilities	481,029	370,800
Chemicals	5,393	50,000
Facility Maintenance	764,022	434,500
Administrative Costs	562,442	358,500
Debt Service	398,956	398,956
Permits	11,944	25,000
<b>Total Expenses</b>	<b>\$3,309,973</b>	<b>\$2,996,310</b>

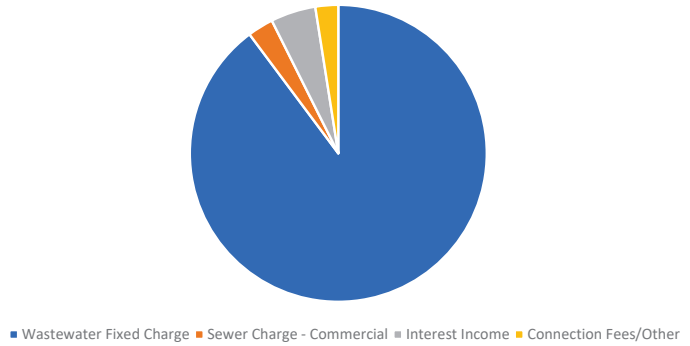
Fiscal Year 2025 - Through December 2024  
Expenses



# Fiscal Year 2025 Financial Results (Wastewater)

	Actual	Budget
Fixed Charge	3,557,628	3,243,250
Sewer Charge	111,487	68,400
Interest Income	194,290	200,000
Capacity Fees/Other	98,448	11,000
<b>Total Revenues</b>	<b>\$3,961,853</b>	<b>\$3,522,650</b>

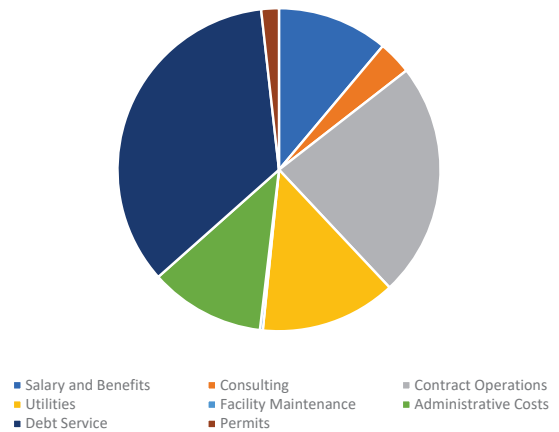
Fiscal Year 2025 - Through December 2024  
Revenues



# Fiscal Year 2025 Financial Results (Wastewater)

	Actual	Budget
Salary and Benefits	387,846	436,404
Consulting	117,321	130,000
Contract Operations	821,126	922,500
Utilities	474,722	453,600
Facility Maintenance	10,187	45,000
Administrative Costs	403,165	395,350
Debt Service	1,213,954	1,213,954
Permits	61,857	62,500
<b>Total Expenses</b>	<b>\$3,490,178</b>	<b>\$3,659,308</b>

Fiscal Year 2025 - Through December 2024  
Expenses

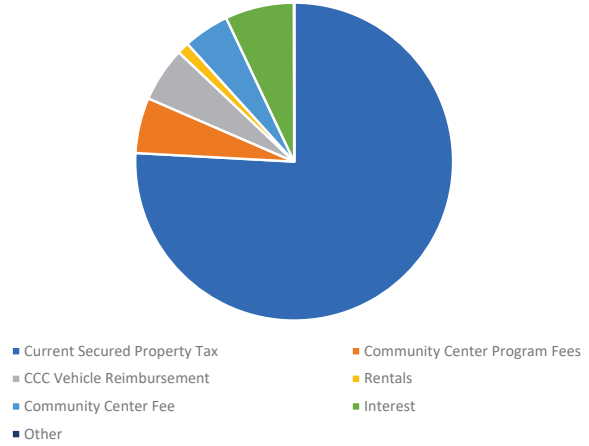


December 1 Bond Payment – Principal and Interest

# Fiscal Year 2025 Financial Results (Zone 8)

	Actual	Budget
Property Tax	488,406	425,641
Community Center	36,337	39,500
County Reimburse	35,798	33,500
Rentals	7,848	20,000
Community Center Fee	30,135	-
Interest	45,184	37,500
Other	103	12,000
<b>Total Revenues</b>	<b>\$643,811</b>	<b>\$568,141</b>

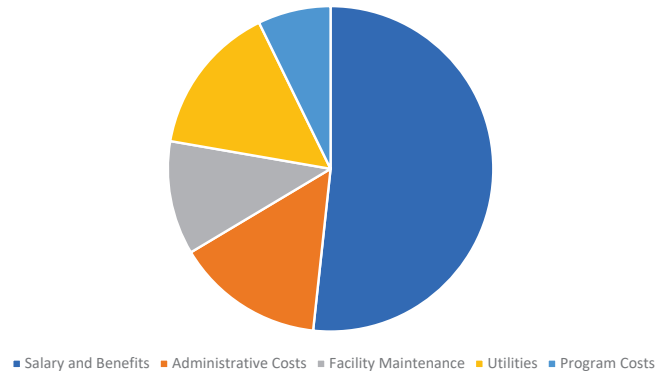
Fiscal Year 2025 - Through December 2024 Revenues



# Fiscal Year 2025 Financial Results (Zone 8)

Community Center	Actual	Budget
Salary and Benefits	116,267	179,896
Administrative Costs	33,077	26,250
Facility Maintenance	25,412	31,500
Utilities	33,777	29,500
Program Costs	16,293	27,000
<b>Total Expenses</b>	<b>\$224,826</b>	<b>\$294,146</b>

Fiscal Year 2025 - Through December 2024 Expenses - Community Center

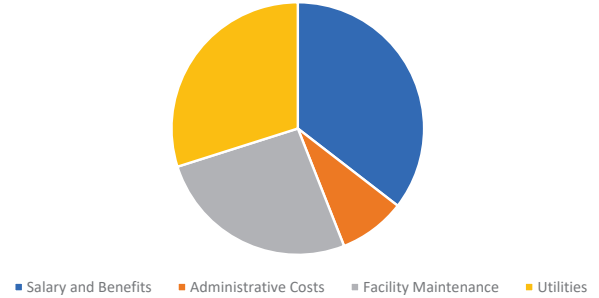




# Fiscal Year 2025 Financial Results (Zone 8)

Landscape	Actual	Budget
Salary and Benefits	90,224	117,847
Administrative Costs	21,765	19,650
Facility Maintenance	66,333	41,000
Utilities	76,024	75,000
<b>Total Expenses</b>	<b>\$254,346</b>	<b>\$253,497</b>

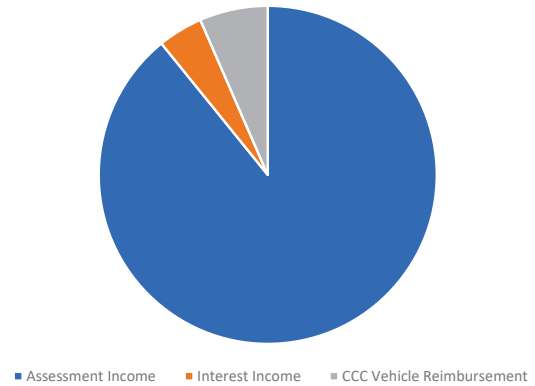
Fiscal Year 2025 - Through December 2024  
Expenses - Landscape



