



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



PLATINUM LEVEL

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

**NOTICE OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY  
Wednesday, June 18, 2025 7:00 P.M.**

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

**REMOTE TELECONFERENCE LOCATION:**

160 East Flamingo Road  
Las Vegas, NV 89109

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/85454370841>

**TO ATTEND BY PHONE:** +1 (669) 444 9171 or +1 (719) 359 4580 **WEBINAR ID:** 854 5437 0841

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

**REGULAR MEETING 7:00 P.M.**

**A. ROLL CALL AND PLEDGE OF ALLEGIANCE**

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

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

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

**C. CONSENT CALENDAR**

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

1. Approve Regular Board of Directors DRAFT Meeting Minutes from June 4, 2025.
2. Monthly Disbursement Report – May 2025.
3. Approve Resolution No. 2025-09 – Special Planning (AD HOC) Committee.

**D. PRESENTATIONS**

1. Veolia.

**E. DISCUSSION AND POSSIBLE ACTION**

1. PUBLIC HEARING - Discussion and Possible Action to Approve Town of Discovery Bay Proposed Rate Increase Pertaining to Water and Wastewater Services for FY 2026 through FY 2030 and Approval and Adoption of Resolution No. 2025-05 Establishing Charges for Water and Wastewater Service and Continuing Collection of Water and Wastewater Service Charges on the County Tax Roll.
2. Discussion and Possible Action to Adopt Resolution No. 2025-06 - Approving Annual Discovery Bay Lighting and Landscape Zone #8 Appropriations Limit for FY 2025-2026.
3. PUBLIC HEARING to Consider Town of Discovery Bay CSD Ravenswood Landscape Zone #9, Park, Lighting and Open Space Improvements District Assessment Report for the Fiscal Year 2025-2026; Continue Collection of Assessments on County Tax Roll and Adoption of Resolution No. 2025-07.
4. PUBLIC HEARING – Vacancy Reporting Obligations as Required by AB 2561.
5. PUBLIC HEARING – Discussion and Possible Action to Approve Operating and Capital Improvement Budget for Fiscal Year 2025- 2026 and Adopt Resolution 2025-08 Adopting the Operating and Capital Improvement Budgets for Fiscal Year 2025-2026.

**F. MANAGER’S REPORT**

**G. GENERAL MANAGER’S REPORT**

**H. DIRECTOR REPORTS**

**I. DIRECTORS REGIONAL MEETING AND TRAINING REPORTS**

**J. CORRESPONDENCE**

**K. LEGAL REPORT**

**L. FUTURE AGENDA ITEMS**

**M. ADJOURNMENT**

1. Adjourn to the next Regular Meeting of the Board of Directors on July 16, 2025 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

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

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



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



PLATINUM LEVEL

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

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY  
Wednesday June 4, 2025 7:00 P.M.**

**REGULAR MEETING 7:00 P.M.**

**A. ROLL CALL AND PLEDGE OF ALLEGIANCE**

1. Call business meeting to order 7:00 p.m.
2. Director Gutow led the Pledge of Allegiance.
3. Roll Call was taken, and all members were present.

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

- Speaker discussed landscaping on Discovery Point.

**E2. Item E2 was addressed out of order.**

E2. Two Letters of Support and Concern for Construction of Contra Costa Fire Station 94 in Downtown Brentwood, CA.

- Supervisor Burgis requested the Board of Directors' support on the construction of Contra Costa Fire Station 94 in Downtown Brentwood, CA.
- The Board discussed the location for the new fire station.

**Public Speakers:**

- The first speaker asked that the Board affirm support for fire station 94 but allow the location to be decided by the appropriate agencies.
- The second speaker would like the Board to consider the ramifications of supporting the downtown location.
- The third speaker noted the history of the land in regard to the Veterans.
- The fourth speaker would like the Board to urge Supervisor Burgis to work with the appropriate agencies to come to a mutually beneficial solution.

Director Porter made a motion to send a letter of support for an additional fire station which also states support for the need of said station, but not offering an opinion on its location.

Director Belcher seconded.

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

**C. CONSENT CALENDAR**

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

1. Approve Regular Board of Directors DRAFT Meeting Minutes from May 21, 2025.
2. Authorize Board Member Attendance and Activity Participation at the 2025 CSDA Conference in Monterey, CA August 25-28, 2025.
3. Approve the Scope of Work for District Engineering Support Services for the Wastewater Division (not to exceed \$75,000) and Authorize the General Manager to Execute a Consulting Agreement with HERWIT Engineering.

Director Graves made a motion to approve the Consent Calendar.  
Director Gutow seconded.  
Vote: Motion carried – AYES: 5 – NOES: 0, ABSTAINED: 0, ABSENT: 0.

**D. AREA AGENCIES AND LIAISON REPORTS / PRESENTATIONS**

1. Supervisor Diane Burgis, District III Report.  
None.

2. Sheriff's Office Report.

Presented by Lt. Ryan White.

- There were 358 calls for service in May.
- There were 24 reports taken.
- Chronic shoplifter at Safeway was arrested with help of surveillance cameras
- Large contingency of Sheriff's deputies will be on duty on the 4<sup>th</sup> of July weekend to help combat firework use.
- Marine patrol will be fully staffed for the Holiday weekend.

3. Contra Costa County Fire Protection District Report.  
None.

4. Contra Costa County Code Enforcement.  
None.

**E. MUNICIPAL ADVISORY COUNCIL**

1. Special Planning Committee Formation.

- Director Porter discussed the ability to form a planning committee under MAC authority.
- Assemblymember Lori Wilson's office has offered their assistance with this matter.
- These would not be Brown Act meetings, nor would they be a stipend meeting.

Director Porter made a motion to form a Special Ad Hoc Planning Committee to discuss the proposed project across the street.

Director Graves seconded.

Vote: Motion carried – AYES: 5 – NOES: 0, ABSTAINED: 0, ABSENT: 0.

- Committee members will be Director Belcher and Director Graham.
- A Resolution will be on the Consent Calendar at the June 18, 2025 meeting.

2. Two Letters of Support and Concern for Construction of Contra Costa Fire Station 94 in Downtown Brentwood, CA.

*Item was addressed above.*

**F. PRESENTATIONS**

None.

**G. DISCUSSION AND POSSIBLE ACTION**

1. Discussion and Possible Action to Approve Contract with HydroCorp to Provide State Mandated Cross-Connection Services in the Amount of \$406,222.

Presented by General Manager Dina Breitstein.

- The State Water Resources Control Board (SWRCB) adopted the Cross-Connection Control Policy Handbook (CCCPH) in 2024, establishing updated, enforceable standards for cross-connection control and backflow prevention for all public water systems (PWS) in California. The mandate requires every PWS, including the Town of Discovery Bay, to develop and implement a comprehensive cross-connection control plan to protect public health and comply



- with state law.
- Item was discussed at the May 21, 2025 meeting.
- The Board asked clarifying questions regarding contract term as well as how other local Districts are meeting the requirements.

Director Graves made a motion to approve staff recommendation to approve the contract with HydroCorp to provide State Mandated Cross-Connection Services as outlined in the scope of work, in the amount of \$369,292.52, authorize the General Manager to execute a contract with HydroCorp for the State Mandated Cross-Connection Services and authorize the General Manager to execute any additional change orders to HydroCorp up to 10% of the contract value.

Director Porter seconded.

Vote: Motion carried – AYES: 5 – NOES: 0, ABSTAINED: 0, ABSENT: 0.

2. Discussion and Possible Action to Set Public Hearing to Adopt the Operating and Capital Improvement Budgets for Fiscal Year 2025-2026.

Presented by Finance Manager Margaret Moggia.

- Ad Valorem was updated in the latest draft.
- Zone 9 Assessment information was used to update the latest draft.
- A five-year forecast is now included in the document.

Director Porter made a motion to set the Public Hearing for June 18, 2025, at 7:00pm located at 1601 Discovery Bay Boulevard to consider the adoption of the Fiscal Year 2025-2026 Operating and Capital Budget through Resolution No. 2025-08

Director Belcher seconded.

Vote: Motion carried – AYES: 5 – NOES: 0, ABSTAINED: 0, ABSENT: 0.

3. Discussion and Possible Action to Adopt Resolution No. 2025-04 - Notice of Intent to Levy and Collect an Annual Assessment for the Ravenswood Improvement District - DB Lighting and Landscape Zone 9 for Fiscal Year 2025-2026 and Set Public Hearing.

Presented by Finance Manager Margaret Moggia.

- HERWIT provided the Draft Assessment Engineer's Report to District Staff on May 20, 2025. In that report, HERWIT determined that based on operating costs (as shown on the proposed Operating and Capital Budget for Discovery Bay Lighting and Landscape Zone 9) the per parcel assessment should be set at \$853.06 which is the allowable maximum assessment for Zone 9.
- Factors leading to the assessment of \$853.06 are: maintaining our emergency reserves, adequate funds for operations, and replenishing the reserves to fund future capital projects.

Director Gutow made a motion to adopt Resolution No. 2025-04 to set Notice of Intent to Levy and Collect an Annual Assessment for the Ravenswood Improvement District - DB Lighting and Landscape Zone 9 for Fiscal Year 2025-2026, and set the Public Hearing for June 18, 2025, at 7:00pm located at 1601 Discovery Bay Boulevard.

Director Porter seconded.

Vote: Motion carried – AYES: 5 – NOES: 0, ABSTAINED: 0, ABSENT: 0.

**H. MANAGER'S REPORT**

None.

**I. GENERAL MANAGER'S REPORT**

None.

**J. DIRECTOR REPORTS**

1. Standing Committee Reports.

a. Finance Committee Meeting (Committee Members Ashley Porter and Kevin Graves ) June 4, 2025.

- Committee discussed items that were brought to the Board of Directors meeting this evening.

b. Water and Wastewater Committee Meeting (Committee Members Kevin Graves and Carolyn Graham) June 4, 2025.

- Committee received updates on multiple projects.

**K. DIRECTORS REGIONAL MEETING AND TRAINING REPORTS**

None.

**L. CORRESPONDENCE**

None.

**M. LEGAL REPORT**

None.

**N. FUTURE AGENDA ITEMS**

None.

**O. ADJOURNMENT**

1. Adjourned at 8:09p.m. to the next Regular Meeting of the Board of Directors on June 18, 2025 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.



# Town of Discovery Bay

*"A Community Services District"*

## STAFF REPORT

**AGENDA ITEM:**  
**C2**

**Agenda Title:** Monthly Disbursement Report – May 2025

**Meeting Date:** June 18, 2025

**Prepared By:** Margaret Moggia, Finance Manager and Alex Cassett, Account Clerk

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

---

### RECOMMENDED ACTION:

Receive and file.

---

### EXECUTIVE SUMMARY:

In accordance with Financial Policy #031, Section VIII (F), the Finance Manager shall submit a register of District invoices paid in the preceding month.

The amounts paid represent the operating and capital expenditures for the month of May 2025 for a total amount of \$ 2,404,623.14.

---

### FISCAL IMPACT:

Amounts paid are respectively budgeted in the fiscal year annual budget for each fund.

---

### PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

Not applicable

---

### ATTACHMENTS:

1. Check Register – BOD Report

Check Register - BOD Report  
Check Issue Dates: 05/01/25 - 05/31/25

Check Number	Payee	Amount
2542	Bayside Contractors LLC	67,756.85
2543	CPS HR Consulting	1,125.50
2544	Dennis Dean Allen	240
2545	DoorKing Inc.	34.95
2546	Gracielle Anne Magos Pascual	41.25
2547	Karina Dugand	1,523.25
2548	Les Schwab Tire Center	1,158.68
2549	Michelle Dominge	660
2550	ULINE	1,008.96
2551	Valencia Janitorial Plus	1,670.00
2552	Geotab USA, Inc.	106.65
2553	National Aquatic Services, Inc.	700
2554	U.S. Bank Corporate Payment System	271.85
2555	Brentwood Ace Hardware	76.28
2556	Dennis Dean Allen	300
2557	Gracielle Anne Magos Pascual	115
2558	Karina Dugand	987.75
2559	Michelle Dominge	675
2560	Pacific Gas & Electric	3,813.58
2561	Precision IT Consulting	540.61
2562	Raquel Otis dba Two Trees Yoga	60
2563	RecDesk LLC	5,800.00
2564	Town of Discovery Bay CSD	57,062.78
2565	Umpqua Bank	3,280.57
2566	GameTime	380,933.68
2567	Lincoln Aquatics	7,389.47
2568	MDRR-Discovery	969.46
2569	National Aquatic Services, Inc.	700
2570	ODP Business Solutions, LLC	225.25
2571	Pacific Gas & Electric	7,731.17
2572	Watersavers Irrigation Inc.	409.05
2573	Concentra	1,111.00
15906	Brentwood Press & Publishing	239
15907	CPS HR Consulting	4,502.00
15908	Diablo Excavation & Construction	4,250.00
15909	Herwit Engineering	5,070.40
15910	Keith Denny	64.5

15911 Margaret Moggia	658.8
15912 Pacific Gas & Electric	3,000.00
15913 Precision IT Consulting	2,284.56
15914 Tyler Technologies, Inc.	240
15915 ULINE	1,008.95
15916 Upper Case Printing, Inc.	418.02
15917 Valencia Janitorial Plus	1,420.00
15918 Veolia Water North America	286,818.38
15919 Verizon Wireless	25.02
15920 Applied Best Practices	3,000.00
15921 Badger Meter	5,937.68
15922 Bay Area Air Quality Mgmt. District	571
15923 Bryon Gutow	345
15924 Carolyn Graham	575
15925 CPS HR Consulting	9,000.00
15926 Diablo Excavation & Construction	22,807.11
15927 Discovery Pest Control	73.44
15928 Geotab USA, Inc.	130.35
15929 Herwit Engineering	16,998.00
15930 Kevin Graves	690
15931 Lesley Belcher	345
15932 PACE Supply Corp.	17,948.47
15933 Shred City	298
15934 Stantec Consulting Services Inc	12,804.00
15935 Tripepi Smith and Associates, Inc.	14,935.00
15936 Tyler Technologies, Inc.	3,900.00
15937 U.S. Bank Corporate Payment System	2,094.18
15938 Veolia Water North America	187,213.28
15939 Watersavers Irrigation Inc.	1,102.30
15940 Bill Brandt Ford	700.2
15941 Brentwood Ace Hardware	379.25
15942 CaliforniaChoice Benefit Admin	18,938.93
15943 Grainger	4,829.28
15944 KP Doors & Access LLC	1,382.05
15945 Luhdorff & Scalmanini	16,108.87
15946 Margaret Moggia	300
15947 Pacific Gas & Electric	16,308.75
15948 Precision IT Consulting	4,865.40
15949 Umpqua Bank	9,622.25
15950 Water Utility Refund	12.89
15951 Aflac	288.22
15952 Bay Area Air Quality Mgmt. District	7,265.00
15953 City Of Brentwood	1,522.48
15954 Water Utility Refund	80.17

15955	Diablo Excavation & Construction	30,968.18
15956	FolgerGraphics, Inc.	5,443.02
15957	Freedom Mailing Service, Inc	3,673.05
15958	MDRR-Delta Debris Box	1,964.77
15959	ODP Business Solutions, LLC	162.19
15960	PACE Supply Corp.	20,904.40
15961	Pacific Gas & Electric	88,335.92
15962	Tyler Technologies, Inc.	240
15963	U.S.Bank	2,200.00
15964	Veolia Water North America	74,647.01
15965	Watersavers Irrigation Inc.	545.43
15966	Ashley Porter	230
15967	Contra Costa County	556.68
15968	Diablo Excavation & Construction	8,450.00
15969	Grainger	1,751.25
15970	Lesley Belcher	230
15971	SDRMA	1,871.93
15972	Shred City	149
15973	Stericycle	160.37
5092025	Empower Retirement	3,917.00
5132025	U.S. Bank	182,585.61
5142025	U.S. Bank	148,380.58
5142026	U.S. Bank	384,089.63
5232025	Empower Retirement	3,917.00
110720025	Conco West Inc.	195,295.35
110721307	Luhdorff & Scalmanini	2,105.00

**Grand Total**

**\$2,404,623.14**



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**RESOLUTION 2025-09**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF  
DISCOVERY BAY ESTABLISHING A SPECIAL PLANNING (AD HOC)  
COMMITTEE FOR THE REPRESENTATION OF THE APARTMENT COMPLEX  
DEVELOPMENT PROJECT**

**WHEREAS**, the Town of Discovery Bay Board of Directors recognizes the importance of comprehensive planning and community engagement in the review and consideration of proposed development projects within the Town; and

**WHEREAS**, a new apartment complex development project has been proposed within the Town of Discovery Bay, which may have significant impacts on the community, including but not limited to housing, infrastructure, traffic, and neighborhood character; and

**WHEREAS**, the Board of Directors seeks to ensure a transparent, inclusive, and effective process for evaluating and guiding the apartment complex development project, ultimately supporting both community needs and strategic planning goals; and

**WHEREAS**, the formation of a Special Planning (Ad Hoc) Committee dedicated to the apartment complex development project will facilitate focused analysis, effective communication, and timely recommendations to the Board of Directors;

**NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Town of Discovery Bay as follows:**

1. **Establishment of Committee:** There is hereby established a Special Planning (Ad Hoc) Committee (the "Committee") composed of less than a quorum of the Town Board of Directors, for the limited purpose of reviewing, evaluating, and developing recommendations to the Town Board of Directors regarding the proposed apartment complex development project located across from the Community Center on Discovery Bay Boulevard. The Committee is advisory only.
2. **Committee Composition:** The Committee shall consist of two members, Director Carolyn Graham and Director Lesley Belcher, appointed by the Board of Directors.
3. **Committee Compensation:** This is an unstipended Ad Hoc committee.
4. **Scope and Duties:** The Committee may conduct the following as part of its advisory function:
  - a. Review all relevant materials and proposals related to the apartment complex development project.
  - b. Solicit and consider input from residents and stakeholders. All such input will be documented and summarized in the Committee's report to the Board of Directors.
  - c. Coordinate with Town staff, consultants, and regulatory agencies as appropriate.
  - d. Identify and evaluate potential impacts and benefits of the project.



- e. Develop recommendations and present findings to the Board of Directors at a publicly noticed meeting. Only those recommendations that are reviewed and formally approved by the Board of Directors will be presented to Contra Costa County on the Town's behalf.
5. **Term:** The Committee shall be established as an ad hoc committee and shall dissolve upon completion of its assigned tasks or further action of the Board of Directors.
6. **Meetings and Reporting:** The Committee shall meet as necessary to fulfill its purpose and shall provide regular updates and a final report to the Board of Directors.
7. **No Invalidation of Prior Lawful Actions.** Adoption of this Resolution shall not be construed as invalidating any prior lawful action taken by any previously existing committee of the Town, nor any subsequent lawful action taken by the Board thereupon.
8. **Effective Date.** The provisions of this Resolution shall take effect immediately upon adoption.

---

Carolyn Graham  
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting held on June 18, 2025, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Dina Breitstein  
Board Secretary

# Water & Wastewater Monthly Presentation



— THE TOWN OF —  
**DISCOVERY BAY**  
*Live Where You Play*

**May 2025**

## Safety & Training

- Spill Prevention
- Storm Water
- Inspecting  
Vehicles/Health & Safety:  
Ticks
- Health & Safety: Back  
Injury Prevention



**691 Safe Work Days**

# WATER SYSTEM



## WILLOW WTP

Well 1: **Active**  
Well 2: **Active**  
Well 6: **Active**

Filter A: **Online**  
Filter B: **Online**  
Filter C: **Offline**  
Filter 1: **Online**

8,908 gal  
62.7 MG

< Sodium Hypochlorite >  
< Water Production >

3,223 gal  
49.5 MG

**Total Water Demand: 112.2 MG**

## NEWPORT WTP

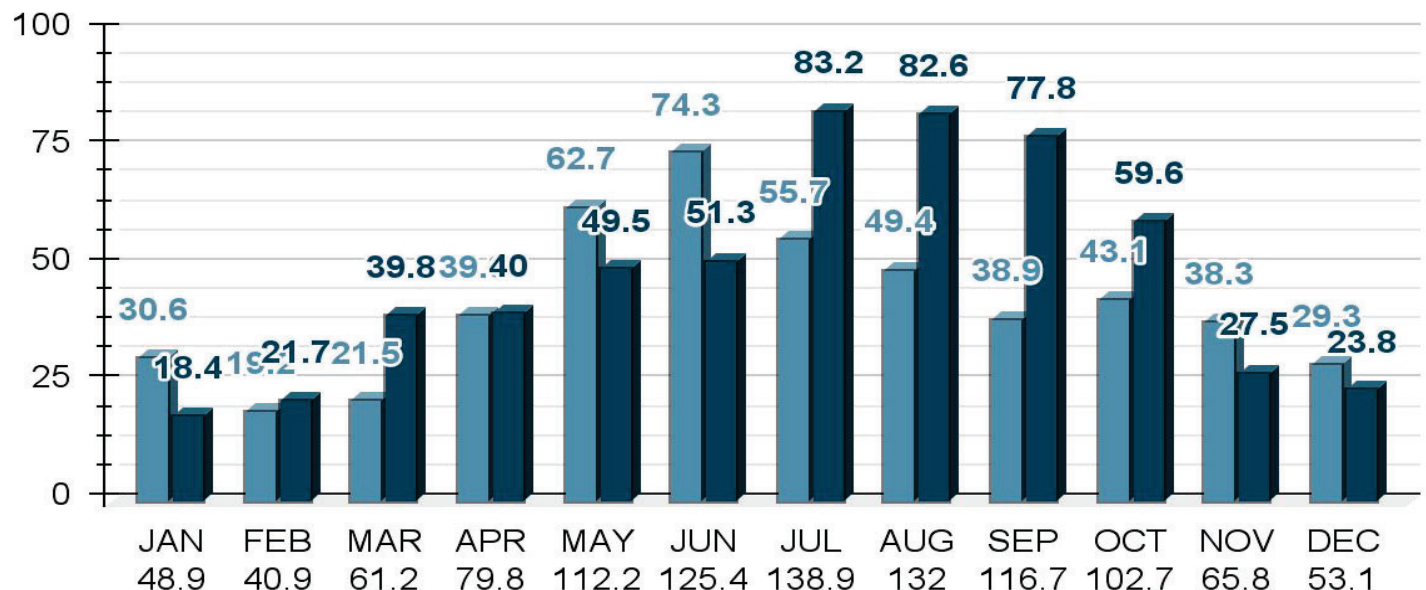
Well 4: **Active**  
Well 5: **Offline**  
Well 7: **Active**

Filter A: **Online**  
Filter B: **Online**



## Water Demand in Million Gallons

■ Willow WTP ■ Newport WTP







Hydrant Flushing:	In-Progress	Water Quality Complaints:	0
Valve Exercising:	In-Progress	Water Pressure Concerns:	0
Consumer Confidence Report:	Pending	Coliform Positive Results:	0
Lead & Copper Sampling:	Due 2027	Notice of Violations:	0



## WASTEWATER COLLECTION SYSTEM

### Lift Stations

A: Active	G: Active	Bixler: Active	IPS: Active
C: Active	H: Active	Village 4: Active	Y: Online
D: Active	J: Active	Lakes: Active	
E: Active	R: Active	Lakeshore: Active	
F: Active	S: Active	Newport: Active	



— THE TOWN OF  
DISCOVERY BAY  
*Live Where You Play*





# WASTEWATER TREATMENT



Influent Daily Avg Flow: 1.24 MG  
 Effluent Daily Avg Flow: 1.03 MG  
 Total Flow This Period: 31.9 MG  
 Total Flow Last Year: 34.0 MG

Polymer: 400 gal  
 Alum: 0 gal  
 PAC: 0 gal  
 UV: 67.4%

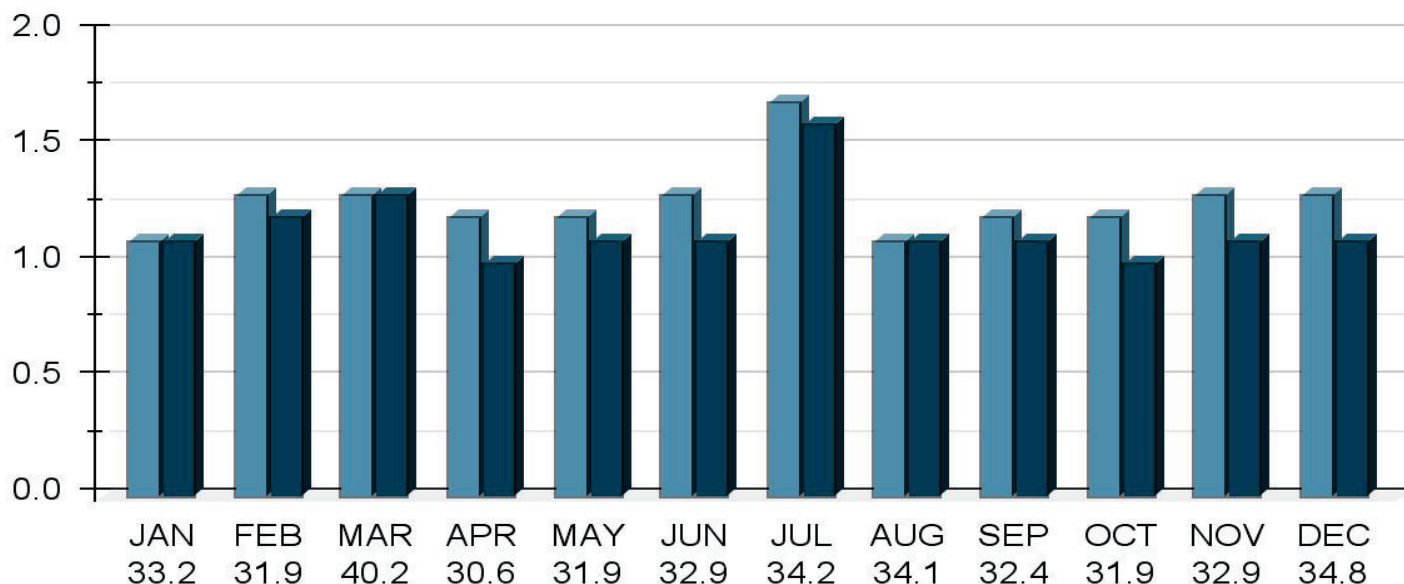
Effluent BOD <10: 1.0 mgL  
 Effluent TSS <10: 0.6 mgL  
 Total Coliform 7 Day < 2.2: ND  
 Total Coliform Daily Max <23: ND  
 Effluent NTU Daily Avg <2: 0  
 Effluent Ammonia <8.4: ND  
 Effluent Nitrates <10: 5.25

BOD Removal >85%: 99.3%  
 TSS Removal >85%: 99.6%  
 Conductivity Avg: 2285



## Wastewater Flow in Million Gallons

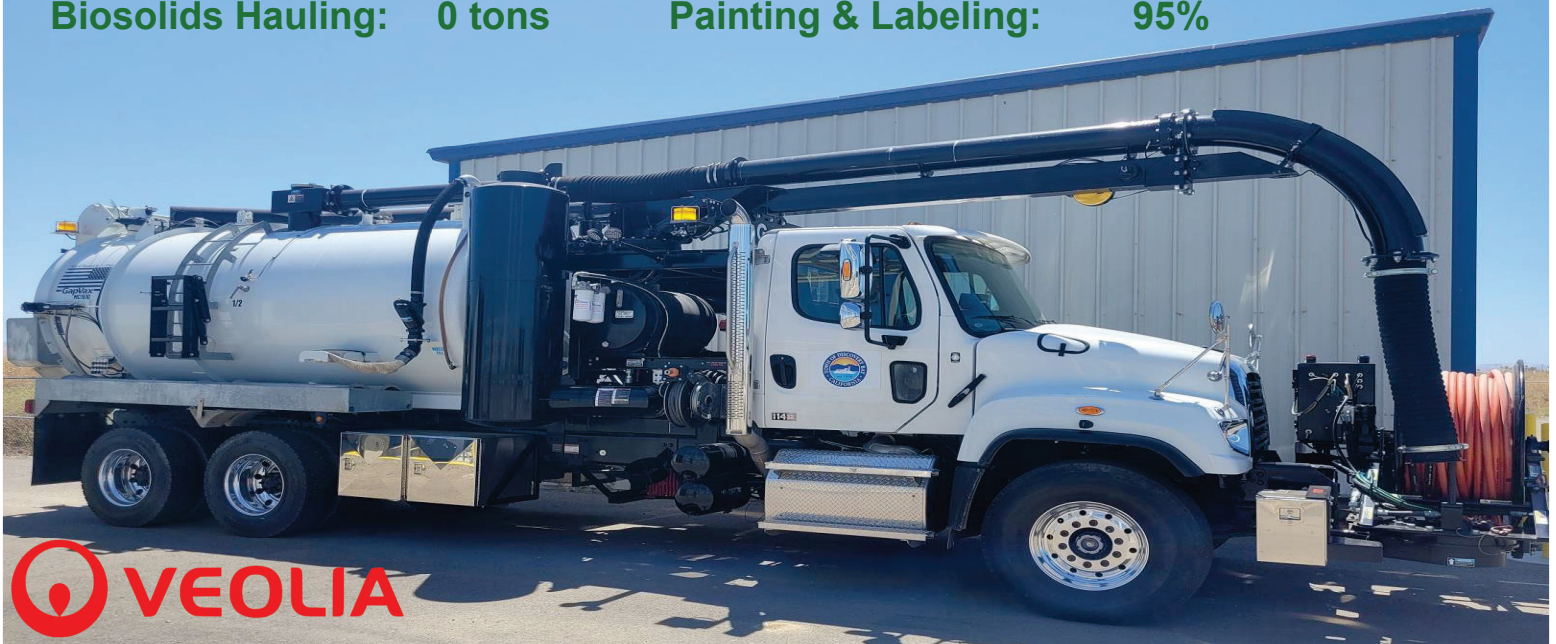
■ WW Influent ■ WW Effluent



# MAINTENANCE

Customer Complaints: 0  
Sewer Overflows: 0  
Biosolids Hauling: 0 tons

Lift Station Cleanouts: 30%  
SL Rat Status: 25%  
Painting & Labeling: 95%





# Town of Discovery Bay

*“A Community Services District”*

## STAFF REPORT

**Agenda Title:** PUBLIC HEARING – Discussion and Possible Action to Approve Town of Discovery Bay Proposed Rate Increase Pertaining to Water and Wastewater Services for FY 2026 through FY 2030 and Approval and Adoption of Resolution No. 2025-05 Establishing Charges for Water and Wastewater Service and Continuing Collection of Water and Wastewater Service Charges on the County Tax Roll.

**Meeting Date:** June 18, 2025

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

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

---

### RECOMMENDED ACTION:

Open the public hearing on Resolution 2025-05 rate increase and rate adoption subject to Prop 218, accept any public comments, close the public hearing, accept the protest vote count total, and act on Resolution No. 2025-05.

---

### 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 requirements, 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.

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. Due to the evolution and significance of the capital projects requested, staff have been in constant conversation with engineering consultants and staff to understand the timing, scope, costs, and priority of these projects to better understand the fiscal impact and provide a rate that meets the service delivery and reliability for our ratepayers and users. The identified projects address asset renewal (pipeline replacement), projects to address regulatory requirements (securing facilities), and an investment in facilities to reduce future operating costs (solar project) In addition, staff are anticipated in higher costs for operations and maintenance of the water and sewer system due to aging infrastructure, regulatory requirements, and general increase in the cost to provide service (i.e., cost of chemicals and electricity.) Staff also 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. These above steps were important to help mitigate rate adjustments for the next five-year period and provide the necessary funding to support the water and sewer systems to provide safe and reliable water to the Discovery Bay community.



Lechowicz & Tseng Municipal Consultants presented the final rate study report at the April 16 Board meeting. The Board accepted the final report and directed Lechowicz & Tseng to proceed with the notice requirements required by Proposition 218. Mailed notices were sent to all property owners and water and sewer customers in early May to provide information on the background, the current and proposed water and sewer adjustments, and how to participate in the process.

At the public hearing on June 18, 2025, the Board will open the public hearing, receive comments and Lechowicz & Tseng will be present to determine if there is a majority protest, and based on this information, the Board will consider the proposed rates stated within the cost-of-service study.

If approved by the Board, effective July 1, 2025, new rates/charges go into effect in FY 2025-2026 for water and wastewater on usage Fixed capital charges to be billed through the County (submit by August 2025 deadline).

---

#### **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.

---

#### **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.

April 16, 2025 - Discussion and Possible Action Regarding Water and Wastewater Rate Study and Proposition 218 Process Schedule.

---

#### **ATTACHMENTS:**

1. Resolution 2025-05.
  2. Final Proposition 218 Notice.
  3. Public Hearing Notice.
  4. Final 2025 Water and Sewer Rate Study.
  5. Presentation.
-



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2025-05**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF  
DISCOVERY BAY, A CALIFORNIA COMMUNITY SERVICES DISTRICT,  
ESTABLISHING CHARGES FOR WATER AND WASTEWATER  
SERVICE AND CONTINUING COLLECTION OF WATER AND  
WASTEWATER SERVICE CHARGES ON THE COUNTY TAX ROLL  
FOR THE PERIOD FY 2025-26 THROUGH FY 2029-30 AND  
THEREAFTER**

WHEREAS the Board of Directors of the Town of Discovery Bay Community Services District (CSD) commissioned Lechowicz & Tseng Municipal Consultants to develop a "Water and Wastewater Rate Study" for the period FY 2025/26 through FY 2029/30 and thereafter; and

WHEREAS, the Board has accepted the Report on April 16, 2025; and

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

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

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

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

WHEREAS, the Board has determined that it is necessary to accept and continue in effect those charges for water and sewer services established by Contra Costa County Sanitation District 19 pursuant to its Ordinance No. 18, and accepted and continued by Town of Discovery Bay Community Services District Ordinance No. 1, including collection of those charges on the County tax rolls, for those users within the Town of Discovery Bay CSD which are not metered or are not non-metered residential users; and

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

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

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

1. That the above recitals are true and correct and are incorporated as part of this Resolution.
2. For Fiscal Years 2025/2026, 2026/2027, 2027/2028, 2028/2029 and 2029/2030 and thereafter that the water and wastewater rates are established as set forth in Table 1 and Table 2, attached hereto as Exhibit A.
3. The General Manager shall have the authority, in the event of a parcel having large, irrigated areas, to reduce the sewer use component of the above rates to recognize that water for irrigation does not enter the wastewater system.
4. The rates for water for all parcels which are non-metered and are not included in the categories set forth in Exhibit A of this Resolution are continued at the level established by Contra Costa County Sanitation District 19 pursuant to its Ordinance No. 18, and accepted and continued by the Town of Discovery Bay Community Services District Ordinance No. 1.
5. The rates for residential and commercial wastewater parcels which are metered and are not included in the categories set forth in Exhibit A of this Resolution are continued at the level established by Contra Costa County Sanitation District 19 pursuant to its Ordinance No. 18, and accepted and continued by the Town of Discovery Bay Community Services District Ordinance No. 1.
6. The Board finds and declares that the annual charge for non-metered water and wastewater services shall be collected on the Contra Costa County tax roll as set forth in Government Code §§ 61115 and following, and the Secretary of the Town of Discovery Bay Community Services District is authorized and directed to file the report of such charges, and all other documents necessary, with the Auditor-Controller of Contra Costa County.
7. The Board finds and declares that the adoption of this Resolution and the rates established herein is exempt from the requirements of the California Environmental Quality Act pursuant to Title 14, California Code of Regulations § 15273(a), and specifically adopts and incorporates herein as part of the record and as findings those sections of the Report which discuss the need for revenue, including the projected total operating expenses, the capital projects and the improvements required, and specifically finds and declares that the charges established herein are for the purposes specified in Title 14, California Code of Regulations, § 15273(a)(1) through 15273(a)(4).
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 18th DAY OF JUNE 2025

---

Carolyn Graham  
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on June 18th, 2025, by the following vote of the Board:

AYES:

NOES:

ABSENT

ABSTAN:

---

Dina Breitstein  
Board Secretary



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

T1 P1

FIRST NAME LAST NAME

ADDRESS LINE 1

DISCOVERY BAY, CA 94505-9490



**NOTICE OF PUBLIC HEARING REGARDING PROPOSED  
ADJUSTMENTS TO WATER AND WASTEWATER RATES UNDER PROPOSITION 218**

**Wednesday, June 18, 2025 at 7:00 pm**

**Community Center, 1601 Discovery Bay Blvd, Discovery Bay, CA**

You are receiving this notice because you are a Town of Discovery Bay Community Services District (District) utility customer, or you own property receiving District utility services. The Board of Directors will hold a public hearing on June 18 at 7 pm at the Community Center to consider water and wastewater rate changes for the next five years.

**Background**

The District provides water and wastewater (sewer) service to approximately 6,200 customers, including homes and businesses. The District's services rely on rates paid by customers to fund the costs of operations, maintenance, and infrastructure improvements. The District engaged an independent consultant to conduct a rate study to estimate revenues, expenses, and capital improvement costs over the next five years and to recommend rates sufficient to cover those costs. The proposed water and wastewater rates do not exceed the proportional cost of the service attributable to each parcel. The cost of service includes operating costs, debt service payments, capital expenses, and maintaining reasonable reserves.

The District recently completed major upgrades to its wastewater system including upgrading the filtration system so that treated wastewater can be used for irrigation purposes. These upgrades ensured that the District's treatment processes and facilities are in compliance with state requirements and that the District can continue to provide reliable service for years to come. The District is now proposing about a 6% increase in sewer rates for most customers. The majority of the sewer rate increase is due to operating cost increases for expenses such as maintenance, supplies, and electric costs. The District plans to mitigate electric cost increases by constructing about \$12 million in solar energy projects at the water and wastewater treatment plants. These projects will be funded by subsidized state loans.

The District is facing greater financial challenges for its water utility. Over the next five years, the District intends to fund about \$27 million in pipeline replacements, an underwater pipeline



crossing, upgrades to Well 2 and Well 8, and electrical improvements to the water system. By conducting this work, the District will avoid costly emergency repairs and continue to provide safe and reliable water service to residents. In addition, the costs to operate the water system has been increasing over the years from maintenance, chemicals, and electricity.

### **Current and Proposed Rates**

The District currently bills customers a fixed meter fee based on the size of the water meter plus a usage rate billed to each hundred cubic feet (ccf) of consumption. One hundred cubic feet is 748 gallons. Over the next five years, it is proposed that both the meter fee and the usage rate increase to cover District expenses. Water meter fees primarily cover the District's fixed costs to maintain and improve infrastructure, including wells, water treatment, and pipelines. The rate charged per unit of water consumed primarily covers the cost of supply and conveyance of water to customers. Water meter fees are billed annually on the property tax roll for most customers, though non-irrigation commercial customers are billed monthly. Usage charges are billed monthly for all customers.

Sewer rates are also billed annually on the property tax roll for residential customers. Residential sewer rates are divided between single family and multiple family customers. The multiple family rate is less than the single family rate to reflect lower sewer flows of each multiple family dwelling unit in comparison to typical single family flows. Businesses, restaurants, schools, and other non-residential customers are billed based on their metered water usage well as the pollutants that they discharge into the sewer system. Sewer rates reflect the cost of transporting, treating, and disposing of wastewater. The sewer rates are also designed to fund debt service costs of a new solar project and other improvements.

If adopted by the Town of Discovery Bay's Board of Directors, the new rates would go into effect July 1 of each year through 2029. The first increase would occur July 1, 2025.

### **How to Participate**

The proposed rate increases are governed by section 6 of Article XIII D of the California Constitution (Proposition 218), Government Code sections 53751 et seq. and 53759 et seq., and related laws. Property owners and ratepayers may participate in this rate setting process in a variety of ways. More information and the Rate Study Report are on the District's website at [todb.ca.gov](http://todb.ca.gov) or you can call (925) 634-1131.

Proposition 218 provides that "Property Related Fees" such as these proposed rates are subject to a "majority protest" process. The District will hold a public hearing on June 18, 2025, to receive public comment, including any written protests to the proposed rates. Property owners and ratepayers may submit one written protest per property. Immediately following the close of the public hearing on June 18, 2025, protests will be counted. If valid protests are submitted for a majority of the properties subject to the proposed rate increases, the Board cannot adopt the rates. For a description of the requirements for a protest to be considered valid, please refer to the final page of this notice. Protests which do not meet these requirements will not be counted.