# Fiscal Year 2025 Financial Results (Zone 9)

	Actual	Budget
Assessment Income	93,817	85,500
Interest Income	4,518	5,000
County Reimburse	6,873	8,500
<b>Total Revenues</b>	<b>\$105,208</b>	<b>\$99,000</b>

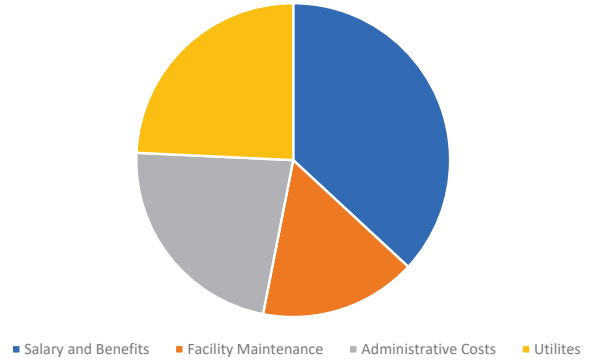
Fiscal Year 2025 - Through December 2024  
Revenues



# Fiscal Year 2025 Financial Results (Zone 9)

	Actual	Budget
Salary and Benefits	20,520	32,605
Facility Maintenance	9,002	32,250
Administrative Costs	12,602	14,150
Utilities	13,488	12,600
<b>Total Expenses</b>	<b>\$55,613</b>	<b>\$91,605</b>

Fiscal Year 2025 - Through December 2024  
Expenses



## FY 2025 Capital Projects

### Administration Building

Mobile Modular Design                      \$ 167,225

### Water Capital Improvement Projects

Willow Filter Repair                            \$1,780,176  
 Well 8    \$1,493,356  
 Marina Underwater Crossing                \$ 211,765  
 Cathodic Protection                            \$ 21,852  
 Solar Project                                      \$ 55,050



# FY 2025 Debt Portfolio

December 1 Bond Payment – Principal and Interest

	2017	2022	2022B (Refunded 2012)
Original Debt Issuance	\$8,825,000	\$16,860,000	\$11,650,000
Current Debt Outstanding	\$7,425,000	\$16,135,000	\$10,362,000
All In Total Interest Cost %	3.9281%	4.1924%	3.6837%
Final Maturity	12/1/2047	12/1/2052	12/1/2042



Water Construction Proceeds - \$4.6M  
Wastewater Construction Proceeds - \$0M

## Upcoming Fiscal Year 2025 Finance Activities

- State Reporting – Financial Transaction Report
- Classification and Compensation Study
- Rate Study
- Financial Software Implementation





# Town of Discovery Bay

*“A Community Services District”*

## STAFF REPORT

**Agenda Title:** Discussion and Possible Feedback on Rate Study and Proposition 218 Process Schedule.

**Meeting Date:** February 5, 2025

**Prepared By:** Margaret Moggia, Finance Manager

**Submitted By:** Dina Breitstein, General Manager

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**RECOMMENDED ACTION:**

For information only.

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**EXECUTIVE SUMMARY:**

The Town of Discovery Bay Community Services District (Town) provides water and wastewater service to about 6,200 customers. With the passage of Proposition 218, the California Constitution was amended to establish the requirements for imposing any new or increasing any existing property-related fees and charges.

The procedural requirements of Proposition 218 for all utility rate increases include noticing requirement, public hearing, and rate increases are subject to failure to meet majority protest. In addition, Proposition 218 also established substantive requirements that apply to water and wastewater rates and charges include cost of service, intended purpose, proportional cost recovery, availability of service and general government services.

The Town last conducted a water and wastewater rate study in 2020 which provided a schedule of rate adjustments through FY2024/2025. In July 2023, Lechowicz & Tseng was approved to provide consulting services to support the next five-year Water and Wastewater Rate Study. The work was initiated in the fall of 2023 and then paused to determine the impact of a potential ballot measure that may have an adverse impact if passed in the November 2024 election. When the ballot measure was pulled from the ballot, the work resumed.

Staff met with the rate consultant to review current assumptions including anticipated sales, operating costs, and infrastructure project costs supported by the water and wastewater revenues. In addition, staff met with the Town’s municipal advisor to better understand and incorporate the necessary borrowing assumptions and the use of Town reserves to fund the more significant capital projects on the water and wastewater programs.

Lechowicz & Tseng Municipal Consulting project manager will present a draft of the potential water and sewer (wastewater) adjustments at the February 2025 Finance Committee. The presentation covers the study goals, current financial position, future anticipated spend and cash flow, and proposed rates.

The anticipated next steps for the next rate study are noted below.

March/April 2025: Present final report and recommendations to the Board;  
Ask for approval to initiate Proposition 218 process; and  
Mail Proposition 218 Notice

June 2025: Proposition 218 Hearing

July 1, 2025: New rates go into effect in effect in FY 25/26 for water and wastewater on usage Fixed capital charges to be billed through the County (submit by August 2025 deadline)

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**FISCAL IMPACT:**

The proposed rate and charges for the water and sewer/wastewater funds are to collect sufficient funds to cover the operations and maintenance, debt obligations for infrastructure additions and renewals, and maintain prudent reserves.

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**PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:**

July 5, 2023 - Discussion and Possible Action Regarding Approving the Scope of Work with Lechowicz & Tseng Municipal Consultants for the Water and Wastewater Rate Study.

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**ATTACHMENTS:**

1. Presentation.
2. Draft Tables.

# Town of Discovery Bay CSD

## Potential Water and Sewer Rate Adjustments



February 5, 2025



LECHOWICZ + TSENG  
MUNICIPAL CONSULTANTS

Alison Lechowicz  
Project Manager



## Background

- Water and sewer utilities are enterprise funds and should be self-supported by rate revenues
- Water and sewer rates are subject to Proposition 218
  - Rates must be based on the reasonable cost of service
  - Rates must proportionally recover costs based on how customers take service
  - Covers rates over a maximum 5-year period
  - Procedural requirements: conduct a rate study, mail a notice to property owners/tenants, hold a hearing a minimum of 45 days later, protest vote



## Background Continued

- NEW January 1, 2025 Exhaustion of Administrative Remedies:
  - Customers have the option submit a Written Objection to the rate proposal (must cite specific statutes, rules, constitutional provisions, regulations, and/or cases that are alleged to be violated)
  - Failure to submit a Written Objection limits future lawsuits
- Last rate study was conducted in 2020



## Rate Study Goals

- Update the cost of service
- Collect sufficient funds to cover:
  - Operations and maintenance (maintenance has increased significantly in recent years)
  - Debt obligations
  - Repair and replacement of infrastructure (main driver of the rate increases)
  - Maintain prudent reserves
- New rates effective July 1 (concurrent with the fiscal year and property tax submittal)