WATER SERVICE FEES	Current	PROPOSED				
		July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
	(\$/month)	(\$/month)	(\$/month)	(\$/month)	(\$/month)	(\$/month)
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation Account Charge:						
5/8 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
3/4 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
1 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
1 1/2 Inch Meter	\$42.98	\$63.66	\$71.30	\$79.86	\$89.44	\$100.17
2 Inch Meter	\$66.94	\$98.18	\$109.96	\$123.16	\$137.94	\$154.49
3 Inch Meter	\$130.80	\$190.25	\$213.08	\$238.65	\$267.29	\$299.36
4 Inch Meter	\$202.64	\$293.82	\$329.08	\$368.57	\$412.80	\$462.34
6 Inch Meter	\$402.22	\$581.52	\$651.30	\$729.46	\$817.00	\$915.04
Irrigation Account Charge:						
5/8 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
3/4 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
1 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
1 1/2 Inch Meter	\$38.18	\$50.22	\$56.25	\$63.00	\$70.56	\$79.03
2 Inch Meter	\$59.24	\$76.68	\$85.88	\$96.19	\$107.73	\$120.66
3 Inch Meter	\$115.73	\$147.24	\$164.91	\$184.70	\$206.86	\$231.68
4 Inch Meter	\$180.27	\$226.62	\$253.81	\$284.27	\$318.38	\$356.59
6 Inch Meter	\$359.54	\$447.12	\$500.77	\$560.86	\$628.16	\$703.54
Metered Usage Charge:						
All Usage (\$/ccf)	\$2.577	\$2.605	\$2.918	\$3.268	\$3.660	\$4.099
Meter Install Fee	\$8.01	\$8.01	\$8.01			

Ccf = one hundred  
cubic feet  
1 ccf = 748 gallons  
DU = dwelling unit

WASTEWATER SERVICE FEES	Current Fee		PROPOSED											
			July 1, 2025				July 1, 2026		July 1, 2027		July 1, 2028		July 1, 2029	
	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
Residential Unmetered (\$/DU)	\$88.46	\$1,061.52	\$93.77	\$1,125.24	\$99.39	\$1,192.68	\$105.36	\$1,264.32	\$111.68	\$1,340.16	\$118.38	\$1,420.56		
	\$72.40	\$868.80	\$76.27	\$915.24	\$80.84	\$970.08	\$85.70	\$1,028.40	\$90.84	\$1,090.08	\$96.29	\$1,155.48		
Nonresidential Metered	Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)		Use (\$/ccf)	
	\$7.50		\$7.93		\$8.40		\$8.91		\$9.44		\$10.01			
	\$19.70		\$20.81		\$22.05		\$23.38		\$24.78		\$26.27			
	\$6.85		\$7.39		\$7.97		\$8.60		\$9.28		\$10.01			
	\$7.50		\$8.17		\$8.90		\$9.70		\$10.57		\$11.51			



**Every written protest MUST include ALL of the following to be counted as valid:**

1. A statement that it is a protest against the proposed water and/or wastewater rates;
2. Name of the property owner or other customer who is submitting the protest;
3. Identification of the assessor's parcel number or street address (service address) of the property for which the protest is made; and
4. An original signature of the record owner or other customer who is submitting the protest.

Written protests may be submitted by:

1. Mail to: Prop 218 Protest, 1800 Willow Lake Road, Discovery Bay, CA 94505; or
2. In-person delivery to the mailbox during District business hours at 1800 Willow Lake, Discovery Bay, CA 94505; or
3. At the Public Hearing, before the end of the Public Hearing.

**Regardless of how the written protest is submitted, it must be received by the District before the end of the Public Hearing to be held on June 18, 2025, beginning at 7:00 p.m. at 1601 Discovery Bay Blvd, Discovery Bay, CA.** (Postmark dates will not be accepted.) To ensure protests are genuine, they will not be accepted by e-mail or other electronic means. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the District, that the enclosed protest is for the Public Hearing on the Proposed Water and Wastewater Rate Increases. Once received, protests will become disclosable public records. Protests can be withdrawn upon written notice of intent to do so submitted before the end of the public comment portion of the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest, but the Board welcomes that input.

At the end of the Public Hearing, protests will be counted in public view. If protests are not submitted as to a majority of the properties subject to the fees, the Board may adopt the proposed rates. The first rate change, if approved, will take effect on or after July 1, 2025.

**Pursuant to California Government Code 53759, a 120-day statute of limitations applies to any legal challenge to a new, increased, or extended fee. All written objections must be submitted before the end of the public hearing as stated above and a failure to timely object in writing bars any right to challenge that fee or assessment through a legal proceeding.**



**NOTICE OF PUBLIC HEARING  
TOWN OF DISCOVERY BAY COMMUNITY  
SERVICES DISTRICT**

Notice is hereby given that the Town Of Discovery Bay Community Services District will hold a public hearing to consider water and wastewater rate adjustments under Proposition 218. The hearing will take place on Wednesday, June 18th, 2025, at 7:00 p.m. at the Community Center at 1601 Discovery Bay Blvd, Discovery Bay, CA 94505. The Board of Directors will review the amount of the proposed rates as well as the methodology for calculating the proposed rates. At the conclusion of the hearing, all written protests received will be counted and validated. Absent a majority protest, the Board of Directors will consider implementing the water and wastewater rate increases. If approved, the first increase would go into effect on July 1, 2025. Subsequent increases would go into effect July 1 of each year from 2026 through 2029.

**ECT 6899331 June 4, 2024**



# **TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

## **Water and Sewer Rate Study**

**FINAL REPORT**  
**April 9, 2025**



**LECHOWICZ + TSENG**  
MUNICIPAL CONSULTANTS

909 Marina Village Parkway #135  
Alameda, CA 94501  
(510) 545-3182  
[www.LTmuniconsultants.com](http://www.LTmuniconsultants.com)



## TABLE OF CONTENTS

SECTION 1:	INTRODUCTION AND EXECUTIVE SUMMARY .....	1
1.1	Background .....	1
1.2	Requirements of Proposition 218 .....	1
1.3	Rate Study Process .....	3
1.4	Proposed Rates and Bill Impacts .....	4
SECTION 2:	CURRENT RATES AND CUSTOMER BASE .....	7
2.1	Current Water Rates .....	7
2.2	Water Usage Statistics and Customer Base .....	7
2.3	Current Wastewater Rates .....	9
SECTION 3:	RESERVES .....	10
SECTION 4:	WATER COST OF SERVICE.....	11
4.1	Capital Improvement Plan.....	11
4.2	Capital Cash Flow .....	12
4.3	Operating Cash Flow .....	14
SECTION 5:	WATER COST ALLOCATION .....	17
5.1	Methodology .....	17
5.2	Proposed Cost Allocation .....	17
SECTION 6:	WATER RATE DESIGN .....	19
6.1	Billing Units.....	19
6.2	Meter Fee Calculation .....	20
6.3	Proposed Volume Rates .....	22
6.4	Proposed 5-Year Schedule of Rates .....	23
6.5	Bill Impacts .....	24
SECTION 7:	WASTEWATER REVENUE REQUIREMENT .....	25
7.1	Capital Improvement Plan.....	25
7.2	Capital Cash Flows.....	26
7.3	Operating Cash Flows.....	28
SECTION 8:	WASTEWATER COST ALLOCATION.....	31
SECTION 9:	WASTEWATER RATE DESIGN .....	32
9.1	Flows and Pollutant Strength .....	32
9.2	Unit Cost Calculation and Rate Design .....	34
9.3	Residential Rate Calculation.....	35
9.4	Commercial Rate Calculation .....	35
9.5	Proposed 5-year Schedule of Rates .....	36
9.6	Bill Impacts .....	37
SECTION 10:	CONCLUSIONS AND RECOMMENDATIONS.....	39
10.1	Rate Study Conclusions .....	39
10.2	Rate Impacts.....	39
10.3	Future Recommendations.....	40

## LIST OF TABLES

Table 1: Current and Proposed Monthly Water Rates .....	5
Table 2: Current and Proposed Monthly Wastewater Rates.....	6
Table 3: Current Water Service Charge Revenues .....	8
Table 4: Current Wastewater Service Charge Revenues .....	9
Table 5: Estimated Reserves .....	10
Table 6: Summary of Water Capital Projects.....	11
Table 7: Water Capital Funding Sources .....	12
Table 8: Water Capital Cash Flow .....	13
Table 9: Water Operating Cash Flow .....	15
Table 10: Water Fund Summary .....	16
Table 11: Water Cost Allocation .....	18
Table 12: Meter Equivalents for FY 2025/26 .....	19
Table 13: Water Fixed Unit Cost Calculation .....	20
Table 14: Meter Equivalent Charges.....	21
Table 15: Total Fixed Water Charges .....	21
Table 16: Water Volume Rate Cost Calculation.....	22
Table 17: Current and Proposed Monthly Water Service Rates .....	23
Table 18: Summary of Wastewater Capital Projects .....	25
Table 19: Wastewater Capital Funding Sources through FY 2029/30 .....	26
Table 20: Wastewater Capital Cash Flow.....	27
Table 21: Wastewater Operating Cash Flow.....	29
Table 22: Wastewater Fund Summary.....	30
Table 23: Wastewater Cost Allocation.....	31
Table 24: Estimated Residential Sewer Flows.....	32
Table 25: Pollutant Strength Factors .....	33
Table 26: Estimated Total Sewer Flow with Strength Factors .....	33
Table 27: Wastewater Unit Cost Calculation .....	34
Table 28: Customer Service Rate Calculation .....	34
Table 29: FY2025/26 Residential Wastewater Bill Calculation .....	35
Table 30: Full Cost Commercial Wastewater Rate Calculation FY2025/26 .....	35
Table 31: Full Cost 5-Year Wastewater Rate Plan.....	36
Table 32: Proposed 5-Year Wastewater Rate Plan .....	36
Table 33: School and Domestic User Wastewater Rate Revenues .....	37

## SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

---

### 1.1 Background

The Town of Discovery Bay Community Services District (Town or District) provides water and wastewater (sewer) service to about 6,100 customers. The Town last conducted a water and wastewater rate study in 2020 which provided a schedule of rate adjustments through fiscal year (FY) 2024/25. A rate update is needed to keep up with inflationary operating cost increases and to fund major utility system improvements, particularly water pipeline replacements.

### 1.2 Requirements of Proposition 218

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

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

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

In addition to filing a protest, property owners or ratepayers may file written objections prior to the public hearing to exhaust administrative remedies before filing a legal challenge. To be considered valid, any written objections must be submitted before the end of the public hearing and a failure to timely object in writing bars any right to challenge that fee or assessment through a legal proceeding. Pursuant to California Government Code 53759, a 120-day statute of limitations applies to any legal challenge to a new, increased, or extended fee.



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

1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** – The amount of the fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of service attributable to that parcel. Caselaw allows this determination to be made customer class-by-customer class rather than parcel-by-parcel.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property. Standby charges are approved as assessments on real property.
5. **General Government Services** – No property-related fee or charge may be imposed for general governmental services available to the public at large, as police and some fire services are.

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

### 1.3 Rate Study Process

A summary of the rate study process is provided below in Figure 1.

**Figure 1: Comprehensive Cost of Service Study Process**



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

- **Revenue Requirements** - Revenue requirements are analyzed via financial plans developed from the best information currently available, such as the Water and Wastewater Fund budgets, audits, historical operating results, and input from staff. The financial plans serve as a roadmap for funding the Town's future operating and capital programs while maintaining long-term fiscal stability, all of which is calculated in this study to produce rates that will be necessary to recover only the projected cost of service per parcel under these proposed rates.
- **Cost of Service Allocation** - The cost-of-service process builds on the revenue requirement analysis and assigns water and wastewater system costs to functional cost components: *meters and services, fire protection, customer service, base demand, and extra demand* for water, and *customer service and treatment/disposal* for sewer.
- **Rate Design** - Rate design involves developing a rate structure that proportionately recovers costs from customers but does not exceed the proportional cost of service attributable to each parcel. Final rate recommendations are designed to fund the Town's short- and long-term costs of providing service and fairly allocate costs to all customers.

The rates recommended in this report are based on the best available information gathered from the Town's budgets, audits, and input from Town staff, the Finance Committee, and the Board of Directors and the ratemaking consultant's professional opinion. The cost allocations proposed herein are based on industry standard practice. The proposed rates are based on the reasonable cost of providing service and do not exceed the proportional cost of service attributable to each parcel.

## **1.4 Proposed Rates and Bill Impacts**

The current and proposed water and wastewater rates are provided in Table 1 and Table 2, respectively. Rate increases are proposed to go into effect July 1 of each year from 2025 through 2029. For water service, the Town charges a fixed meter fee based on the size of the meter plus a volume rate billed to each 100 cubic feet (ccf) of water used. By December 2017, about half of the Town was transitioned from unmetered to metered service. Newly metered customers pay \$8.01 per month in addition to the other rates and charges. The meter installation fee for these customers is not proposed to change and will be phased out at the end of fiscal year (FY) 2026/27. For wastewater service, the Town bills residential customers a flat fee annually on the property tax roll. Commercial customers are billed volumetric wastewater rates based on estimated flow. Vacant parcels are charged a fee for the Town's water and sewer utilities. The vacant parcel fees are not proposed to change over the next five years.

**Table 1: Current and Proposed Monthly Water Rates**

WATER	Current 1-Jul-24	PROPOSED				
		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation[1] Account Charge:						
5/8 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
3/4 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
1 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
1 1/2 Inch Meter	\$42.98	\$63.66	\$71.30	\$79.86	\$89.44	\$100.17
2 Inch Meter	\$66.94	\$98.18	\$109.96	\$123.16	\$137.94	\$154.49
3 Inch Meter	\$130.80	\$190.25	\$213.08	\$238.65	\$267.29	\$299.36
4 Inch Meter	\$202.64	\$293.82	\$329.08	\$368.57	\$412.80	\$462.34
6 Inch Meter	\$402.22	\$581.52	\$651.30	\$729.46	\$817.00	\$915.04
Irrigation[2] Account Charge:						
5/8 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
3/4 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
1 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
1 1/2 Inch Meter	\$38.18	\$50.22	\$56.25	\$63.00	\$70.56	\$79.03
2 Inch Meter	\$59.24	\$76.68	\$85.88	\$96.19	\$107.73	\$120.66
3 Inch Meter	\$115.73	\$147.24	\$164.91	\$184.70	\$206.86	\$231.68
4 Inch Meter	\$180.27	\$226.62	\$253.81	\$284.27	\$318.38	\$356.59
6 Inch Meter	\$359.54	\$447.12	\$500.77	\$560.86	\$628.16	\$703.54
Metered Usage Charge:						
All Usage (\$/ccf)	\$2.577	\$2.605	\$2.918	\$3.268	\$3.660	\$4.099
Newly Metered Customers Meter Install Fee (10-year payback)	\$8.01	\$8.01	\$8.01			

ccf = 100 cubic feet = 748 gallons

1 – primarily indoor water use for health and sanitation

2 – dedicated meter solely for outdoor water use for landscape irrigation

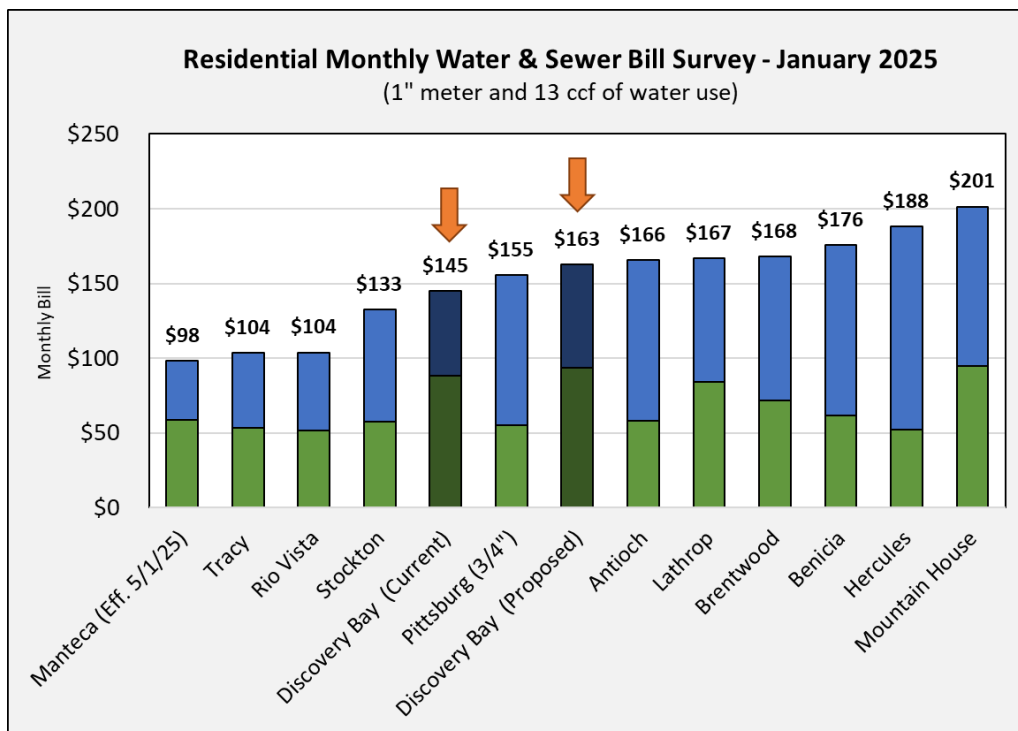
**Table 2: Current and Proposed Monthly Wastewater Rates**

WASTEWATER	Current	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Residential Unmetered	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Single Family	\$88.46	\$93.79	\$99.41	\$105.38	\$111.70	\$118.40
Multiple Family/Condos	\$72.40	\$76.69	\$81.29	\$86.17	\$91.34	\$96.82
Nonresidential Metered	Use (\$/ccf)	Use (\$/ccf)	Use (\$/ccf)	Use (\$/ccf)	Use (\$/ccf)	Use (\$/ccf)
Business/Government/Clubs	\$7.50	\$7.90	\$8.37	\$8.88	\$9.41	\$9.97
Restaurants/Bars/Dining	\$19.70	\$20.48	\$21.71	\$23.01	\$24.39	\$25.86
Schools	\$6.85	\$7.39	\$7.96	\$8.58	\$9.25	\$9.97
Other Domestic Strength Users	\$7.50	\$8.16	\$8.88	\$9.66	\$10.51	\$11.44

ccf = 100 cubic feet = 748 gallons

The typical monthly water use of a single family customer is 13 ccf per month and the most common residential meter size is 1". Based on these parameters, the Town's current typical combined utility bill (water and sewer) is \$144.98 per month. Under the proposed rate increases, the typical single family residential customer bill will increase to \$162.55 per month, about a 12% increase. As shown in Figure 2 below, the Town's current and proposed bills are in the mid-range of utility bills charged by other local agencies.

**Figure 2: Residential Monthly Water & Sewer Bill Survey**



## SECTION 2: CURRENT RATES AND CUSTOMER BASE

---

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

### 2.1 Current Water Rates

Customers are charged for water service based on the size of their water meter ranging from 5/8" up to 6" and the type of service - non-irrigation (domestic) or irrigation. Domestic meter service fees are slightly higher than irrigation meter fees to account for domestic users receiving fire protection benefits. All customers are charged these fixed charges regardless of water consumption to reflect costs the Town incurs associated with maintaining each connection and meeting capacity requirements. The Town charges a uniform volume rate of \$2.577/ccf for all water consumption.

Prior to 2017, approximately half the Town was unmetered and was billed a flat rate for water service. December 2017, the Town completed its meter roll-out and remaining unmetered customers were transitioned to metered service. To fund the installation of meters, the Town issued revenue bonds in addition to expending available reserves. Meter installation costs are repaid via a \$8.01 monthly service fee charged to newly metered customers over a ten-year period. The meter installation fee is not proposed to change and will be phased out by the end of fiscal year (FY) 2026/27.

### 2.2 Water Usage Statistics and Customer Base

Table 3 provides the current monthly water rates as well as estimated current water usage statistics, billing data, and service charge revenues. About 98.6% of meters are non-irrigation meters and 1.4% are irrigation meters. The majority of customers have 1" or smaller non-irrigation (domestic) meters, representing about 97% of the total customer base. The 1" meter is considered the standard meter in Discovery Bay and was the meter size provided to the newly metered customers in 2017. Less delinquency fees, the Town expects to collect about \$5 million in annual service charge revenues at current rates and water usage, of which about 42% will be collected from fixed meter fees (including the meter installation fees) and 58% will be collected from volume rates.

Based on Town billing records, the current average monthly residential water use is 13 ccf per month. Based on a typical home with a 1" meter and 13 ccf of water use, the average water bill is \$56.52 per month.

**Table 3: Current Water Service Charge Revenues**

<b>Meter Size</b>	<b># of Meters</b>	<b>Monthly Fee</b>	<b>Meter Fee Annual Revenue</b>	<b>Estimated Annual Water Use (ccf)</b>	<b>Annual Water Use Fees</b>
				Metered Rate (\$/ccf)	\$2.577
Non-Irrigation					
Up to 1"	6,057	\$23.02	\$1,673,186		
1.5"	32	\$42.98	\$16,504		
2"	46	\$66.94	\$36,951		
3"	7	\$130.80	\$10,987		
4"	<u>10</u>	<u>\$202.64</u>	<u>\$24,317</u>		
Subtotal Non-irrigation	6,152		\$1,761,945	931,420	\$2,400,000
Irrigation					
Up to 1"	19	\$20.62	\$4,701		
1.5"	25	\$38.18	\$11,454		
2"	34	\$59.24	\$24,170		
3"	2	\$115.73	\$2,778		
4"	<u>7</u>	<u>\$180.27</u>	<u>\$15,143</u>		
Subtotal Irrigation	87		\$58,245	212,561	\$548,000
Meter Installation Fee	3,487	\$8.01	\$335,218		
Total Metered Customers	<b>6,239</b>		<b>\$2,155,408</b>	<b>1,143,981</b>	<b>\$2,948,000</b>
			<b>42%</b>		<b>58%</b>
<b>Property Tax Roll</b>	<b># of</b>	<b>Monthly</b>	<b>Total Annual</b>		
<b>Unmetered Water</b>	<b>Parcels</b>	<b>Fee</b>	<b>Revenues</b>		
Vacant & Waterways	21	\$14.67	\$3,697		
<b>Summary</b>					\$1,820,190
			Metered	\$5,103,408	
			2% Delinquency	(\$102,000)	
			Vacant	<u>\$3,697</u>	
			<b>Total</b>	<b>\$5,005,105</b>	

## 2.3 Current Wastewater Rates

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

Table 4 also provides estimated current annual Wastewater Fund Revenues by rate category. The Town is projected to collect a total of about \$6.5 million in revenues from wastewater service charges. About \$6.4 million in revenues, or about 98%, is collected from fixed charges to residential and vacant parcel customers. Volumetric charges from commercial customers are estimated to generate about \$106,000, or about 2% of total wastewater rate revenue.

**Table 4: Current Wastewater Service Charge Revenues**

<b>Unmetered Wastewater</b>	<b>Number of Parcels</b>		<b>Annual Fee</b>	<b>Annual Revenues</b>
Single Family - Each DU	5,816		\$1061.52	\$6,174,000
Multiple Family/Condos - Each DU	224		\$868.00	\$195,000
Vacant	<u>30</u>		\$224.00	<u>\$7,000</u>
<b>Subtotal</b>	6,070			<b>\$6,376,000</b>
<b>Metered Sewer</b>	<b>Number of Customers</b>	<b>Annual ccf</b>	<b>Rate \$/ccf</b>	<b>Annual Revenues</b>
Business/Government/Clubs	22	1,043	\$7.501	\$7,821
Restaurants/Bars/Dining Facilities	11	4,663	\$19.696	\$91,851
Schools	3	800	\$6.853	\$5,482
Other Domestic Strength Users	<u>2</u>	<u>125</u>	\$7.501	<u>\$940</u>
<b>Subtotal</b>	38	6,631		<b>\$106,094</b>
<b>Total Rate Revenues</b>				<b>\$6,482,094</b>

---

DU - dwelling unit



## SECTION 3: RESERVES

---

Proposition 218 requires that utility rates be based on the reasonable cost of providing service to customers. The cost of service includes annual operating expenses, debt service payments, capital projects, and the accumulation of appropriate reserves. The Town maintains Operating Reserves and Capital Reserves for each utility. In general, the Town's policy is to prudently use reserves to smooth cash flow and mitigate impacts to the ratepayers. Operating reserves are typically held at four months of operating expenses or greater. Operating reserves are intended to cover emergency operating costs and/or cover revenue shortfalls. The Town has capital reserves for general water and sewer improvements, pumps and motors, generators, facilities, and vehicles.

The Town is estimated to have approximately \$16.9 million in total utility reserves, with \$6.1 million allocated to water and \$10.8 million allocated to sewer as summarized in Table 5. Thus, the water utility comprises about 36% of total reserves, while the wastewater utility represents 64% of the total.

**Table 5: Estimated Reserves**

	<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

## SECTION 4: WATER COST OF SERVICE

This section provides an analysis of the revenues and expenses that make up the water utility's total cost of service to be recovered via water rates. The cost of service is expressed in cash flow tables that illustrate revenue increases needed to keep up with operating and capital expenses and promote financial health. Over the five-year rate study period, water rate increases are proposed so that the Town can fund capital improvements, pay for operating costs, and maintain prudent reserves, all of which are calculated in this study to produce rates that will be necessary to recover only the actual cost of the water service per parcel under these proposed water rates.

### 4.1 Capital Improvement Plan

As part of the rate study process, the Town developed a capital improvement project list and determined the timeline and cost of each project. A summary of project costs through FY 2029/30 is provided in Table 6. The Town intends to fund about \$32.51 million in capital projects over the next five years. The highest cost items are pipeline replacements and the pipeline underwater crossing. As shown below, the Town intends to fund \$3.5 million per year of pipeline replacements during most years – this equals about one mile per year of line replacements. The Town will also install a solar system at the water treatment plant (WTP) which will provide energy savings once completed. In FY 2025/26, the Town will construct a new Administration Building. The construction cost allocated to the Town's utilities is about \$5 million which is split 50%/50% between the water and sewer utilities.

**Table 6: Summary of Water Capital Projects**

<b>Project Categories</b>	<b>Projected FY 2025/26</b>	<b>Projected FY 2026/27</b>	<b>Projected FY 2027/28</b>	<b>Projected FY 2028/29</b>	<b>Projected FY 2029/30</b>	<b>5-Year Total</b>
Mainline Pipe	400,000	3,500,000	2,000,000	3,500,000	3,500,000	12,900,000
Underwater Crossing	0	0	764,000	4,992,000	0	5,756,000
Solar System at WTP	3,340,000	1,344,000	941,000	0	0	5,625,000
Admin Building	2,508,000	0	0	0	0	2,508,000
Well 2	250,000	250,000	2,000,000	0	0	2,500,000
Well 8	1,000,000	0	0	0	0	1,000,000
Other Projects	<u>505,000</u>	<u>389,000</u>	<u>407,000</u>	<u>393,000</u>	<u>528,000</u>	<u>2,222,000</u>
Total Projects	8,003,000	5,483,000	6,112,000	8,885,000	4,028,000	32,511,000

WTP – water treatment plant

## 4.2 Capital Cash Flow

The projects shown in Table 6 will be funded through a combination of reserves, capacity fees, rate revenues, and new debt. Table 7 lists the capital revenue sources through FY 2029/30. The Town is projected to use about \$3.8 million in existing capital fund reserves. The water utility has reserves beyond its minimum targets. These reserves were accumulated over time from service charge revenues and should be used judiciously for the benefit of the ratepayers. The Town is expected to experience growth over the next five years. For planning purposes, it is assumed that the Town will collect capacity fee revenues from approximately 10 new homes annually.<sup>1</sup> This rate plan assumes the Town will fund \$2.8 million of project costs from rate revenues, \$5.6 million with subsidized state loans, and \$20 million from market rate bonds. To fund the solar system at the water treatment plant, the Town expects to secure a \$2.9 million loan at 1% interest over 16 years from the California Energy Commission plus a second loan of about \$2.7 million at 4% interest over 20 years from the California Infrastructure Bank (iBank). At current rate revenues, the water utility generates positive net revenues which can be used to fund capital improvements and/or provide additional debt capacity. L&T worked closely with Town staff, the Finance Committee, and the Town's bond underwriting team to develop debt service estimates.

**Table 7: Water Capital Funding Sources**

Revenue Source	5-Year Total	% of Total
Existing Capital Reserves	\$3,766,000	12%
Capacity Fees	\$280,000	1%
Rate Revenues	\$2,840,000	9%
New Debt		
CEC Loan	\$2,937,000	9%
iBank Loan	\$2,688,000	8%
Market Rate Bonds	<u>\$20,000,000</u>	<u>62%</u>
Total Funding	\$32,511,000	100%
Total Capital Projects	\$32,511,000	

Table 8 provides water capital cash flows over the next five years. It is anticipated that the Town will issue bonds annually from FY 2026/27 through FY 2029/30 primarily to fund the long-term pipeline replacement program and the underwater crossing project. By issuing bonds in tranches (rather than in one large issuance), the Town's debt service obligation will slowly increase over time and allow the Town to phase-in rate increases more gradually. FY 2025/26 through FY 2027/28, it is projected that the Town will fund both phases of the solar system project through loan proceeds. By the end of FY 2029/30, it is projected that the capital reserves will be drawn down by about \$3.8 million relative to the beginning balance in FY2025/26.

---

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

**Table 8: 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	3,000	918,000	1,803,000	76,000
<b>Revenues</b>					
Capacity Fees	52,000	54,000	56,000	58,000	60,000
Transfer from Operating	240,000	0	0	1,100,000	1,500,000
CEC Loan Proceeds	2,937,000	0	0	0	0
iBank Loan Proceeds	403,000	1,344,000	941,000		
New Debt Proceeds	<u>0</u>	<u>5,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,000,000</u>
<b>Total Revenues</b>	3,632,000	6,398,000	6,997,000	7,158,000	4,560,000
<b>Capital Improvements</b>					
Water Supply Capacity					
Well 2	250,000	250,000	2,000,000	0	0
Well 8	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Water Supply Capacity	1,250,000	250,000	2,000,000	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	400,000	3,500,000	2,000,000	3,500,000	3,500,000
Newport & Sandpoint Crossing	<u>0</u>	<u>0</u>	<u>764,000</u>	<u>4,992,000</u>	<u>0</u>
Total Distribution/Pipeline Replacements	400,000	3,500,000	2,764,000	8,492,000	3,500,000
Additional Distribution Improvements					
Solar System at WTP	2,937,000	0	0	0	0
Solar System at WTP Phase II	403,000	1,344,000	941,000		
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	3,474,000	1,344,000	1,348,000	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>	8,003,000	5,483,000	6,112,000	8,885,000	4,028,000
<b>Total Net Revenues</b>	(4,371,000)	915,000	885,000	(1,727,000)	532,000
<b>Ending Balance</b>	3,000	918,000	1,803,000	76,000	608,000

### 4.3 Operating Cash Flow

The water fund operating cash flows beginning in FY 2025/26 and spanning the next five years are provided in Table 9. The Town is projected to begin FY 2025/26 with an operating balance of about \$1.8 million. The minimum fund balance target for the end of each year is based on four months of O&M expenses. This rate plan is intended to both maintain a balanced budget with positive net revenues and to meet the minimum fund balance target in each year except FY 2025/26.

Rate increases annually over the five-year rate study period are proposed to fund capital projects, fund operating costs, fund debt service costs, maintain necessary debt service coverage, and maintain necessary fund reserves. The first proposed rate revenue increase is an increase of 20% on July 1, 2025. Following the first rate increase, 12% annual revenue increases are proposed to go into effect each July 1 from 2026 through 2029. The proposed annual revenue increases represent the water system average revenue increases. Not every customer will receive a rate increase equal to the percentage shown. The rate change for individual customers will depend on customer meter sizes, service type (domestic or irrigation), and water use.

The Town's main revenue source for the Operations Fund is water rate revenues. Rate revenues are estimated at \$5.7 million in FY 2025/26, making up nearly 92% of total revenues. Rate revenue estimates also include projections for customer growth in each year. Major expenses include staffing, administration, utilities, and the service contract with Veolia Water. Most operating expenses are projected to increase 3% annually due to inflation, apart from staffing and consulting services which are projected to increase 5% annually and utilities which are projected to decrease until FY 2027/28 due to savings realized from the solar project before increasing 10% annually thereafter. In FY 2025/26, staffing expenses are expected to increase by an additional \$150,000 above the 5% annual increase because the Town is expected to hire an additional staff member or consultant for regulatory compliance.

Other expenses include debt service for the 2017 and 2022 bonds and new debt service estimated to begin in FY 2027/28. For financial planning purposes, it is assumed that debt service costs for the new state loans will begin the year after project completion. For market rate bonds, debt service payments are assumed to begin the year after issuance.

**Table 9: 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 2029/30</b>
<b>Beginning Operating Balance</b>	\$1,775,000	\$1,774,000	\$2,531,000	\$3,277,400	\$2,921,300
<b>Proposed Rate Revenue Increase</b>	20%	12%	12%	12%	12%
<b>Revenues</b>					
Rate Revenue	5,722,000	6,409,000	7,178,000	8,039,000	9,004,000
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	5,725,000	6,415,000	7,187,000	8,051,000	9,019,000
Less Delinquency (2%)	(114,000)	(128,000)	(144,000)	(161,000)	(180,000)
Vacant Parcel	4,000	4,000	4,000	4,000	4,000
Meter Reimbursements	336,000	336,000	0	0	0
Interest Income	204,000	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>	6,225,000	6,797,000	7,217,000	8,064,000	9,013,000
% 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	706,000	587,000	646,000	711,000
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>	5,442,000	5,497,000	5,561,000	5,811,000	6,074,000
<b>Net Operating Revenues</b>	783,000	1,300,000	1,656,000	2,253,000	2,939,000
<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)	0	0	200,000	200,000	200,000
New Ibank Loan (4% over 20 years)	0	0	0	198,000	198,000
New Debt Service Phase I [4]	<u>0</u>	<u>0</u>	<u>334,600</u>	<u>736,100</u>	<u>1,137,600</u>
<b>Total Debt Service</b>	544,000	543,000	909,600	1,509,100	1,910,600
<b>Debt Service Coverage</b>	<b>1.44</b>	<b>2.39</b>	<b>1.82</b>	<b>1.49</b>	<b>1.54</b>
<b>Total O&amp;M + Debt</b>	5,986,000	6,040,000	6,470,600	7,320,100	7,984,600
<b>Total Net Revenues</b>	239,000	757,000	746,400	743,900	1,028,400
<b>Transfer to Capital</b>	240,000	0	0	1,100,000	1,500,000
<b>O&amp;M Ending balance</b>	<b>1,774,000</b>	<b>2,531,000</b>	<b>3,277,400</b>	<b>2,921,300</b>	<b>2,449,700</b>
<b>Minimum balance target [5]</b>	1,814,000	1,832,000	1,854,000	1,937,000	2,025,000

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

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

3 - Chemicals and electric; 10% annual increases; savings begin in first year of operation from solar project

4 - 5.25% interest, 30-year term for all new debt and \$250,000 in issuance costs

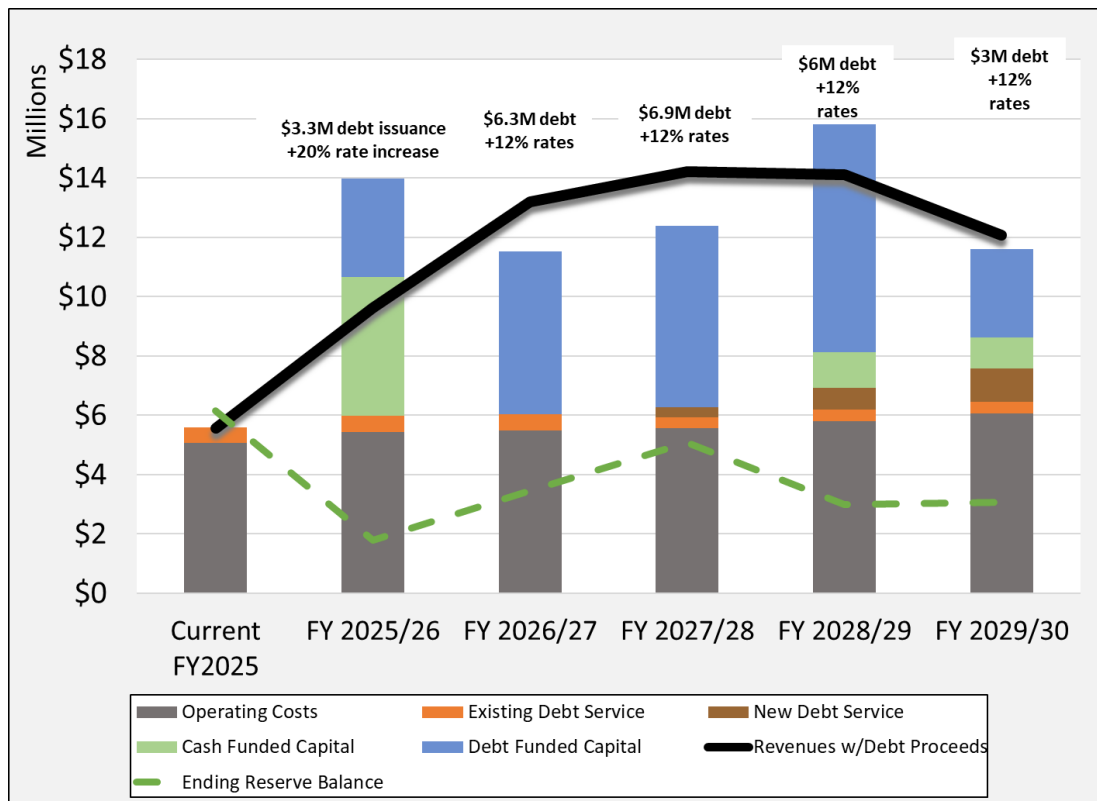
5 - 4 months O&M expenses

Table 10 and Figure 3 summarize the water utility's projected combined Operating and Capital cash flows over the five-year rate study period. It is projected that the water utility will have total reserves of about \$3.06 million at the end of FY 2029/30.

**Table 10: 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	\$1,774,000	\$2,531,000	\$3,277,400	\$2,921,300	\$2,449,700
Capital	<u>\$4,374,000</u>	<u>\$3,000</u>	<u>\$918,000</u>	<u>\$1,803,000</u>	<u>\$76,000</u>	<u>\$608,000</u>
Total Water Fund	\$6,149,000	\$1,777,000	\$3,449,000	\$5,080,400	\$2,997,300	\$3,057,700
Debt Coverage		1.44	2.39	1.82	1.49	1.54
Rate Revenue Increase		20%	12%	12%	12%	12%

**Figure 3: Water Cash Flow Summary**



## SECTION 5: WATER COST ALLOCATION

---

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

### 5.1 Methodology

The American Water Works Association (AWWA) recommends methods to classify costs among various customers. Using the Base-Extra Capacity Method as recommended by the AWWA, water operating expenses are allocated to the following categories: (a) Base, (b) Extra, (c) Meters, (d) Fire Protection, and (e) Customer Service. The Base and Extra categories are intended to recover the costs to deliver water to customers, while the Customer Service, Fire Protection, and Meters categories are intended to recover expenses related to maintaining infrastructure in the system to supply water at all times under the proposed water service rates in this study. A summary of the cost allocation categories is provided below:

- *Base:* Base costs include the expenses related to providing water under average (“base”) demand conditions.
- *Extra:* The extra category includes costs related to providing water above the system average demand (i.e., related to peak, “extra” usage).
- *Meters:* These include costs related to maintaining infrastructure and operating capacity to provide service at any time under the proposed water service fee rates in this study.
- *Fire Protection:* This category includes costs related to providing direct fire protection service.
- *Customer Service:* This category contains costs associated with serving customers, such as billing and answering customer inquiries.

### 5.2 Proposed Cost Allocation

This section determines the percentage of the annual revenue requirement to be collected from each rate or charge (consisting of the volume rate and the meter fee) based on the actual costs attributable to each rate or fee and establishes that each parcel’s total water bill will not exceed the proportional cost of service for that parcel.

Table 11 provides the proposed cost allocation based on FY 2025/26 operating costs and a five-year average of annual debt service. For this rate study, it is proposed that the AWWA recommended cost



categories of *Base* and *Extra* be combined as the proposed volume rate is a uniform tier applied to all levels of usage. The volume rate is intended to recover operations & maintenance, utilities as well as 90% of the water utility's service contract and pass through expenses and 10% of staffing costs.