# WATER FUND



5



## Current Monthly Water Rates

Vacant	\$14.67
Non-irrigation Account Charge	
up to 1 Inch Meter	\$23.02
1 1/2 Inch Meter	\$42.98
2 Inch Meter	\$66.94
3 Inch Meter	\$130.80
4 Inch Meter	\$202.64
6 Inch Meter	\$402.22
Irrigation Account Charge	
up to 1 Inch Meter	\$20.62
1 1/2 Inch Meter	\$38.18
2 Inch Meter	\$59.24
3 Inch Meter	\$115.73
4 Inch Meter	\$180.27
6 Inch Meter	\$359.54
Meter Install Fee (10-year payback)	\$8.01
Volume Rate - All Usage (\$/ccf) ccf = 100 cubic feet = 748 gallons	\$2.577

	FY2025 Est. Revenues
Meter Fees	\$1.82M
Install Fee	\$0.34M
Volume (Usage)	\$2.94M
Less Delinquencies	<u>(\$0.10M)</u>
<b>Total Rate Revenue</b>	<b>\$5.00M</b>

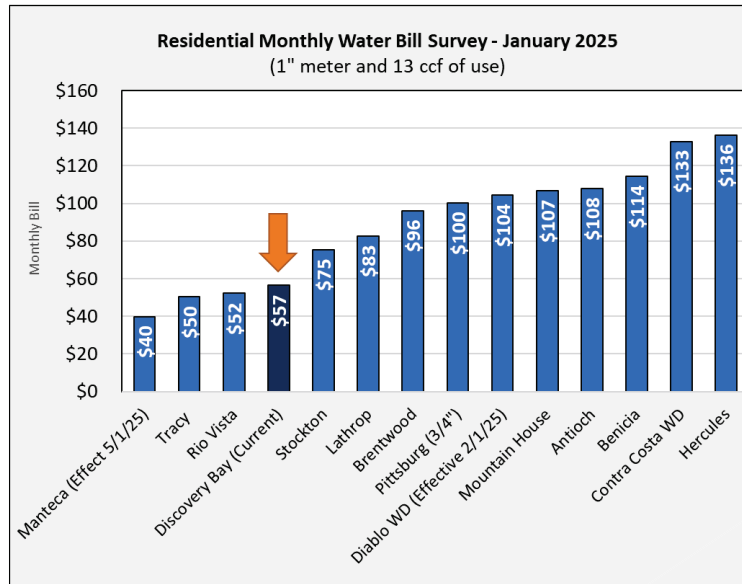
Expires July 2027





# Water Bill Survey

- Typical single family residential Town customer is served by a 1" meter, uses 13 ccf monthly, and pays a monthly bill of \$56.52 (does not include the meter installation fee)



# Water Fund Current Financial Position

- Rate revenues of about \$5.0M plus additional water revenues of \$0.5M total about \$5.5M
- Operating costs and existing debt service total about \$5.6M
- However, maintenance and repairs have increased significantly in recent years
- New recommended employee for regulatory compliance
- About \$6.1M in existing cash reserves
- Financial challenge is to keep up with recent operating cost increases and fund necessary capital projects



# Water Capital Funding (\$M)

Project Categories	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	5-Year Total
Mainline Pipe	11.36	12.72	5.41	0.00	0.00	29.49
Underwater Crossing	0.00	1.25	3.69	0.00	0.00	4.94
Solar System at WTP	2.59	0.77	0.00	0.00	0.00	3.37
Admin Building	2.51	0.00	0.00	0.00	0.00	2.51
Well 8	1.00	0.00	0.00	0.00	0.00	1.00
Other Projects	0.51	0.39	0.41	0.39	0.53	2.22
<b>Total Projects</b>	<b>\$17.96</b>	<b>\$15.14</b>	<b>\$9.51</b>	<b>\$0.39</b>	<b>\$0.53</b>	<b>\$43.53</b>

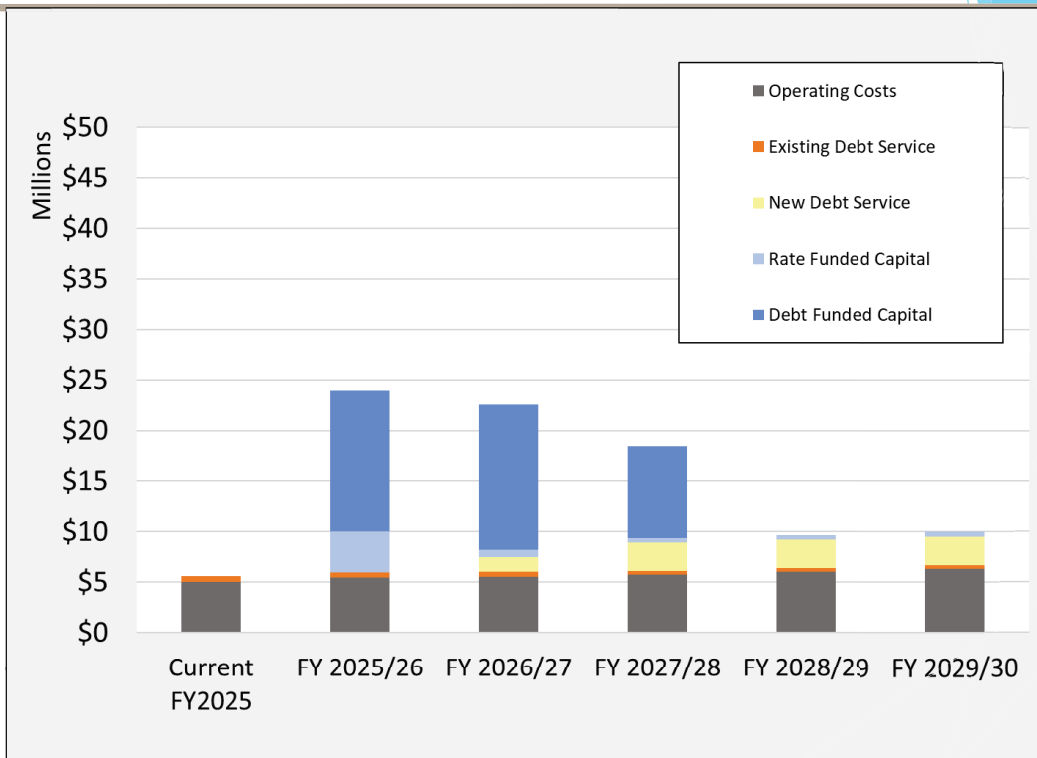
Funded via market rate bonds totaling \$34.4 million paid back over 20 years at 5.25%; new annual debt service of \$2.8 million

CA Energy Commission loan of \$3 million paid back over 16 years at 1%; debt service cost is intended to be covered by energy savings

All other projects (plus \$300K of the solar system) total about \$6.0 million and will be funded by District funds