The meter fee for non-irrigation meters will be made up of the AWWA recommended cost categories of *Meters*, *Customer Service*, and *Fire Protection*. For the meter fee for irrigation customers, *Fire Protection* costs will be omitted per Town policy. The meter fee will recover expenses for administration, debt service, 90% of staffing costs, and 10% of service contract and pass through expenses.

Current engineering estimates indicate that maximum day demand (MDD) of the water system is 6,000 gallons per minute (gpm). Maximum day demand plus fire flow is 8,000 gallons per minute. The 2,000 gpm attributable to fire flow demand represents 25% of MDD + fire flow demand. Operating and capital costs related to maintaining capacity in the system to serve customers at any time are determined by MDD + fire flow demand. Therefore, staffing & consulting service costs and capital costs (i.e. debt service costs) are allocated 75% to the *Meters* category and 25% to *Fire Protection*.

As shown in Table 11, the volume rate is proposed to recover 52.1% of costs and the meter fees are proposed to recover the remaining 47.9% of costs. The volume rate is intended to recover the costs of delivering water to customers. The meter fees are intended to recover fixed operating costs as well as debt service costs. The meter fees for fixed operating costs are correlated with the actual costs regardless of the amount of each customer's water use and the volume rate for water delivery is correlated with the actual costs of water service at those levels, respectively.

**Table 11: Water Cost Allocation**

Category	FY 2025/26 Estimated Costs	Usage Rate	Total Fixed Meter Fee		
		Base/Extra	Meters	Fire Protection [1]	Customer Service
Operating Expenses					
Admin & Inter Govt. & Board	465,000	0%	25%	0%	75%
Staffing & Consulting Serv	1,860,000	10%	68%	23%	0%
Meter Reading	124,000	0%	0%	0%	100%
Operations & Maintenance	1,109,000	100%	0%	0%	0%
Utilities	827,000	100%	0%	0%	0%
Service Contract & Pass Through	<u>1,057,000</u>	<u>90%</u>	<u>10%</u>	<u>0%</u>	<u>0%</u>
Total Operating Expenses	5,442,000	3,073,300	1,477,450	418,500	472,750
Debt Service					
2017 Bonds Debt Service (5yr Avg)	85,000	0%	75%	25%	0%
2022 Bonds Debt Service (5yr Avg)	291,000	0%	75%	25%	0%
2022B Bonds Debt Service (5yr Avg)	<u>83,000</u>	<u>0%</u>	<u>75%</u>	<u>25%</u>	<u>0%</u>
Total Debt Service	459,000	0	344,000	115,000	0
<b>Proposed Cost Allocation</b>	<b>5,901,000</b> <b>100.0%</b>	<b>3,073,300</b> <b>52.1%</b>	<b>1,821,450</b> <b>30.9%</b>	<b>533,500</b> <b>9.0%</b>	<b>472,750</b> <b>8.0%</b>

1 – Irrigation customers do not pay fire protection costs

## SECTION 6: WATER RATE DESIGN

---

Following the allocation of costs, the next step is to derive the total cost responsibility for each customer class by developing unit costs of service for each cost function and then assigning those costs to each customer class based on the respective service requirements of each.

### 6.1 Billing Units

AWWA guidelines recommend using meter equivalents to assign capacity-related costs to larger meter sizes. Utility infrastructure is typically designed to meet peak demands associated with the maximum flow rate of each meter, and larger meters have higher maximum flow rates. Therefore, customers with larger meters are charged based on their ability to place a greater demand on the water system. The flow rate of larger meters compared to the 1" meter determines the number of meter equivalents for each meter size. For example, based on the AWWA meter capacity ratios, a customer that has a 2" meter has 3.2 times the capacity equivalency of a customer with a 1" meter. Meter equivalents for FY 2025/26 are calculated in Table 12 based on AWWA standards. The total number of water meters is 6,239 while the total number of meter equivalents is approximately 6,674.

**Table 12: Meter Equivalents for FY 2025/26**

<b>Meter Size</b>	<b># of Meters</b>	<b>Meter Ratio</b>	<b>Meter Equivalents</b>
Non-Irrigation			
Up to 1"	6,057	1.0	6,057.0
1.5"	32	2.0	64.0
2"	46	3.2	147.2
3"	7	6.4	44.8
4"	<u>10</u>	10.0	<u>100.0</u>
Subtotal Non-irrigation	6,152		6,413.0
Irrigation			
Up to 1"	19	1.0	19.0
1.5"	25	2.0	50.0
2"	34	3.2	108.8
3"	2	6.4	12.8
4"	<u>7</u>	10.0	<u>70.0</u>
Subtotal Irrigation	87		260.6
Total	6,239		6,673.6

## 6.2 Meter Fee Calculation

Unit costs of service for each fixed cost function are calculated in Table 13. Of the FY 2025/26 water rate revenue requirement of \$5.72 million (i.e. the amount recovered from rates in FY 2025/26 as shown in Table 9), 47.9% is attributed to the fixed meter fee consisting of the *Meters*, *Customer Service*, and *Fire Protection* rate categories from Table 11. The *Base/Extra* category is allocated 52.1% of the revenue requirement and is proposed to be recovered from the volume rate. Further discussion of volumetric rate design is provided in the subsequent section.

The *Meters* revenue requirement is proposed to be recovered based on the number of meter equivalents calculated in Table 12. The *Customer Service* revenue requirement is proposed to be recovered from each customer on a per-meter basis regardless of meter size. The *Fire Protection* revenue requirement is also proposed to be recovered based on the number of meter equivalents but will only be recovered from non-irrigation accounts.

**Table 13: Water Fixed Unit Cost Calculation**

<b>FY 2025/26 Revenue Requirement</b>	<b>Base/Extra</b>	<b>Meters</b>	<b>Cust. Service</b>	<b>Fire Protection</b>
\$5,722,000	\$2,980,075 52.1%	\$1,766,198 30.9%	\$458,410 8.0%	\$517,317 9.0%
		6,674 meter equiv	6,239 # of meters	6,413 non-irrigation meter equiv
		\$22.05 \$/meter equivalent/mo	\$6.12 \$/meter/mo	\$6.72 \$/domestic equivalent/mo

Using the *Meters* and *Fire Protection* unit costs from Table 13, Table 14 determines the total cost per meter equivalent. The *Fire Protection* cost is omitted from the irrigation meter equivalent fee per Town policy.

**Table 14: Meter Equivalent Charges**

<b>Cost Category</b>	<b>Non-Irrigation Meter Equivalent</b>	<b>Irrigation Meter Equivalent</b>
Meters	\$22.05	\$22.05
Fire Protection	<u>\$6.72</u>	<u>NA</u>
Total (\$/meter equiv./mo)	\$28.77	\$22.05

To calculate the total fixed monthly meter fee for each meter size, the meter equivalent fees from Table 14 are scaled by the meter ratios shown in Table 12. The customer service fee of \$6.12 per month is then added to the meter equivalent fees. The total fixed monthly fee for a 1" domestic (non-irrigation) meter is \$34.89, see Table 15.

**Table 15: Total Fixed Water Charges**

<b>Non-Irrigation Customers</b>										
<b>Meter Size</b>	<b>Ratio</b>		<b>Meter Equiv. Cost</b>	<b>=</b>	<b>Meter Equiv. Charge</b>		<b>Meter Equiv. Charge</b>	<b>+</b>	<b>Customer Service Charge</b>	<b>Total Fixed Monthly Fee</b>
5/8"	1.0	X	\$28.77	=	\$28.77		\$28.77	+	\$6.12	\$34.89
3/4"	1.0	X	\$28.77	=	\$28.77		\$28.77	+	\$6.12	\$34.89
1"	1.0	X	\$28.77	=	\$28.77		\$28.77	+	\$6.12	\$34.89
1.5"	2.0	X	\$28.77	=	\$57.54		\$57.54	+	\$6.12	\$63.66
2"	3.2	X	\$28.77	=	\$92.06		\$92.06	+	\$6.12	\$98.18
3"	6.4	X	\$28.77	=	\$184.13		\$184.13	+	\$6.12	\$190.25
4"	10.0	X	\$28.77	=	\$287.70		\$287.70	+	\$6.12	\$293.82
6"	20.0	X	\$28.77	=	\$575.40		\$575.40	+	\$6.12	\$581.52

<b>Irrigation Customers</b>										
<b>Meter Size</b>	<b>Ratio</b>		<b>Meter Equiv. Cost</b>	<b>=</b>	<b>Meter Equiv. Charge</b>		<b>Meter Equiv. Charge</b>	<b>+</b>	<b>Customer Service Charge</b>	<b>Total Fixed Monthly Fee</b>
5/8"	1.0	X	\$22.05	=	\$22.05		\$22.05	+	\$6.12	\$28.17
3/4"	1.0	X	\$22.05	=	\$22.05		\$22.05	+	\$6.12	\$28.17
1"	1.0	X	\$22.05	=	\$22.05		\$22.05	+	\$6.12	\$28.17
1.5"	2.0	X	\$22.05	=	\$44.10		\$44.10	+	\$6.12	\$50.22
2"	3.2	X	\$22.05	=	\$70.56		\$70.56	+	\$6.12	\$76.68
3"	6.4	X	\$22.05	=	\$141.12		\$141.12	+	\$6.12	\$147.24
4"	10.0	X	\$22.05	=	\$220.50		\$220.50	+	\$6.12	\$226.62
6"	20.0	X	\$22.05	=	\$441.00		\$441.00	+	\$6.12	\$447.12

### 6.3 Proposed Volume Rates

The proposed volume rates are calculated in Table 16. The revenue allocated to the *Base/Extra* category is divided by projected annual water use in ccf to calculate the rate per ccf. For FY 2025/26, approximately \$3.0 million is allocated to the *Base/Extra* category as shown in Table 13. To be conservative, it is projected that annual water consumption will remain the same as current over the next five years.

**Table 16: Water Volume Rate Cost Calculation**

	<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>
Rate Revenue Increase					
Base/Extra Revenue	\$2,980,075	\$3,337,684	\$3,738,206	\$4,186,791	\$4,689,206
Total ccf	1,143,981	1,143,981	1,143,981	1,143,981	1,143,981
Rate (\$/ccf)	\$2.605	\$2.918	\$3.268	\$3.660	\$4.099

## 6.4 Proposed 5-Year Schedule of Rates

The proposed 5-year schedule of water rates is provided in Table 17. The rates are proposed to go into effect each July 1 from 2025 through 2029. The vacant parcel charge is proposed to remain the same over the next five years and the meter install fee is proposed to remain the same until it is phased out at the end of FY 2026/27. The rates are calculated in this study as described above to produce rates that will be necessary to recover only the actual cost of the water service per parcel. If the rates are adopted, then the rates for the water service fees shown in Table 17 will also apply to any additional connections built out in the Town in the future.

**Table 17: Current and Proposed Monthly Water Service Rates**

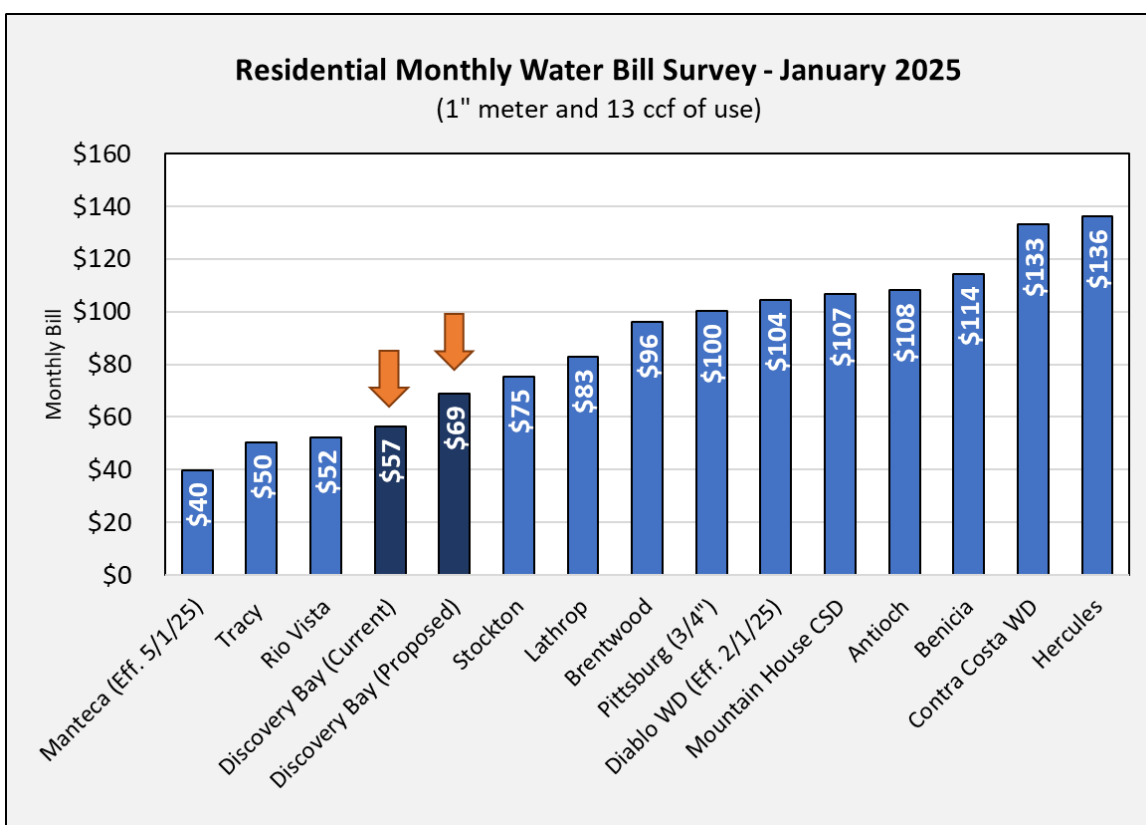
WATER	Current 1-Jul-24	PROPOSED				
		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation Account Charge:						
5/8 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
3/4 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
1 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
1 1/2 Inch Meter	\$42.98	\$63.66	\$71.30	\$79.86	\$89.44	\$100.17
2 Inch Meter	\$66.94	\$98.18	\$109.96	\$123.16	\$137.94	\$154.49
3 Inch Meter	\$130.80	\$190.25	\$213.08	\$238.65	\$267.29	\$299.36
4 Inch Meter	\$202.64	\$293.82	\$329.08	\$368.57	\$412.80	\$462.34
6 Inch Meter	\$402.22	\$581.52	\$651.30	\$729.46	\$817.00	\$915.04
Irrigation Account Charge:						
5/8 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
3/4 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
1 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
1 1/2 Inch Meter	\$38.18	\$50.22	\$56.25	\$63.00	\$70.56	\$79.03
2 Inch Meter	\$59.24	\$76.68	\$85.88	\$96.19	\$107.73	\$120.66
3 Inch Meter	\$115.73	\$147.24	\$164.91	\$184.70	\$206.86	\$231.68
4 Inch Meter	\$180.27	\$226.62	\$253.81	\$284.27	\$318.38	\$356.59
6 Inch Meter	\$359.54	\$447.12	\$500.77	\$560.86	\$628.16	\$703.54
Metered Usage Charge:						
All Usage (\$/ccf)	\$2.577	\$2.605	\$2.918	\$3.268	\$3.660	\$4.099
Newly Metered Customers						
Meter Install Fee (10-year payback)	\$8.01	\$8.01	\$8.01			

ccf = 100 cubic feet = 748 gallons

## 6.5 Bill Impacts

The average single family residential customer in the Town of Discovery Bay uses 13 ccf of water monthly and is served by a 1" meter. Currently, the average equivalent monthly bill is \$56.52 and will increase to \$68.76 under the FY 2025/26 proposed rates assuming no water conservation. Figure 4 below compares the Town's current and proposed typical water bills with the bills of other local agencies for customers using 13 ccf of monthly consumption. Even with the proposed FY 2025/26 increase, the Town's water bill will remain on the low-end of surveyed agencies.

**Figure 4: Residential Monthly Water Bill Survey**



## SECTION 7: WASTEWATER REVENUE REQUIREMENT

---

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

### 7.1 Capital Improvement Plan

The wastewater utility is a capital-intensive enterprise. Through FY 2029/30, the Town expects to fund \$15.9 million in capital improvements, see Table 18. Of this total, about \$8.6 million represents costs to the Town Administration Building and Solar Project Phase II. The remaining \$7.2 million will go towards maintenance, equipment, and lift station improvements. The wastewater utility is responsible for 70% of the costs of Phase II of the solar project.

**Table 18: Summary of Wastewater Capital Projects**

<b>Project Categories</b>	<b>Projected FY 2025/26</b>	<b>Projected FY 2026/27</b>	<b>Projected FY 2027/28</b>	<b>Projected FY 2028/29</b>	<b>Projected FY 2029/30</b>	<b>5-Year Total</b>	<b>% of Total</b>
Lift Station Improvements	224,000	251,000	281,000	315,000	352,000	1,423,000	9%
Wastewater System & Maintenance	2,620,000	0	0	0	0	2,620,000	16%
Solar Project Phase II	941,000	2,459,000	2,754,000	0	0	6,154,000	39%
Town Admin Building	2,508,000	0	0	0	0	2,508,000	16%
Equipment	<u>2,872,000</u>	<u>314,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,186,000</u>	<u>20%</u>
<b>Total Projects</b>	9,165,000	3,024,000	3,035,000	315,000	352,000	15,891,000	100%



The projects shown in Table 18 will be funded through a combination of reserves, capacity fees, rate revenues, and loan proceeds. Table 19 lists capital revenue sources through FY 2029/30. The Town is projected to use \$3.0 million in existing operating and capital fund reserves. As shown in Table 5, the wastewater utility has reserves beyond its minimum targets. These reserves were accumulated from service charge revenues and should be used judiciously for the benefit of the ratepayers. The Town is expected to experience growth over the next five years. For planning purposes, it is assumed that the Town will collect capacity fee revenues from approximately 10 new homes annually.<sup>2</sup> \$6.7 million of capital improvement funding is provided by rate and capacity fee revenues. This rate plan assumes the Town will fund \$6.15 million of projects from loan proceeds for Solar Phase II via the same loan program as the water solar project.

**Table 19: Wastewater Capital Funding Sources through FY 2029/30**

<b>Revenue Source</b>	<b>5-Year Total</b>	<b>% of Total</b>
Existing Capital Reserves	\$3,037,000	19%
Capacity Fees	\$700,000	4%
Rate Revenues	\$6,000,000	38%
New Debt (IBank Loan)	<u>\$6,154,000</u>	<u>39%</u>
Total Revenues	\$15,891,000	100%
 Total Capital Projects	 \$15,891,000	

## 7.2 Capital Cash Flows

Table 20 provides the wastewater capital fund cash flows over the next five years. The projected costs and timeline of each project was determined by the Town as part of the capital improvement plan. Major projects include the Town Administration Building and Phase II of the Solar Project. The Operations Fund is expected to make transfers to the Capital Improvements Fund to help cover expenses for these major projects. Projects will also be funded from available revenues, including capacity fee revenues and capital reserves.

FY 2026/27 to FY 2029/30, it is anticipated that the Operations Fund will provide transfers of \$1 million to \$1.7 million of rate revenues annually. By the end of FY 2025/26, it is projected that the ending balance will drop to \$934,000. By FY 2027/28 and onwards, this reserve will steadily grow by about \$1.5 million annually.

---

<sup>2</sup> Capacity fee revenues can only be used to fund facilities that benefit growth. L&T did not conduct an independent evaluation to determine which projects are growth-related.

**Table 20: Wastewater Capital 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	934,000	1,505,000	2,864,000	4,443,000
<b>Revenues</b>					
Capacity Fees +10 new cust./year	132,000	136,000	140,000	144,000	148,000
Transfer from Operating	0	1,000,000	1,500,000	1,750,000	1,750,000
Ibank Loan Proceeds	<u>941,000</u>	<u>2,459,000</u>	<u>2,754,000</u>	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	1,073,000	3,595,000	4,394,000	1,894,000	1,898,000
<b>Capital Improvements</b>					
Annual Lift Station Improvements	224,000	251,000	281,000	315,000	352,000
Wastewater System & Maintenance					
Dewatering Return Pipe & Settling Box	358,000	0	0	0	0
Belt Press WWTP#2	1,680,000	0	0	0	0
Decant Station	560,000	0	0	0	0
Pipe Leak Seals @ ML Pump Stations	<u>22,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total System & Maintenance	2,620,000	0	0	0	0
Other Projects					
Solar Project Phase II	941,000	2,459,000	2,754,000	0	0
Town Administration Building	<u>2,508,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Projects	3,449,000	2,459,000	2,754,000	0	0
Equipment					
Solar Dryer Panel Replacement	368,000	0	0	0	0
Cable Tray in Solar Dryers A & B	560,000	0	0	0	0
Fence Portions Around Plant No. 2	1,245,000	0	0	0	0
Dredge Anchors on Pond #2	22,000	0	0	0	0
Rehab Solar Circulators	134,000	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Gate WWTP#1	56,000	0	0	0	0
Upgrade Remaining Radio to Cell/Net Service	95,000	0	0	0	0
Vac Truck Garage/Cover	392,000	0	0	0	0
Stationary Liftstation Generators	<u>0</u>	<u>314,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment	2,872,000	314,000	0	0	0
<b>Total Capital Improvements</b>	9,165,000	3,024,000	3,035,000	315,000	352,000
<b>Total Net Revenues</b>	(8,092,000)	571,000	1,359,000	1,579,000	1,546,000
<b>Ending Balance</b>	<b>934,000</b>	<b>1,505,000</b>	<b>2,864,000</b>	<b>4,443,000</b>	<b>5,989,000</b>

### 7.3 Operating Cash Flows

Table 21 provides the wastewater fund operating cash flow, including rate and non-rate revenues, operating costs, debt service costs, and transfers to the capital fund. The Town is projected to begin FY 2025/26 with an operating balance of \$1.74 million. The minimum fund balance target for the end of each year is based on four months of O&M expenses.

In FY 2025/26, the Town estimates about \$7.3 million will be collected in total year-end revenues, with rate revenues making up about \$6.8 million (including vacant service fees). About \$400,000 per year is collected from interest and about \$22,000 annually is collected from miscellaneous service fees such as permits, inspections, etc.

For FY 2025/26, operating expenses are estimated at \$4.7 million. Major costs include administration, staffing, operations, and service contract and pass through. Operating expenses are projected to increase to about \$5.11 million over the next 5 years. Most expenses projected from FY 2025/26 onward are based on the FY 2024/25 expenses escalated by 3% annually. However, staffing and consulting services are projected to increase 5% annually and utilities are projected to increase 10% annually, though utilities will decrease in FY 2027/28 due to savings realized from the solar project before continuing to increase 10% annually thereafter. The Town's service contract cost with Veolia Water was estimated by staff. The Operations Fund also pays the cost of the annual debt service of about \$1.8 million for the 2017 and the 2022 bonds. In FY 2028/29, loan repayment will start for Solar Project Phase II for a yearly amount of \$453,000.

Currently, the Wastewater Operations Fund is in good financial health and is generating positive net revenues, estimated at about \$829,000 for FY 2025/26. The Town's financial strategy for the sewer utility is to generate enough revenues to fund capital improvements through a combination of debt and cash on hand. The net operating revenues will be used to maintain reserves and partially fund capital improvements over the next five years.

In order to support capital improvements, it is recommended that rate revenues increase by 6% annually over the next five years. This rate plan maintains operating reserves in excess of the target of four months of operating expenses. These additional reserves provide financial security should operating costs exceed the estimates provided herein.

**Table 21: Wastewater Operating Cash Flow**

	<b>FY 2025/26</b>	<b>FY 2026/27</b>	<b>Projected FY 2027/28</b>	<b>FY 2028/29</b>	<b>FY 2029/30</b>
<b>Beginning balance</b>	\$1,741,000	\$2,570,000	\$2,597,000	\$2,788,000	\$2,542,000
Rate Increase	6.0%	6.0%	6.0%	6.0%	6.0%
<b>Revenues</b>					
Wastewater service					
Rate Revenues (less vacant)	6,864,000	7,276,000	7,713,000	8,176,000	8,667,000
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>	7,314,000	7,737,000	8,185,000	8,659,000	9,161,000
% 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	610,000	671,000	738,000
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	4,685,000	4,891,000	5,109,000
Net Operating Revenues	2,637,000	2,837,000	3,500,000	3,768,000	4,052,000
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	696,000	697,000	697,000	695,000	695,000
New IBank Loan (4% over 20 years)	<u>0</u>	<u>0</u>	<u>0</u>	<u>453,000</u>	<u>453,000</u>
Total Debt Service	1,808,000	1,810,000	1,809,000	2,264,000	2,264,000
Debt Service Coverage	1.46	1.57	1.93	1.66	1.79
<b>Total Expenses</b>	6,485,000	6,710,000	6,494,000	7,155,000	7,373,000
<b>Net Revenues</b>	829,000	1,027,000	1,691,000	1,504,000	1,788,000
<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>2,570,000</b>	<b>2,597,000</b>	<b>2,788,000</b>	<b>2,542,000</b>	<b>2,580,000</b>
<b>O&amp;M Minimum balance target [3]</b>	1,559,000	1,633,000	1,562,000	1,630,000	1,703,000

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

2 - Chemicals and electric; 10% annual increases; savings begin in first year of operation from solar project

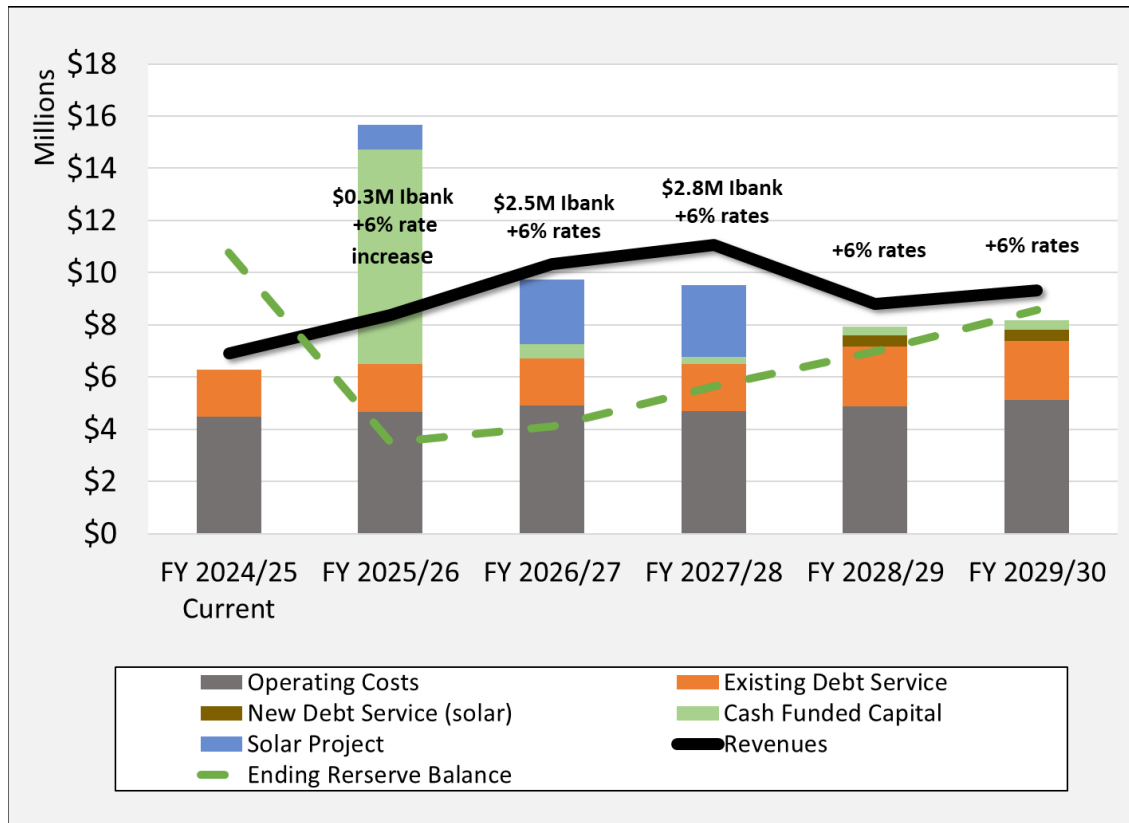
3 - 4 months O&M expenses

Table 22 and Figure 5 summarize the wastewater utility’s projected combined Operating and Capital cash flows over the five-year rate study period. It is projected that the wastewater utility will have total reserves of about \$8.57 million at the end of FY 2029/30.

**Table 22: Wastewater 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	\$2,380,600	\$2,570,000	\$2,597,000	\$2,788,000	\$2,542,000	\$2,580,000
Capital	<u>\$9,026,000</u>	<u>\$934,000</u>	<u>\$1,505,000</u>	<u>\$2,864,000</u>	<u>\$4,443,000</u>	<u>\$5,989,000</u>
Total Wastewater	\$11,406,600	\$3,504,000	\$4,102,000	\$5,652,000	\$6,985,000	\$8,569,000
Debt Coverage		1.46	1.57	1.93	1.66	1.79
Rate Increase		6%	6%	6%	6%	6%

**Figure 5: Wastewater Cash Flow Summary**



## SECTION 8: WASTEWATER COST ALLOCATION

To fairly recover costs from customers, a wastewater cost allocation was conducted, see Table 23. Operating and debt service expenses were allocated to *customer service* and *treatment/disposal* cost categories. The *customer service* category is intended to recover costs associated with general utility management and administration that do not vary significantly with the amount of wastewater discharged into the sewer system. The *treatment/disposal* category recovers costs more closely associated with operations, maintenance, and infrastructure. *Treatment/disposal* costs are attributed to customers based on their flows and wastewater strength. In total, about 34% of wastewater utility costs are related to customer service and administration. About 66% of costs are related to sewer treatment and disposal.

**Table 23: Wastewater Cost Allocation**

Cost	FY 2025/26 Estimated Costs	Customer Service/Admin	Treatment and Disposal
Operating Expenses			
Admin & Inter Govt. & Board	516,000	100%	0%
Staffing & Consulting Serv	1,072,000	100%	0%
Operations & Maint	311,000	0%	100%
Utilities	878,000	0%	100%
Service Contract	<u>1,900,000</u>	<u>33%</u>	<u>67%</u>
Total Operating Expenses	4,677,000	2,221,333	2,455,667
Debt Service			
2017 Bonds Debt Service (5yr Avg)	357,200	0%	100%
2022 Bonds Debt Service (5yr Avg)	756,600	0%	100%
2022B Bonds Debt Service (5yr Avg)	<u>696,000</u>	<u>0%</u>	<u>100%</u>
Total Debt Service	1,809,800	0	1,809,800
Proposed Cost Allocation	6,486,800	2,221,333 34.24%	4,265,467 65.76%



## SECTION 9: WASTEWATER RATE DESIGN

---

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

### 9.1 Flows and Pollutant Strength

Wastewater flow is about 9 ccf/month per single family home. In the Town of Discovery Bay, the average single family home has 2.74 occupants. It is assumed that the typical multiple family dwelling unit has 2 occupants and 6.5 ccf of monthly sewer flow. Based on these parameters, total annual residential flow is estimated in Table 24.

**Table 24: Estimated Residential Sewer Flows**

	Single Family Residential	Multiple Family	Units
Residential Winter Water Use	9	6.5	ccf/month
Annualized	108	78	ccf/year
Number of Parcels	5,816	224	
Estimated Annual Sewer Flow	628,128	17,472	ccf/year

The cost of service for each parcel depends on the parcel's flow (i.e. the amount discharged into the sewer system) and pollutant loading. Pollutant loading is expressed as concentrations of biochemical oxygen demand (BOD) and total suspended solids (TSS). Wastewater flow that has higher concentrations of BOD and TSS is more costly for the Town to treat and dispose of. Table 25 establishes the pollutant strength factors applicable to each customer class using the equation listed below. Based on industry typical estimates, it is assumed that 50% of wastewater utility costs recovered in the *treatment/disposal* category are attributable to flow, 25% are attributable to biochemical oxygen demand (BOD) and 25% are attributable to total suspended solids (TSS). Based on this calculation, each ccf of restaurant flow is 2.67 times more costly to treat than each ccf of domestic strength flow (not including customer service costs).

**Table 25: Pollutant Strength Factors**

$$\text{Strength Factor Estimate} = 50\% + [25\% \times \frac{BOD}{SF \text{ BOD}}] + [25\% \times \frac{TSS}{SF \text{ TSS}}]$$

Customer Class	Wastewater Strength (mg/L)		Strength Factor (see equation above)
	BOD	TSS	
Single Family Residential	230	230	1.00
Multiple Family	230	230	1.00
Business/Government/Clubs	150	150	0.83
Restaurants/Bars/Dining Facilities	1000	1000	2.67
Schools	150	150	0.83
Other Domestic Strength Users	230	230	1.00

BOD and TSS concentrations are based on industry typical values

BOD – biochemical oxygen demand

Mg/l – milligrams per liter

SF – single family

TSS – total suspended solids

Table 26 estimates the Town's total wastewater flow adjusted by the strength factors from Table 25. Residential flows are taken from Table 24 and commercial flows are taken from Table 4.

**Table 26: Estimated Total Sewer Flow with Strength Factors**

Customer Category	Total Flow (ccf)	Strength Factor	Flow w/Strength Factor (ccf)
Single Family Residential	628,128	1.00	628,128
Multiple Family	17,472	1.00	17,472
Business/Government/Clubs	1,043	0.83	865
Restaurants/Bars/Dining Facilities	4,663	2.67	12,451
Schools	800	0.83	664
Other Domestic Strength Users	<u>125</u>	1.00	<u>125</u>
	652,231		659,706

## 9.2 Unit Cost Calculation and Rate Design

Table 27 provides the wastewater unit cost calculation. The FY 2025/26 rate revenue requirement of \$6.86 million from the operating cash flow is allocated to the *customer service* and *treatment/disposal* categories based on the percentages in Table 23. The *treatment/disposal* revenue requirement is divided by the flow adjusted by strength factors from Table 26 and the *customer service* revenue requirement and rate design is provided in Table 28.

**Table 27: Wastewater Unit Cost Calculation**

	<b>Customer Service/Admin</b>	<b>Treatment and Disposal</b>	<b>Total</b>
Cost Allocation % from Table 23	34.24%	65.76%	100.00%
FY2025/26 Revenue Requirement	\$2,350,501	\$4,513,499	\$6,864,000
			[1]
Billing Units	(see Table 28)	Flow w/Strength Factor	
		659,706	
Total Rate (\$/ccf)		\$6.84	

1 – Rate revenue requirement for FY2025/26 from the cash flow in Table 21

The Town bills commercial customers volume sewer rates based on metered water use. Instead of billing the customer service fee as a fixed charge, the commercial *customer service* revenue requirement is recovered from the commercial volume rates. Table 28 calculates the customer service rates for residential and commercial customers. The total customer service revenue requirement is sub-allocated between residential and commercial classes based on the number of customers. The residential revenue requirement is divided by the number of customers to determine a \$/account charge and the commercial revenue requirement is divided by annual commercial flows (without the strength factor) to determine a \$/ccf charge.

**Table 28: Customer Service Rate Calculation**

	<b>Residential</b>	<b>Metered Commercial</b>	<b>Total</b>
# of Customers [1]	6,040	38	6,078
	99.4%	0.6%	100.0%
Customer Service Revenue Requirement	\$2,335,806	\$14,695	\$2,350,501
	99.4%	0.6%	100.0%
Billing Units	6,040	6,631	
	# of Customers	Annual ccf	
Rate	\$32.23	\$2.22	
	\$/month	\$/ccf	

1 - Does not include vacant parcels; from Table 4

### 9.3 Residential Rate Calculation

Table 29 calculates the single family and multiple family sewer bills for FY 2025/26 based on the unit costs developed in Table 27 and Table 28. Each residential dwelling unit is assigned a monthly customer service fee of \$32.23. The flow rate of \$6.84/ccf is multiplied by the typical single family flow of 9 ccf/month and the typical multiple family flow of 6.5 ccf/month.

**Table 29: FY2025/26 Residential Wastewater Bill Calculation**

	Count		Rate	Total Bill
Single Family Residential				
Customer Service Fee	1	X	\$32.23	\$32.23
Sewer Rate	9	X	\$6.84	<u>\$61.56</u>
Total Monthly Bill				\$93.79
Multi Family Residential				
Customer Service Fee	1	X	\$32.23	\$32.23
Sewer Rate	6.5	X	\$6.84	<u>\$44.46</u>
Total Monthly Bill				\$76.69

### 9.4 Commercial Rate Calculation

Table 30 calculates the total FY 2025/26 commercial rates. The customer service rate is added to the strength-adjusted treatment/disposal rate to calculate the total rate in \$/ccf. The rates shown below represent the full cost of service for these customers. To mitigate rate impacts, it is proposed that school and other domestic strength user rates be phased-in.

**Table 30: Full Cost Commercial Wastewater Rate Calculation FY2025/26**

Customer Class	Strength Factor		Base Treatment/Disposal Rate		Treatment/Disposal Rate	Treatment/Disposal Rate		Cust. Service Rate		Total Rate (\$/ccf)
Business/Government/Clubs	0.83	X	\$6.84	=	\$5.68	\$5.68	+	\$2.22	=	\$7.90
Restaurants/Bars/Dining	2.67	X	\$6.84	=	\$18.26	\$18.26	+	\$2.22	=	\$20.48
Schools	0.83	X	\$6.84	=	\$5.68	\$5.68	+	\$2.22	=	\$7.90
Other Domestic Strength Users	1.00	X	\$6.84	=	\$6.84	\$6.84	+	\$2.22	=	\$9.06

## 9.5 Proposed 5-year Schedule of Rates

Table 31 provides the proposed 5-year wastewater rate plan based on full cost rates. As shown below, the FY 2025/26 rate impacts for schools and other domestic strength users are significant.

**Table 31: Full Cost 5-Year Wastewater Rate Plan**

Customer Class	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Single Family	\$88.46	\$93.79	\$99.41	\$105.38	\$111.70	\$118.40
Multiple Family/Condos	\$72.40	\$76.69	\$81.29	\$86.17	\$91.34	\$96.82
Business/Government/Clubs	\$7.50	\$7.90	\$8.37	\$8.88	\$9.41	\$9.97
Restaurants/Bars/Dining Facilities	\$19.70	\$20.48	\$21.71	\$23.01	\$24.39	\$25.86
Schools	\$6.85	\$7.90	\$8.37	\$8.88	\$9.41	\$9.97
Other Domestic Strength Users	\$7.50	\$9.06	\$9.60	\$10.18	\$10.79	\$11.44
Single Family		6.02%	6.0%	6.0%	6.0%	6.0%
Multiple Family/Condos		5.92%	6.0%	6.0%	6.0%	6.0%
Business/Government/Clubs		5.32%	6.0%	6.0%	6.0%	6.0%
Restaurants/Bars/Dining Facilities		3.98%	6.0%	6.0%	6.0%	6.0%
Schools		15.28%	6.0%	6.0%	6.0%	6.0%
Other Domestic Strength Users		20.78%	6.0%	6.0%	6.0%	6.0%

Table 32 provides the proposed phased-in rate plan. By the end of the fifth year, all rates will be equal to the full cost of service.

**Table 32: Proposed 5-Year Wastewater Rate Plan**

Customer Class	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Single Family	\$88.46	\$93.79	\$99.41	\$105.38	\$111.70	\$118.40
Multiple Family/Condos	\$72.40	\$76.69	\$81.29	\$86.17	\$91.34	\$96.82
Business/Government/Clubs	\$7.50	\$7.90	\$8.37	\$8.88	\$9.41	\$9.97
Restaurants/Bars/Dining Facilities	\$19.70	\$20.48	\$21.71	\$23.01	\$24.39	\$25.86
Schools	\$6.85	\$7.39	\$7.96	\$8.58	\$9.25	\$9.97
Other Domestic Strength Users	\$7.50	\$8.16	\$8.88	\$9.66	\$10.51	\$11.44
Single Family		6.0%	6.0%	6.0%	6.0%	6.0%
Multiple Family/Condos		5.9%	6.0%	6.0%	6.0%	6.0%
Business/Government/Clubs		5.3%	6.0%	6.0%	6.0%	6.0%
Restaurants/Bars/Dining Facilities		4.0%	6.0%	6.0%	6.0%	6.0%
Schools		7.8%	7.8%	7.8%	7.8%	7.8%
Other Domestic Strength Users		8.8%	8.8%	8.8%	8.8%	8.8%

Highlighted rows indicate phased-in rate adjustments.