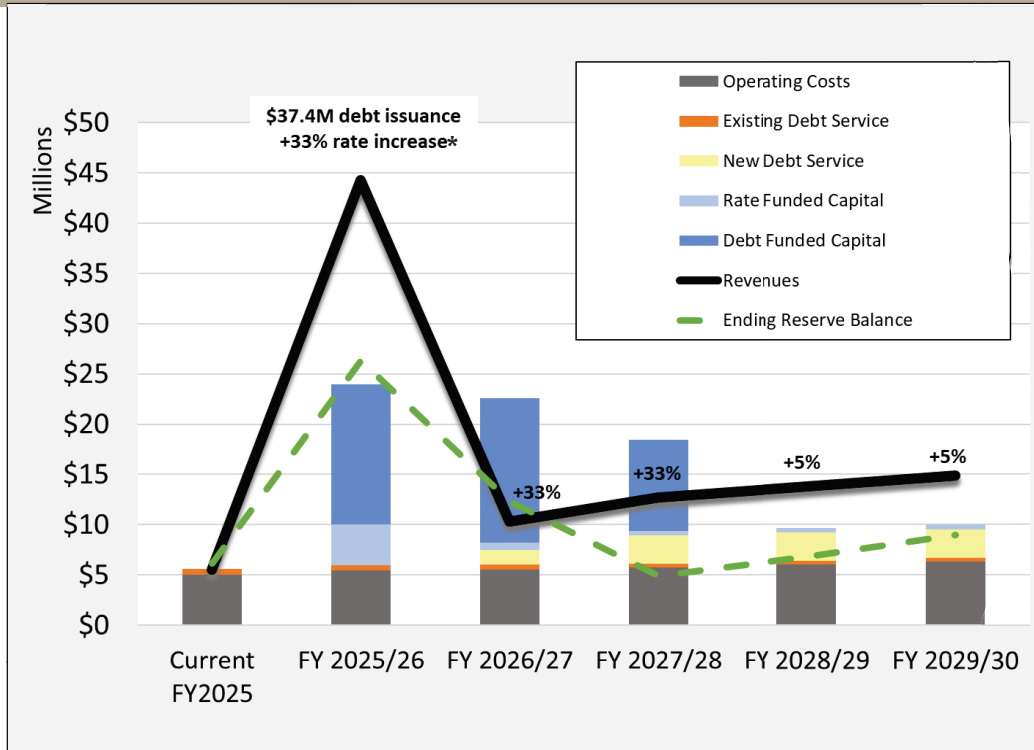


# Water Cash Flow





# Water Cash Flow Continued



\*Not every customer will receive exactly a 33% rate increase due to their water usage characteristics and breakdown in costs between meter fees and volume rates



# Proposed Water Rates

	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Meter Fee up to 1"	\$23.02	\$38.07	\$50.63	\$67.34	\$70.71	\$74.25
Meter Replacement Fee	\$8.01	\$8.01	\$8.01	\$0.00	\$0.00	\$0.00
Volume Rate (\$/ccf)	\$2.577	\$2.931	\$3.898	\$5.184	\$5.443	\$5.715
Avg Bill (13ccf)*	\$56.52	\$76.17	\$101.30	\$134.73	\$141.47	\$148.55
		35%	33%	33%	5%	5%

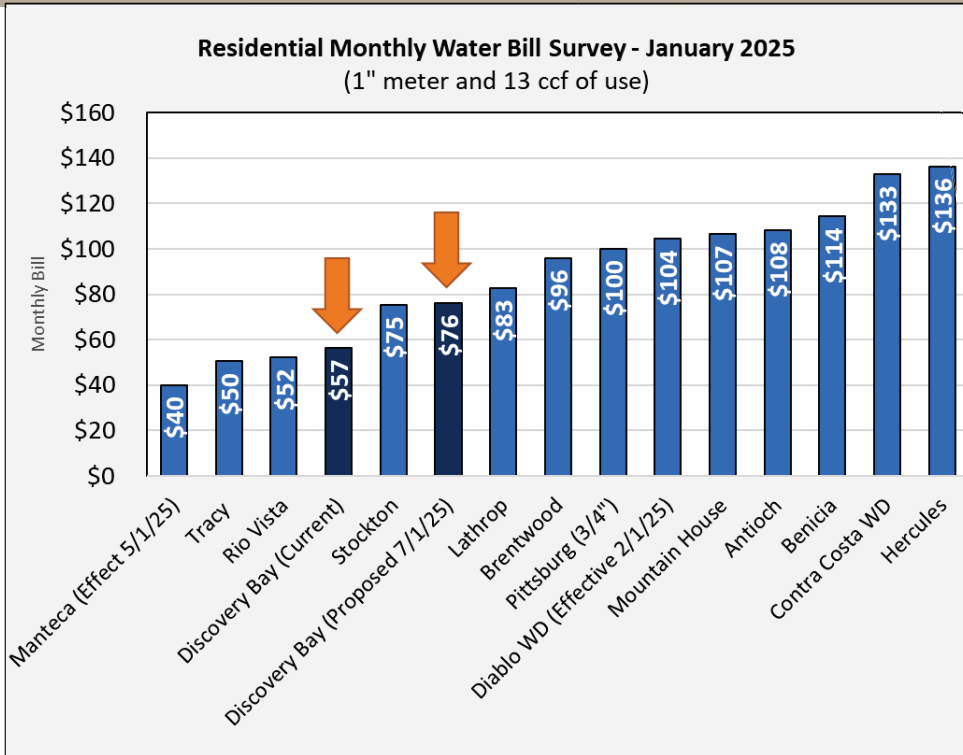
Fees for larger meter sizes as well as meter fees for irrigation customers will increase by the same % as domestic 1" meters

Ccf = hundred cubic feet; 1 ccf = 748 gallons

\* Does not include the meter replacement fee



# Water Bill Survey



## WASTEWATER FUND





# Current Monthly Equivalent Sewer Rates

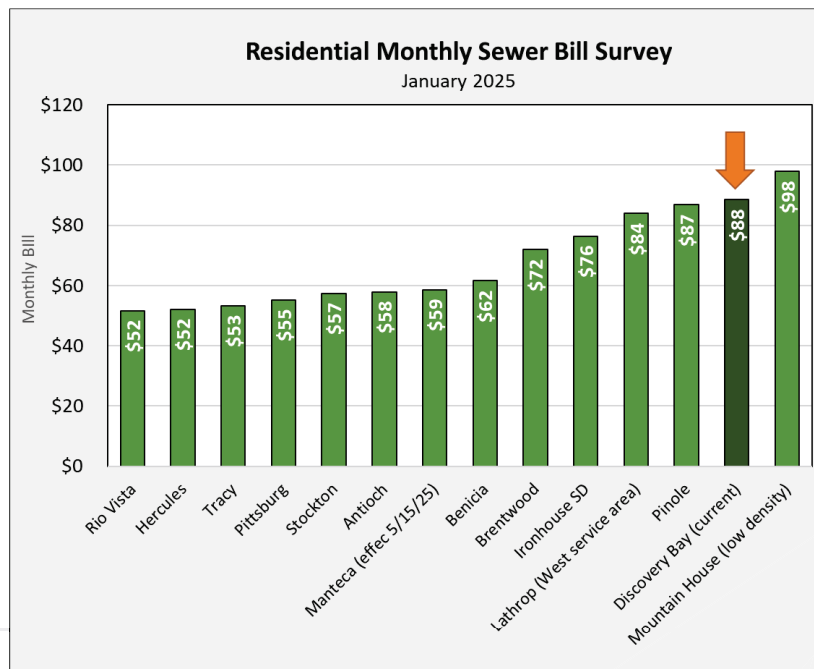
Residential Unmetered	Monthly (\$/month)
Single Family - Each DU	\$88.46
Multiple Family/Condos - Each DU	\$72.40
Vacant	\$18.67
Nonresidential Metered	Use (\$/ccf)
Business/Government/Clubs	\$7.501
Restaurants/Bars/Dining Facilities	\$19.696
Schools	\$6.853
Other Domestic Strength Users	\$7.501
DU = Dwelling Unit – billed on tax roll	
ccf = 100 cubic feet = 748 gallons	

	FY2025 Est. Revenues
Fixed Fees	\$6.38M
Metered Flow	<u>\$0.11M</u>
Total Rate Revenue	\$6.49M



# Sewer Bill Survey

- Residential customers are billed on the tax roll. Monthly equivalent costs are shown below.