Table 33 shows the difference in revenues between the full cost rates and the phased-in rates for the schools and domestic strength users. The difference is de minimis and can be easily absorbed by non-rate sewer revenues.

**Table 33: School and Domestic User Wastewater Rate Revenues**

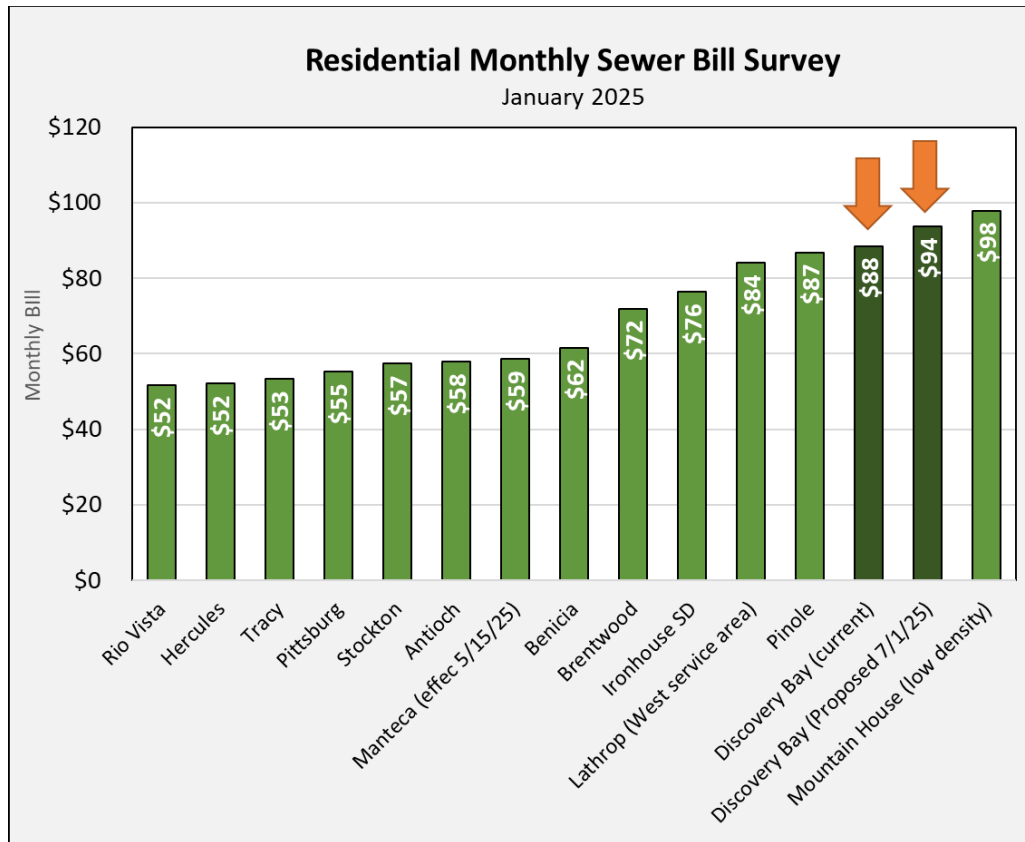
	<b>FY2025/26</b>	<b>FY2026/27</b>	<b>FY2027/28</b>	<b>FY2028/29</b>	<b>FY2029/30</b>
Full Cost Rates					
Schools	\$6,319	\$6,698	\$7,100	\$7,526	\$7,978
Other Domestic Strength Users	\$1,136	\$1,204	\$1,276	\$1,353	\$1,434
Phased-in Rates					
Schools	\$5,908	\$6,368	\$6,864	\$7,398	\$7,978
Other Domestic Strength Users	\$1,023	\$1,113	\$1,211	\$1,318	\$1,434
Difference					
Schools	(\$411)	(\$330)	(\$236)	(\$128)	\$0
Other Domestic Strength Users	<u>(\$113)</u>	<u>(\$91)</u>	<u>(\$65)</u>	<u>(\$35)</u>	<u>(\$0)</u>
Loss of revenue due to phase-in	(\$523)	(\$421)	(\$301)	(\$163)	(\$0)

## 9.6 Bill Impacts

Figure 4 below compares the Town's current and proposed single family residential wastewater bills with those of other local agencies. Though customers are billed annually in the Town of Discovery Bay, bills are expressed here in monthly terms to allow for better comparison across local agencies. The Town's bill is currently at the upper end of surveyed agencies and will remain as such following the proposed rate increase.



Figure 6: Residential Monthly Sewer Bill Survey



## SECTION 10: CONCLUSIONS AND RECOMMENDATIONS

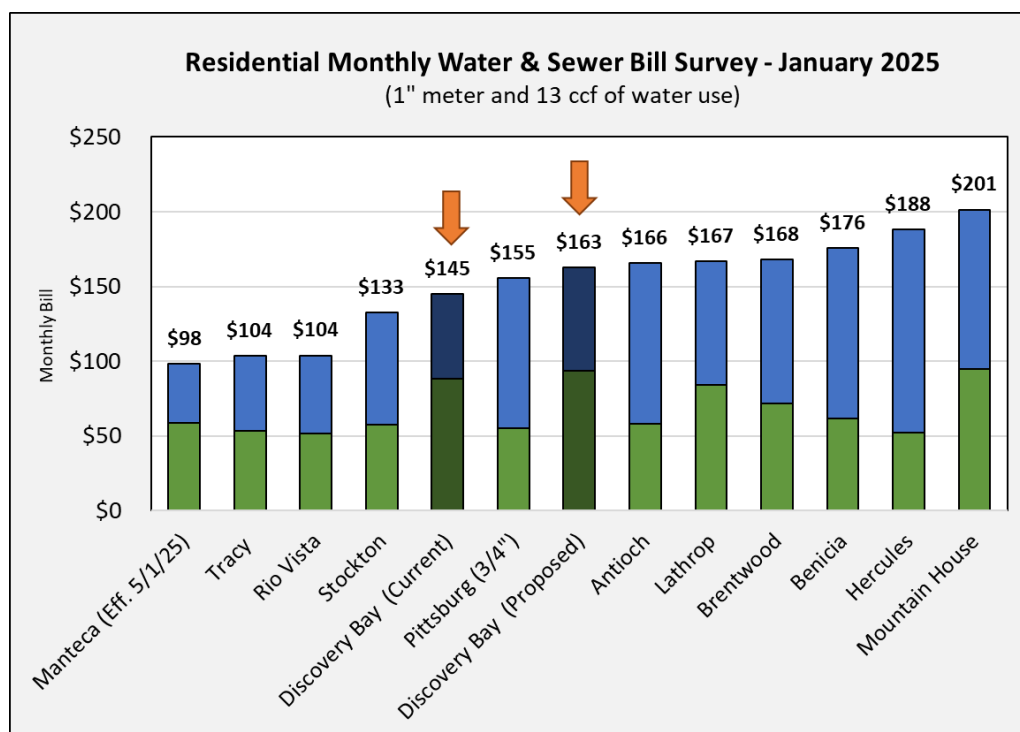
### 10.1 Rate Study Conclusions

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

### 10.2 Rate Impacts

The chart below compares the Town's current and proposed combined water and sewer utility bill of the typical single family residential customer to the bills of other local agencies. The average single family residential customer is served by a 1" meter and uses 13 ccf of water per month. Under the proposed rate increases, the typical single family residential customer will experience a bill increase from \$144.98 to \$162.55 per month, about a 12% increase.

**Figure 7: Residential Monthly Water & Sewer Bill Survey**



### **10.3 Future Recommendations**

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

# Town of Discovery Bay CSD

## Water and Wastewater Rate Proposition 218 Hearing



June 18, 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
- Last rate study was conducted in 2020



## WATER FUND



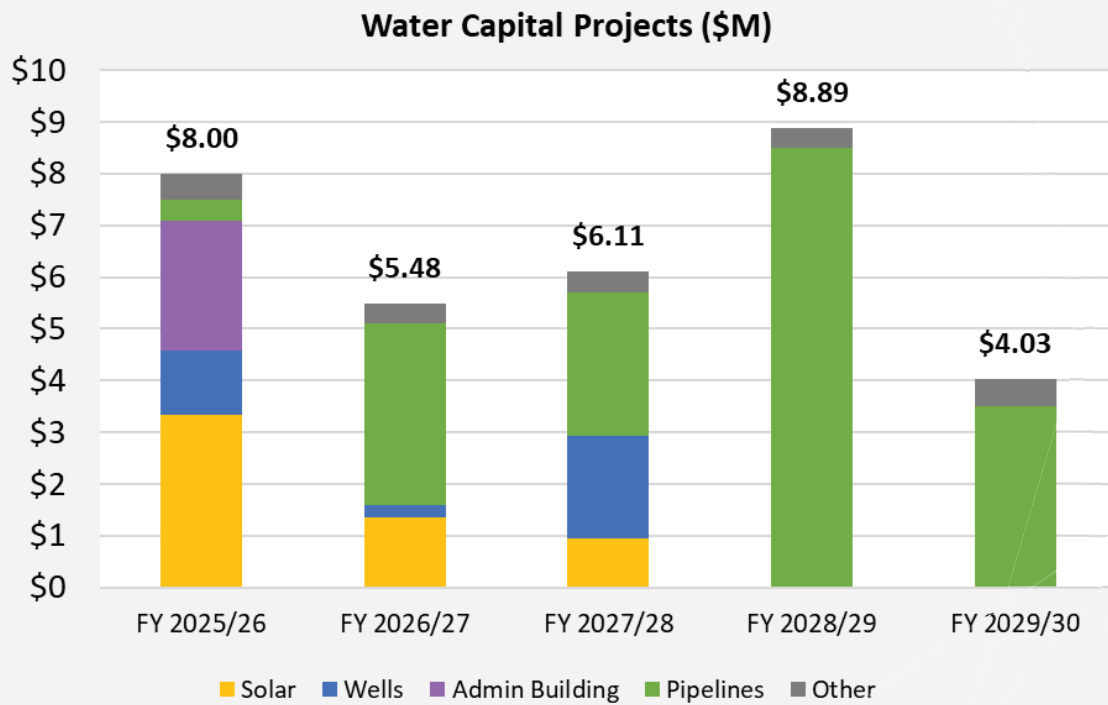
### Current Equivalent Monthly Water Rates

<b>Non-irrigation Account Charge:</b>	
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
<b>Irrigation Account Charge:</b>	
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
Metered Usage Charge:	
All Usage (\$/ccf)	\$2.58
Newly Metered Customers	
Meter Install Fee (10-year payback)	\$8.01
ccf = 100 cubic feet = 748 gallons	

Meter Install Fee expires July 2027



## Water Projects: \$32.5M Total



## Proposed Residential Water Rates

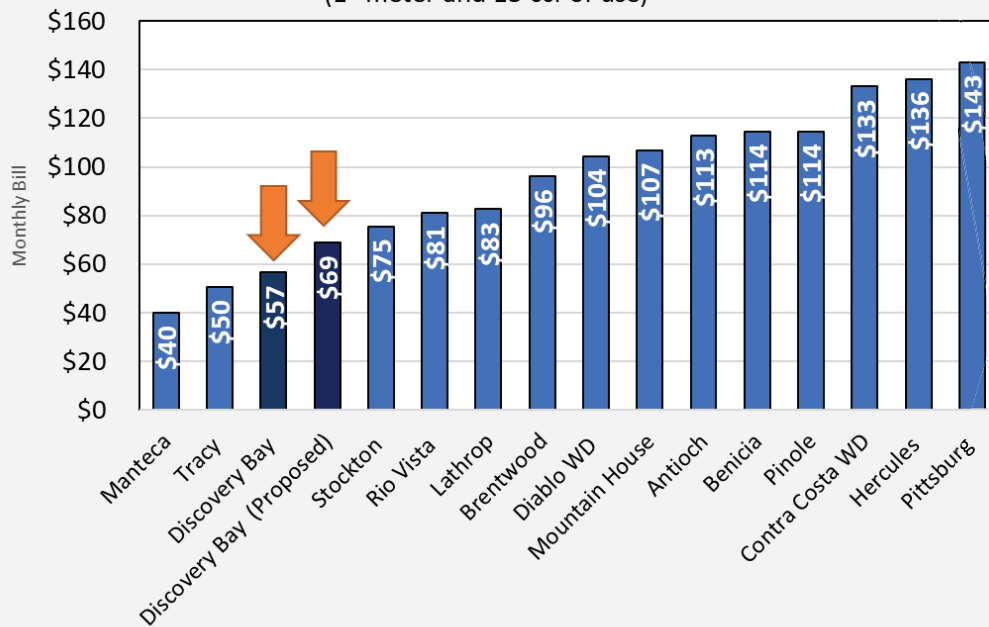
	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Meter Fee up to 1" *	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
Volume Rate (\$/ccf)	\$2.577	\$2.605	\$2.918	\$3.268	\$3.660	\$4.099
Avg Bill (13ccf)*	\$56.52	\$68.76	\$77.01	\$86.25	\$96.60	\$108.19
		22%	12%	12%	12%	12%

Ccf = hundred cubic feet; 1 ccf = 748 gallons  
 \* Does not include the meter replacement fee



# Water Bill Survey

Residential Monthly Water Bill Survey - June 2025  
(1" meter and 13 ccf of use)



## WASTEWATER FUND





## Current Wastewater Rates

Residential Unmetered	Monthly	Yearly
Single Family - Each DU	\$88.46	\$1,061.52
Multiple Family/Condos - Each DU	\$72.40	\$868.80
Vacant	\$18.67	\$224.00

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

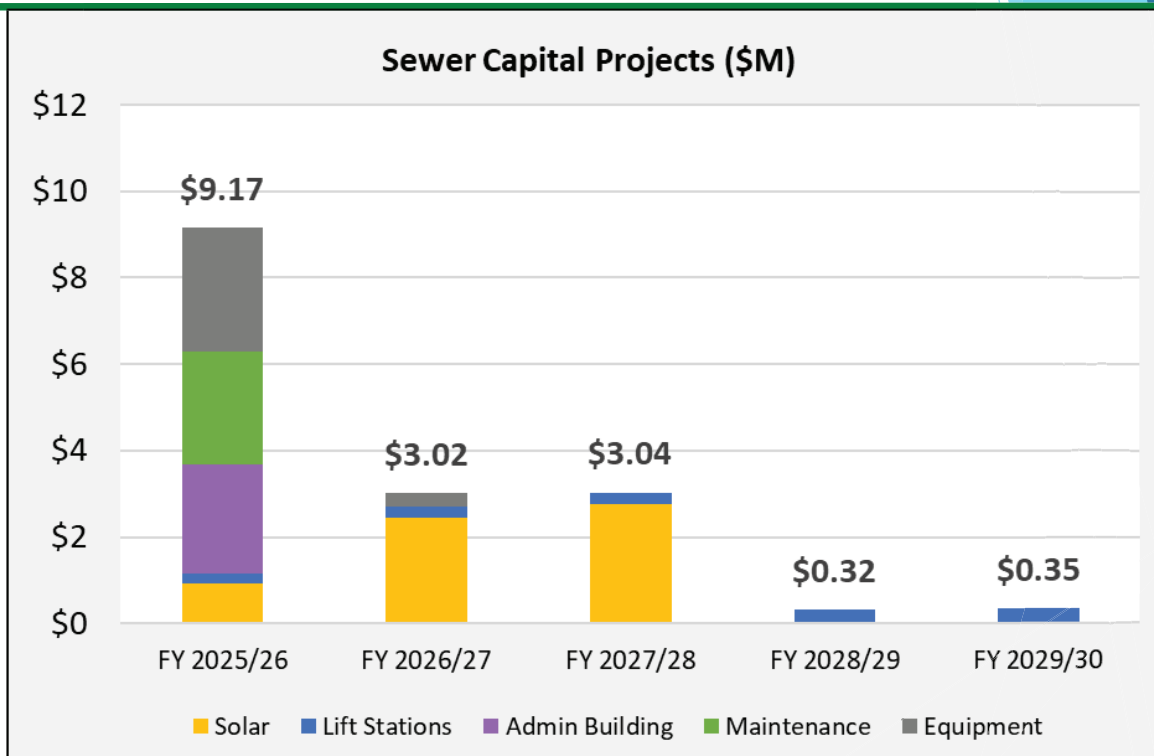
ccf = 100 cubic feet = 748 gallons

Fixed charges are billed annually on the property tax roll

Metered commercial flows are billed monthly



## Sewer Projects: \$15.9M Total





## Residential Bill Impacts

	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Residential Sewer Bill	\$88.46	\$93.79	\$99.41	\$105.38	\$111.70	\$118.40
		6%	6%	6%	6%	6%

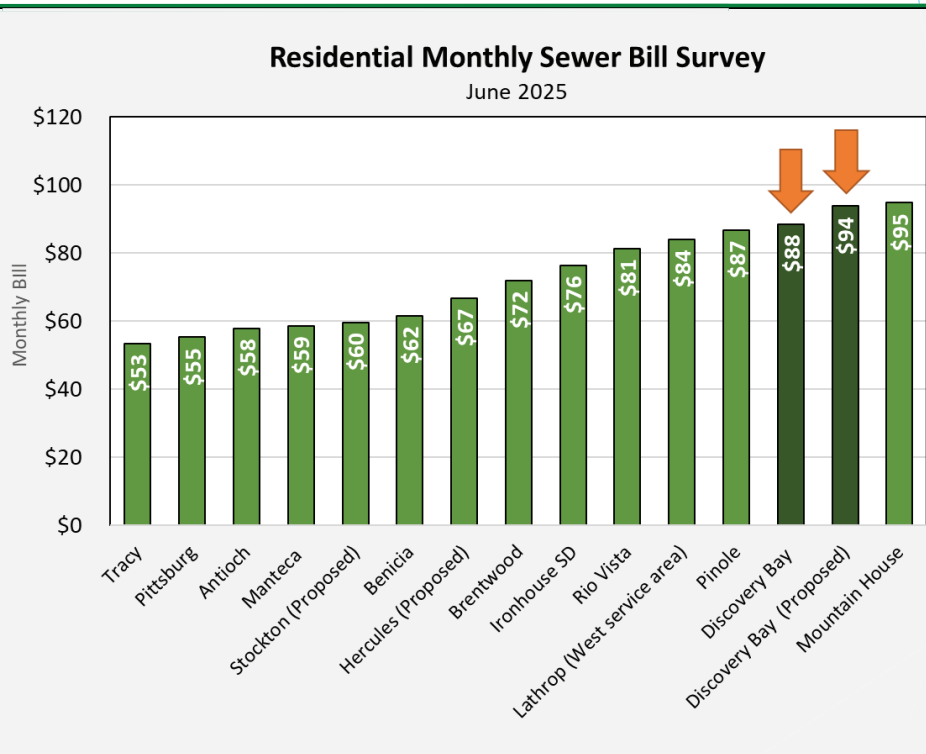
	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Water Bill (13ccf)*	\$56.52	\$68.76	\$77.01	\$86.25	\$96.60	\$108.19
Sewer Bill	<u>\$88.46</u>	<u>\$93.79</u>	<u>\$99.41</u>	<u>\$105.38</u>	<u>\$111.70</u>	<u>\$118.40</u>
Total Bill	\$144.98	\$162.55	\$176.42	\$191.63	\$208.30	\$226.59
		12%	9%	9%	9%	9%

Ccf = hundred cubic feet; 1 ccf = 748 gallons

\* Does not include the meter replacement fee



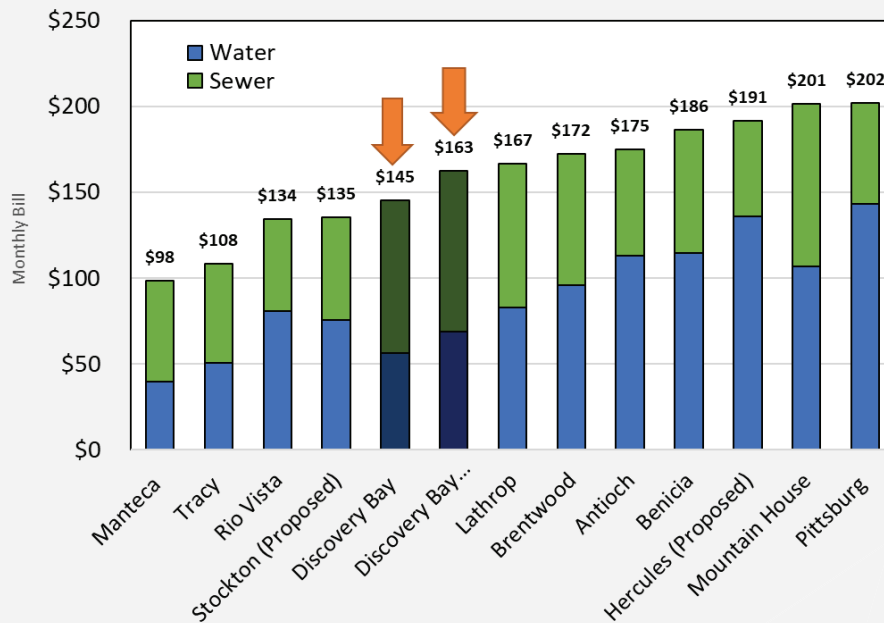
## Wastewater Bill Survey





# Combined Bill Survey

**Residential Monthly Water & Sewer Bill Survey - June 2025**  
(1" meter and 13 ccf of water use)



## Rate Adoption

- Proposition 218 notices mailed to customers May 1
  - 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
- 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

*“A Community Services District”*

## STAFF REPORT

**Agenda Title:** Discussion and Possible Feedback to Adopt Resolution No. 2025-06 - Approving Annual Discovery Bay Lighting and Landscape Zone #8 Appropriations Limit for FY 2025-2026.

**Meeting Date:** June 18, 2025

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

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

---

### RECOMMENDED ACTION:

Adopt resolution No., 2025-06, establishing the Discovery Bay Lighting and Landscape Zone #8 2025-2026 Appropriation Limit.

---

### EXECUTIVE SUMMARY:

Discovery Bay Lighting and Landscape Zone #8 (“Zone 8”) receives annual funding through a portion of property taxes collected within its boundaries. Each year, the Town of Discovery Bay Community Services District (“District”) is responsible for identifying the appropriation limit in accordance Article XIII B of the California Constitution, known as Proposition 4 or the GANN Limit.

Staff have collected the necessary information from the California Department of Finance and has calculated the Appropriations Limit for Zone 8 for FY 2025-2026 to be \$904,291.51. The calculation is based on last year’s appropriations limit and factors in the change of California’s per capita personal income and local population percentage change.

Staff requests that the Board review and adopt Resolution No 2025-06, which establishes the FY 2025-2026 Appropriations Limit for Discovery Bay Lighting and Landscape Zone #8 at \$904,291.51.

---

### FISCAL IMPACT:

Approval of resolution provides funding towards Zone 8 in the amount of \$904,291.51. Previous year calculation generated \$851,281.20.

---

### PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

None.

---

### ATTACHMENTS:

1. Resolution 2025-06.
2. Resolution 2025-06 Attachment A: Zone 8 Appropriation Limit Calculation Worksheet.
3. Department of Finance – Price and Population Information (May 2025).



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**RESOLUTION 2025-06**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY,  
A CALIFORNIA COMMUNITY SERVICES DISTRICT,  
ANNUAL DISCOVERY BAY LIGHTING AND LANDSCAPE ZONE #8  
APPROPRIATIONS LIMIT FOR FY 2025-2026**

WHEREAS, Section 7910 of the Government Code requires that each year the governing body of each local jurisdiction establish an appropriations limit for each jurisdiction for the following fiscal year pursuant to Article XIII B of the California Constitution; and

WHEREAS, Article XIII B of the California Constitution provides for the establishing of an appropriations limit based on the change in the cost of living shall be either the percentage change in California per capita personal income from the preceding year, or the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local non-residential new construction; and

WHEREAS, the percentage change in California per capita personal income is available for the unincorporated areas of Contra Costa County, therefore, the Town of Discovery Bay Community Services District staff has calculated the Appropriation Limit using the change factors as permitted by Article XIII B of the California Constitution; and

WHEREAS, the calculated Appropriation Limit for the Discovery Bay Lighting and Landscape Zone 8 for the FY 2025-2026 is \$904,291.51 as reflected in Attachment A.

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

SECTION 1. The Board of Directors selects the percentage change in California per capita personal income from the preceding year as a factor to be used in calculating appropriations limits; and

SECTION 2. The Board of Directors selects the change of population within the unincorporated area of Contra Costa County as the change of population factor to be used in establishing the appropriation limit; and

SECTION 3. The appropriations limit for the District for FY 2025-2026 for the Discovery Bay Lighting and Landscape Zone 8 is hereby established at \$904,291.51; and

SECTION 4. 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.

PASSED, APPROVED AND ADOPTED THIS 18th DAY OF JUNE, 2025.

---

Carolyn Graham  
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on June 18, 2025, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Dina Breitstein  
Board Secretary

DRAFT



Discovery Bay Lighting Landscape Zone 8  
Appropriations Limit Calculation

Attachment B

	Historical Limit (With Permitted Increases)	Per Capita Personal Income Change	Per Capita Ratio*	Population Change (unincorporated)	Population Ratio*	Fiscal Year Factor
Year 04/05	\$ 352,279.00					
Year 05/06	\$ 379,708.29	5.26	1.0526	2.40	1.024	1.07786240
Year 06/07	\$ 402,876.48	3.96	1.0396	2.06	1.0206	1.06101576
Year 07/08	\$ 431,200.71	4.42	1.0442	2.50	1.025	1.07030500
Year 08/09	\$ 461,481.34	4.29	1.0429	2.62	1.0262	1.07022398
Year 09/10	\$ 469,171.69	0.62	1.0062	1.04	1.0104	1.01666448
Year 10/11	\$ 458,900.84	(2.54)	0.9746	0.36	1.0036	0.97810856
Year 11/12	\$ 474,747.11	2.51	1.0251	0.92	1.0092	1.03453092
Year 12/13	\$ 497,620.79	3.77	1.0377	1.01	1.0101	1.04818077
Year 13/14	\$ 525,557.54	5.12	1.0512	0.47	1.0047	1.05614064
Year 14/15	\$ 530,903.12	(0.23)	0.9977	1.25	1.0125	1.01017125
Year 15/16	\$ 556,915.93	3.82	1.0382	1.04	1.0104	1.04899728
Year 16/17	\$ 592,397.12	5.37	1.0537	0.95	1.0095	1.06371015
Year 17/18	\$ 619,784.89	3.69	1.0369	0.90	1.009	1.04623210
Year 18/19	\$ 644,137.32	3.67	1.0367	0.25	1.0025	1.03929175
Year 19/20	\$ 672,615.76	3.85	1.0385	0.55	1.0055	1.04421175
Year 20/21	\$ 698,122.95	3.73	1.0373	0.06	1.0006	1.03792238
Year 21/22	\$ 740,708.83	5.73	1.0573	0.35	1.0035	1.06100055
Year 22/23	\$ 792,250.87	7.55	1.0755	(0.55)	0.9945	1.06958475
Year 23/24	\$ 820,310.94	4.44	1.0444	(0.86)	0.9914	1.03541816
Year 24/25	\$ 851,281.20	3.62	1.0362	0.15	1.0015	1.03775430
Year 25/26	\$ 904,291.51	6.44	1.0644	(0.20)	0.998	1.06227120

\* Based on factors provided in the annual  
Price and Population Information letter from  
the California Department of Finance.  
Dated May 2025

<https://dof.ca.gov/wp-content/uploads/sites/352/2024/04/PriceandPopulation2024.pdf>

May 2025

Dear Fiscal Officer:

**Subject: Price Factor and Population Information**

**Appropriations Limit**

California Revenue and Taxation Code Section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2025, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2025-26. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2025-26 appropriations limit. Attachment B provides the city and unincorporated county population percentage change along with the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

**Population Percent Change for Special Districts**

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code Section 2228 provides additional information regarding the appropriations limit. Article XIII B, Section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

**Population Certification**

The population certification program applies only to cities and counties. California Revenue and Taxation Code Section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2025.**

**Please Note:** The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

JOE STEPHENSHAW  
Director  
By:

ERIKA LI  
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2025-26 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2025-26	6.44

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2025-26 appropriation limit.

**2025-26:**

Per Capita Cost of Living Change = 6.44 percent  
Population Change = 0.28 percent

Per Capita Cost of Living converted to a ratio:  $\frac{6.44 + 100}{100} = 1.0644$

Population converted to a ratio:  $\frac{0.28 + 100}{100} = 1.0028$

Calculation of factor for FY 2025-26:  $1.0644 \times 1.0028 = 1.0674$

## Attachment B

## Annual Percent Change in Population Minus Exclusions\*

January 1, 2024 to January 1, 2025 and Total Population January 1, 2025

City	County	Percent Change 24-25	Population Minus Exclusions 1-1-24	Population Minus Exclusions 1-1-25	Total Population 1-1-25
Antioch City	Contra Costa	0.52	116,177	116,781	116,781
Brentwood City	Contra Costa	0.60	65,353	65,747	65,747
Clayton City	Contra Costa	-0.46	10,793	10,743	10,743
Concord City	Contra Costa	-0.34	123,074	122,650	122,650
Danville Town	Contra Costa	-0.16	43,030	42,960	42,960
El Cerrito City	Contra Costa	-0.31	25,943	25,862	25,862
Hercules City	Contra Costa	-0.50	26,357	26,225	26,225
Lafayette City	Contra Costa	-0.08	25,073	25,054	25,054
Martinez City	Contra Costa	-0.15	36,871	36,817	36,817
Moraga City	Contra Costa	-1.98	16,973	16,637	16,637
Oakley City	Contra Costa	1.32	46,218	46,826	46,826
Orinda City	Contra Costa	-0.23	19,395	19,351	19,351
Pinole City	Contra Costa	-0.45	18,344	18,261	18,261
Pittsburg City	Contra Costa	0.64	75,887	76,374	76,374
Pleasant Hill City	Contra Costa	-0.28	33,694	33,601	33,601
Richmond City	Contra Costa	-0.24	113,872	113,594	113,594
San Pablo City	Contra Costa	0.18	31,450	31,507	31,507
San Ramon City	Contra Costa	0.18	83,245	83,391	83,391
Walnut Creek City	Contra Costa	-0.44	70,238	69,927	69,927
Balance of County	Contra Costa	-0.20	176,178	175,833	175,917
Incorporated	Contra Costa	0.03	981,987	982,308	982,308
County Total	Contra Costa	0.00	1,158,165	1,158,141	1,158,225

\*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



# Town of Discovery Bay

*“A Community Services District”*

## STAFF REPORT

**Agenda Title:** PUBLIC HEARING to Consider Town of Discovery Bay CSD Ravenswood Landscape Zone #9, Park, Lighting and Open Space Improvements District Assessment Report for the Fiscal Year 2025-2026; Continue Collection of Assessments on County Tax Roll and Adoption of Resolution No. 2025-07.

**Meeting Date:** June 18, 2025

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

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

---

### RECOMMENDED ACTION:

Hold the public hearing. Approve and Adopt Resolution No. 2025-07 confirming the Engineer’s Report and ordering the levy and collection of charges for the annual assessment for the Ravenswood Improvement District Assessment within the Town of Discovery Bay Community Services District for the Fiscal Year 2025-2026; 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 Lighting and Landscape Zone 9, the Town of Discovery Bay Board of Directors adopted Resolution 2025-02 on April 2, 2025, which directed HERWIT Engineering to prepare the assessment report. HERWIT provided the Draft Assessment Engineer’s Report to District Staff on May 20, 2025. 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 should be set at \$853.06 which is the allowable maximum assessment for Zone 9.

Factors leading to the assessment of \$853.06 are: maintaining our emergency reserves, adequate funds for operations, and replenishing the reserves to fund future capital projects. The reserves protect DB Lighting and Landscape Zone 9 from any expensive repairs and maintenance regarding the assets of the zone such as the landscaping, park structures and the splash pad. The recommended assessment upholds the Fiscal Year 2025-2026 budget and prudently maintains the reserve balance and makes funds available for future planned capital projects.

On June 4, 2025, the Board approved Resolution 2025-04 which accepted the Engineer’s Report submitted by Herwit and which recommends a per parcel assessment of \$853.06, the maximum allowable assessment for Zone 9. This is approximately 1.27% increase over last year.

To level and collect the annual assessment, the Board must approve and adopt the attached resolution which imposes the assessment on real property within DB L&L #9 and approve the filing of the attached Notice of Exemption.

---

**FISCAL IMPACT:**

Approval of resolution provides funding towards Zone 9 in the amount of \$170,999.08. Previous year calculation generated \$173,170.92.

---

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

April 2, 2025 Regular Board Meeting – Direct Herwit to Prepare Engineer's Report  
June 4, 2025 Regular Board Meeting - Set Public Hearing and Resolution of Notice of Intent

---

**ATTACHMENTS:**

1. Resolution 2025-07.
2. Resolution 2025-07 Attachment A: Final Engineer's Report.
3. Notice of Exemption.
4. Notice of Public Hearing.



**TOWN OF DISCOVERY BAY COMMUNITY  
SERVICES DISTRICT**

**RESOLUTION NO. 2025-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF  
DISCOVERY BAY, A CALIFORNIA COMMUNITY SERVICES DISTRICT,  
CONFIRMING THE REPORT AND ORDERING THE LEVY AND COLLECTION  
OF CHARGES FOR THE ANNUAL ASSESSMENT FOR RAVENSWOOD  
IMPROVEMENT DISTRICT ASSESSEMENT WITHIN THE TOWN OF  
DISCOVERY BAY COMMUNITY SERVICES DISTRICT FOR THE FISCAL  
YEAR 2025-2026**

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 2025-2026 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 regarding 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:

SECTION 1. The above recitals are true and correct.

SECTION 2. The report, diagram and assessment set forth in that report "Report") prepared by Herwit Engineers for the Ravenswood Improvement for Fiscal Year 2025-2026 is adopted and confirmed.

SECTION 3. The \$853.06 assessment specified in the Report for the Ravenswood District, for Fiscal Year 2025-2026 is hereby imposed on the real property within such district for fiscal year 2025-2026.

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 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 18th day of June 2025.

---

Carolyn Graham  
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 regular meeting, held on June 18, 2025, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Dina Breitstein  
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 2025-2026**

**Prepared by  
HERWIT Engineering**

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

**JULY 2025**



**Town of Discovery Bay Community Services District**

**Director and President**

Carolyn Graham

**Director and Vice President**

Bryon Gutow

**Director**

Kevin Graves

**Director**

Ashley Porter

**Director**

Lesley Belcher

**General Manager**

Dina Breitstein

**Assistant General Manager**

**Finance Manager**

Margaret Moggia

**Parks & Landscape Manager**

Monica Gallo

**District's Attorney**

Neumiller & Beardslee

**Assessment Engineer**

HERWIT Engineering

Date: June 2025

**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 2025-2026 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 2024-2025 year**

During this time period the DB L&L #9, Zone #1 District financial report shows estimated end of year totals as follows:

\$ 196,999	Annual assessments & investment revenue was received
\$ 420,327	Annual expenses grounds maintenance, capital improvements, and administrative expenses.
<b><u>\$ 189,591</u></b>	Fund total after 2024-2025 annual expenses.

*Current Assessment*

The 2024-2025 fiscal year assessment per parcel based on the engineer's formula defined in the Assessment Engineers Report adopted in 2006 is \$ 842.36 per parcel. This is greater than the initial year assessment as defined in the Assessment Engineers Report due to increases in maintenance and utility costs, and to maintain the reserve account balance.

### *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 2025, the same CPI index is reported as \$ 355.70. Based upon the change in the CPI, the new maximum assessment allowed for the 2025-2026 fiscal year is \$ 853.06.

### *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 2025-2026 fiscal year is \$ 853.06. This assessment is equally assessed to 203 parcels for an annual total of \$ 173,171.18. Therefore, the maximum Reserve Account Balance is \$ 346,342.36. 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.

The reserve account balance of \$ 412,919 at the end of fiscal year 2023-2024 exceeded the maximum allowable of \$ 341,342 by a difference of \$ 71,577. This overage was being applied to capital improvement projects already approved and in construction during the fiscal year (2024-2025). As a result of this, the projected reserve at the end of 2024-2025 is estimated to be \$ 189,591 which will be significantly less than the maximum (2024-2025) reserve balance of \$ 341,998.16.

### *New Assessment for 2025-2026 Fiscal Year*

The District will incur normal expenses for the maintenance of the landscape District this year. The District anticipates minimal charges for capital improvements to rehabilitate existing streetscapes and parks this fiscal year. The estimated budget for 2025-2026 is \$ 175,700. This equates to \$ 865.52 per parcel for all 203 parcels, which is more than the maximum allowable assessment of \$ 853.06 per parcel, or \$ 173,171.18 maximum assessment.

Based on this report, the assessment for 2025-2026 tax year should be \$ 853.06 to minimize the decrease in the reserve fund balance. The assessment for the 2025-2026 fiscal year is then \$ 853.06 per parcel applied equally to all 203 parcels as defined in the adopted Assessment Engineers Report.

## 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 2025-26 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, streetlights 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:** Town of Discovery Bay, CSD

**Contact Person/Project Applicant:** Dina Breitstein

**Address:** 1800 Willow Lake Rd, Discovery Bay, CA 94505

**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: \_\_\_\_\_ Title: General Manager

☒ Signed by Lead Agency

Date received for filing at OPR:

☐ Signed by Applicant

NOTICE OF PUBLIC HEARING TOWN OF  
DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT  
FISCAL YEAR 2025-2026 COLLECTION OF  
ASSESSMENT  
ON THE CONTRA COSTA COUNTY TAX ROLLS  
FOR THE RAVENSWOOD SUBDIVISION NO. 8710

Notice is hereby given that on Wednesday June 18, 2025, at 7:00 p.m., the Town of Discovery Bay Community Services District ("District") Board of Directors, will hold a public hearing at their Regular Meeting to consider adopting a Resolution for the continued collection of the assessment on the Contra Costa County Tax Rolls, for the Ravenswood Subdivision No. 8710, Landscaping, Park , Lighting and Open Space Improvements District also known as DB L&L Zone #9 in Discovery Bay for the fiscal year 2025-2026. The public hearing will take place at the Discovery Bay Community Center located at 1601 Discovery Bay Blvd, Discovery Bay, California. The public may attend and participate as noted on the meeting agenda.

**ECT 6899330 June 4, 2024**



# Town of Discovery Bay

*“A Community Services District”*

## STAFF REPORT

**Agenda Title:** PUBLIC HEARING - Vacancy Reporting Obligations as Required by AB 2561.

**Meeting Date:** June 18, 2025

**Prepared By:** Margaret Moggia, Finance Manager and Beatriz Ibarra, EA/HR Administrator

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

---

### RECOMMENDED ACTION:

Informational only. Staff recommends the Board note and file this report.

---

### EXECUTIVE SUMMARY:

California State Assembly Bill (AB) 2561 became effective on January 1<sup>st</sup>, 2025, and added §3502.3 to the California Government Code. Among other requirements, the bill requires that public agencies report the status of their vacancies as part of a public hearing before their governing body at least once per fiscal year. The reporting must be made prior to the adoption of a final budget for the fiscal year.

#### Background:

AB 2561 imposed three requirements on local agencies: (1) at least once each fiscal year, an agency's governing board must hold a public hearing and receive the agency's report on the status of vacancies and recruitment and retention efforts; (2) during the hearing, the agency must identify any necessary changes to policies, procedures, and recruitment activities that may lead to hiring obstacles; and, (3) the agency must allow the recognized employee organization for a bargaining unit to make a presentation at the hearing. The last requirement does not apply to the Town of Discovery Bay because there are no bargaining units. However, the other two requirements do apply because they are not contingent upon the existence of a bargaining unit.

This report is presented to comply with §3502.3 of the California Government Code. Currently the District has one vacancy, which is approximately a 4.35% vacancy rate. However, this position is currently in the recruitment review process. In 2024, the District successfully undertook several recruitments including onboarding a Recreations Programs Coordinator, several Water Services Technicians, a Wastewater Maintenance Technician, and Accounts Clerk. In addition to regular staff positions, the District also hires seasonal staff, such as recreation leaders and swim/lifeguard instructors, to support the Community Center programming. Recently filled full-time regular position includes that of the Assistant General Manager, currently in the onboarding process. A typical recruitment cycle includes 30-day job posting, interviews, background and reference checks. The hiring process is typically completed within 60-75 days from posting to job offer.

To comply with AB 2561 the District must also identify any necessary changes to policies, procedures or recruitment activities that may lead to hiring obstacles. Staff has not identified any immediate necessary changes to policies and procedures that may present obstacles in the hiring process. AB 2561 also requires that the District address the retention efforts currently employed by the public agency. The District has historically maintained a stable workforce with minimal turnover. The District is continually taking steps in support of recruitment and retention. Recent efforts include: providing continuing education and training opportunities; adjustments to salaries through cost of living adjustment via the budget process; updates in technology;

increasing opportunities for internal promotions and career path planning; and a focus on employee wellbeing via workspace upgrades for office area staff and for field staff coordinating flexible work arrangements where feasible to help increase employee satisfaction during hot/inclement weather. Since the District is currently undergoing a compensation and classification study, the creation of updated position descriptions is expected to positively impact future recruitment efforts. In addition, with the upcoming enterprise software implementation, Staff will be able to employ much more modern and efficient recruitment processes to fill vacant positions. The District currently posts job announcements on its website as well as Indeed.com, and other related job boards. At this time, no changes to recruitment policies, procedures, or activities are necessary, as recruitment efforts have been effective and positions are being successfully filled. Staff will continue to monitor and evaluate recruitment and retention strategies and will identify and implement changes as needed in the future.

AB 2561 also requires that if the number of job vacancies within the District meets or exceeds 20% of the total number of authorized full-time positions, the District must include more detailed vacancy information during the public hearing. The District has 23 budgeted positions with 1 currently unfilled position resulting in a 4.35% vacancy rate and is therefore not currently subject to this additional requirement.

---

**FISCAL IMPACT:**

None - There is no fiscal impact associated with this status update.

---

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

Not applicable.

---

**ATTACHMENTS:**

1. AB 2561 Text.
  2. Vacancies Summary Sheet.
-



## Assembly Bill No. 2561

### CHAPTER 409

An act to add Section 3502.3 to the Government Code, relating to public employment.

[Approved by Governor September 22, 2024. Filed with  
Secretary of State September 22, 2024.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2561, McKinnor. Local public employees: vacant positions.

Existing law, the Meyers-Milias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations and to consider fully presentations that are made by the employee organization on behalf of its members before arriving at a determination of policy or course of action.

This bill would, as specified, require a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year, and would entitle the recognized employee organization to present at the hearing. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the bill would require the public agency, upon request of the recognized employee organization, to include specified information during the public hearing. By imposing new duties on local public agencies, the bill would impose a state-mandated local program. The bill would also include related legislative findings.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares as follows:

(a) Job vacancies in local government are a widespread and significant problem for the public sector affecting occupations across wage levels and educational requirements.

(b) High job vacancies impact public service delivery and the workers who are forced to handle heavier workloads, with understaffing leading to burnout and increased turnover that further exacerbate staffing challenges.

(c) There is a statewide interest in ensuring that public agency operations are appropriately staffed and that high vacancy rates do not undermine public employee labor relations.

SEC. 2. Section 3502.3 is added to the Government Code, to read:

3502.3. (a) (1) A public agency shall present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year.

(2) If the governing board will be adopting an annual or multiyear budget during the fiscal year, the presentation shall be made prior to the adoption of the final budget.

(3) During the hearing, the public agency shall identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

(b) The recognized employee organization for a bargaining unit shall be entitled to make a presentation at the public hearing at which the public agency presents the status of vacancies and recruitment and retention efforts for positions within that bargaining unit.

(c) If the number of job vacancies within a single bargaining unit meets or exceeds 20 percent of the total number of authorized full-time positions, the public agency shall, upon request of the recognized employee organization, include all of the following information during the public hearing:

(1) The total number of job vacancies within the bargaining unit.

(2) The total number of applicants for vacant positions within the bargaining unit.

(3) The average number of days to complete the hiring process from when a position is posted.

(4) Opportunities to improve compensation and other working conditions.

(d) This section shall not prevent the governing board from holding additional public hearings about vacancies.

(e) The provisions of this section are severable. If any provision of this section or its application is held invalid, the invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(f) For purposes of this section, “recognized employee organization” has the same meaning as defined in subdivision (a) of Section 3501.

SEC. 3. The Legislature finds and declares that Section 2 of this act, which adds Section 3502.3 to the Government Code, furthers, within the

meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

It is in the public interest, and it furthers the purposes of paragraph (7) of subdivision (b) of Section (3) of Article I of the California Constitution, to ensure that information concerning public agency employment is available to the public.

SEC. 4. No reimbursement shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other law.

### Vacancy Summary Table

	Department	Position/Title	Vacant/Filled	Vacancy
1	Administration	<a href="#">General Manager</a>	Filled	
2	Administration	<a href="#">Assistant General Manager</a>	Filled	
3	Administration	Board Clerk/Contracts Admin	Filled	
4	Administration	Project Manager	Filled	
5	Administration	Executive Assistant/HR Admin	Filled	
6	Administration	<a href="#">Manager, Finance</a>	Filled	
7	Administration	Project Accounting Analyst	Filled	
8	Administration	Office Assistant/Customer Service	Filled	
9	Administration	Office Assistant/Customer Service	Filled	
10	Administration	Account Clerk	Filled	
11	Landscaping	<a href="#">Manager, Parks &amp; Recreation</a>	Filled	
12	Landscaping	Landscape/Maintenance Coordinator	Filled	
13	Landscaping	PL/Maintenance III	Filled	
14	Landscaping	PL/Maintenance II	Filled	
15	Landscaping	PL/Maintenance I	Filled	
16	Landscaping	PL/Maintenance I	Vacant	1
17	Recreation	Administrative Assistant	Filled	
18	Recreation	Recreation Programs Coordinator	Filled	
19	Water & Wastewater	<a href="#">Manager, Water &amp; Wastewater</a>	Filled	
20	Water & Wastewater	WW/Maintenance III	Filled	
21	Water & Wastewater	Water Tech II	Filled	
22	Water & Wastewater	Water Tech I	Filled	
23	Water & Wastewater	Water Tech I	Filled	

### Summary of Open Recruitments

#	Department	Recruitment	Status	% Vacancy
1	Landscaping	PL/Maintenance I (Recruitment/Review)	Open until filled	4.35%



# Town of Discovery Bay

*“A Community Services District”*

## STAFF REPORT

**Agenda Title:** PUBLIC HEARING – Discussion and Possible Action to Approve Operating and Capital Improvement Budget for Fiscal Year 2025- 2026 and Adopt Resolution 2025-08 Adopting the Operating and Capital Improvement Budgets for Fiscal Year 2025-2026.

**Meeting Date:** June 18, 2025

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

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

---

### RECOMMENDED ACTION:

Conduct public hearing on Resolution 2025-08 Fiscal Year 2025-2026 Operating and Capital Improvement Budgets, accept any public comments, close the public hearing, and adopt Resolution 2025-08.

---

### EXECUTIVE SUMMARY:

At the [Board Meeting](#) on April 30, 2025, the Board of Directors was presented with the preliminary Fiscal Year 2025-26 budget to review and provide input to staff regarding the Town of Discovery Bay’s revenue and spending plans for the coming Fiscal Year. Staff outlined the key drivers including in this year’s budget including incorporating water and wastewater rates from the 2025 Water and Wastewater Rate Study into Fiscal Year 2025-2026 budget, five- year capital budget for each fund and identify funding source, achieve minimum required debt coverage for water and wastewater funds, and budget sufficient funds to support each fund’s operating activities and set aside funds into revolving accounts.

In addition, staff shared the budget considerations in developing this year’s budget with a future focus of understanding the impact of today’s decision on future year’s budgets. Based on acting on those planned responses, staff will be developing a long-term financial forecast to help understand the overall financial picture for each fund. Those budget considerations include the following:

- Challenges
  - Operational costs outpacing cost of living increases
  - Address capital investment and asset renewal
  - Limited revenue increases necessary to support program and capital expenditures
- Planned Response
  - Development of long-term financial forecast to ensure fiscal and operational sustainability
  - Identify capital projects to reduce operational costs
  - Evaluate and prioritize capital project timing

To highlight the operating impact of each fund, the table below shows the fiscal year 2025-2026.

Fiscal Year 2025-2026 by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Assessment Income					173,100	\$ 173,100
County Reimbursement	272,500			72,000	18,000	\$ 362,500
Program Revenues				75,000		\$ 75,000
Interest Income	6,000	257,000	245,000	51,000	11,000	\$ 570,000
Commercial Revenues		107,000				\$ 107,000
Meter Installation		336,000				\$ 336,000
Other		48,000	12,000	15,500		\$ 75,500
Rentals				40,000		\$ 40,000
Secured Property Tax				906,400		\$ 906,400
Commercial Sewer Revenues			110,000			\$ 110,000
Wastewater Fixed Charge			6,760,000			\$ 6,760,000
Water Charges		3,035,000				\$ 3,035,000
Water Fixed Charge		2,600,300		-	-	\$ 2,600,300
Total	\$ 278,500	\$ 6,383,300	\$ 7,127,000	\$ 1,159,900	\$ 202,100	\$ 15,150,800

Fiscal Year 2025-2026 by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Administrative Costs		518,000	600,100	140,300	23,500	\$ 1,281,900
Chemicals		145,000				\$ 145,000
Consulting		484,500	219,500			\$ 704,000
Contract Operations		915,000	1,370,000			\$ 2,285,000
Debt Service		534,500	1,800,500			\$ 2,335,000
Program and Maintenance Costs	72,500			165,500	61,200	\$ 299,200
Permits		60,000	140,000			\$ 200,000
Salary and Benefits	200,000	1,223,600	884,300	673,800	63,000	\$ 3,044,700
System Maintenance		1,372,000	660,000			\$ 2,032,000
Utilities		900,000	940,400	207,000	24,200	\$ 2,071,600
Total	\$ 272,500	\$ 6,152,600	\$ 6,614,800	\$ 1,186,600	\$ 171,900	\$ 14,398,400

Net Change	\$ 6,000	\$ 230,700	\$ 512,200	\$ (26,700)	\$ 30,200	\$ 752,400
------------	----------	------------	------------	-------------	-----------	------------

- General fund represents the Special District Administration for the support the District provides to certain Contra Costa County zones' landscaping and lighting efforts. The costs are fully reimbursed by the County. Minor receipts are received for miscellaneous rebates and may be transferred to other district operations.
- Water fund represents the operating and maintenance expenditures for the water system whose revenues are determined by a multi-year rate study.
- Wastewater fund represents the operating and maintenance expenditures for the wastewater system whose revenues are determined by a multi-year rate study.
- Zone 8 fund represents the operating and maintenance expenditure for the area designated as Zone 8. Revenues to support these functions are derived from the Ad Valorem tax and community center program fees.
- Zone 9 fund represents the operating and maintenance expenditures for the area designated as Zone 8. Revenues to support these functions are derived from annual assessment documented through an engineer's report and assessment rate approved by the Board of Directors.

For the capital improvement plan budget, highlighted below are the anticipated capital expenditures over the next year.



Capital Projects / Expenditures	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY29/30
Water	8,094,888	5,842,864	6,848,229	3,893,380	4,028,703
Wastewater	10,107,169	3,023,104	3,034,644	314,704	352,468
Zone 8	495,000	235,000	273,000	113,000	35,000
Zone 9	-	100,000	12,000	22,000	-
Total Costs	18,697,057	9,200,968	10,167,874	4,343,084	4,416,171
Funding Source	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY29/30
Reserves	13,416,137	1,538,344	2,973,415	843,084	916,171
California Energy Commission Loan	2,936,920	-	-	-	-
Future debt	2,344,000	7,662,624	7,194,459	3,500,000	3,500,000
Total Costs	18,697,057	9,200,968	10,167,874	4,343,084	4,416,171

#### Changes to April 30, 2025 Fiscal Year 2025-2026 Draft Budget:

- Update estimated revenues for Zone 8 Ad Valorem based on Department of Finance annual notice
- Updated Zone 9 Assessment revenues based on Engineer's Report.
- Update for additional Capacity and Connection Fees received
- Updated Contract Operations budget for water and wastewater system based on annual calculation for increase the retainer fee per agreement
- Updated Water CIP schedule to move up Sandpoint project to begin in Fiscal Year 2025-2026 which pushes back mainline pipeline

As a result of these changes, staff updated various schedules including the capital cash flow and other summary schedules. In addition, staff also included a five-year forecast for each fund. Prior to the adoption of the budget, the Board considered AB 2561, a new law on vacancy rates and methods.

To finalize the budget process, staff recommend the Board take the following action at the June 18, 2025 Board meeting. 1. Open the public hearing for public comment. 2. Close the public hearing. 3. Adopt Resolution 2025-08.

#### FISCAL IMPACT:

The Net Revenues for each fund are to support the capital improvement program budget. Reserves may be used to address years where capital project funding may exceed net revenues.

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

April 30, 2025 – Special Board Meeting – Budget Workshop  
June 4, 2025 – Regular Board Meeting – Set Public Hearing

#### ATTACHMENTS:

1. Resolution 2025-08.
2. Notice of Public Hearing.
3. Fiscal Year 2025-2026 Budget.



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES  
DISTRICT**

**RESOLUTION 2025-08**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF  
DISCOVERY BAY, A CALIFORNIA COMMUNITY SERVICES DISTRICT,  
ADOPTING THE OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR  
FISCAL YEAR 2025-2026**

**WHEREAS,** The Town of Discovery Bay Community Services District is required pursuant to California Government Code Section 61110 to annually adopt a budget that identifies certain types of expenditures for the fiscal year that begins July 1 of each year; and

**WHEREAS,** The Finance Manager has prepared and submitted to the Board of Directors a Proposed Operating and Capital Improvement Budget for the fiscal year beginning July 1, 2025 and ending on June 30, 2026; and

**WHEREAS,** The Board of Directors has considered the budget and the comments thereon and has determined that it is necessary for the efficient management of the District to appropriate revenues to the expenditure categories necessary to carry out the activities of the District as provided in the FY 2025-2026 budget, and as may be amended.

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

SECTION 1. The annual Operating and Capital Improvement budget for the Town of Discovery Bay Community Services District for FY 2025-2026 is hereby adopted.

SECTION 2. The Budget Document for FY 2025-2026 is incorporated herein and is made as part of this Resolution.

SECTION 3. The Board Secretary shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 18TH DAY OF JUNE 2025.

---

Carolyn Graham  
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on June 18, 2025, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Dina Breitstein  
Board Secretary



## **NOTICE OF PUBLIC HEARING**

June 18, 2025

### **FISCAL YEAR 2025-2026 REVENUE, OPERATING AND CAPITAL BUDGETS**

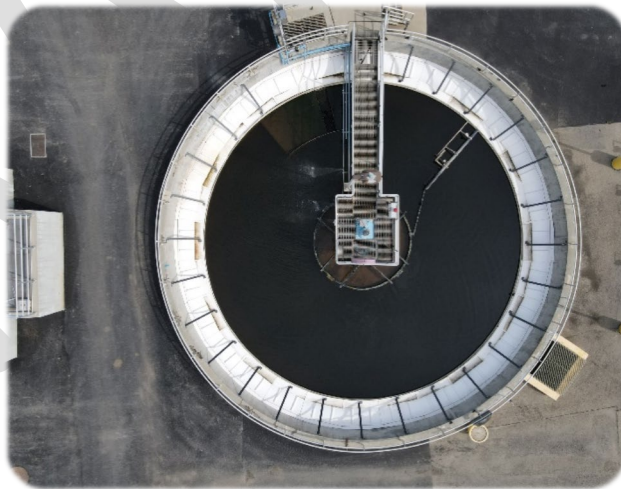
Notice is hereby given that on Wednesday, June 18, 2025, at 7:00p.m. in accordance with California Government Code section 61110, the Town of Discovery Bay Community Services District ("District") Board of Directors will hold a public hearing at the Discovery Bay Community Center, 1601 Discovery Bay Boulevard, Discovery Bay, at 7:00 p.m. to consider adopting the final budget for fiscal years 2025/2026. Any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

A copy of the draft budget is available during normal business hours at the Discovery Bay Community Center, 1601 Discovery Bay Blvd., Discovery Bay, CA 94505 and on the District's website: [www.todb.ca.gov](http://www.todb.ca.gov).

**ECT 6899332 June 4, 2024**



# FISCAL YEAR 2025-2026 OPERATING BUDGET



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

1800 WILLOW LAKE ROAD, DISCOVERY BAY, CA 94505

[TODB.CA.GOV](http://TODB.CA.GOV)



— THE TOWN OF —  
**DISCOVERY BAY**  
*Live Where You Play*

## TABLE OF CONTENTS

1. GENERAL MANAGER MESSAGE	2
2. ABOUT TOWN OF DISCOVERY BAY CSD	7
3. FINANCIAL OVERVIEW AND SUMMARY	14
4. BUDGET PROCESS AND TIMELINE	26
5. OVERVIEW OF REVENUES AND EXPENSES	31
6. FUND BUDGET AND TREND INFORMATION	51
7. CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE	74
8. DEBT	87
9. ACRONYMS AND GLOSSARY	94



## Section 1: General Manager's Message

DRAFT



# TOWN OF DISCOVERY BAY

LF Platinum-Level of Governance



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

## GENERAL MANAGER'S MESSAGE

June 18, 2025

Dear Board of Directors,

I am honored to submit to the Town of Discovery Bay Community Services District operating and capital budget for the fiscal period July 1, 2025, through June 30, 2026. The annual budget is a planning tool utilized by staff and the Board to track revenue and expenditure by fund over the respective forecast period.

This budget states program goals for each department, considering the desires of the Board, the expectations of the public, the needs of the department, and available resources. Each manager was given the opportunity to directly participate in the budget process, allowing them to share their expertise and to offer options and solutions. Adopting a budget that includes specified program goals ensures a unified effort and sets forth a work plan for the year. There has been no change in funds or programming. One additional staff position is included in the budget to ensure the service level is kept at a high level. In addition, there have been some promotions for staff that reflect their dedication to the District.

Over the past year, the District has responded to the opportunities to display the vital work that the District can achieve with its small and very capable staff. We continue to operate the water and wastewater facilities to ensure this essential service meets water quality standards and service delivery to our residents and businesses. Key to operational efficiency and growing capacity is the installation of a new filter at Willow Filter Station. Landscape efforts have excelled with significant effort being placed towards clearing the overgrowth through the various parks, medians and streets of Discovery Bay. There was a particular effort to be more water efficient by replacing grass with more drought resistant landscaping to adhere to state requirements. In addition, the District has a pilot program to monitor water usage through a metering system that will help guide when watering is necessary as opposed to being scheduled. The District also replaced its park structures to continue to bring value to the residents with a new splashpad at Ravenswood Park and play structure at Cornell Park.

The District is also making internal improvements in the administrative and financial foundation by bringing in critical tools and resources to help shape the future. This includes implementing a new financial management system, updating his job descriptions and pay structure to make a competitive workforce through a Classification and Compensation Study, and addressing internal processes to help align staff with the current requirements and incorporate best practices.

For the upcoming year, the District continues its pursuit to deliver focused projects and cost-effective business practices. The District has seen an increase in its operating costs from rising energy rates to the impact on operations from regulatory requirements to the increase from contract operations and staffing costs. For water and wastewater, this means we are actively pursuing cost saving measures on rising energy costs and proactively addressing maintenance or rehabilitation of the District's infrastructure to ensure the delivery of services. The District has been awarded a low-interest loan with the California Energy Commission to use towards a solar project for the water treatment plant and community center to reduce our dependence on the current provider (PG&E) and reduce the overall energy costs to the District. There is also consideration for future phases to continue to add solar to the District's infrastructure with the benefit of future energy savings. District staff are also focused on recording each asset into a new geographic information system (GIS) that will provide important characteristics that will allow the District to better understand the investment, the location, and the condition assessment of each component. The District is also looking at developing a program to adhere to the new state requirements around cross connection on the water system.

With this information, the District staff are evaluating the long-term fiscal impact of the necessary infrastructure investment to ensure delivery of its assorted services. This requires the District to better understand its past investments to inform future activities and the appropriate funding source (revolving funds to debt) and use this information to guide in the development of a financial model and review the current reserve policy.

For the water and wastewater funds, the rate study help guide the District of the necessary revenue requirement to establish the rates and charges for the next five years. The District had been pursuing to bring the rate study in this fiscal year but has deferred the study for additional fact gathering. The 2025 rate study does go through Fiscal Year 2029-2030. This is especially important as the District has a vital mainline pipeline replacement to complete over the next few years and debt which will be required to finance this project. While most of the District's projects can be funded through reserves, the rate study reflects some additional needs based on the timing of these projects and to maintain adequate cash levels. For the landscape and lighting zones, the District is monitoring the use of reserves to make investments that improve the value and visibility of these assets. Investments will be made as internal funds or grants become available.

In conclusion, while the District has seen some increases in operating costs, the more notable impact is the anticipated five-year spending on capital investment. These projects for water and wastewater are essential, and the parks and recreation costs are needed to deliver a safe environment for the community to enjoy.

Overall, the District has seen an increase of approximately \$1 Million in operating budgets across all funds from the prior year for revenues and expenses, respectively. Total Fiscal Year 2025-2026 operating revenues across all funds represent approximately \$15.1 million (without funds transfer for debt service) and Fiscal Year 2025-2026 operating expenses represent approximately \$14.5 Million. The capital investment for Fiscal Year 2025-2026 represents another \$18.6 Million (approximately) for water, wastewater, and the lighting and landscaping funds. The source of funding will vary by fund, but most of the funding will come from the individual funds District reserves, anticipated loan proceeds for the Solar Project, and the remaining from other debt.

Thank you to the Board for your vision and staff for your execution to deliver on all aspects of the community services district.

Respectfully submitted,

Dina Breitstein, General Manager



*California Society of Municipal  
Finance Officers*

*Certificate of Award*

***Operating Budget Meritorious Award  
Fiscal Year 2024-2025***

*Presented to the*

***Town of Discovery Bay Community Services District***

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

*February 7, 2025*



*Ernie Reyna*

Ernie Reyna  
2024 CSMFO President

*James Russell-Field*

James Russell-Field, Chair  
Recognition Committee

*Dedicated to Excellence in Municipal Financial Reporting*

This is the initial attempt and award to Town of Discovery Bay Community Services District.





## Section 2: About the Town of Discovery Bay CSD

# ABOUT TOWN OF DISCOVERY BAY CSD

## The Town of Discovery Bay Community Service District (CSD)

Discovery Bay was established in the early 1970's as a weekend and summer resort community. Today, Discovery Bay has evolved into a thriving year-round home for more than 15,000 residents who enjoy small-town living against the backdrop of over 1,200 miles (about 1931.21 km) of Delta waterways. Discovery Bay boasts a full-service marina, three (3) public schools, one (1) private school, and two (2) shopping centers. However, this small town is no longer limited to Delta waterfront homes; it has developed into a community that provides something for everyone. Discovery Bay offers gated waterfront homes and Country Club homes on an 18-hole championship golf course. There are four (4) gated communities, Clipper Estates, The Country Club, Lakeshore and The Lakes.

Town of Discovery Bay Community Services District (District) service area is approximately 4.44 square miles and was formed in 1998 following a vote of the people to form an Independent Special District with the purpose of providing essential public services to its residents. The Town of Discovery Bay is not a city; rather we are a type of local government known as a Community Services District, or "CSD." In unincorporated areas such as Discovery Bay, basic services like water, sewer, law enforcement and fire protection are usually provided by the County. Because counties often consist of large and diverse geographical areas, providing a consistent and adequate service level across all areas can be difficult. Consequently, the Community Services District Law (Government Code §61000-61850) was created to provide an alternate method of providing services in unincorporated areas. In most cases, and due to the scope of their requirements, counties cannot provide tailored services to any one community. This leaves residents with little if any local control over services and no straightforward way to address problems or complaints. A CSD provides a method of offering local control on essential local services.

### District Awards

The Town has earned the following awards and recognition:

- District of Distinction
- District Transparency Certificate of Excellence
- Special District Governance Platinum-Level through *Special District Leadership Foundation (SDLF)*.

More information about the Town of Discovery Bay CSD can be found at [todb.ca.gov](http://todb.ca.gov)

The Contra Costa County Local Agency Formation Commission (LAFCO) has authorized the District the responsibility of providing the following special services to the residents of Discovery Bay:

General Information	
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	sewage collection, treatment, and disposal, water, parks and park maintenance, landscaping, and recreation.
Service Area	
Location	Unincorporated community of Discovery Bay
Square Miles/Acres	4.44 square miles/2,844 acres
Land Uses	Residential with some commercial and irrigation uses
Water Connections	6,122 service connections (residential, irrigation), 130 commercial/industrial customers
Population Served	18,020 (Contra Costa County GIS Data) – approximate

## Water Services

The District owns and maintains over fifty (50) miles of water mains in seven (7) residential developments: Discovery Bay West (Village 1, 2, 3 and 4, and Ravenswood); and two (2) of the older developments (Discovery Bay Proper and Centex). Currently, the District owns and operates six (6) water production wells that are located throughout the District and can produce seven million gallons of domestic water per day. One well has been given permission to decommission by the State and plans are currently underway for this next year to see that it is properly shutdown and fully taken out of service. The raw water is then treated in two (2) water treatment facilities with water storage capacity of 2.2 million gallons of treated water for customer distribution. The total water requirements of Discovery Bay are currently about 900 million gallons per year, which equates to an average daily demand of 2.2 million gallons per day; however, the water production capacity is 6.6 million gallons per day. During fiscal year 2024-2025, the District completed the installation of Filter 1 which adds capacity and will eventually replace the existing filters at the Willow Treatment Plant.

## Wastewater Services

The District provides wastewater collection, treatment, and distribution services to approximately 6,000 homes and businesses located in the town. The wastewater treatment process goes through Wastewater Treatment Plant (WWTP) 2 located south of Highway 4 at the Town's eastern boundary. Its capacity is 4 million gallons per day.

To facilitate and transport the raw wastewater to the main wastewater treatment, the

District utilizes 17 wastewater lift stations to move the waste through 50 miles of sewer mains. The plants can produce an average of 1.5 million gallons of wastewater per day. The wastewater treatment plants currently include an influent pump station, influent screening, and secondary treatment facilities using oxidation ditches, sand filters, and ultraviolet (UV) disinfection before discharging the treated water into Old River.

## Parks and Landscaping Services

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

### Discovery Bay Landscape & Lighting

#### Zone #8

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

#### Zone #9 (Ravenswood)

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

### Contra Costa County Landscape & Lighting

#### Zone #35

Zone 35 is owned and budgeted by Contra Costa County but is maintained by the Town of Discovery Bay CSD. The zone includes the landscaped median islands on Bixler Road at the intersection of Highway 4 and a pedestrian pathway from the Sandy Cove Shopping Center to Newport Drive. There are also two pedestrian bridges along the path.

#### Zone #57

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

## Zone #61

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

## Recreation Services

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

## District Form of Government

The District is governed by an elected five (5) member Board serving staggered four (4) year terms. The Board employs a General Manager to administer the day-to-day operations of the District who has oversight of district operations and staff of approximately 23 full-time staff and seasonal staff.

## TODB Board of Directors



President	Vice-President	Director	Director	Director
				
<b>Carolyn Graham</b>	<b>Bryon Gutow</b>	<b>Kevin Graves</b>	<b>Ashley Porter</b>	<b>Lesley Belcher</b>
Term of Office: 12/2024 to 12/2028	Term of Office: 12/2022 to 12/2026	Term of Office: 12/2022 to 12/2026	Term of Office: 12/2022 to 12/2026	Term of Office: 12/2024 to 12/2028
Parks & Recreation Committee	Parks & Recreation Committee	Finance Committee	Finance Committee	Internal Operations Committee
Water/Wastewater Committee	Communications Committee	Water & Waste-Water Committee	Internal Operations Committee	Communications Committee

The District's Board of Directors is guided by the mission, vision, and goals to meet this community's demands and directs our resources purposefully.

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

#### **Vision**

- Maintain a full service and sustainable community.
- Grow in harmony with the environment and the Delta.
- Ensure assets and facilities are maintained, serviceable, and in compliance with all regulatory laws, regulations, and rules.
- Promote practices that provide enhanced and sustainable life now and for future generations.

#### **Values:**

**Innovation • Accountability • Respect  
Integrity • Professionalism**

#### **Goals**

- Responsible management of public funds.
- Preservation of our neighborhoods and natural resources.
- Provide timely, effective, and transparent communications between government and our citizens.
- Continually improve the quality of our services.
- Promote and protect the environment.
- Take pride in community assets.
- Provide leadership while considering all points of view, to ultimately reset policy and make decisions based on what is in the best interest of the entire community.
- Recognize pioneers of the community.
- Champion diversity and inclusion.

On an annual basis, the Board of Directors will review its accomplishments and plan for the next fiscal year. This ensures that we have sufficiently planned for the immediate year and for the future years to provide and sustain services that are under the District's purview.

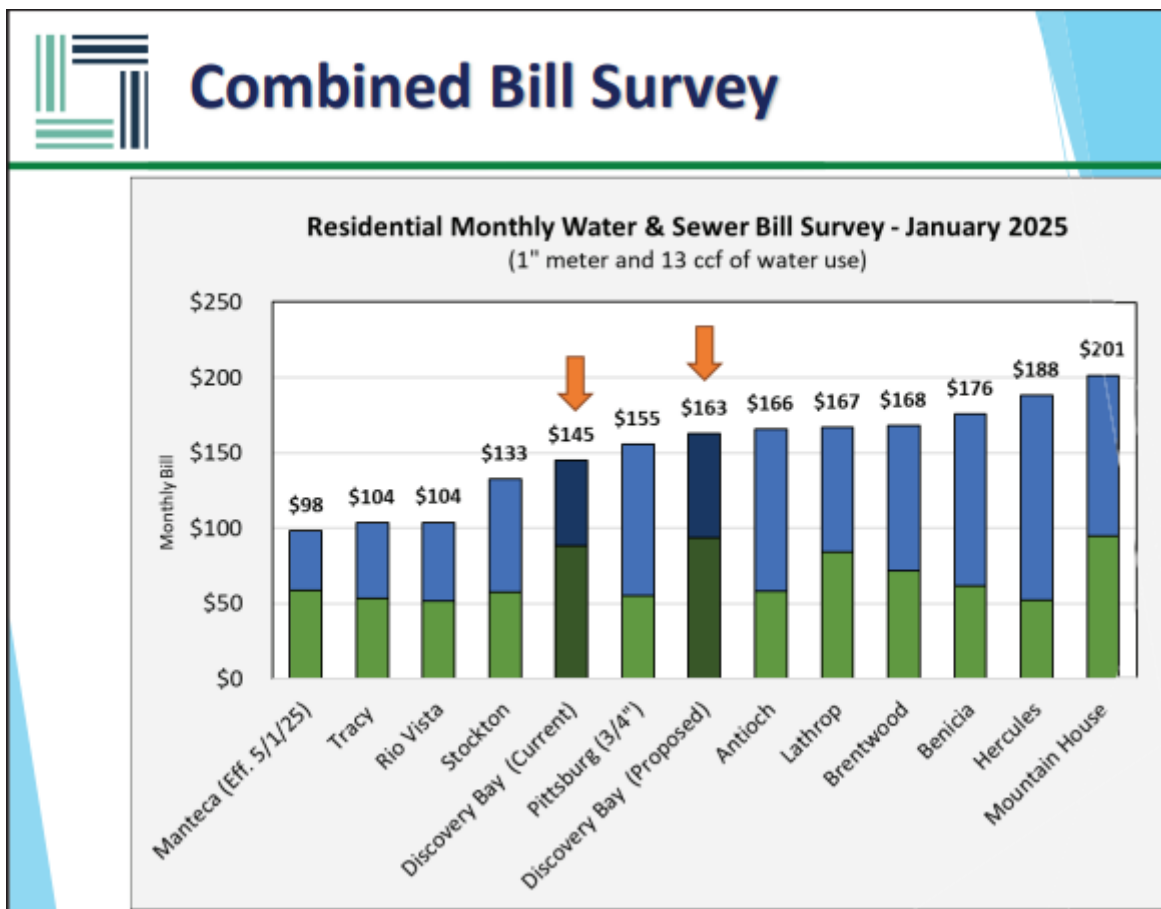
## **Demographics**

To best meet the demands of the District's water and wastewater customers, an understanding of the customer types provides the District meaningful information.

### **Water and Wastewater Operations**

Meters Count by Type		Meter Sizes	
Commercial	42	¾ inch	1,709
Irrigation	88	1 inch	4,362
Residential	<u>6,034</u>	1 ½ inch	31
Total	6,164	>2 inch	62

## Comparison to Local Jurisdictions



## **Parks and Recreation Programs**

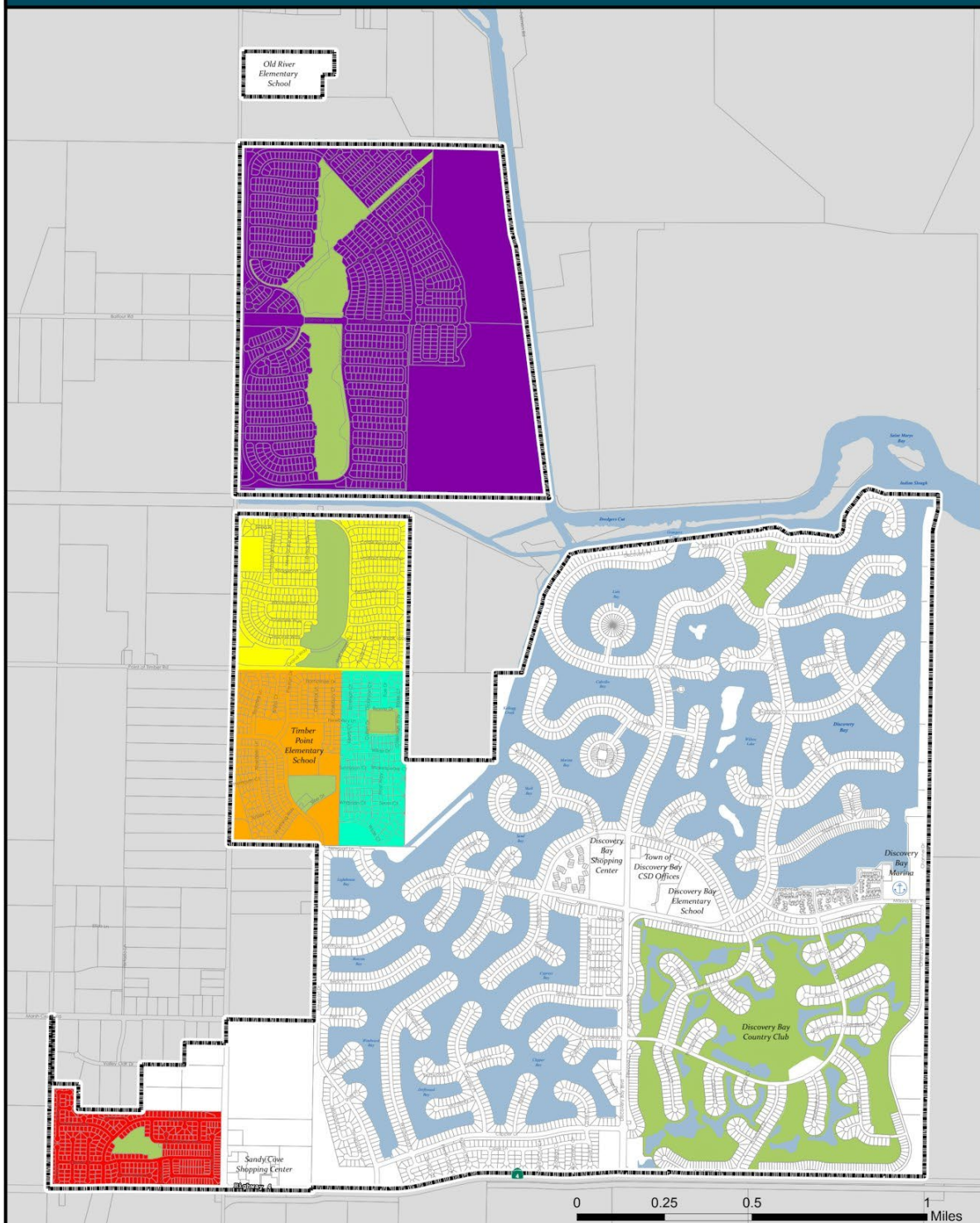
Overall Usage of District facilities continues to remain engaged with the community through

- The usage includes various activities like fitness classes, baseball games, tennis matches, and swimming lessons.
- The activities take place at various locations within the facility, including the swimming pool, multi-purpose area, arts area, and tennis courts.
- Some activities are recurring, such as Zumba classes and stroke & turn clinics.
- The schedule also includes meetings and events organized by different committees and organizations.





# Discovery Bay Neighborhoods



## Subdivision Name

- Centex
- Discovery Bay West Village 1
- Lakeshore

- Ravenswood
- The Lakes at Discovery Bay

- Discovery Bay CSD Referral Area
- Parks

Map created by the Discovery Bay CSD  
All rights reserved. No part of this map may be reproduced or transmitted in any form or by any means electronic or mechanical, including photocopying and recording, or by any information storage or retrieval system, without permission in writing from the Discovery Bay CSD.





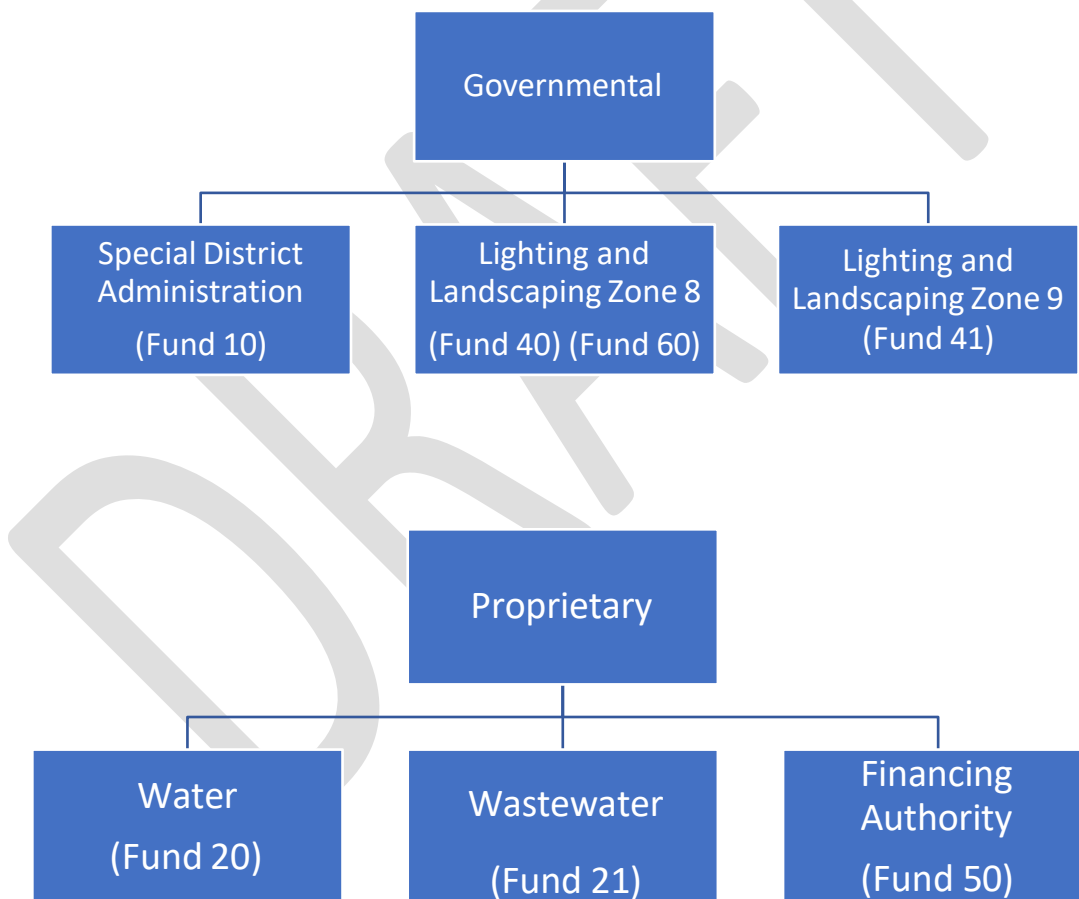


## Section 3: FINANCIAL OVERVIEW AND SUMMARY

# FINANCIAL OVERVIEW AND SUMMARY

Each fiscal year, the District prepares a budget based on the priorities and goals set forth by the Board of Directors. When preparing the budget, staff consider several factors including the source of revenues, staffing, program expenses, and capital expenditures. All these factors are considered in developing the annual budget, but it also extends to future years to ensure that the Board can adequately plan programming, understand rate implications, and ensure that it maintains its capital infrastructure.