# Sewer Fund Current Financial Position

- Rate revenues of about \$6.5M plus additional sewer revenues of \$0.5M total about \$7M
- Revenues adequately cover operating costs and existing debt service of about \$6.3M
- Positive net revenues of about \$700,000.
- \$11.8M of capital projects planned over the next five years
- About \$10.8M in existing cash reserves; recommended spend down of about \$4.9M on capital projects over the next five years
- Proposed annual rate increase of 6% consisting of
  - 4% is needed absent any capital projects for inflationary operating cost increases and to maintain strong coverage on existing debt
  - 2% to fund projects



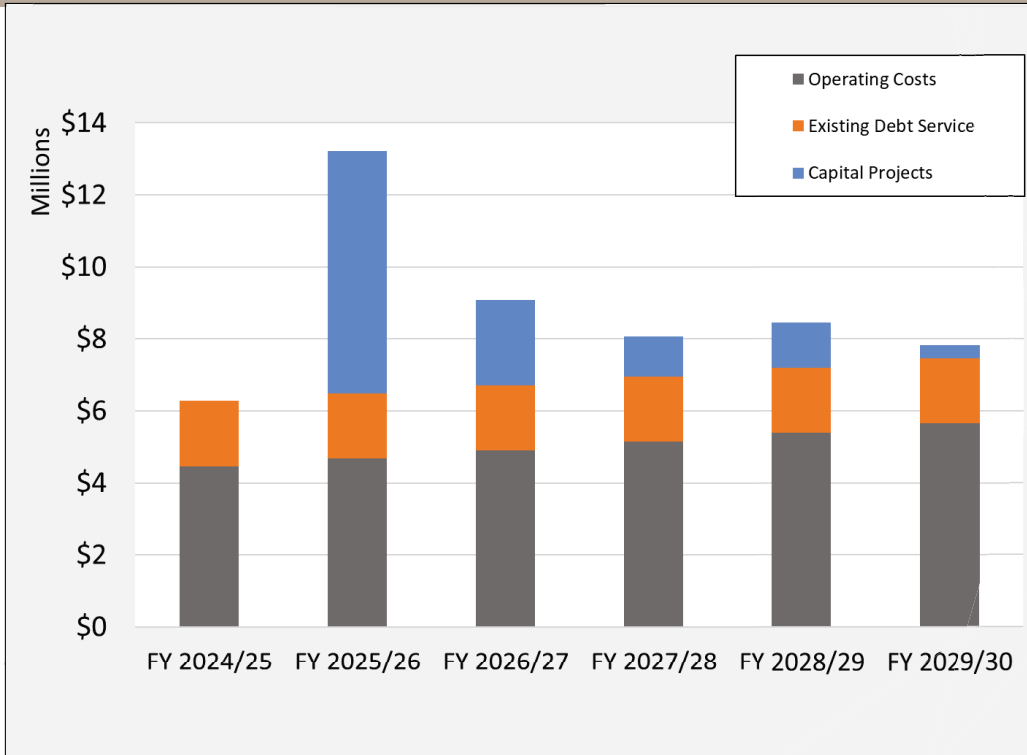
# Sewer Capital Funding (\$M)

Project Categories	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	5-Year Total
Admin Building	2.51	0.00	0.00	0.00	0.00	2.51
Belt Press WWTP#2	1.12	0.00	0.00	0.00	0.00	1.12
Decant Station	0.00	1.25	0.00	0.00	0.00	1.25
Digester Pond	0.00	0.00	0.84	0.94	0.00	1.79
Fencing at Plant 2	1.25	0.00	0.00	0.00	0.00	1.25
WWTP Pumping System	0.34	0.00	0.00	0.00	0.00	0.34
Equipment	0.76	0.55	0.00	0.00	0.00	1.31
Lift Stations	0.22	0.25	0.28	0.31	0.35	1.42
Other Projects	0.54	0.31	0.00	0.00	0.00	0.86
<b>Total</b>	<b>\$6.74</b>	<b>\$2.37</b>	<b>\$1.12</b>	<b>\$1.26</b>	<b>\$0.35</b>	<b>\$11.84</b>

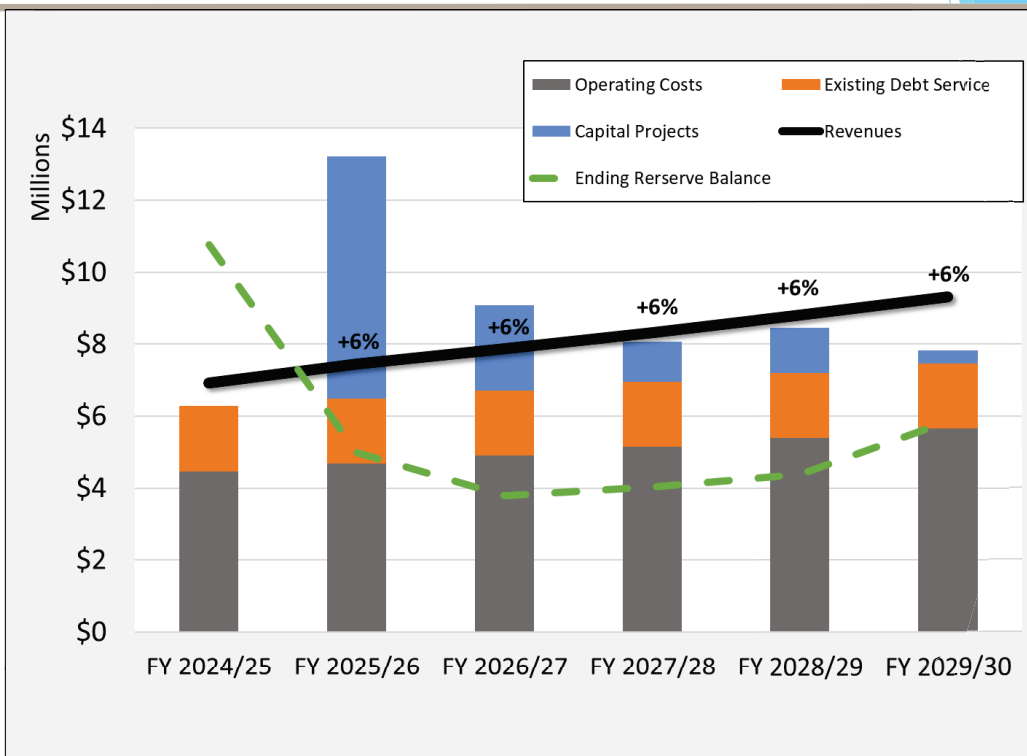
Capacity Fees	0.70
Spend Down of Existing Reserves	4.90
Rate Revenue	<u>6.24</u>
<b>5-Year Total (\$M)</b>	<b>\$11.84</b>