The activity of the District is managed through fund accounting which allows the District separately to maintain the funding for its governmental funds (landscape, parks, and recreation) from its proprietary funds (water and wastewater).



## FINANCIAL HIGHLIGHTS

To highlight the impact of each fund, the table below shows the fiscal year revenues and expenditures/expenses for fiscal year 2025-2026. For more detailed information, refer to Section 5 and 6.

<b>Fund Balance Reconciliation by Account Group(Cash Basis)</b>					
<b>Beginning Fund Balance, July 1</b>	27,446,827	\$ 23,045,987	\$ 22,092,551	\$ 22,712,742	\$ 22,587,325
<b>Description</b>	<b>FY 2022 Actual</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2026 Budget</b>
Assessment Income	150,634	158,161	164,791	170,999	173,100
County Reimbursement	162,877	145,869	230,020	165,400	362,500
Program Fees	30,218	79,332	76,180	65,000	75,000
Interest Income	-	184,388	905,025	940,000	570,000
Meter Charge - Commercial	88,288	89,455	89,286	90,000	107,000
Meter Installation	336,196	335,409	334,650	336,000	336,000
External Funding					5,280,920
Other	288,208	455,600	1,086,268	130,000	75,500
Rentals	40,028	43,965	44,210	40,000	40,000
Secured Property Tax	763,243	828,881	856,834	851,281	906,400
Sewer Charge - Commercial	114,535	116,124	163,999	120,000	110,000
Wastewater Fixed Charge	6,087,297	6,182,320	6,278,074	6,486,500	6,760,000
Water Charges	2,808,584	2,814,278	2,495,806	2,901,000	3,035,000
Water Fixed Charge	1,574,060	1,604,898	1,632,676	1,758,000	2,600,300
<b>Total Town Revenues</b>	<b>\$ 12,444,168</b>	<b>\$ 13,038,680</b>	<b>\$ 14,357,819</b>	<b>\$ 14,054,180</b>	<b>\$ 20,431,720</b>
<b>Description</b>	<b>FY 2022 Actual</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2026 Budget</b>
Administrative Costs	898,733	1,041,767	1,151,080	1,254,300	1,281,900
Chemicals	36,586	59,125	106,146	100,000	145,000
Capital Outlay	6,856,450	2,195,673	1,814,175	1,066,864	18,697,057
Consulting	460,988	347,396	341,985	715,000	704,000
Contract Operations	2,732,969	2,583,042	2,698,308	2,100,000	2,285,000
Debt Service	1,348,517	2,326,897	2,335,428	2,339,820	2,335,000
Program and Maintenance Costs	260,691	200,124	326,565	253,900	299,200
Permits	105,406	214,024	275,544	175,000	200,000
Salary and Benefits	1,688,551	1,962,826	1,881,850	2,760,513	3,044,700
System Maintenance	1,160,341	1,486,365	1,258,379	1,730,000	2,032,000
Utilities	1,295,776	1,574,877	1,548,168	1,684,200	2,071,600
<b>Total Town Expenses</b>	<b>\$ 16,845,008</b>	<b>\$ 13,992,116</b>	<b>\$ 13,737,628</b>	<b>\$ 14,179,597</b>	<b>\$ 33,095,457</b>
<b>Net Revenues</b>	<b>\$ (4,400,840)</b>	<b>\$ (953,436)</b>	<b>\$ 620,191</b>	<b>\$ (125,417)</b>	<b>\$ (12,663,737)</b>
<b>Fund Balance, June 30</b>	<b>\$ 23,045,987</b>	<b>\$ 22,092,551</b>	<b>\$ 22,712,742</b>	<b>\$ 22,587,325</b>	<b>\$ 9,923,588</b>
<b>Fund Balance Reconciliation by Fund (Cash Basis)</b>					
<b>Beginning Fund Balance, July 1</b>	27,446,827	\$ 23,045,987	\$ 22,092,551	\$ 22,712,742	\$ 22,587,325
<b>Sources of Revenues by Fund</b>	<b>FY 2022 Actual</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2026 Budget</b>
General Administration	76,060	88,808	150,056	81,400	278,500
Water	4,928,379	5,163,112	5,356,003	5,580,000	10,723,420
Wastewater	6,286,061	6,552,967	7,249,069	7,028,500	8,067,800
Zone 8	982,346	1,061,641	1,410,477	1,136,281	1,159,900
Zone 9	171,322	172,152	192,214	197,999	202,100
<b>Total Revenues</b>	<b>12,444,168</b>	<b>13,038,680</b>	<b>14,357,819</b>	<b>14,024,180</b>	<b>20,431,720</b>
<b>Uses by Fund</b>	<b>FY 2022 Actual</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2026 Budget</b>
General Administration	65,928	78,676	209,602	71,400	272,500
Water	6,673,040	5,587,817	5,792,984	6,481,883	14,247,488
Wastewater	8,840,422	7,025,391	5,985,369	6,281,416	16,721,969
Zone 8	1,158,748	1,159,044	1,604,221	1,134,688	1,681,600
Zone 9	106,870	141,188	145,452	180,210	171,900
<b>Total Expenditures/Expenses</b>	<b>16,845,008</b>	<b>13,992,116</b>	<b>13,737,628</b>	<b>14,149,597</b>	<b>33,095,457</b>
<b>Net Revenues</b>	<b>\$ (4,400,840)</b>	<b>\$ (953,436)</b>	<b>\$ 620,191</b>	<b>\$ (125,417)</b>	<b>\$ (12,663,737)</b>
<b>Fund Balance, June 30</b>	<b>\$ 23,045,987</b>	<b>\$ 22,092,551</b>	<b>\$ 22,712,742</b>	<b>\$ 22,587,325</b>	<b>\$ 9,923,588</b>

Overall, the total Fiscal Year 2025-2026 revenues and expenditures/expenses are shown below

Description	Revenues	% of Total
Assessment Income	173,100	1%
County Reimbursement	362,500	2%
Program Fees	75,000	0%
Interest Income	570,000	4%
Meter Charge - Commercial	107,000	1%
Meter Installation	336,000	2%
Other	75,500	0%
Rentals	40,000	0%
Secured Property Tax	906,400	6%
Sewer Charge - Commercial	110,000	1%
Wastewater Fixed Charge	6,760,000	45%
Water Charges	3,035,000	20%
Water Fixed Charge	2,600,300	17%
<b>Total Town Revenues</b>	<b>\$ 15,150,800</b>	<b>100%</b>

Description	Expenses	% of Total
Administrative Costs	1,281,900	9%
Chemicals	145,000	1%
Consulting	704,000	5%
Contract Operations	2,285,000	16%
Debt Service	2,335,000	16%
Program and Maintenance Costs	299,200	2%
Permits	200,000	1%
Salary and Benefits	3,044,700	21%
System Maintenance	2,032,000	14%
Utilities	2,071,600	14%
<b>Total</b>	<b>\$ 14,398,400</b>	<b>100%</b>

## FUND DESCRIPTIONS

- Fund 10 represents the Special District Administration for the support the District provides to certain Contra Costa County zones' landscaping and lighting efforts. The costs are fully reimbursed by the County. Minor receipts are received for miscellaneous rebates and may be transferred to other district operations.
- Fund 20 represents the operating and maintenance expenditures for the water system whose revenues are determined by a multi-year rate study.
- Fund 21 represents the operating and maintenance expenditure for the wastewater system whose revenues are determined by a multi-year rate study.
- Fund 40 represents the operating and maintenance expenditures for the area designated as Zone 8. Revenues to support these functions are derived from the Ad Valorem tax and community center program fees.
- Fund 41 represents the operating and maintenance expenditure for the area designated as Zone 9. Revenues to support these functions are derived from the annual assessment documented through an engineer's report and assessment rate approved by the Board of Directors.
- Fund 50 represents the activity of the public financing authority established to issue and to pay the annual debt service. For budgeting purposes, these amounts are accounted for within the respective funds.

# STRATEGIC GOALS

## Goals, Objectives, and Performance Outlook

Goal	Objective	Performance Outlook
Fiscal Sustainability	<ul style="list-style-type: none"> <li>Balance Revenues and expenditures to ensure fiscal stability.</li> <li>Monitor trends in key revenue sources.</li> <li>Provide core services in an efficient and effective manner.</li> </ul>	<ul style="list-style-type: none"> <li>Review expenditure vs. budget reports for each department monthly.</li> <li>Analyze 10-year history to understand trends and make recommendations.</li> </ul>
Quality of Life	<ul style="list-style-type: none"> <li>Focus on key services, programs, and activities for seniors and youth.</li> <li>Partner with service clubs to promote community- wide events.</li> <li>Maintain parks throughout the community.</li> </ul>	<ul style="list-style-type: none"> <li>Provide bi-monthly reports on activities for youth, seniors, and park &amp; recreation programs.</li> <li>Execute master plan for landscape oversight to properly upkeep this investment.</li> </ul>
Organizational Transparency	<ul style="list-style-type: none"> <li>Post key information on the District's website.</li> <li>Use media to inform and engage the public.</li> <li>Prepare the budget in a user-friendly, informative &amp; transparent format.</li> </ul>	<ul style="list-style-type: none"> <li>Post all agendas, reports, and contracts on the District's website.</li> <li>Post all policy documents and resolutions on the website.</li> <li>Increase the use of social media to promote district activities and business.</li> </ul>
Organizational Development	<ul style="list-style-type: none"> <li>Evaluate staffing levels to ensure adequate delivery of core services.</li> <li>Provide training and resources to sustain a talented workforce.</li> <li>Maintain accountability and recognition of employees.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare a long-term staffing plan.</li> <li>Develop training for key management and supervisory staff.</li> <li>Uphold and maintain safety training.</li> </ul>
Capital Investments	<ul style="list-style-type: none"> <li>Prioritize and evaluate needed capital investments.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver capital projects on time and within budget.</li> <li>Seek funding opportunities to fund infrastructure projects.</li> <li>Continuous updates to District master plans.</li> </ul>

## FINANCIAL POLICIES SUMMARY

The District maintains certain financial policies to manage its investments, debt, and reserves. Those policies can be found on the [website](#) and are highlighted below. The District staff will periodically review and ensure that best practices are followed and updated, as appropriate, for changes in market conditions. Any changes to the policies require Board approval which are handled through a resolution. For the upcoming fiscal year, staff plans to review each of these policies and consider the additional policies to focus on disclosure and capital funding. In July 2024, the Board approved a revision to Policy 031 (Financial) and added Policy 034 (Capital Asset).

Policy #	Policy Name	Key Policy Items
003	Investment of District Funds	Maintain safety, liquidity, and yield (in this order) when considering investment decisions.  Adhere to California Code Section 53600 etc.
014	Reserve Fund	Established, maintained, and set aside for specific purposes.  Capital and Operating Reserve to be used for unforeseen capital projects necessary to meet regulatory requirements, system reliability, and future needs. The goal is to maintain the Capital Reserve of no less than 30% of the Water and Wastewater annual operating revenue.  Lighting and Landscaping #8 Reserves. The Capital Reserve will be used for capital projects necessary to meet regulatory requirements and future improvements. It is the goal of the Lighting and Landscaping District (LLD) #8 to maintain the capital reserve of no less than 50% of the total operating revenues.  Lighting and Landscaping #9 Reserves. The Capital Reserve will be used for capital projects necessary to meet regulatory requirements and future improvements. The Lighting and Landscaping District (LLD) #9 reserve account will maintain a reserve of no less than 50% of the total operating revenues and is

		<p>limited to a maximum of 200% of the total funds collected by the LLD. After the reserve has accrued to the maximum amount, any money received by the LLD more than what was spent on the annual maintenance and administrative costs will be returned to the property owner in the form of a reduced assessment for the following year.</p>
026	Debt Management	<p>Policy applies to debt issued by the District or the Discovery Bay Public Financing Authority</p> <p>Provides for the purpose for which debt could be used; the types of debt that may be issued, internal control procedures.</p> <p>The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.</p>
031	Financial Policy	<p>Ensure District staff and Board of Directors adhere to accounting principles, external funding sources and provide transparency to the public with respect to the District's financial transactions.</p> <p>Provides policy considerations over cash disbursements, accounts payable, monthly water and wastewater invoicing, tax roll, cash receipts, petty cash, and reporting requirements.</p>
034	Capital Asset Policy	<p>Defines capital assets, capitalizable costs versus expense, thresholds, and estimated useful life. It also provides the methodology used and recognition of the procedures for asset impairment and recordkeeping.</p>



## LONG RANGE FINANCIAL PLANNING

To take proactive steps in managing its financial health to deliver on its goals, the District will review each aspect of the key components of developing a long-range financial plan.



Each component is individual factors that can drive the conversation of fiscal and organizational sustainability, but when you understand the impact, each has on the other, this allows the District to be ready for the challenges and opportunities.

The water and wastewater programs have had more engagement with the drivers to recommend changes to rates and charges as part of the cost-of-service study and Proposition 218 process conducted about every 4-5 years. The staff is focused on identifying the necessary projects to maintain its facilities, adhere to regulatory requirements and plan for future growth. In addition to these facilities, the District also maintains assets pertaining to its parks and recreation. The Board of Directors are evaluating the associated costs and inquiring if sufficient funds will be available to ensure that these assets are managed responsibly.

To adequately plan for expected costs, staff will be developing a financial model that will help guide the District to plan for its operating expenses and capital expenditures with the anticipated revenues that are received by each revenue source. The purpose of the long-range financial plan is to be future focused. Historically, the District has used a 2% increase in revenues and 3% in expenses to project its five-year. Going forward, the District will be reviewing the historic increases to use as a gauge for the types of revenues and expenses and build a model to truly incorporate meaningful CPI (Consumer Price Index) adjustments and reflect the use of debt or cash to finance capital projects.

A pro forma forecast has been presented to provide a long-term view to add to the discussion about each fund

## WATER FUND – 5 YEAR FORECAST

Financial Forecast					
	FY 2026 Budget	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Water Fixed Charge (a)	2,600,300	2,912,336	3,261,816	3,653,234	4,091,622
Meter Installation (a)	336,000	336,000	-	-	-
Interest Income (b)	257,000	226,600	226,600	226,600	226,600
Water Charges (a)	3,035,000	3,399,200	3,807,104	4,263,956	4,775,631
Meter Charge - Commercial (a)	107,000	119,840	134,221	150,327	168,367
Other	48,000	50,000	50,000	50,000	50,000
<b>Total Revenues</b>	<b>6,383,300</b>	<b>7,043,976</b>	<b>7,479,741</b>	<b>8,344,118</b>	<b>9,312,220</b>
Salary and Benefits (c )	1,223,600	1,284,780	1,349,019	1,416,470	1,487,293
Consulting	484,500	499,035	514,006	529,426	545,309
Contract Operations	915,000	942,450	970,724	999,845	1,029,841
Utilities (d)	900,000	972,000	1,049,760	1,133,741	1,224,440
Chemicals	145,000	149,350	153,831	158,445	163,199
System Maintenance (e )	1,372,000	1,468,040	1,570,803	1,680,759	1,798,412
Administrative Costs	518,000	533,540	549,546	566,033	583,014
Debt Service (f)	534,500	543,000	909,600	1,509,100	1,910,600
Permits	60,000	61,800	63,654	65,564	67,531
<b>Total Expenses</b>	<b>6,152,600</b>	<b>6,453,995</b>	<b>7,130,942</b>	<b>8,059,383</b>	<b>8,809,638</b>
<b>Changes in Net Position / Available for Future Investment</b>	<b>230,700</b>	<b>589,981</b>	<b>348,799</b>	<b>284,735</b>	<b>502,582</b>
Operating Income (Loss), before Debt Service	765,200	1,132,981	1,258,399	1,793,835	2,413,182
<b>Debt Coverage Ratio</b>	<b>1.43</b>	<b>2.09</b>	<b>1.38</b>	<b>1.19</b>	<b>1.26</b>
Assumptions					
(a) Water revenues are anticipated to increase by 12% based on the 2025 Water and Wastewater Rate Study					
(b) Interest Income is anticipated to increase 3% as an average expected long term rate in investing					
(c ) Salary and benefits are anticipated to increase 5%					
(d) Utility expenses are expected to increase 8% to reflect a long term trend but offset by anticipated solar project					
(e ) System Maintenance are anticipated to increase 7% to reflect the rising costs to maintain assets					
(f) Debt Service schedule reflects assumptions in the 2025 rate study based on expected future investment					
All other expenses are expected to increase by 3%					

## WASTEWATER FUND – 5 YEAR FORECAST

Financial Forecast					
	FY 2026 Budget	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Wastewater Fixed Charge (a)	6,760,000	7,165,600	7,595,536	8,051,268	8,534,344
Sewer Charge - Commercial (a)	110,000	116,600	123,596	131,012	138,872
Interest Income (b)	245,000	257,500	257,500	257,500	257,500
Other	12,000	12,000	12,000	12,000	12,000
<b>Total Revenues</b>	<b>7,127,000</b>	<b>7,551,700</b>	<b>7,988,632</b>	<b>8,451,780</b>	<b>8,942,717</b>
Salary and Benefits (c )	884,300	928,515	974,941	1,023,688	1,074,872
Consulting	219,500	226,085	232,868	239,854	247,049
Contract Operations	1,370,000	1,411,100	1,453,433	1,497,036	1,541,947
Utilities (d)	940,400	1,015,631	1,096,882	1,184,633	1,279,403
System Maintenance (e )	660,000	706,200	755,634	808,528	865,125
Administrative Costs	600,100	618,103	636,646	655,745	675,418
Debt Service (f)	1,800,500	1,810,000	1,809,000	2,264,000	2,264,000
Permits	140,000	144,200	148,526	152,982	157,571
<b>Total Expenses</b>	<b>6,614,800</b>	<b>6,859,834</b>	<b>7,107,929</b>	<b>7,826,466</b>	<b>8,105,386</b>
<b>Changes in Net Position / Available for Future Investment</b>					
Investment	512,200	691,866	880,703	625,314	837,331
Operating Income (Loss), before Debt Service	2,312,700	2,501,866	2,689,703	2,889,314	3,101,331
<b>Debt Coverage Ratio</b>	<b>1.28</b>	<b>1.38</b>	<b>1.49</b>	<b>1.28</b>	<b>1.37</b>
<b>Assumptions</b>					
(a) Wastewater revenues are anticipated to increase by 12% based on the 2025 Water and Wastewater Rate Study					
(b) Interest Income is anticipated to increase 3% as an average expected long term rate in investing					
(c ) Salary and benefits are anticipated to increase 5%					
(d) Utility expenses are expected to increase 8% to reflect a long term trend but offset by anticipated solar project					
(e ) System Maintenance are anticipated to increase 7% to reflect the rising costs to maintain assets					
(f) Debt Service schedule reflects assumptions in the 2025 rate study based on expected future investment					
All other expenses are expected to increase by 3%					

## ZONE 8 – 5 YEAR FORECAST

Financial Forecast					
	FY 2026 Budget	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Secured Property Tax	906,400	933,592	961,600	990,448	1,020,161
Community Center Program Fees	75,000	77,250	79,568	81,955	84,413
County Reimbursement	72,000	74,160	76,385	78,676	81,037
Rentals	40,000	41,200	42,436	43,709	45,020
Interest	51,000	52,530	54,106	55,729	57,401
Other	15,500	15,500	15,501	15,502	15,503
<b>Total Revenues (a)</b>	<b>1,159,900</b>	<b>1,194,232</b>	<b>1,229,595</b>	<b>1,266,019</b>	<b>1,303,535</b>
Salary and Benefits (b)	673,800	707,490	742,865	780,008	819,008
Administrative Costs	140,300	144,509	148,844	153,309	157,909
Maintenance	165,500	170,465	175,579	180,846	186,272
Utilities (b)	207,000	217,350	228,217	239,628	251,609
<b>Total Expenditures</b>	<b>1,186,600</b>	<b>1,239,814</b>	<b>1,295,505</b>	<b>1,353,791</b>	<b>1,414,798</b>
<b>Net Income (Loss)</b>	<b>(26,700)</b>	<b>(45,582)</b>	<b>(65,910)</b>	<b>(87,773)</b>	<b>(111,263)</b>
Assumptions					
(a) Revenues are assumed to increase on average 3% per annum					
(b) Salary and benefits and utilities are anticipated to increase 5%					
All other expenses are expected to increase by 3%					

## ZONE 9 – 5 YEAR FORECAST

Financial Forecast					
	FY 2026 Budget	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Assessment Income	173,100	178,293	183,642	189,151	194,826
Interest	11,000	11,330	11,670	12,020	12,381
Other	18,000	18,540	19,096	19,669	20,259
<b>Total Revenues (a)</b>	<b>202,100</b>	<b>208,163</b>	<b>214,408</b>	<b>220,840</b>	<b>227,465</b>
Salary and Benefits (b)	63,000	64,890	66,837	68,842	70,907
Administrative Costs	23,500	24,205	24,931	25,679	26,449
Facility Maintenance	61,200	63,036	64,927	66,875	68,881
Utilities (b)	24,200	25,531	26,935	28,417	29,980
<b>Total Expenditures</b>	<b>171,900</b>	<b>177,662</b>	<b>183,630</b>	<b>189,812</b>	<b>196,217</b>
<b>Net Income (Loss)</b>	<b>30,200</b>	<b>30,501</b>	<b>30,778</b>	<b>31,028</b>	<b>31,248</b>
Assumptions					
(a) Revenues are assumed to increase on average 3% per annum					
(b) Salary and benefits and utilities are anticipated to increase 5%					
All other expenses are expected to increase by 3%					



## Section 4: BUDGET PROCESS AND TIMELINE

DRAFT

# BUDGET PROCESS AND TIMELINE

Public agencies develop budgets as a performance tool to measure accountability to their stakeholders. For the District, the budget is developed based on meeting the priorities, goals, and objectives established by the Board of Directors. The budget process for the District is designed to produce a document that is:

- A policy document that provides the rationale for the budget.
- A communications tool that effectively communicates how the budget helps implement long-range goals and strategies.
- An operational guide representing the efforts to control operations and measure performance.
- A long-term financial plan to guide the Town of Discovery Bay's allocation of resources.

The budget is available for interested parties, such as bond holders, credit rating agencies and their customers for review. The budget further demonstrates the District's commitment to fiscal responsibility and the transparency of its operations. A good business practice that the District performs is to prepare and adopt an annual budget and then monitor and report on the budget and actual variances to the Board of Directors Finance Committee on a bi-monthly basis.

In preparation of this year's budget, staff identified the following challenges and planned response and shared this information at its budget workshop on April 30. Staff continue to engage with the Board throughout the year to stay current on those matters that are top of mind for the District.

- Challenges
  - Operational costs outpacing cost of living increases
  - Address capital investment and asset renewal
  - Limited revenue increases necessary to support program and capital expenditures
- Planned Response
  - Development of long-term financial forecast to ensure fiscal and operational sustainability
  - Identify capital projects to reduce operational costs
  - Evaluate and prioritize capital project timing

## BASIS OF ACCOUNTING

Fund financial statements of the reporting entity are organized into funds, each of which is a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. Governmental funds account for specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance functions or activities of the District. Proprietary funds represent enterprise funds used to account for business-like activities provided to the public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income requirements like the private sector.

### For financial statement purposes:

- Governmental funds: The basis of accounting is to report using the current financial resources measurement focuses and the modified accrual basis of accounting. Operating sources and uses of available spendable financial resources during a given period; that is revenues are considered available when they are collectible within the current period to pay liabilities of the current period. (within 60 days after the fiscal year ends).
- Proprietary funds: The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. These funds use the accrual basis of accounting, so revenues are recognized when earned and expenses are when liability is incurred.

### For budgeting purposes:

For governmental and proprietary funds, the District has used the accrual basis of accounting. These amounts are reconciled within the financial statements.

## BUDGET PROCESS

With the directions provided by the General Manager, the Finance Manager develops the operating budget with input and guidance from the department managers. Information is obtained from various sources depending on the source of revenues, and anticipated expenditures/expenses. The capital budget for the landscaping and community center was developed by the Finance Manager and department manager. The water and wastewater capital budget were collectively developed based on staff, contract operator, and the District's engineers for each system.

## Budget Timeline

Date	Key Activity	Responsible Party
January 28, 2025	Develop budget calendar, budget worksheets, and prepare mid-year Fiscal Year 2024-2025 financial results	Finance Manager
January 30, 2025	Finalize initial Capital budget discussions	General Manager Water/Wastewater Mgr. Finance Manager
February 14, 2025	Review of staff time allocation and development of Labor Budget	Finance Manager
March 5, 2025	Finalize staffing requirements, and review labor and benefit worksheet with General Manager	General Manager Finance Manager
March 19, 2025	The Board of Directors held their annual board workshop where the General Manager shared the accomplishments for the current fiscal year and the outlook for Fiscal Year 2024-2025.	General Manager Board of Directors
March 25, 2025	Finalize Capital budget for Water and Wastewater and forward to rate consultant to incorporate into final rate recommendation	General Manager Department Manager Finance Manager
April 2, 2025	Draft Cost of Service Study presented to Board of Directors	Rate Consultant
April 7, 2025	Develop capital outlay for landscaping and community center and review with General Manager and Department Manager	General Manager Department Manager Finance Manager
April 7, 2025	Preliminary Landscape and Community Center Budget document presented to General Manager	General Manager Finance Manager Department Manager
April 14, 2025	Preliminary Water and Wastewater Budget document presented to General Manager	General Manager Finance Manager Department Manager
April 16, 2025	Board accepts final Cost of Service Study and Sets Public Hearing in addition to authorize Prop 218 proceedings	Board of Directors
April 30, 2025	Budget workshop is presented to the Board of Directors	General Manager Finance Manager
June 4, 2025	Set public hearing for June 18 at June 4 Board meeting	General Manager Finance Manager
June 18, 2024	Board approves Fiscal Year 2025-2026	General Manager Finance Manager



## BUDGET MONITORING

Budget monitoring process begins shortly after the budget is adopted. Each month the Finance Manager prepares a budget versus actual report to review and seek input from the department manager. On a bi-monthly basis, the Finance Manager develops an executive level budget versus actual report and presents it to the Board of Directors.

The budget is amended when expenditure is anticipated to significantly exceed estimates. Budget amendments can also occur for expenditures, seen as appropriate charges but were not anticipated in the budget process. Any suggested amendments added to the original budget are brought to the Board of Directors through staff reports at the appropriate committee meeting. Staff is to describe why, how much, and what program budget requires an amendment to the original budget. These approvals are discussed at the appropriate committee and Board meetings and require a majority vote of the Board of Directors. Upon approval, staff update the budget and financial system to reflect on the approved change. For those line-item adjustments that do not affect the overall budget, those line items adjustments are discussed between the manager and the General Manager in consultation with the Finance Manager.



## Section 5: OVERVIEW OF REVENUES AND EXPENSES

# OVERVIEW OF FISCAL YEAR 2025-2026 OPERATING REVENUES AND EXPENSES

As a community services district CSD, the District can provide a variety of services to its constituents. Through the Contra Costa LAFCO process, it was determined the District will provide water and sewer service, landscaping services, and recreational activities. Each of these services may have similar costs to meet the requirements of the program and activities, but the source of funds varies. To better understand how each fund needs to be separately managed, this section provides additional details of the major source of revenues and expenses. Section 6 provides a detailed breakdown of each fund's revenues and expenses for the current year, and prior years.

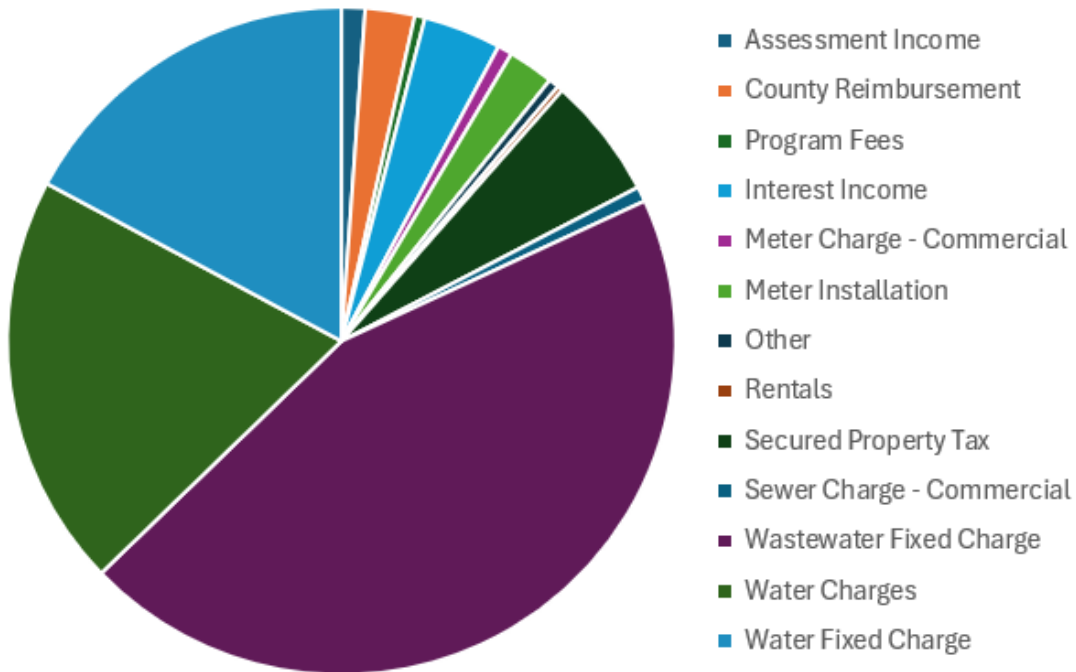
## FISCAL YEAR 2025-2026 OPERATING REVENUES

Fiscal Year 2025-2026 by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Assessment Income					173,100	\$ 173,100
County Reimbursement	272,500			72,000	18,000	\$ 362,500
Program Revenues				75,000		\$ 75,000
Interest Income	6,000	257,000	245,000	51,000	11,000	\$ 570,000
Commercial Revenues		107,000				\$ 107,000
Meter Installation		336,000				\$ 336,000
Other		48,000	12,000	15,500		\$ 75,500
Rentals				40,000		\$ 40,000
Secured Property Tax				906,400		\$ 906,400
Commercial Sewer Revenues			110,000			\$ 110,000
Wastewater Fixed Charge			6,760,000			\$ 6,760,000
Water Charges		3,035,000				\$ 3,035,000
Water Fixed Charge		2,600,300		-	-	\$ 2,600,300
<b>Total</b>	<b>\$ 278,500</b>	<b>\$ 6,383,300</b>	<b>\$ 7,127,000</b>	<b>\$ 1,159,900</b>	<b>\$ 202,100</b>	<b>\$ 15,150,800</b>

For Comparison: Fiscal Year 2024-2025 Revenues by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Assessment Income					170,999	\$ 170,999
County Reimbursement	71,400			67,000	17,000	\$ 155,400
Program Revenues				65,000		\$ 65,000
Interest Income	10,000	425,000	400,000	75,000	10,000	\$ 920,000
Commercial Revenues		90,000				\$ 90,000
Meter Installation		336,000				\$ 336,000
Other		70,000	22,000	38,000		\$ 130,000
Rentals				40,000		\$ 40,000
Secured Property Tax				851,281		\$ 851,281
Commercial Sewer Revenues			120,000			\$ 120,000
Wastewater Fixed Charge			6,486,500			\$ 6,486,500
Water Charges		2,901,000				\$ 2,901,000
Water Fixed Charge		1,758,000				\$ 1,758,000
<b>Total</b>	<b>\$ 81,400</b>	<b>\$ 5,580,000</b>	<b>\$ 7,028,500</b>	<b>\$ 1,136,281</b>	<b>\$ 197,999</b>	<b>\$ 14,024,180</b>

More detailed explanation of variances provided under Section 6

## Fiscal Year 2026 Revenues



Description	Revenues	% of Total
Assessment Income	173,100	1%
County Reimbursement	362,500	2%
Program Fees	75,000	0%
Interest Income	570,000	4%
Meter Charge - Commercial	107,000	1%
Meter Installation	336,000	2%
Other	75,500	0%
Rentals	40,000	0%
Secured Property Tax	906,400	6%
Sewer Charge - Commercial	110,000	1%
Wastewater Fixed Charge	6,760,000	45%
Water Charges	3,035,000	20%
Water Fixed Charge	2,600,300	17%
<b>Total Town Revenues</b>	<b>\$ 15,150,800</b>	<b>100%</b>

## Water and Sewer Charges

As an enterprise fund activity, the District is required to follow Prop 218 process to set its rates and charges. Typically, the District has a consultant review the information and prepares a rate recommendation for the Board of Directors to vote on. This report is prepared every 4-5 years. The current rate study was prepared in 2025 and provides information through Fiscal Year 2029-2030. The District has begun the data gathering process to update the cost of service and plans to bring forth a new rate study where the Board approved the final report on April 16, 2025. The rate process begins with gathering data for a few factors from the customer base, reserves, cost of service (operating and capital plan) to be able to perform the following key steps.

- ♣ Revenue Requirements - Revenue requirements are analyzed via financial plans developed from the Water and Wastewater Fund budgets. Based on the best information currently available, the financial plans incorporate projected operation and maintenance costs, capital expenditures, debt service, and growth to estimate annual revenue requirements. The plans serve as a roadmap for funding the Town's future operating and capital programs while maintaining long-term fiscal stability.

- ♣ Cost of Service Allocation - The cost-of-service process builds on the financial plan analysis and assigns water and wastewater system costs to functional cost components: metering and customer service, commodity, and demand for water, and customer service and treatment/disposal for sewer.

- ♣ Rate Design - Rate design involves developing a rate structure that proportionately recovers costs from customers. Final rate recommendations are designed to (a) fund the utilities' short- and long-term costs of providing service; (b) proportionately allocate costs to all customers and customer classes; and (c) comply with the substantive requirements of Proposition 218.

Based on the 2025 Cost of Service (Rate) Study, the water rates and charges are comprised of both an account charge assessed through the Contra Costa County and placed on one's property tax bill. The other portion represents the meter charge for individual use. This amount is billed monthly based on meter readings.

The split of revenues is split between the account charge and water usage is approximately 40% water and wastewater fixed charge, and the balance is on the rates. Whereas the wastewater revenues are the account charge from Contra Costa County. As a result, the variability in revenues estimated through the rate study and the actual results have been on point.

For the Fiscal Year 2025-2026 it is estimated to represent \$9,795,000 water and wastewater fixed charge and approximately \$3,035,000. There are other charges, approximately \$553,000, that may be determined based on the rate study and include meter installation, miscellaneous water fees, and commercial meter charges.

As shown in Section 2, our comparison to our neighboring communities shows that the water rates tend to be lower than our peers, but the wastewater is higher. On a combined basis, the District is the middle to low end of the spectrum.

## Water Schedule

WATER	Current 1-Jul-24	PROPOSED				
		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation Account Charge:						
5/8 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
3/4 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
1 Inch Meter	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
1 1/2 Inch Meter	\$42.98	\$63.66	\$71.30	\$79.86	\$89.44	\$100.17
2 Inch Meter	\$66.94	\$98.18	\$109.96	\$123.16	\$137.94	\$154.49
3 Inch Meter	\$130.80	\$190.25	\$213.08	\$238.65	\$267.29	\$299.36
4 Inch Meter	\$202.64	\$293.82	\$329.08	\$368.57	\$412.80	\$462.34
6 Inch Meter	\$402.22	\$581.52	\$651.30	\$729.46	\$817.00	\$915.04
Irrigation Account Charge:						
5/8 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
3/4 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
1 Inch Meter	\$20.62	\$28.17	\$31.55	\$35.34	\$39.58	\$44.33
1 1/2 Inch Meter	\$38.18	\$50.22	\$56.25	\$63.00	\$70.56	\$79.03
2 Inch Meter	\$59.24	\$76.68	\$85.88	\$96.19	\$107.73	\$120.66
3 Inch Meter	\$115.73	\$147.24	\$164.91	\$184.70	\$206.86	\$231.68
4 Inch Meter	\$180.27	\$226.62	\$253.81	\$284.27	\$318.38	\$356.59
6 Inch Meter	\$359.54	\$447.12	\$500.77	\$560.86	\$628.16	\$703.54
Metered Usage Charge:						
All Usage (\$/ccf)	\$2.577	\$2.605	\$2.918	\$3.268	\$3.660	\$4.099
Newly Metered Customers Meter Install Fee (10-year payback)	\$8.01	\$8.01	\$8.01			

ccf = 100 cubic feet = 748 gallons

## Wastewater Schedule

Customer Class	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Single Family	\$88.46	\$93.79	\$99.41	\$105.38	\$111.70	\$118.40
Multiple Family/Condos	\$72.40	\$76.69	\$81.29	\$86.17	\$91.34	\$96.82
Business/Government/Clubs	\$7.50	\$7.90	\$8.37	\$8.88	\$9.41	\$9.97
Restaurants/Bars/Dining Facilities	\$19.70	\$20.48	\$21.71	\$23.01	\$24.39	\$25.86
Schools	\$6.85	\$7.39	\$7.96	\$8.58	\$9.25	\$9.97
Other Domestic Strength Users	\$7.50	\$8.16	\$8.88	\$9.66	\$10.51	\$11.44

## Ad Valorem

The Discovery Bay Lighting and Landscape Zone #8 (Zone 8) receives annual funding through a portion of property taxes collected within its boundaries. Each year, the District is responsible for identifying its appropriation limit in accordance with Article XIII B of the California Constitution, known as Proposition 4 or the GANN limit. Staff collect the necessary information from the California Department of Finance and calculate the Appropriations Limit for Zone 8 for board approval every July. The calculation is based on the previous year's appropriation limit and factors in the change of California's per capita personal income and local population percentage change. For the Fiscal Year 2025-2026 it is estimated to bring \$906,400.

Below is a snapshot of the history of previous Appropriations calculations by fiscal year.

	Historical Limit (With Permitted Increases)	Per Capita Personal Income Change	Per Capita Ratio*	Population Change (unincorporated)	Population Ratio*	Fiscal Year Factor
Year 04/05	\$ 352,279.00					
Year 05/06	\$ 379,708.29	5.26	1.0526	2.40	1.024	1.07786240
Year 06/07	\$ 402,876.48	3.96	1.0396	2.06	1.0206	1.06101576
Year 07/08	\$ 431,200.71	4.42	1.0442	2.50	1.025	1.07030500
Year 08/09	\$ 461,481.34	4.29	1.0429	2.62	1.0262	1.07022398
Year 09/10	\$ 469,171.69	0.62	1.0062	1.04	1.0104	1.01666448
Year 10/11	\$ 458,900.84	(2.54)	0.9746	0.36	1.0036	0.97810856
Year 11/12	\$ 474,747.11	2.51	1.0251	0.92	1.0092	1.03453092
Year 12/13	\$ 497,620.79	3.77	1.0377	1.01	1.0101	1.04818077
Year 13/14	\$ 525,557.54	5.12	1.0512	0.47	1.0047	1.05614064
Year 14/15	\$ 530,903.12	(0.23)	0.9977	1.25	1.0125	1.01017125
Year 15/16	\$ 556,915.93	3.82	1.0382	1.04	1.0104	1.04899728
Year 16/17	\$ 592,397.12	5.37	1.0537	0.95	1.0095	1.06371015
Year 17/18	\$ 619,784.89	3.69	1.0369	0.90	1.009	1.04623210
Year 18/19	\$ 644,137.32	3.67	1.0367	0.25	1.0025	1.03929175
Year 19/20	\$ 672,615.76	3.85	1.0385	0.55	1.0055	1.04421175
Year 20/21	\$ 698,122.95	3.73	1.0373	0.06	1.0006	1.03792238
Year 21/22	\$ 740,708.83	5.73	1.0573	0.35	1.0035	1.06100055
Year 22/23	\$ 792,250.87	7.55	1.0755	(0.55)	0.9945	1.06958475
Year 23/24	\$ 820,310.94	4.44	1.0444	(0.86)	0.9914	1.03541816
Year 24/25	\$ 851,281.20	3.62	1.0362	0.15	1.0015	1.03775430
Year 25/26	\$ 906,375.54	6.44	1.0644	0.03	1.0003	1.06471932

## Assessment Fee

As part of the annual assessment process for the Ravenswood Improvement District (Zone 9), the Town of Discovery Bay Board of Directors adopts a Resolution annually, which directs HERWIT Engineering to prepare the assessment report. HERWIT provides the Draft of the Final Assessment Engineer's Report to District Staff. In that report, HERWIT determines assessed costs per parcel based on the operating budget. Herwit Engineering lists all factors leading to any increased assessment and the funds needed to maintain the reserve amount and cover the increased cost of operations. The Annual Assessment can be viewed on the Districts website. For the Fiscal Year 2025- 2026, it is estimated a small CPI increase to \$173,100.

Year	Number of Lots	Engineers Rate	Year/Year
FY2006	203	Baseline established	% Change
FY2007	203	431.00	
FY2008	203	431.00	0.00%
FY2009	203	431.00	0.00%
FY2010	203	406.00	-5.80%
FY2011	203	406.00	0.00%
FY2012	203	561.20	38.23%
FY2013	203	555.76	-0.97%
FY2014	203	563.94	1.47%
FY2015	203	602.92	6.91%
FY2016	203	606.94	0.67%
FY2017	203	625.78	3.10%
FY2018	203	658.50	5.23%
FY2019	203	658.50	0.00%
FY2020	203	707.00	7.37%
FY2021	203	714.84	1.11%
FY2022	203	742.04	3.81%
FY2023	203	779.12	5.00%
FY2024	203	811.78	4.19%
FY2025	203	842.36	3.77%
FY2026	203	853.06	1.27%

## Community Center Program Fees

As previously shown, the District offers a variety of classes at the Community Center located in Zone 8 to engage the community of all ages. The classes include exercise classes like yoga and Zumba, tennis, aquatic lessons, and other miscellaneous classes. The rates vary by course offer and the arrangement is that the District receives 25% of the fee charged by the instructor. The District will charge the full amount and reimburse the instructor for their portion. It is estimated that program fees will be \$75,000



## Interest Earnings

The District has adopted an investment policy (Policy #003) that allows for the District to invest in investment vehicles that will return a favorable yield only after the requirements of safety and liquidity are met. Presently, the District invests excess funds of approximately \$18 million across all funds with a money market account and a local government investment pool, California CLASS. Based on the anticipated rates between 3-4%, the District anticipates approximately \$570,000 in interest earnings.

Those amounts are estimated to be allocated as follows:

Fund	Estimated Budget
10 Administration	\$6,000
20 Water	\$257,000
21 Wastewater	\$245,000
40 Zone 9	\$51,000
41 Zone 9	\$11,000
<b>Total Interest Earnings</b>	<b>\$570,000</b>

## Miscellaneous

The District also receives miscellaneous other revenues during the year that represent developer reimbursement costs, county reimbursements for the special zones, rentals, administrative fees pertaining to new connections, and other minor amounts. These amounts total about \$553,500.

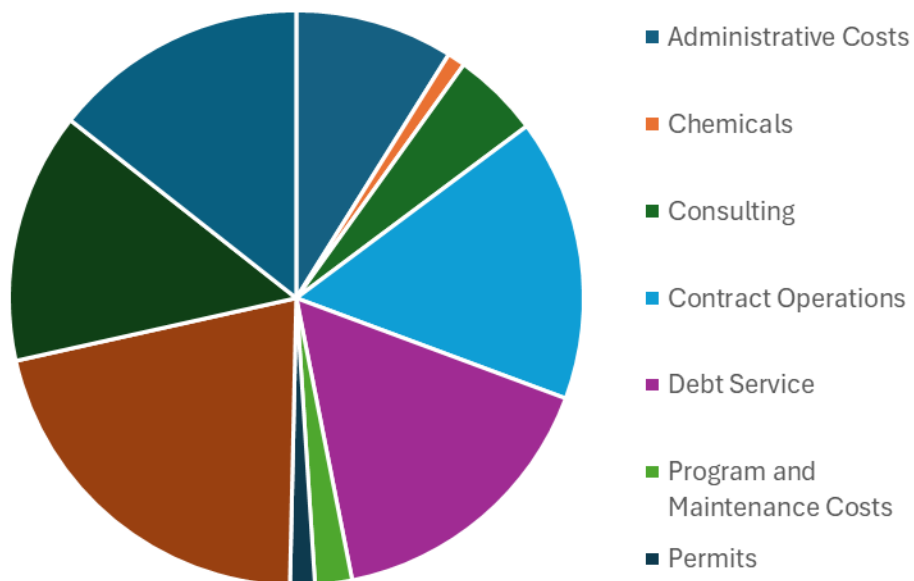
## FISCAL YEAR 2025-2026 OPERATING EXPENDITURES/EXPENSES

Fiscal Year 2025-2026 by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Administrative Costs		518,000	600,100	140,300	23,500	\$ 1,281,900
Chemicals		145,000				\$ 145,000
Consulting		484,500	219,500			\$ 704,000
Contract Operations		915,000	1,370,000			\$ 2,285,000
Debt Service		534,500	1,800,500			\$ 2,335,000
Program and Maintenance Costs	72,500			165,500	61,200	\$ 299,200
Permits		60,000	140,000			\$ 200,000
Salary and Benefits	200,000	1,223,600	884,300	673,800	63,000	\$ 3,044,700
System Maintenance		1,372,000	660,000			\$ 2,032,000
Utilities		900,000	940,400	207,000	24,200	\$ 2,071,600
Total	\$ 272,500	\$ 6,152,600	\$ 6,614,800	\$ 1,186,600	\$ 171,900	\$ 14,398,400

For Comparison: Fiscal Year 2024-2025 Expenses by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Administrative Costs		537,000	520,700	170,300	26,300	\$ 1,254,300
Chemicals		100,000				\$ 100,000
Consulting		485,000	230,000			\$ 715,000
Contract Operations		840,000	1,260,000			\$ 2,100,000
Debt Service		539,912	1,799,908			\$ 2,339,820
Program and Maintenance Costs	71,400			119,000	63,500	\$ 253,900
Permits		50,000	125,000			\$ 175,000
Salary and Benefits		1,186,107	872,808	636,388	65,210	\$ 2,760,513
System Maintenance		1,055,000	675,000			\$ 1,730,000
Utilities		652,000	798,000	209,000	25,200	\$ 1,684,200
Total	\$ 71,400	\$ 5,445,019	\$ 6,281,416	\$ 1,134,688	\$ 180,210	\$ 13,112,733

More detailed explanation of variances provided under Section 6

### Fiscal Year 2026 Expenses



Description	Expenses	% of Total
Administrative Costs	1,281,900	9%
Chemicals	145,000	1%
Consulting	704,000	5%
Contract Operations	2,285,000	16%
Debt Service	2,335,000	16%
Program and Maintenance Costs	299,200	2%
Permits	200,000	1%
Salary and Benefits	3,044,700	21%
System Maintenance	2,032,000	14%
Utilities	2,071,600	14%
<b>Total</b>	<b>\$ 14,398,400</b>	<b>100%</b>

## Salary and Benefits

The District is led by the General Manager who oversees the staff of the various departments including Administration, Finance, Parks and Recreation, Water and Wastewater Operations. Through their collective efforts, the District strives to meet the demands of our community. While the staff are organized by departments, there is an effort to streamline some processes that may have them to reflect their time to another fund's budget. The Administration and Finance staff time is allocated to the various efforts based on an approximation of their time spent supporting the parks/landscape efforts, recreation efforts, the water efforts and wastewater efforts. This time is reviewed annually to reflect the level of effort to process and report information for each fund type. Most of the time is spent towards Water and Sewer funds and the balance is shared amongst Zone 8 which has both landscape and community center and Zone 9.

In Fiscal Year 2024-2025, there were opportunities to make some staff changes to elevate and promote internal staff which creates opportunities to add some new positions, specifically, recreations coordinator and landscape coordinator. The introduction of these new positions allows for more effective management and response to the District's priorities. The District also filled is open position with the assistant general manager and account clerk. For Fiscal Year 2025-2026, the District has decided to fill one landscape position that had previously been contracted through the conservation corps.

The breakdown of the staff's efforts are as follows:

Special Administration	6%
Water	39%
Wastewater	29%
Zone 8 / Community Center	12%
Zone 9	<u>12%</u>
Total Payroll Budget	100%

In addition to the regular staff position noted in the position headcount table, the District also hires seasonal staff to support the Community Center programming. This includes recreation leaders and swim/lifeguard instructors. To ensure that there is fair compensation to the employees, the District has a multi-step pay scale which is adjusted by a CPI (Consumer Price Index) of 5% on July 1, 2025. The General Manager compensation is determined by the Board of Directors. The District is currently working with a consultant to update its Classification and Compensation Study; the last one completed over 10 years ago. The information gained from the study will inform the employees are properly classified and competitive in the marketplace. The full study is expected to be completed by September 2025 for which an evaluation of individual employees will be made at that time. For the purposes of potential adjustment, there is funding available within the salary budget. In addition to the internal District staff, the water and wastewater operations are supported by external contractors. The facilities are managed by Veolia Water and the District Engineer by two contracts.

Position Headcount (budgeted)

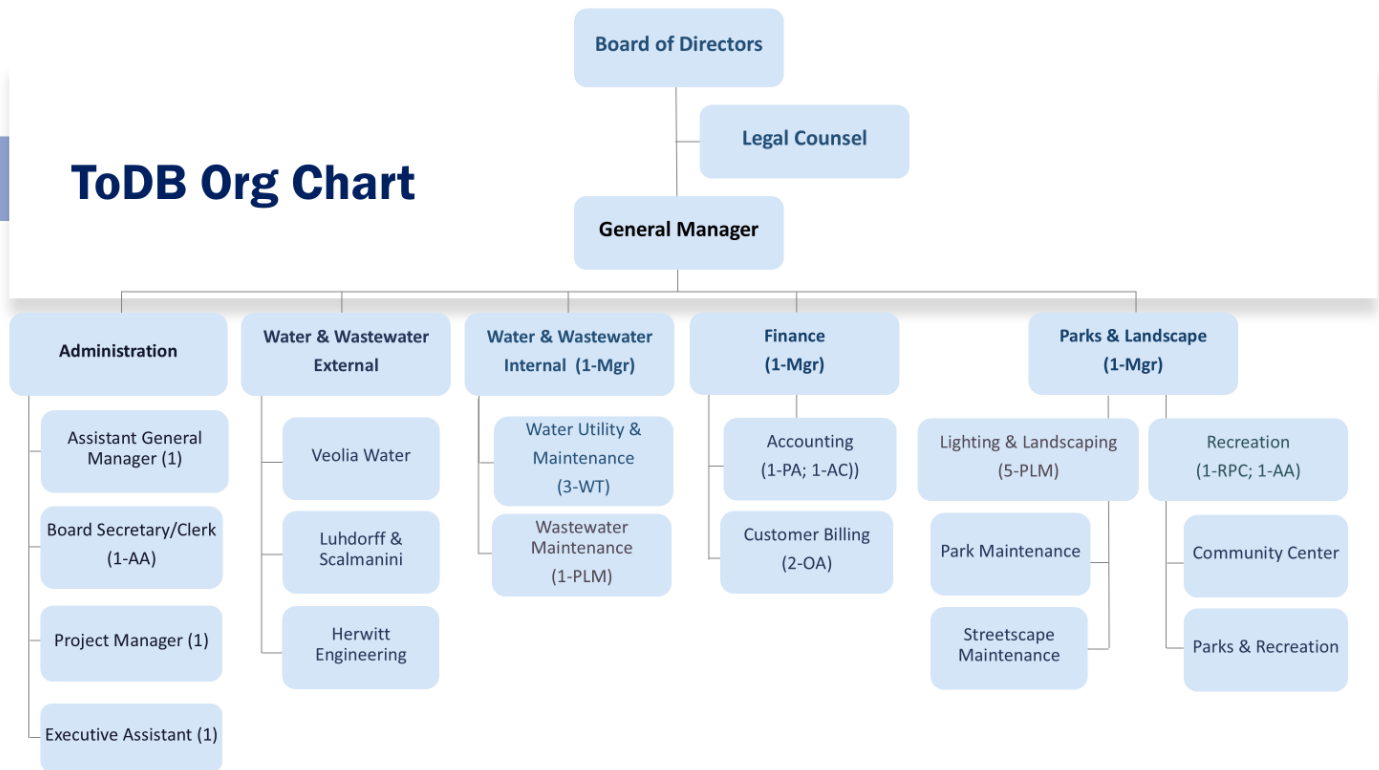
Position Title	FY2021	FY2022	FY2023	FY2024	FY2025	FY2025
Office Assistant	2	2	2	2	2	2
Administrative Assistant	2	2	2	2	2	2
Executive Assistant	1	1	1	1	1	1
Project Accountant	0	0	1	1	1	1
Accountant	1	1	1	0	0	0
Senior/Account Clerk	0	0	0	0	1	1
Water Services Technician I	2	2	2	2	2	2
Water Services Technician II	1	1	1	1	1	1
Parks & Maintenance Worker I	1	1	1	1	1	3
Parks & Maintenance Worker II	2	2	2	2	1	0
Parks & Maintenance Worker III	1	1	1	1	2	2
Recreation Programs Supervisor	1	1	1	1	0	0
Landscape Coordinator	0	0	0	0	1	1
Recreation Programs Coordinator	0	0	0	0	1	1
Parks & Landscape Manager	1	1	1	1	1	1
Water & Wastewater Manager	1	1	1	1	1	1
Finance Manager	1	1	1	1	1	1
Projects Manager	1	1	1	1	1	1
Assistant General Manager	1	1	1	1	1	1
General Manager	1	1	1	1	1	1
<b>Total</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>20</b>	<b>22</b>	<b>23</b>

Staff allocation to Funds – based on budgeted dollars

	Water	WasteWater	Zone 8	CC	Zone 9	Special Zones	Total
Direct Labor	4.2	2.1	2.4	2.5	0.4	1.4	14.0
Indirect Labor	4.7	4.7	0.2	0.2	0.1	0.1	10.0
	8.9	6.8	2.6	2.7	0.5	1.4	23.0

The organizational chart reflects the entirety of the full-time equivalent District employees.

## ToDB Org Chart



v07-01-2025

2

Assembly Bill ("AB") 2561 adds Government Code Section 3502.3 to the Meyers-Milias-Brown Act ("MMBA"), imposing new obligations on public agencies related to tracking and presenting information on job vacancies. The new law and the legal obligations thereunder take effect January 1, 2025.

Under Government Code Section 3502.3, public agencies must now do the following:

1. Track job vacancies at the agency;
2. Present information on the status of the vacancies (such as information on the number of posted job openings, candidates interviewed, eligibility lists created, conditional offers made, etc.) and the agency's recruitment and retention efforts. An agency must present this information at a public hearing before the agency's governing body at least once per fiscal year. If an agency adopts an annual or multiyear budget each year, the public hearing must occur prior to the governing body adopting the agency's budget; and
3. Identify, during the public hearing, any policies, procedures, and recruitment activities that may present obstacles in the agency's hiring process and potential changes that may alleviate such obstacles.

District has complied with AB2561.

## **Benefits**

The District employee's pay is supplemented by District paid benefits and accessibility to other benefits which the employee may opt for themselves and their family members. The District will pay 100% of the employee cost for medical, dental and vision, and 80% of the employees' dependent for medical premium only. The employee may obtain dental and vision insurance benefits for their family members, but the employee will bear these costs as a payroll deduction. For those employees who waive insurance premiums, the District will pay \$125 per pay period and this amount is contributed to the 457 Plan held at Empower. The District will match up to annual contribution of \$5,000 to a 457-retirement benefit plan. In addition, the District will pay for pay the premium for a life insurance policy valued at \$20,000 and the cost to have an EAP benefit. Benefits are obtained through Special District Risk Management Association (SDRMA) and California Choice.

In addition, the District offers holiday, and vacation pay, and administrative leave and car allowance are provided to a limited few. More information about the employees' benefits can be found in the [Personnel Manual](#) (Policy 005).

## **Consultants**

To support the operations, the District hires qualified professionals to provide engineering support. Due to the size of the agency, the added support from Herwit (Wastewater) and LSCE (Water) provides important engineering support from project engineering, special studies, and construction support. In addition, the District also has several professionals that support the District's financial and debt management for the agency, and the costs associated for an annual audit.

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

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

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

## **Contract Operations**

Veolia Water supports the District's activities of providing clean drinking water and collecting and treating wastewater/sewerage water. They have a small team located at the District facilities to manage the District's operations and bring additional resources to address matters to effectively manage these assets and perform the necessary operations. As part of their services, they did incur some direct costs and seek reimbursement of those costs. The District currently has a five-year agreement that expires in 2026.

## **Utilities**

Electricity is acquired from PG&E and is the largest component in this category. The District is exploring Veolia options to reduce this essential cost. In addition, the landscape department does incur water costs from the Town of Discovery Bay (a revenue to Fund 20 – Water). Costs for waste disposal are managed through Mt. Diablo Resource Recovery.



## **Chemicals**

Purchases of sodium hypochlorite for the water operations have been transferred to Veolia as contract operator to take full advantage of their buying power and competitive pricing. It also helps the District to receive deliveries when needed. Wastewater operations also minimally use chemicals, and these costs are incurred and pass through from Veolia.

## **Facility Maintenance**

For the water and wastewater operations, facility maintenance includes the general repairs necessary to maintain the District facilities outside of those costs incurred under Veolia. For the landscape department, the facility maintenance costs include the supplies necessary at the parks and streetscape, and the third-party support to complement the District staff in maintaining the extensive landscape system. In addition, the costs to maintain the District's small fleet of vehicles for both the water/wastewater operations and landscape departments are within this category.

## **Administrative Costs**

The costs represent the general office-related costs of supplies, printing, technology support, bank charges and other costs related to the department activities. The most significant cost in this category represents the property and liability insurance from SDRMA.

## **Debt Service**

As reflected in Section 9, the District has incurred debt to help finance its water and wastewater facilities. Most notably are the investment in wells and meter projects for the Water operations and emergency storage facility, filtration system, and denitrification facility for Wastewater operations.

The District obtained this debt through the Discovery Bay Public Financing Authority through three separate bond transactions. The District has a separate fund to manage the debt and when the semi-annual debt service payments are required the Water Fund (20) and Wastewater Fund (21) will pay the trustee to deposit funds into the trustee restricted for the purpose of meeting this obligation to the bondholders. The breakdown of the annual transfers is as follows:

Fund 20	Water	\$ 534,500
Fund 21	Wastewater	\$1,800,500

## Permits

To ensure the District meets regulatory requirements to operate its treatment facilities, they are required to maintain certain state and regional permits.

In addition to the operating expenditures noted above, the District also has Capital **Expenditures**. As reflected in Section 7, the District has developed a five-year capital plan that describes the projects, costs, and timing to make investment, and rehabilitate or replace existing facilities. The capital plan is developed by the efforts of the District staff, consultants and contract operators who understand the needs of the District to meet the mission and goals for the agency. Through existing reserves, annual set aside of net revenues or pursuit of debt, the District plans for the most cost-effective method to pay for these investments.

## DEPARTMENT DESCRIPTION AND OUTLOOK

The District is organized as a community services district and approved to provide services to the local community in water, wastewater, lighting, landscaping, and recreation. The efforts are each funded by a different revenue source and therefore it is important to track the direct and indirect costs incurred. The District maintains separate funds within its accounting software to ensure that it can record, track, and monitor the revenues and costs of each fund.

To support the District's operations, the Administration and Finance Departments provide an essential role in ensuring that timely information and reporting are available to each department to meet the demands of water and wastewater department, and parks and recreations department. The associated costs incurred by Administration and Finance staff are charged to the departments based on allocating their costs to those departments that benefit from them. For instance, the costs related to water and wastewater for debt management (i.e., financial advisory services) will be charged directly to Fund 20 (Water) and/or Fund 21 (Wastewater). Other costs are allocated based on usage such as office utilities and technology support.

### Administration Department

The Administration Department oversees the administrative duties of the District from records management, agenda preparation, and supports the General Manager office with completion of required reporting, human resource duties, and risk management.

### **Key Achievements**

- ✓ Engaged communications consultant to provide support for enhancing public outreach
- ✓ Initiated Classification and Compensation Study of all employees with full study to be completed in the first quarter 2025-2026.
- ✓ Approval of Workplace Prevention Plan (Policy 035) and conduct training
- ✓ General Manager and Finance Manager received Certified Special District Manager designation from the Special District Leadership Foundation
- ✓ Certified as Platinum District with the Special District Leadership Foundation

### **Outlook**

- Work with surplus management company to offload assets no longer in use
- Increase engagement with community by developing partnerships and social media promotion.

## **Finance Department**

The Finance Department operates under the Board of Directors who are the policy-making body of the District. The General Manager serves as the administrative head and Treasurer of the District. The department is responsible for processing vendor payments, payroll, utility, and other miscellaneous billings. In addition, it is responsible for preparing and monitoring the annual budget, ensuring adherence to District policies and procedures. When necessary, the District may issue finance capital facilities.

### **Key Achievements**

- ✓ Finalized the 2025 Water and Wastewater Rate Study and Conduct Prop 218 Notification and Hearing.
- ✓ Board Approval to proceed forward with new financial software implementation
- ✓ Board approved revised Policy 031 (Financial) and added Policy 034 (Capital Asset)
- ✓ Implemented a new commercial credit card program
- ✓ Receive Meritorious Award for Budget from California Society of Municipal Finance Officers (first submission)
- ✓ Timely completion of Fiscal Year 2023-2024 audit and financial reporting

### **Outlook**

- Implement Tyler ERP Pro 10 as new financial software
- Preparing its first Annual Comprehensive Financial Report (ACFR)
- Enhance financial forecasting model

## Water Department

The Water Department's focus is to provide water production, treatment, and distribution to over 6,000 homes and businesses. Specifically, the Water Department includes information necessary for the Board of Directors to establish priorities and make well-informed decisions concerning the District's water systems. In addition, the department has a water quality program for the enforcement of regional water quality regulations. Response procedures have been developed to react to citizen water quality complaints and to pursue water misuse observed in the field.

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

## Wastewater Department

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

### Water and Wastewater Key Achievements

- ✓ Completion of Marlin/Marina pipeline liner project
- ✓ Completion of Willow Lake filter project
- ✓ Updated Wastewater Operations and Maintenance Manual to reflect new facilities and processes
- ✓ Completion of community center sewer pipeline replacement
- ✓ Completion of Newport Lift Station

### Water and Wastewater Outlook

- Develop and roll out Cross Connection plan to comply with state requirements
- Completion of Well 8 Project.
- Rehabilitation of Village 2 and 4 lift station
- Implementation of districtwide GIS system
- Pursuit of solar projects to produce energy savings

## Lighting and Landscaping Services Department

The Parks and Landscaping Department provides for the planning, maintenance and capital outlay of the parks and landscaping network in Discovery Bay which includes preventative maintenance on streetscapes design and planting and ensuring proper drainage. The Department maintains and replaces plants and trees to provide health, vitality, manages lists to project funding and scheduling future repairs, projects, and replacement.

### Key Achievements

- ✓ Installation of new play structure at Cornell Park and splashpad at Ravenswood Park
- ✓ Relandscape medians complying with state requirements for water efficiency
- ✓ Pilot WeatherTRAK smart irrigation system at Cornell Park
- ✓ Landscape cleanup and weed abatement throughout the District

### Outlook

- Rehab Discovery Bay entrance sign.

## Recreation Services Department

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

### Key Achievements

- ✓ Successful introduction of new programming for all ages at the Community Center
- ✓ Completion of the Community Center Patio Project

### Outlook

- Community Center improvements



## Section 6: FUND BUDGETS AND TREND INFORMATION

DRAFT

# FUND BUDGETS AND TREND INFORMATION

## FUND 10

### Special District Administration Services Revenue, Operations & Maintenance and Capital Improvements

*As these direct costs for landscaping services are to be fully reimbursed by the Contra Costa County, the District separately manages the costs related to oversight of the County's zones. Certain costs for the use of the District's equipment are reflected as County reimbursements in Zone 8 and Zone 9.*

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

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

Description	Fiscal Year 2025-2026
Revenues - Interest Income	6,000
Revenues - County Reimbursement	272,500
Expense - Landscape - Staff	(200,000)
Expense - Landscape Services	(72,500)
Net	6,000

The interest earned may be used for general purposes for the District. The prior year's budget did not reflect the reimbursed portion of the district's staff time to support the county zones. These amounts are also fully reimbursed by the County.

## FUND 20

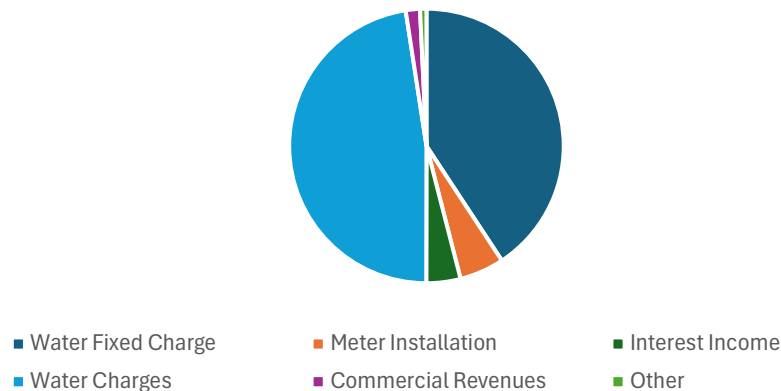
### WATER FUND

The District provides water service to over 6,000 residential and commercial accounts. The Department staff consist of a manager and water technicians to ensure delivery of potable water. The facilities are managed by a third-party contractor, Veolia. Any evaluations for service are discussed by staff, Veolia and the District, a third-party consultant, LCSE. This fund is supported by revenue charges and rates set by the approved Board action after Proposition 218 process. The new rate study was prepared in 2025 and goes through the fiscal year 2029-2030.

#### Fund 20 – Water Expenses

Fiscal Year Trend - Fund 20 Revenues						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<b>Budget</b>	<b>Budget</b>
Water Fixed Charge	1,549,250	1,574,060	1,604,898	1,632,676	1,758,000	2,600,300
Meter Installation	333,823	336,196	335,409	334,650	336,000	336,000
Interest Income	-	-	85,944	426,183	425,000	257,000
Water Charges	2,960,014	2,809,584	2,814,276	2,495,806	2,901,000	3,035,000
Meter Charge - Commercial	87,416	88,288	89,455	89,286	90,000	107,000
Other	124,564	120,251	233,130	377,402	70,000	48,000
<b>Total Revenues</b>	<b>\$ 5,055,067</b>	<b>\$ 4,928,379</b>	<b>\$ 5,163,112</b>	<b>\$ 5,356,004</b>	<b>\$ 5,580,000</b>	<b>\$ 6,383,300</b>

Fiscal Year 2026 - Water Fund Revenues

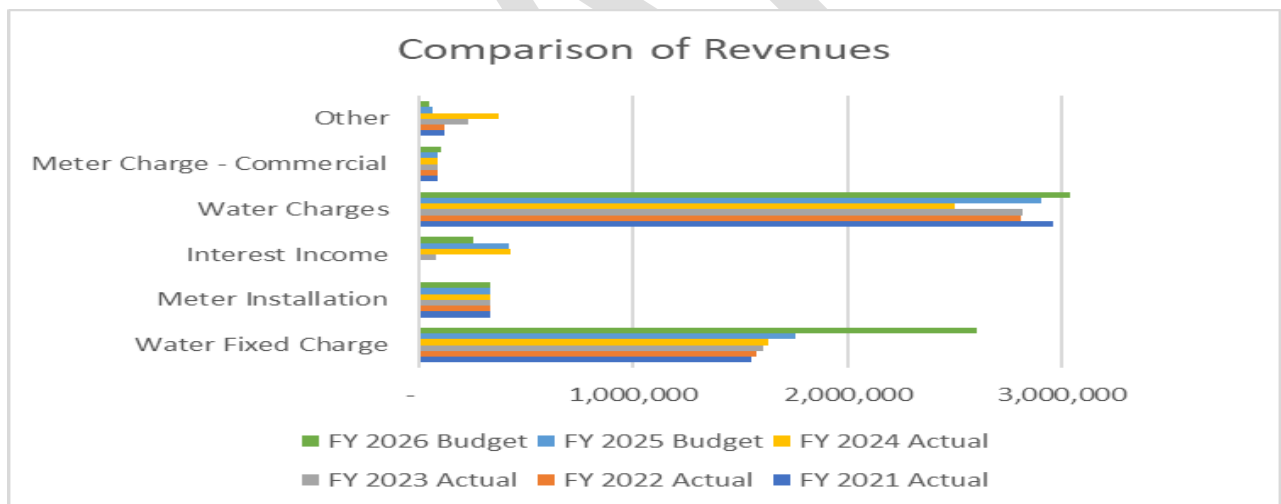




As the five-year trend shows, the revenues are steady during the period. The main change in previous years is the District's decision to invest its reserves into Money Market and local government investment pool called California CLASS. However, the anticipated interest income is expected to decline as the District uses its reserves to fund capital projects.

Approximately 40% of the funding is a fixed charge that is generated for the portion of the revenue requirement that is placed on the property tax roll. This funding supports the ongoing capital infrastructure necessary to support the system expansion and asset renewal as determined from the 2025 cost of service study. The water charges represent nearly 50% of the total revenues and assumes of water use taking a five-year average to address the variability in residential, commercial and irrigation use that may occur during the year. The meter installation revenue is the expected source to repay the debt for the 2017 meter project and is expected to run through June 2027.

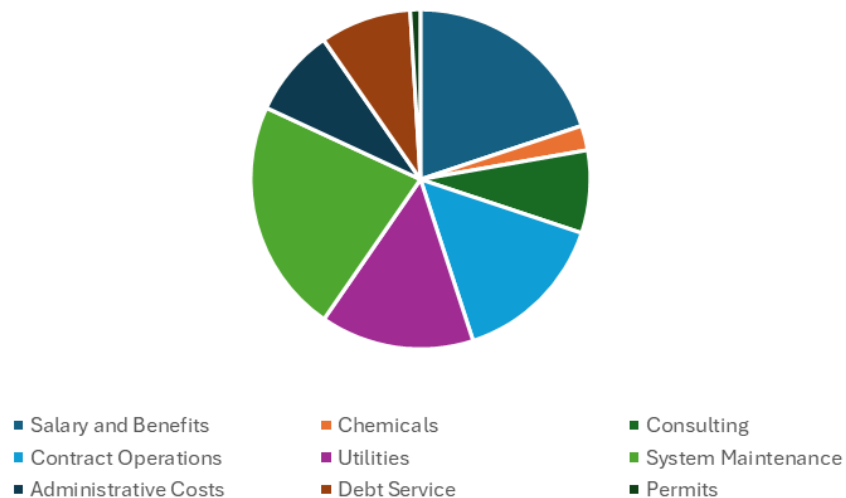
During the year, the District may earn revenue from capacity and connection fees. These funds are not budgeted as the District does not have a firm commitment from the developer that these funds may be received in any given year. While the funds may be used to determine debt coverage, the funds are to be used for capital projects and the District will report on the accounting of these funds on an annual basis.



## Fund 20 – Water Expenses

Fiscal Year Trend - Fund 20 Expenses						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Actual	Actual	Budget	Budget
Salary and Benefits	571,236	592,219	642,690	690,159	1,186,107	1,223,600
Consulting	383,652	302,078	252,641	234,476	485,000	484,500
Contract Operations	857,187	1,110,394	817,720	860,804	840,000	915,000
Utilities	525,090	524,284	644,125	624,667	652,000	900,000
Chemicals	5,938	36,586	59,125	106,146	100,000	145,000
System Maintenance	724,387	982,866	1,166,155	1,029,081	1,055,000	1,372,000
Administrative Costs	308,356	380,716	485,839	497,801	537,000	518,000
Debt Service	143,608	255,843	540,562	538,351	539,912	534,500
Permits	39,645	53,982	57,636	43,148	50,000	60,000
<b>Total Expenses</b>	<b>\$ 3,559,099</b>	<b>\$ 4,238,968</b>	<b>\$ 4,666,493</b>	<b>\$ 4,624,633</b>	<b>\$ 5,445,019</b>	<b>\$ 6,152,600</b>

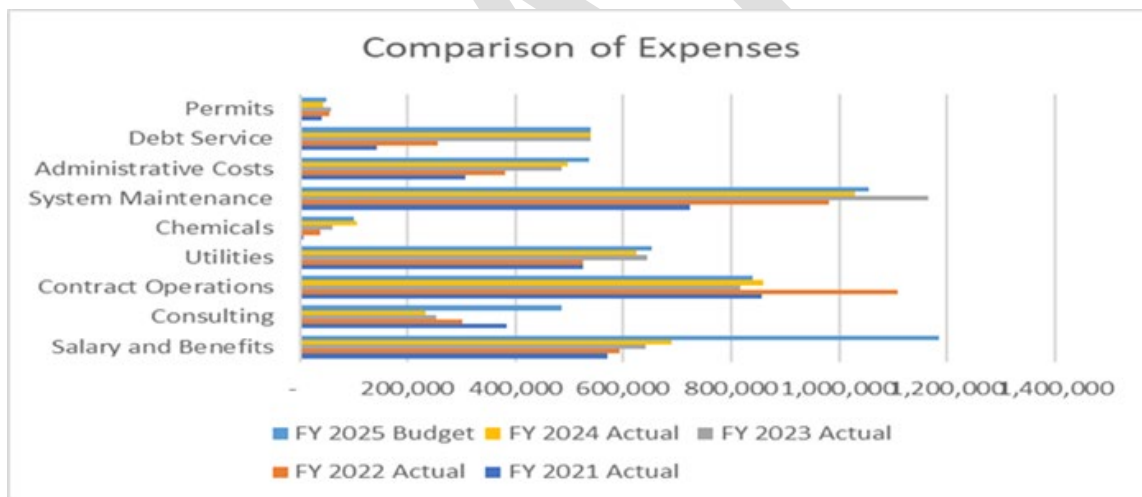
Fiscal Year 2026 - Water Fund Expenses



The cost of producing potable water has increased over the five-year period. The increase in salary and benefits represents the increased effort from the direct staff and indirect labor that had been previously reflected in other funds. Consulting costs represent the fiscal and operational costs necessary to support the water system from debt compliance and regulatory compliance.

The District's electricity costs have also seen a year over year increase due to expected rate adjustments through the provider. It is expected to increase at a minimum of 12% although recent years have seen twice the long-term average. As a result, the District is pursuing solar projects where low-cost financing is available to construct these facilities and anticipate to initially offset the cost of additional debt but then reduce operating cost into the future.

During this period, the chemical cost increased and is now managed by the contract operator who has the buying leverage to assist the District ensure timely and cost-effective pricing. Administration costs over this period have increased due to the cost of property and liability insurance for the addition of new assets. Finally, the increase in debt service during this period reflects payments due for the 2022 financing transaction where the District received funds for the construction of Well 8.



## Fund Detail

Fund 20- Water		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026
Water Revenues		Actual	Budget	Actual	Budget	Budget	Budget
20-31-5102	SEC Collections Account Charge	1,603,797	1,598,310	1,632,676	1,627,047	1,758,000	2,600,300
20-31-5145	Meter Installation	335,409	335,218	334,650	335,218	336,000	336,000
20-31-5149	Developer Deposit			82,538	-	25,000	-
20-31-5151	Grants	2,970	-	28,172	-	-	-
20-31-5179	Misc. Water Service Fees	36,594	10,000	28,648	25,000	27,000	30,000
20-31-5195	Interest Income	85,994	-	426,183	137,500	425,000	257,000
20-31-5226	Water Meter Rental	1,100	500	1,125	500	1,000	1,000
20-31-5243	Other	133,679	10,000	53,047	25,000	15,000	15,000
20-31-6000	Water Charges	2,814,276	2,901,000	2,495,806	2,901,000	2,901,000	3,035,000
20-31-6030	Connection Fees CIP	1,500	6,000	3,400	200	-	-
20-31-6045	Capacity Fee CIP	55,528	15,000	171,632	7,500	-	-
20-31-6046	Permit Fee	1,100	5,000	3,400	200	1,000	1,000
20-31-6047	Inspection Fee	1,760	5,000	5,440	200	1,000	1,000
20-31-6086	Meter Charge Commercial	89,455	85,000	89,286	85,000	90,000	107,000
	Subtotal - Revenues	5,163,162	4,971,028	5,356,004	5,144,365	5,580,000	6,383,300

Fund 20- Water		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026
Water Expenses		Actual	Budget	Actual	Budget	Budget	Budget
20-41-7000	Salary and Wages	536,815	592,103	528,471	690,013	905,932	933,000
20-41-7001	Overtime	1,452	2,000	-	2,000	-	-
20-41-7003	ER Taxes	39,828	59,210	40,778	69,001	80,175	82,600
20-41-7030	Group Insurance	81,900	110,000	83,143	100,000	140,000	150,000
20-41-7045	Workers Comp	18,475	19,200	20,294	19,320	38,000	28,000
20-41-7060	457 Plan	25,788	30,000	17,474	30,000	22,000	30,000
20-41-7075	Reimbursement of Wages	(6,000)	-	-	-	-	-
20-41-7105	Reimbursement of Insurance	-	(40,000)	-	(40,000)	-	-
20-41-7135	Vacation	4,832	-	-	-	-	-
20-41-7150	Temporary Employees	39,977	3,000	-	3,000	3,000	3,000
20-41-7165	BOD Compensation	11,960	22,500	11,656	22,500	15,000	15,000
20-41-7180	Training Conferences Travel	11,950	31,000	15,765	30,000	20,000	15,000
20-41-7181	Travel & Meetings - BOD	-	-	984	-	5,000	3,000
20-41-7225	Memberships	10,160	9,000	11,126	15,000	8,000	8,000
20-41-7255	TODB Sponsored Events	-	10,000	1,580	10,000	1,000	1,000
20-41-7271	Consulting Services	202,349	285,700	184,662	261,124	420,000	430,000
20-41-7272	Water Service Contract	722,976	720,000	860,804	745,000	840,000	915,000
20-41-7276	Contract Mailing	45,209	47,000	48,597	47,000	47,000	47,000
20-41-7280	Veolia Pass Through Expenses	94,744	132,500	146,358	100,000	186,000	180,000
20-41-7286	Legal - General	36,282	70,000	34,591	50,000	40,000	35,000
20-41-7288	Legal - Litigation	-	10,000	-	10,000	5,000	-
20-41-7301	Annual Audit Service	14,010	15,000	15,223	18,000	20,000	19,500
20-41-7316	Election Expense	5,363	6,000	-	6,000	7,900	-
20-41-7317	Advertising	168	2,000	278	2,000	1,000	1,000
20-41-7318	Public Relations	421	1,000	838	1,000	-	-
20-41-7319	Internet Website	2,304	4,800	2,707	4,800	-	-
20-41-7325	Water Conservation	-	-	-	10,000	4,000	4,000
20-41-7345	Communications and Notice	141	2,400	695	2,400	-	-
20-41-7361	Telephone - General	4,544	5,750	7,768	5,750	14,000	10,000
20-41-7362	Telecom - Networking	8,021	5,600	8,340	10,000	7,000	7,000
20-41-7363	Telephone - cellular	4,709	6,000	4,321	6,000	-	4,000

Fund 20- Water		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026
Water Expenses		Actual	Budget	Actual	Budget	Budget	Budget
20-41-7376	Construction Material Repair	67,577	137,500	29,186	137,500	80,000	102,000
20-41-7392	Vehicle & Equipment - Fuel	12,783	15,000	9,491	15,000	12,000	8,000
20-41-7393	Vehicle & Equipment - Sup & Rep	6,636	6,000	2,493	7,000	7,000	10,000
20-41-7404	Water Meter and Registers	138,659	70,000	206,906	80,000	120,000	232,000
20-71-7406	General Repairs	869,500	450,000	634,647	750,000	650,000	840,000
20-41-7409	Info System - Maintenance	20,884	23,000	32,981	23,000	85,000	40,000
20-41-7410	Equipment Maintenance	2,459	3,600	2,504	3,600	2,000	4,000
20-41-7411	Software Hosting	37,516	40,000	22,383	40,000	-	55,000
20-41-7412	Computer Equipment & Supplies	2,478	3,500	5,052	3,500	-	-
20-41-7413	Miscellaneous Small Tools	10,602	4,000	3,128	4,000	4,000	8,000
20-41-7414	Equipment Repair	376	400	2,271	400	-	-
20-41-7415	Computer Software	3,019	4,000	761	4,000	-	-
20-41-7422	Minor Equipment/Furniture	-	2,000	-	2,000	5,000	5,000
20-41-7423	Office Furniture	-	3,000	-	3,000	-	-
20-41-7424	Postage	160	1,000	1,871	1,000	1,000	1,600
20-41-7425	Office Supplies	12,003	10,000	832	10,000	10,000	8,500
20-41-7437	Rent - Public Meetings	839	200	8,430	200	-	-
20-41-7438	Building - Rent	13,200	13,200	15,510	13,200	13,200	16,500
20-41-7439	Equipment Rental/Leasing	1,653	3,000	6,621	3,000	2,000	1,000
20-41-7440	Landscape Maintenance	27	5,000	11,676	2,000	20,000	20,000
20-41-7441	Building Maintenance	9,738	12,000	16,350	15,000	12,000	7,000
20-41-7451	Insurance Liability & Property	123,334	128,068	145,409	151,273	180,000	160,000
20-41-7466	Permits & Fees	57,636	45,000	43,148	50,000	50,000	60,000
20-41-7469	Personal Protective Equipment	1,721	3,000	1,975	3,000	3,000	3,000
20-41-7470	Safety Equipment and Supplies	136	1,400	-	1,400	-	-
20-41-7481	Utilities/Electrical Cost	636,494	575,424	604,260	628,762	640,000	882,000
20-41-7483	Utilities/Waste Cost	7,631	12,000	20,406	12,000	12,000	18,000
20-41-7495	Chemicals	59,125	50,000	106,146	120,000	100,000	145,000
20-41-7510	Freight	-	800	-	800	-	-
20-41-7511	UPS/Courier	-	320	-	320	-	-
20-41-7526	Miscellaneous Bank Charges	25,557	25,000	27,906	27,000	30,000	60,000
20-41-7527	Miscellaneous Services & Supplies	1,516	1,500	1,258	1,500	2,500	5,000
20-41-7532	Miscellaneous	5,942	2,000	(2,088)	2,000	-	-
20-41-7533	Bad Debt	-	5,000	2,201	5,000	2,500	-
20-41-7534	Special Expense	2,838	-	2,105	-	2,000	2,000
20-41-7536	Debt Service	540,562	548,940	538,351	539,223	539,912	534,500
20-41-7545	Revenue Collection	2,166	2,400	-	2,400	2,400	2,400
20-41-7547	Payroll Wire Transfer Fee	292	500	1,117	500	-	-
20-41-7549	Public Works - Permits	-	20,000	-	20,000	-	-
20-41-7550	Property Taxes	161	1,200	2,382	1,200	2,500	1,000
20-41-7587	Developer Deposit Reimbursement	72,896	10,000	70,511	25,000	25,000	-
	Subtotal - Expenses	4,666,493	4,400,715	4,624,633	4,938,687	5,445,019	6,152,600
	Net Revenues (Loss)	\$ 496,669	\$ 570,313	\$ 573,060	\$ 205,678	\$ 134,982	\$ 230,700
	Net Revenues, before Debt Service	\$ 1,037,230	\$ 1,119,253	\$ 967,397	\$ 744,902	674,893	765,200
	Debt Coverage	1.92	2.04	2.45	1.38	1.25	1.43

Based on bond documents, the District needs to maintain debt coverage of at least 1.25. The 2025 rate study evaluated the necessary rates to pay for operations and capital projects, maintain cash levels and support annual contribution targets for the District's revolving funds. Maintaining cash levels and debt coverage are important to the District's credit rating with S&P who has rated the District AA.