# Sewer Cash Flow



# Sewer Cash Flow Continued





# Residential Bill Impacts

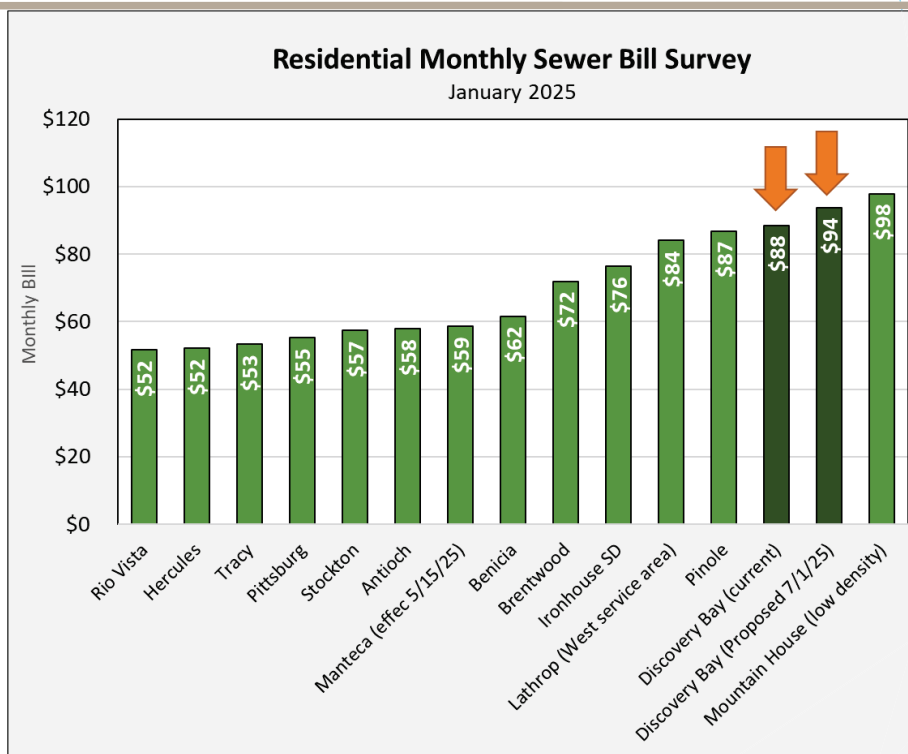
	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Residential Sewer Bill	\$88.46	\$93.77	\$99.40	\$105.36	\$111.68	\$118.38
		6%	6%	6%	6%	6%

	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Water Bill (13ccf)*	\$56.52	\$76.17	\$101.30	\$134.73	\$141.47	\$148.55
Sewer Bill	<u>\$88.46</u>	<u>\$93.77</u>	<u>\$99.40</u>	<u>\$105.36</u>	<u>\$111.68</u>	<u>\$118.38</u>
Total Bill	\$144.98	\$169.94	\$200.70	\$240.09	\$253.15	\$266.93
		17%	18%	20%	5%	5%

Fees for other customer types are proposed to increase by the same % as single family customers  
 Ccf = hundred cubic feet; 1 ccf = 748 gallons  
 \* Does not include the meter replacement fee



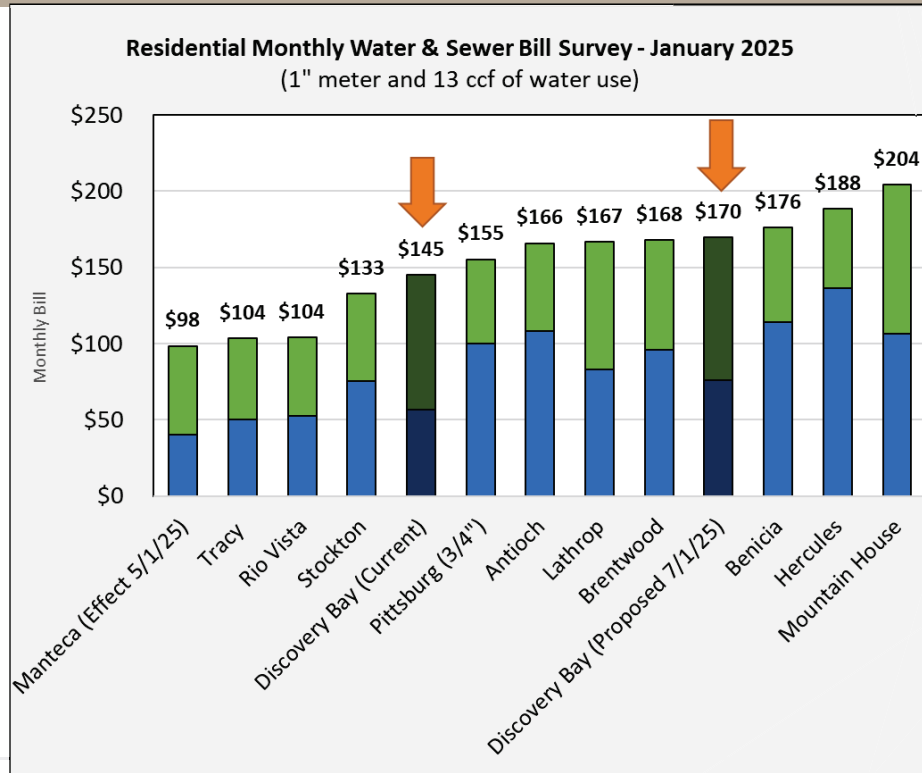
# Sewer Bill Survey







# Combined Bill Survey



# Rate Study Tentative Schedule

- Presentations
  - February 19 or March 5 (Informational Board presentation)
  - March 19 or April 2 (present Final Report to the Board)
- Proposition 218 notices mailed to customers April 11
  - Customers have the right to protest the water rates, sewer rates, or both
  - Protests must be in writing and be received by the end of the public hearing
  - If more than 50% of property owners protest, rates cannot be implemented
  - Customers can also file Written Objections
- Public hearing is planned for June 18
- If approved, rates will go into effect July 1
- Each year, Board will review the budget and rates (if approved). Board has the option to adopt lower rates without additional hearings.



# Conclusion





**Town of Discovery Bay  
Community Services District  
2025 Water and Sewer Rate Study  
Draft Tables – January 24, 2025**



**Table 1: Estimated Reserves Used Herein for Cash Flow Projections**

	<b>Water</b>	<b>Sewer</b>
Operations	\$1,774,815	\$1,740,799
Capital	<u>\$4,373,991</u>	<u>\$9,025,644</u>
Total	\$6,148,806	\$10,766,443

**Table 2: Water Capital Cash Flow**

	<b>FY 2025/26</b>	<b>FY 2026/27</b>	<b>FY 2027/28</b>	<b>FY 2028/29</b>	<b>FY 2029/30</b>
<b>Beginning Balance</b>	4,374,000	23,895,000	10,313,000	2,362,000	4,027,000
<b>Revenues</b>					
Capacity Fees	52,000	54,000	56,000	58,000	60,000
Transfer from Operating	0	1,500,000	1,500,000	2,000,000	2,500,000
CEC Loan Proceeds	3,000,000	0	0	0	0
New Debt Proceeds	<u>34,432,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	37,484,000	1,554,000	1,556,000	2,058,000	2,560,000
<b>Capital Improvements</b>					
Water Supply Capacity					
Well 8	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Water Supply Capacity	1,000,000	0	0	0	0
Upgrades for Existing Water Supply					
Filter Replacement (Newport Filter A)	0	389,000	0	0	0
Stabilization Soils- Willow Lake WTP	0	0	0	0	176,000
Well 2 Upgrade Electrical Panel	259,000	0	0	0	0
Install Filter 2	0	0	0	0	352,000
Newport WTP Valve Replacement	112,000	0	0	0	0
Well 6 Upgrade from SSRV to VFD	<u>0</u>	<u>0</u>	<u>0</u>	<u>393,000</u>	<u>0</u>
Total Existing Water Supply	371,000	389,000	0	393,000	528,000
Distribution/Pipeline Replacements					
Mainline Pipeline	11,359,000	12,722,000	5,407,000	0	0
Newport & Sandpoint Crossing	<u>0</u>	<u>1,251,000</u>	<u>3,693,000</u>	<u>0</u>	<u>0</u>
Total Distribution/Pipeline Replacements	11,359,000	13,973,000	9,100,000	0	0
Additional Distribution Improvements					
Solar System at WTP	2,591,000	774,000	0	0	0
Willow Lake WTP SCADA	0	0	407,000	0	0
Cathodic Protection System	<u>134,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Distribution Improvements	2,725,000	774,000	407,000	0	0
Other Projects					
Town Administration Building	<u>2,508,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Building Rehab/Relocation	2,508,000	0	0	0	0
<b>Total Capital Improvements</b>	17,963,000	15,136,000	9,507,000	393,000	528,000
<b>Total Net Revenues</b>	19,521,000	(13,582,000)	(7,951,000)	1,665,000	2,032,000
<b>Ending Balance</b>	23,895,000	10,313,000	2,362,000	4,027,000	6,059,000

**Table 3: Water Operating Cash Flow**

	<b>FY 2025/26</b>	<b>FY 2026/27</b>	<b>FY 2027/28</b>	<b>FY 2028/29</b>	<b>FY 2028/30</b>
<b>Beginning Operating Balance</b>	\$1,775,000	\$2,412,000	\$2,024,000	\$2,524,000	\$2,807,000
<b>Proposed Increase</b>	33%	33%	33%	5%	5%
<b>Revenues</b>					
Rate Revenue	6,341,000	8,434,000	11,217,000	11,778,000	12,367,000
New Customers	<u>3,000</u>	<u>6,000</u>	<u>9,000</u>	<u>12,000</u>	<u>15,000</u>
Rate Rev Subtotal	6,344,000	8,440,000	11,226,000	11,790,000	12,382,000
Less Delinquency (2%)	(127,000)	(169,000)	(224,000)	(236,000)	(247,000)
Vacant Parcel	4,000	4,000	4,000	4,000	4,000
Meter Reimbursements	336,000	336,000	0	0	0
Interest Income	200,000	100,000	100,000	100,000	100,000
Other & Misc	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
<b>Total Revenues</b>	<b>6,827,000</b>	<b>8,781,000</b>	<b>11,176,000</b>	<b>11,728,000</b>	<b>12,309,000</b>
% increase in operating expenses [1]	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Expenses</b>					
<b>Operating Expenses</b>					
Admin & Inter Govt. & Board	465,000	479,000	493,000	508,000	523,000
Staffing & Consulting Serv [2]	1,860,000	1,953,000	2,051,000	2,154,000	2,262,000
Meters Reading	124,000	128,000	132,000	136,000	140,000
Operations & Maint	1,109,000	1,142,000	1,176,000	1,211,000	1,247,000
Utilities [3]	827,000	710,000	781,000	859,000	945,000
Service Contract & Pass Through	<u>1,057,000</u>	<u>1,089,000</u>	<u>1,122,000</u>	<u>1,156,000</u>	<u>1,191,000</u>
<b>Total Operating Expenses</b>	<b>5,442,000</b>	<b>5,501,000</b>	<b>5,755,000</b>	<b>6,024,000</b>	<b>6,308,000</b>
<b>Net Operating Revenues</b>	<b>1,385,000</b>	<b>3,280,000</b>	<b>5,421,000</b>	<b>5,704,000</b>	<b>6,001,000</b>
<b>Debt Service</b>					
2017 Bonds	171,000	168,000	0	0	0
2022 Bonds	290,000	291,000	292,000	292,000	292,000
2022B (2012 refinance) Bonds	83,000	84,000	83,000	83,000	83,000
New CEC Loan (1% over 16 years)	204,000	204,000	204,000	204,000	204,000
New Debt Service Phase [4]	<u>0</u>	<u>1,421,000</u>	<u>2,842,000</u>	<u>2,842,000</u>	<u>2,842,000</u>
<b>Total Debt Service</b>	<b>748,000</b>	<b>2,168,000</b>	<b>3,421,000</b>	<b>3,421,000</b>	<b>3,421,000</b>
<b>Debt Service Coverage</b>	<b>1.85</b>	<b>1.51</b>	<b>1.58</b>	<b>1.67</b>	<b>1.75</b>
<b>Total O&amp;M + Debt</b>	<b>6,190,000</b>	<b>7,669,000</b>	<b>9,176,000</b>	<b>9,445,000</b>	<b>9,729,000</b>
<b>Total Net Revenues</b>	<b>637,000</b>	<b>1,112,000</b>	<b>2,000,000</b>	<b>2,283,000</b>	<b>2,580,000</b>
<b>Transfer to Capital</b>	<b>0</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>2,000,000</b>	<b>2,500,000</b>
<b>O&amp;M Ending balance</b>	<b>2,412,000</b>	<b>2,024,000</b>	<b>2,524,000</b>	<b>2,807,000</b>	<b>2,887,000</b>
<b>Minimum balance target [5]</b>	<b>1,814,000</b>	<b>1,834,000</b>	<b>1,918,000</b>	<b>2,008,000</b>	<b>2,103,000</b>

1 - Most operating expenses are projected to increase by 3% annually

2 - New additional staff member cost of \$150,000 in FY2025/26; 5% annual increases to the total staffing cost per year

3 - Chemicals and electric; 10% annually increases

4 - 5.25% interest, 20-year term for all new debt and \$250,000 in issuance costs

5 - 4 months O&M expenses

**Table 4: Water Fund Summary**

	Rate Study Projection					
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Fiscal Year Ending Balance						
Operations	\$1,775,000	\$2,412,000	\$2,024,000	\$2,524,000	\$2,807,000	\$2,887,000
Capital	<u>\$4,374,000</u>	<u>\$23,895,000</u>	<u>\$10,313,000</u>	<u>\$2,362,000</u>	<u>\$4,027,000</u>	<u>\$6,059,000</u>
	\$6,149,000	\$26,307,000	\$12,337,000	\$4,886,000	\$6,834,000	\$8,946,000
Debt Coverage		1.85	1.51	1.58	1.67	1.75
Rate Increase		33%	33%	33%	5%	5%

**Table 5: Sewer Capital Cash Flow**

	<b>FY 2025/26</b>	<b>FY 2026/27</b>	<b>FY 2027/28</b>	<b>FY 2028/29</b>	<b>FY 2029/30</b>
<b>Beginning Balance</b>	9,026,000	2,417,800	1,187,100	1,703,100	2,338,600
<b>Revenues</b>					
Capacity Fees +10 new cust. Per year	131,900	135,900	140,000	144,200	148,500
Transfer from Operating	0	1,000,000	1,500,000	1,750,000	1,750,000
New Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	131,900	1,135,900	1,640,000	1,894,200	1,898,500
<b>Capital Improvements</b>					
Annual Lift Station Improvements	224,000	250,900	281,000	314,700	352,500
Wastewater System & Maintenance					
Plant 2 RAS & WAS Pumping System	336,000	0	0	0	0
Belt Press WWTP#2	1,120,000	0	0	0	0
Decant Station	0	1,254,400	0	0	0
Digester Pond WWTP#2	<u>0</u>	<u>0</u>	<u>843,000</u>	<u>944,000</u>	<u>0</u>
Total System & Maintenance	1,456,000	1,254,400	843,000	944,000	0
Mainline Piping Replacement	0	0	0	0	0
Other Projects					
Town Administration Building	<u>2,508,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Master Plan Projects	2,508,000	0	0	0	0
Equipment					
Solar Dryer Panel Replacement	181,100	209,000	0	0	0
Roller Track System	280,000	0	0	0	0
Install Cable Tray in solar Dryers A & B	280,000	188,200	0	0	0
Fence Remaining Portions Around Plant No. 2	1,245,400	0	0	0	0
Dredge anchors on Pond #2	22,400	0	0	0	0
Rehab solar circulators	<u>0</u>	<u>150,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment	2,008,900	547,700	0	0	0
Veolia Capital Planning Recommendations					
Gate WWTP#1	56,000	0	0	0	0
Upgrade Remaining Radio to Cell/Net Service	95,200	0	0	0	0
Vac Truck Garage/Cover	392,000	0	0	0	0
Stationary Liftstation Generators	<u>0</u>	<u>313,600</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Veolia Recommendations	543,200	313,600	0	0	0
<b>Total Capital Improvements</b>	6,740,100	2,366,600	1,124,000	1,258,700	352,500
<b>Total Net Revenues</b>	(6,608,200)	(1,230,700)	516,000	635,500	1,546,000
<b>Ending Balance</b>	<b>2,417,800</b>	<b>1,187,100</b>	<b>1,703,100</b>	<b>2,338,600</b>	<b>3,884,600</b>

**Table 6: Sewer Operating Cash Flow**

	FY 2025/26	FY 2026/27	Projected FY 2027/28	FY 2028/29	FY 2029/30
<b>Beginning balance</b>	\$1,741,000	\$2,569,500	\$2,595,800	\$2,332,600	\$2,040,100
Rate Increase	6.0%	6.0%	6.0%	6.0%	6.0%
<b>Revenues</b>					
Wastewater service					
Rate Revenues (less vacant)	6,863,500	7,275,300	7,711,800	8,174,500	8,665,000
Other & Misc	22,000	22,000	22,000	22,000	22,000
Interest Income	400,000	400,000	400,000	400,000	400,000
New Customers	21,000	32,000	43,000	54,000	65,000
Vacant	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
<b>Total revenues</b>	7,313,500	7,736,300	8,183,800	8,657,500	9,159,000
% increase in expenses [1]	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Expenses</b>					
Operating Expenses					
Admin & Inter Govt. & Board	516,000	531,000	547,000	563,000	580,000
Staffing & Consulting Serv	1,072,000	1,126,000	1,182,000	1,241,000	1,303,000
Operations & Maint	311,000	320,000	330,000	340,000	350,000
Utilities [2]	878,000	966,000	1,063,000	1,169,000	1,286,000
Service Contract & Pass Through	<u>1,900,000</u>	<u>1,957,000</u>	<u>2,016,000</u>	<u>2,076,000</u>	<u>2,138,000</u>
Total Operating Expenses	4,677,000	4,900,000	5,138,000	5,389,000	5,657,000
Net Operating Revenues	2,636,500	2,836,300	3,045,800	3,268,500	3,502,000
Debt Service [2]					
2017 Bonds	356,000	357,000	357,000	358,000	358,000
2022 Bonds	756,000	756,000	755,000	758,000	758,000
2022B (2012 refinance) Bonds	<u>696,000</u>	<u>697,000</u>	<u>697,000</u>	<u>695,000</u>	<u>695,000</u>
Total Debt Service	1,808,000	1,810,000	1,809,000	1,811,000	1,811,000
Debt Service Coverage	1.46	1.57	1.68	1.80	1.93
<b>Total Expenses</b>	6,485,000	6,710,000	6,947,000	7,200,000	7,468,000
<b>Net Revenues</b>	828,500	1,026,300	1,236,800	1,457,500	1,691,000
<b>Transfer to Capital Fund</b>	0	1,000,000	1,500,000	1,750,000	1,750,000
<b>O&amp;M Ending balance</b>	<b>2,569,500</b>	<b>2,595,800</b>	<b>2,332,600</b>	<b>2,040,100</b>	<b>1,981,100</b>
<b>O&amp;M Minimum balance target [3]</b>	1,559,000	1,633,000	1,713,000	1,796,000	1,886,000

1 - Most operating expenses are projected to increase by 3% annually

2 - Chemicals and electric; 10% annually increases

3 - 4 months O&M expenses



**Table 7: Sewer Fund Summary**

	Rate Study Projection					
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Fiscal Year Ending Balance						
Operations	\$1,741,000	\$2,569,500	\$2,595,800	\$2,332,600	\$2,040,100	\$1,981,100
Capital	<u>\$9,026,000</u>	<u>\$2,417,800</u>	<u>\$1,187,100</u>	<u>\$1,703,100</u>	<u>\$2,338,600</u>	<u>\$3,884,600</u>
	\$10,767,000	\$4,987,300	\$3,782,900	\$4,035,700	\$4,378,700	\$5,865,700
Debt Coverage		1.46	1.57	1.68	1.80	1.93
Rate Increase		6%	6%	6%	6%	6%

**Table 8: Average Monthly Bill Impacts (13 hcf/month)**

	Current	PROPOSED				
	1-Jul-24	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Water Bill	\$56.52	\$76.17	\$101.30	\$134.73	\$141.47	\$148.55
Sewer Bill	<u>\$88.46</u>	<u>\$93.77</u>	<u>\$99.40</u>	<u>\$105.36</u>	<u>\$111.68</u>	<u>\$118.38</u>
Total Monthly Cost	\$144.98	\$169.94	\$200.70	\$240.09	\$253.15	\$266.93
Water Bill		35%	33%	33%	5%	5%
Sewer Bill		6%	6%	6%	6%	6%
Total Monthly Cost		17%	18%	20%	5%	5%