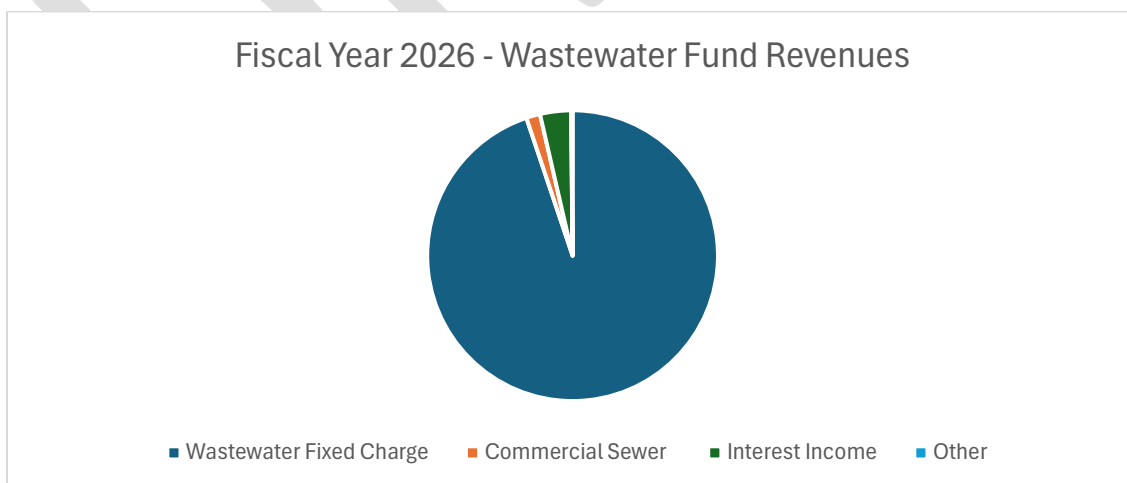
# FUND 21

## WASTEWATER

The District provides wastewater collection, treatment, and distribution services to approximately 6,000 homes and businesses located in the town. The wastewater treatment process goes through two (2) separate conveyance systems which are interconnected and are dependent upon each other for various functions. To facilitate and transport the raw wastewater to the main wastewater treatment, the District utilizes 17 wastewater lift stations to move the waste through 50 miles of sewer mains. The plants can produce an average of 1.2 million gallons of wastewater per day. The wastewater treatment plants currently include an influent pump station, influent screening, and secondary treatment facilities using oxidation ditches, sand filters, and ultraviolet (UV) disinfection before discharging the treated water into Old River.

### Fund 21 – Wastewater Revenues

Fiscal Year Trend - Fund 21 Revenues						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<b>Budget</b>	<b>Budget</b>
Wastewater Fixed Charge	5,991,417	6,087,297	6,182,320	6,278,074	6,486,500	6,760,000
Sewer Charge - Commercial	110,517	114,535	116,124	163,999	120,000	110,000
Interest Income	-	-	78,415	395,523	400,000	245,000
Other	108,186	84,229	176,108	411,473	22,000	12,000
<b>Total Revenues</b>	<b>\$ 6,210,120</b>	<b>\$ 6,286,061</b>	<b>\$ 6,552,967</b>	<b>\$ 7,249,069</b>	<b>\$ 7,028,500</b>	<b>\$ 7,127,000</b>



This fund is supported by revenue charges and rates set by approved Board action after Proposition 218 process. The new rate study was prepared in 2025 and goes through the fiscal year 2029-2030. The wastewater account charge is a fixed charge representing 95% of the total revenues. Based on the rate consultant's analysis for wastewater, the overall increase to rates and charges is approximately 6% and may vary based on customer type.

As the five-year trend shows, the revenues are steady during the period. The main change is the District's decision to invest its reserves in the Money Market and local government investment pool called California CLASS. However, the anticipated interest income is expected to decline as the District uses its reserves to fund capital projects.

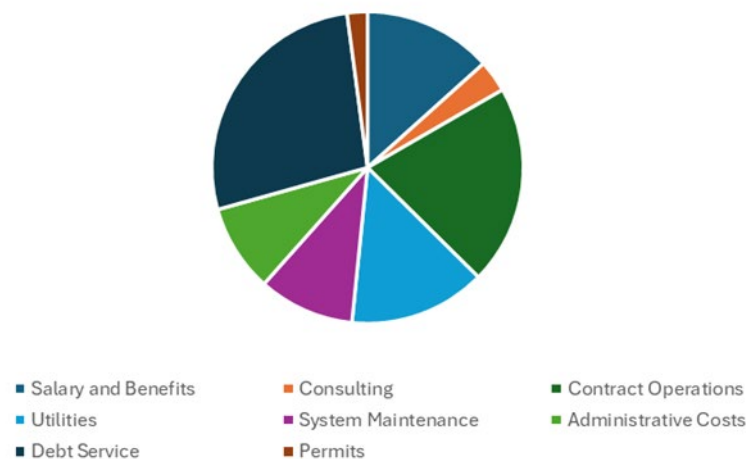
During the year, the District may earn revenue from capacity and connection fees. These funds are not budgeted as the District does not have a firm commitment from the developer that these funds may be received in any given year. While the funds may be used to determine debt coverage, the funds are to be used for capital projects. On an annual basis the District will report on the accounting of these funds.

## Fund 21 – Wastewater Expenses

Over the five-year period, the cost of wastewater operations increased in contract operations and utilities. The contract operations line item represents the estimated increase from Veolia's new agreement for their staff to manage the wastewater facility. In addition, it also includes the estimated pass-through costs for services and parts to help manage the wastewater system.

Fiscal Year Trend - Fund 21 Expenses						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<b>Budget</b>	<b>Budget</b>
Salary and Benefits	604,364	738,791	824,992	803,134	872,808	884,300
Consulting	211,027	158,910	94,755	107,509	230,000	219,500
Contract Operations	1,269,832	1,622,575	1,765,322	1,691,145	1,260,000	1,370,000
Utilities	505,558	563,929	713,172	711,157	798,000	940,400
System Maintenance	62,689	177,475	320,210	375,656	675,000	660,000
Administrative Costs	320,035	388,984	399,457	476,897	520,700	600,100
Debt Service	1,206,089	1,092,674	1,786,335	1,797,077	1,799,908	1,800,500
Permits	55,524	51,424	77,712	22,794	125,000	140,000
<b>Total Expenses</b>	<b>\$ 4,235,118</b>	<b>\$ 4,794,762</b>	<b>\$ 5,981,955</b>	<b>\$ 5,985,368</b>	<b>\$ 6,281,416</b>	<b>\$ 6,614,800</b>

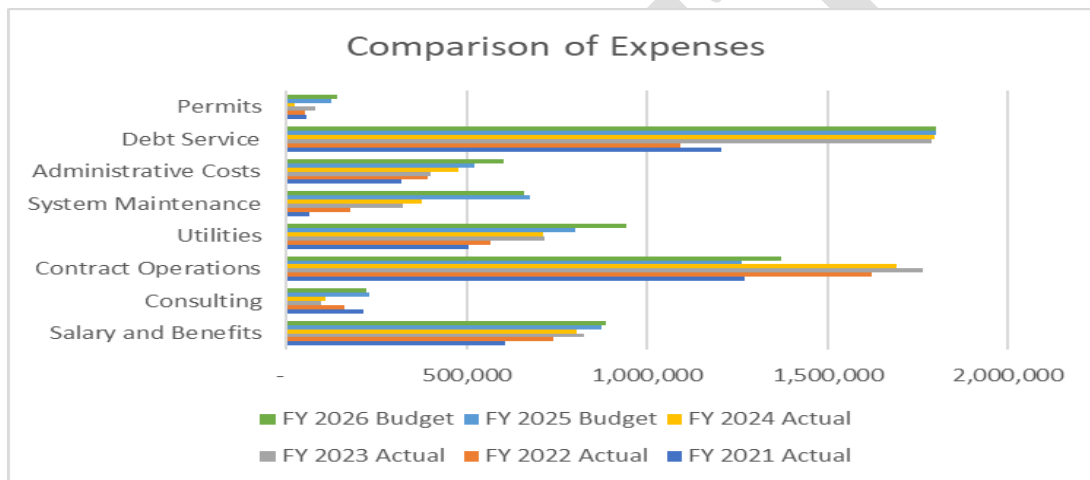
Fiscal Year 2026 - Wastewater Fund Expenses





The District's electricity costs have also seen a year over year increase due to expected rate adjustments through the provider. It is expected to increase at a minimum of 12% although recent years have seen twice the long-term average. As a result, the District is pursuing solar projects where low-cost financing is available to construct these facilities and anticipate to initially offset the cost of additional debt but then reduce operating cost into the future.

An increase in administrative costs represents the additional property insurance for the recent completion of the denitrification facility.



## FUND DETAIL

Fund 21- Wastewater		Fiscal Year 2023 Budget		Fiscal Year 2024		Proposed FY 2025	Proposed FY 2026
Wastewater Revenues		Actual	Budget	Actual	Budget	Budget	Budget
21-31-5101	Wastewater Account Charge	6,182,320	6,134,148	6,278,074	6,228,622	6,486,500	6,760,000
21-31-5149	Developer Reimbursements/Deposits	-	-	-	-	10,000	-
21-31-5151	Grant	-	-	-	-	-	-
21-31-5195	Interest Income	78,415	-	395,523	247,500	400,000	245,000
21-31-5243	Other	32,804	10,000	58,745	10,000	10,000	10,000
21-31-6015	Sewer Charge - Commercial	116,124	157,000	163,999	157,000	120,000	110,000
21-31-6030	Connection Fees CIP	700	10,000	2,700	200	-	-
21-31-6045	Capacity Fee CIP	140,844	65,000	345,708	24,000	-	-
21-31-6046	Permit Fee	-	5,000	-	200	1,000	1,000
21-31-6047	Inspection Fee	1,760	5,000	4,320	200	1,000	1,000
<b>Subtotal - Revenues</b>		<b>6,552,967</b>	<b>6,386,148</b>	<b>7,249,069</b>	<b>6,667,722</b>	<b>7,028,500</b>	<b>7,127,000</b>

Fund 21- Wastewater		Fiscal Year 2023 Budget		Fiscal Year 2024		Proposed FY 2025	Proposed FY 2026
Wastewater Expenses		Actual	Budget	Actual	Budget	Budget	Budget
21-41-7000	Salary and Wages	649,333	718,553	667,925	759,451	687,008	704,000
21-41-7001	Overtime	42	2,000	-	2,000	-	-
21-41-7003	ER Taxes	87,981	71,855	51,780	75,945	60,800	62,300
21-41-7030	Group Insurance	122,583	180,000	104,889	150,000	140,000	150,000
21-41-7045	Workers Comp	27,712	28,800	30,440	28,980	38,000	28,000
21-41-7060	457 Plan	36,670	45,000	30,374	45,000	22,000	30,000
21-41-7075	Reimbursement of Wages	(9,000)	-	-	-	-	-
21-41-7105	Reimbursement of Insurance	(97,452)	(50,000)	(85,733)	(50,000)	(75,000)	(90,000)
21-41-7150	Temporary Employees	59,966	5,000	-	5,000	3,000	3,000
21-41-7165	BOD Compensation	17,940	22,500	13,989	22,500	15,000	15,000
21-41-7180	Training Conferences Travel	15,596	30,000	14,674	30,000	20,000	15,000
21-41-7181	Travel & Meetings - BOD	-	-	1,342	-	5,000	3,000
21-41-7210	Dues and Subscriptions	-	2,600	-	1,000	-	-
21-41-7225	Memberships	7,353	12,000	8,353	12,000	8,000	8,000
21-41-7255	TODB Sponsored Events	-	10,000	2,369	10,000	1,000	1,000
21-41-7271	Consulting Services	45,521	156,300	46,157	186,300	140,000	165,000
21-41-7272	Water Service Contract	1,084,463	1,079,000	1,108,639	1,111,000	1,260,000	1,370,000
21-41-7280	Veolia Pass Through Expenses	680,859	240,000	582,506	340,000	585,000	568,000
21-41-7286	Legal - General	28,220	100,000	38,517	75,000	50,000	35,000
21-41-7288	Legal - Litigation	-	10,000	-	10,000	10,000	-
21-41-7301	Annual Audit Service	21,015	22,000	22,834	27,000	30,000	19,500
21-41-7316	Election Expense	7,958	10,000	-	10,000	7,900	-
21-41-7317	Advertising	478	3,000	2,157	3,000	2,000	1,000
21-41-7319	Internet Website	3,456	-	547	3,600	-	-
21-41-7345	Communications and Notice	212	3,600	4,061	3,600	-	-
21-41-7361	Telephone - General	10,165	15,000	19,804	15,000	11,000	18,000
21-41-7362	Telecom - Networking	14,930	15,000	13,273	18,000	11,000	11,000
21-41-7363	Telephone - cellular	5,016	6,000	4,806	6,000	11,000	4,000
21-41-7376	Construction Material Repair	11,807	3,000	-	3,000	-	-
21-41-7392	Vehicle & Equipment - Fuel	4,298	7,500	5,711	7,000	5,000	7,000
21-41-7393	Vehicle & Equipment - Sup & Rep	3,390	30,000	395	10,000	10,000	10,000
21-71-7406	General Repairs	192,736	75,000	369,550	75,000	75,000	75,000

Fund 21- Wastewater		Fiscal Year 2023 Budget		Fiscal Year 2024		Proposed FY 2025	Proposed FY 2026
Wastewater Expenses		Actual	Budget	Actual	Budget	Budget	Budget
21-41-7409	Info System - Maintenance	41,370	40,000	41,260	45,000	51,000	40,000
21-41-7410	Equipment Maintenance	6,266	5,400	3,269	5,400	2,000	4,000
21-41-7411	Software Hosting	19,618	17,400	10,313	14,000	-	55,000
21-41-7412	Computer Equipment & Supplies	2,222	6,000	79	6,000	-	-
21-41-7413	Miscellaneous Small Tools	6,875	3,000	2,972	2,000	3,000	3,000
21-41-7414	Equipment Repair	3,954	600	3,269	2,000	-	-
21-41-7415	Computer Software	4,397	1,500	1,478	3,000	-	-
21-41-7421	Cleaning Supplies	176	1,500	-	-	-	-
21-41-7424	Postage	11,669	10,000	947	1,500	1,000	1,600
21-41-7425	Office Supplies	1,257	-	7,041	10,000	10,000	8,500
21-41-7437	Rent - Public Meetings	19,800	19,800	17,490	19,800	19,800	16,500
21-41-7438	Building - Rent	3,103	4,000	-	-	-	-
21-41-7439	Equipment Rental/Leasing	1,586	2,400	7,727	4,000	2,000	1,000
21-41-7440	Landscape Maintenance	35,186	12,000	18,075	2,400	10,000	10,000
21-41-7441	Building Maintenance			31,223	14,000	16,000	11,500
21-41-7451	Insurance Liability & Property	183,526	184,012	217,693	226,800	270,000	336,000
21-41-7466	Permits & Fees	77,712	55,000	22,794	55,000	55,000	140,000
21-41-7468	NDPES Permits & Fees	-	70,000	1,125	70,000	70,000	-
21-41-7469	Personal Protective Equipment	2,203	1,000	1,415	2,000	2,500	3,000
21-41-7470	Safety Equipment and Supplies	204	3,000	-	3,000	-	-
21-41-7481	Utilities/Electrical Cost	698,780	550,424	688,545	700,538	780,000	914,000
21-41-7483	Utilities/Waste Cost	14,392	2,000	22,612	12,000	18,000	26,400
21-41-7495	Chemicals	-	12,000	-	12,000	-	-
21-41-7510	Freight		1,000	-	1,000	-	-
21-41-7526	Miscellaneous Bank Charges	-	1,000	-	1,000	-	-
21-41-7527	Miscellaneous Services & Supplies	1,692	4,500	1,921	4,500	2,500	5,000
21-41-7532	Miscellaneous	8,480	-	1,060	-	-	-
21-41-7533	Bad Debt	-	1,000	-	1,000	-	-
21-41-7534	Special Expense	4,180	2,000	2,539	2,000	2,000	2,000
21-41-7536	Debt Service/Operating Transfer Out	1,786,335	1,848,491	1,797,077	1,799,100	1,799,908	1,800,500
21-41-7545	Revenue Collection	3,248	7,000	4,296	7,000	4,000	4,000
21-41-7547	Payroll Wire Transfer Fee	402	1,500	8,844	750	10,000	10,000
21-41-7549	Public Works - Permits	-	3,500	-	3,500	-	-
21-41-7550	Property Taxes	11,874	2,000	3,318	2,000	10,000	10,000
21-41-7587	Developer Deposit Reimbursement	(1,800)	10,000	3,150	10,000	10,000	-
	Subtotal - Expenses	5,981,957	5,736,735	5,980,891	6,037,665	6,281,416	6,614,800
	Net Revenues (Loss)	571,009	649,413	1,268,178	630,058	747,084	512,200
	Net Revenues, before Debt Service	2,357,344	2,497,904	3,065,254	2,429,158	2,546,992	2,312,700
	Debt Coverage	1.32	1.35	1.71	1.35	1.42	1.28

Based on bond documents, the District needs to maintain debt coverage of at least 1.25. As part of the current rate study, the report evaluated the necessary rates to pay for operations and capital projects, maintain cash levels and support annual contribution targets for the District's revolving funds. Maintaining cash levels / debt coverage are important to the District's credit rating with S&P who has rated the District AA.

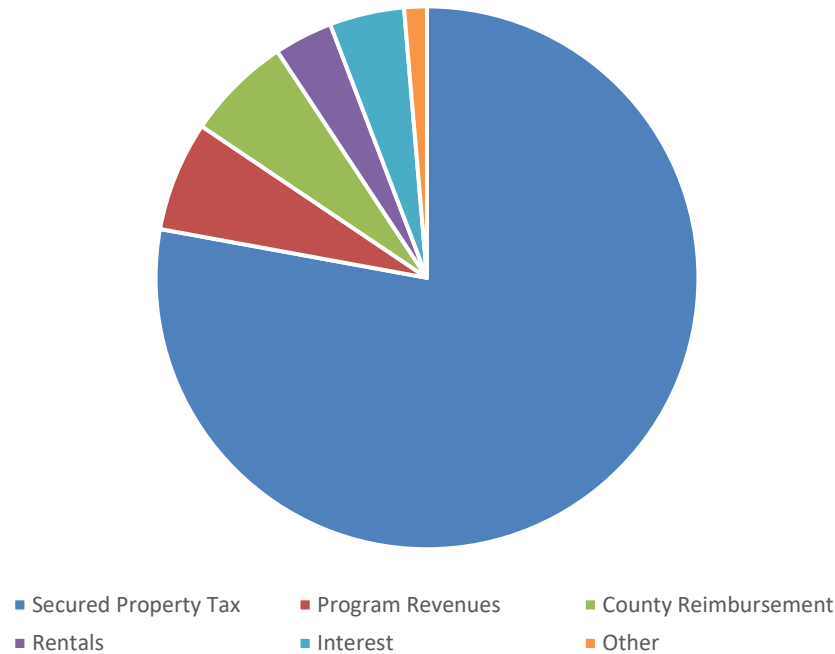
## FUND 40

### ZONE 8 AND COMMUNITY CENTER

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

Fiscal Year Trend - Fund 40 Revenues						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Actual	Actual	Budget	Budget
Secured Property Tax	729,578	763,243	828,881	856,834	851,451	906,400
Community Center Program Fees	1,825	30,218	79,332	76,180	75,000	75,000
County Reimbursement	61,997	66,129	45,809	63,971	67,000	72,000
Rentals	34,257	39,028	43,767	44,210	40,000	40,000
Interest	26,848	-	17,490	71,889	75,000	51,000
Other	45,029	83,728	46,362	297,393	28,000	15,500
Total Revenues	\$ 899,534	\$ 982,346	\$ 1,061,641	\$ 1,410,476	\$ 1,136,451	\$ 1,159,900

Fiscal Year 2026 - Zone 8 Revenues



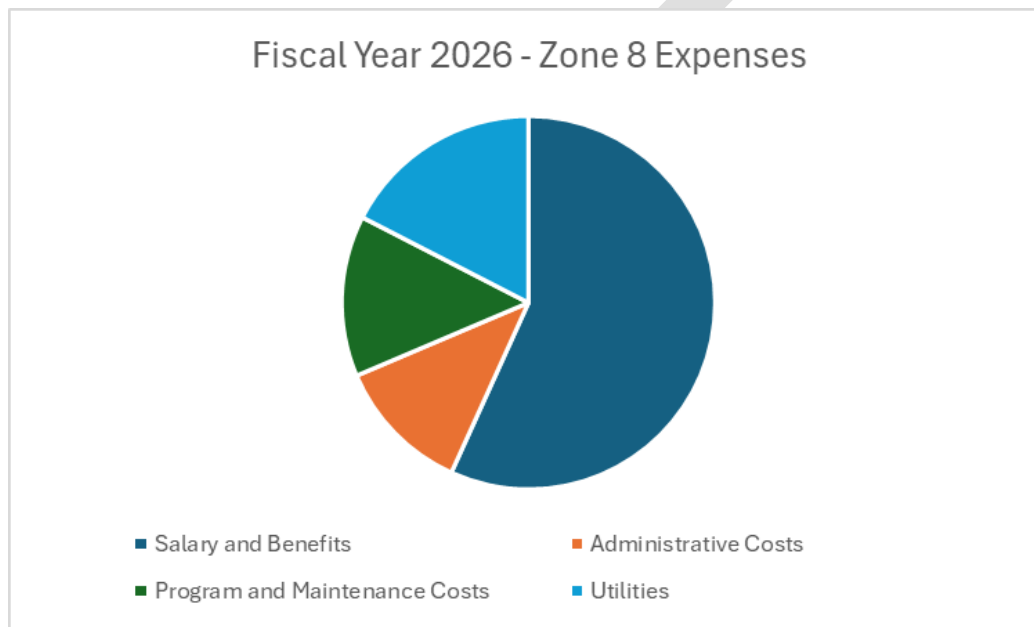
The revenue source for Fund 40 is from property tax (75%) which provides stability in the revenue needed to support Zone 8. This revenue is calculated according to the GANN limit and is based on the change in per capital personal income and population. This information is provided to the District by the State of California Department of Finance. The amount is estimated at \$906,400 until the information is available.

To complement the major source of revenue, Zone 8 does receive a variety of other revenues to help achieve the revenue requirement necessary for the fund. Starting in FY 2024-2025, the District started earning funds on its reserve balances, and this has complimented the District's revenues. The District does anticipate a decline in interest income to reflect the use of its reserve for capital expenditures.

The other represents the reimbursement from Contra Costa County for the costs incurred by the District use of equipment to maintain the landscape for the Special Zones (County zones 35, 57, and 61). There has been variability in community center program fees, but the District has been rebuilding the programming since the 2020 pandemic. Rental income includes about \$33,000 expected from the Water and Wastewater operations for the community center to conduct District board and committee meetings.



Fiscal Year Trend - Fund 40 Expenses						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Actual	Actual	Budget	Budget
Salary and Benefits	313,300	329,514	457,534	355,127	636,388	673,800
Administrative Costs	73,547	103,526	131,230	159,373	170,300	140,300
Maintenance	144,780	166,329	144,033	268,441	119,000	165,500
Utilities	162,146	182,661	195,334	192,387	209,000	207,000
Total Expenditures	\$ 693,773	\$ 782,030	\$ 928,131	\$ 975,329	\$ 1,134,688	\$ 1,186,600



During the five-year period, costs increased with the increased efforts to support landscape needs and programming for Zone 8. The increase in salary and benefits reflects the additional costs to compensate for the labor necessary, and this has been further increased in Fiscal Year 2025-2026 for the addition of one staff to support landscape services throughout the year rather than the use of the conservation corps during the spring. The increase in the minimum wage has impacted on the seasonal staff wages over this period along with anticipated longer hours to keep the aquatic programming longer.

Administrative costs include the costs for program instructors which were not as present in Fiscal Year 2020-2021, and there have been some minor increases throughout the other administrative costs for general price increases. Utilities have also increased over this period. To keep up with the extensive overgrowth throughout the District, the District also utilizes a landscape company for some of the larger landscape projects.



## Fund Detail

Fund 40 - Zone 8		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026
Revenues		Actual	Budget	Actual	Budget	Projected	Budget	Budget
40-31-5106	Current Secured Property Tax	828,881	704,657	856,834	820,310	872,552	851,281	906,400
40-31-5148	Advertising Income	700	500	1,166	500	500	2,000	500
40-31-5149	Community Center Program Fees	37,488	40,000	60,263	45,000	57,000	65,000	65,000
40-31-5125	Grant Income	-	1,000	173,789	-	-	-	-
40-31-5150	Community Center Events	-	-	1,500	1,000	-	4,000	2,000
40-31-5153	Borrowed reserves	-	-	-	18,000	-	14,000	5,000
40-31-5195	Interest Income	14,045	-	71,889	-	70,000	75,000	51,000
40-31-5226	County Reimbursement	50,889	75,000	63,971	60,000	70,000	67,000	72,000
40-31-5243	Other	6,000	6,000	2,507	6,000	-	2,000	2,000
40-31-6000	Recreation Revenue	74,844	-	-	-	-	-	-
40-31-6060	Gifts & Contributions (Donations)	7,195	4,000	6,501	-	6,000	6,000	6,000
40-31-6080	Community Center Fee	25,000	-	111,930	-	65,135	-	-
40-31-6695	Rentals	10,767	39,000	44,210	39,000	49,000	40,000	40,000
40-31-6999	Community Center Pool Fee	7,467	7,500	15,917	8,000	9,000	10,000	10,000
	Subtotal - Revenues	1,063,275	877,657	1,410,476	997,810	1,199,186	1,136,281	1,159,900

Fund 40 - Zone 8		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026
Expenses		Actual	Budget	Actual	Budget	Projected	Budget	Budget
40-41-7000	Salary and Wages	261,457	171,000	130,610	150,879	150,000	216,531	285,000
40-41-7003	ER Taxes	-	-	10,524	-	13,000	19,163	25,000
40-41-7105	Reimbursement of Insurance	-	-	18,408	-	24,000	31,395	42,300
40-41-7180	Training Conferences Travel	3,428	2,000	393	2,500	500	1,500	1,500
40-41-7225	Memberships	345	600	462	600	500	500	-
40-41-7255	TODB Sponsored Events	-	-	-	5,000	-	-	-
40-41-7286	Legal - General	64	1,000	1,204	1,000	1,000	1,000	1,000
40-41-7301	Annual Audit Service	2,200	2,200	2,200	2,200	3,280	2,500	4,000
40-41-7317	Advertising	-	50	136	50	-	-	-
40-41-7361	Telephone - General	-	600	-	480	1,300	1,200	500
40-41-7363	Telephone - cellular	1,504	2,000	1,161	1,800	1,300	-	1,200
40-41-7376	Construction Material Repair	-	500	-	500	-	-	-
40-41-7392	Vehicle & Equipment - Fuel	7,849	10,000	8,101	10,200	3,800	8,500	8,500
40-41-7393	Vehicle & Equipment - Sup & Rep	4,866	3,500	4,067	6,000	1,900	6,500	6,500
40-41-7409	Info System - Maintenance	110	800	250	800	12,500	4,500	3,500
40-41-7410	Equipment Maintenance	2,508	4,000	6,654	4,500	1,000	4,500	2,500
40-41-7411	Software Hosting	-	-	-	612	500	-	5,500
40-41-7412	Computer Equipment & Supplies	601	150	1,968	150	-	-	-
40-41-7413	Miscellaneous Small Tools	10,612	2,000	1,689	2,500	3,100	2,500	3,000
40-41-7414	Equipment Repair	11	-	810	-	-	-	-
40-41-7415	Computer Software	1,052	-	-	300	-	-	-
40-41-7421	Cleaning Supplies	-	500	156	500	-	-	-
40-41-7424	Postage	-	150	-	100	-	-	-
40-41-7425	Office Supplies	985	1,000	2,284	1,000	1,000	1,000	1,500
40-41-7439	Equipment Rental/Leasing	2,139	2,460	959	2,500	1,500	2,000	2,000
40-41-7440	Landscape Maintenance	66,563	45,000	176,669	55,000	85,000	55,000	55,000
40-41-7441	Building Maintenance	10,510	6,500	10,454	10,700	10,500	12,000	12,000
40-41-7451	Insurance Liability & Property	5,000	5,000	6,250	6,250	7,002	7,500	12,000
40-41-7466	Permits & Fees	-	100	-	102	-	100	-
40-41-7469	Personal Protective Equipment	2,696	3,000	4,354	3,000	2,100	3,000	3,000
40-41-7481	Utilities/Electrical Cost	81,744	93,840	93,128	90,000	96,200	90,000	100,000
40-41-7482	Utilities/Water Cost	49,282	51,000	43,543	55,000	48,000	55,000	38,000
40-41-7483	Utilities/Waste Cost	4,908	5,000	4,622	5,000	4,198	5,000	5,000
40-41-7495	Chemicals	-	-	185	1,000	200	-	-
40-41-7526	Miscellaneous Bank Charges	100	-	-	-	112	-	-
40-41-7527	Miscellaneous Services & Supplies	-	500	2,342	500	500	500	500
40-41-7532	Miscellaneous	(1,610)	-	-	-	-	-	-
40-41-7544	Reimbursement for County Admin	-	500	-	-	-	-	-
40-41-7545	Revenue Collection	4,941	5,700	5,609	5,800	5,000	5,000	5,000
40-41-7549	Public Works - Permits	-	500	-	500	-	-	-
40-41-7550	Property Taxes	911	2,000	911	1,000	1,000	1,000	1,000
40-41-7551	CCC DB Sign Replacement	388	2,000	135	2,000	-	1,000	1,000

Fund 40 - Zone 8		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026
Expenses		Actual	Budget	Actual	Budget	Projected	Budget	Budget
40-41-8000	Salary and Wages	196,077	171,000	168,455	183,308	181,900	330,539	290,000
40-41-8002	Part-time and Season Staff	-	107,882	15,514	119,591	-	-	-
40-41-8003	ER Taxes	-	-	11,616	-	16,100	29,253	26,000
40-41-8105	Reimbursement of Insurance			0		19,600	9,507	5,500
40-41-8180	Training Conferences Travel	226	1,500	1,525	2,000	500	1,500	1,500
40-41-8225	Memberships	1,115	1,020	1,539	1,400	1,600	1,500	2,000
40-41-8255	Donation Expenditures	3,786	41,000	28,802	18,000	5,000	14,000	5,000
40-41-8256	Events	999	6,530	4,155	6,500	-	1,500	1,000
40-41-8286	Legal - General	2,335	3,500	3,303	3,000	500	3,000	1,500
40-41-8301	Annual Audit Service	1,000	1,000	1,000	1,000	3,280	1,500	4,000
40-41-8317	Advertising	5,677	5,355	4,176	5,750	-	-	-
80-41-8361	Telephone - General	2,764	3,560	4,391	3,360	4,400	6,500	4,000
40-41-8362	Telecom - Networking	3,023	3,000	4,063	3,200	4,200	4,400	4,400
40-41-8363	Telephone - cellular	831	720	709	850	1,000	-	1,200
40-41-8406	General Repairs	-	2,040	-	-	-	-	-
40-41-8409	Info System - Maintenance	-	2,000	-	2,000	16,800	10,000	4,500
40-41-8410	Equipment Maintenance	580	800	-	800	500	500	500
40-41-8411	Software Hosting	4,385	5,000	11,550	5,000	300	-	9,000
40-41-8412	Computer Equipment & Supplies	1,788	500	1,829	750	-	-	-
40-41-8413	Miscellaneous Small Tools	245	500	35	750	-	-	-
40-41-8415	Computer Software	960	500	265	750	-	-	-
40-41-8416	Community Center/Pool Equipment	2,305	-	1,699	4,000	2,000	2,500	12,500
40-41-8424	Postage	-	250	-	250	-	-	-
40-41-8425	Office Supplies	4,528	4,080	5,242	4,000	5,000	4,500	5,000
40-41-8440	Landscape Maintenance	23,524	15,000	12,294	15,300	13,700	20,000	18,000
40-41-8441	Building Maintenance	15,739	15,000	24,218	17,000	4,900	14,000	16,000
40-41-8442	Pool Maintenance	11,944	3,060	13,033	15,000	10,000	14,000	12,000
40-41-8451	Insurance Liability & Property	6,000	6,000	6,120	6,120	6,975	7,300	11,000
40-41-8466	Permits & Fees	1,167	2,000	730	2,000	2,000	1,000	1,000
40-41-8469	Personal Protective Equipment	1,225	1,000	2,596	1,000	500	1,500	1,500
40-41-8470	Safety Equipment and Supplies	359	1,020	-	1,000	-	-	-
40-41-8481	Utilities/Electrical Cost	41,112	26,000	32,325	31,500	40,000	40,000	46,000
40-41-8482	Utilities/Water Cost	11,791	14,000	12,313	13,000	12,600	13,000	12,000
40-41-8483	Utilities/Waste Cost	6,496	6,000	6,455	6,000	3,400	6,000	6,000
40-41-8495	Chemicals	8,458	10,000	17,721	12,000	17,000	15,000	17,000
40-41-8526	Miscellaneous Bank Charges	4,276	3,500	2,984	3,800	115	3,300	-
40-41-8527	Miscellaneous Services & Supplies	4,440	510	5,700	2,000	5,600	4,000	6,000
40-41-8535	Credit Memo	4,010	-	-	-	-	-	-
40-41-8543	Progam Fees	29,677	30,000	28,261	33,750	28,000	36,000	36,000
40-41-8550	Property Taxes	470	500	470	510	470	500	500
	<b>Subtotal - Expenses</b>	<b>928,475</b>	<b>920,477</b>	<b>975,329</b>	<b>956,262</b>	<b>887,932</b>	1,134,688	1,186,600
	<b>Net Revenues (Loss)</b>	<b>\$ 134,800</b>	<b>\$ (42,820)</b>	<b>\$ 435,148</b>	<b>\$ 41,548</b>	<b>\$ 311,254</b>	<b>\$ 1,594</b>	<b>\$ (26,700)</b>



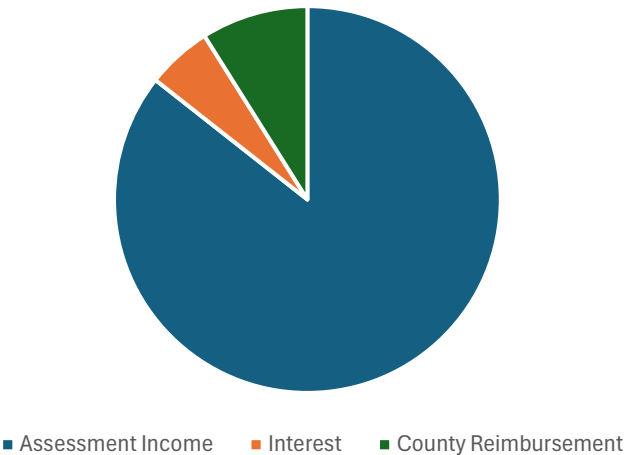
# FUND 41

## ZONE 9 (Ravenswood)

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

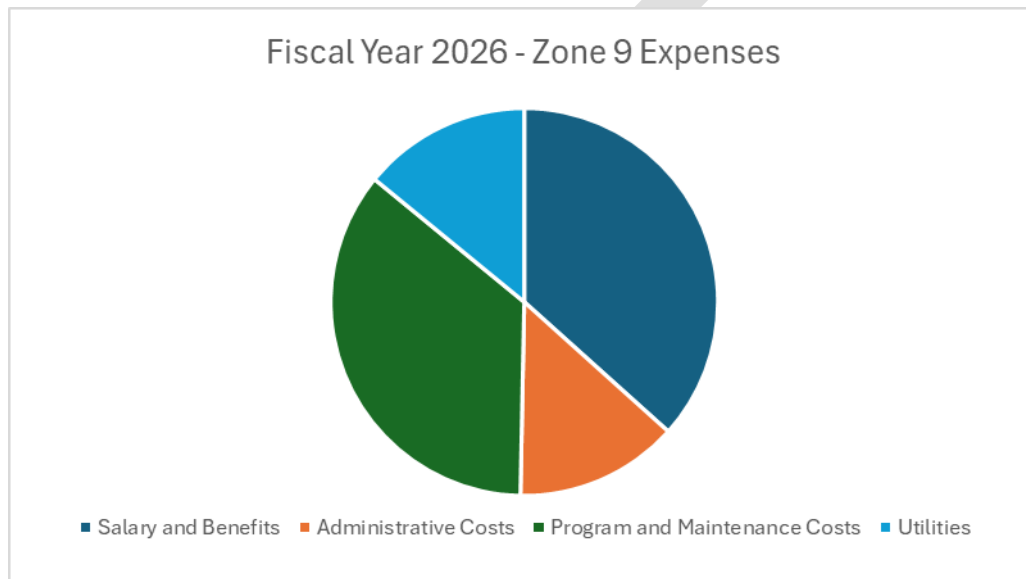
Fiscal Year Trend - Fund 41 Revenues						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Actual	Actual	Budget	Budget
Assessment Income	145,113	150,634	158,161	164,791	170,999	173,100
Interest	-	-	2,539	11,430	10,000	11,000
Other	15,499	20,688	11,452	15,993	17,000	18,000
Total Revenues	\$ 160,612	\$ 171,322	\$ 172,152	\$ 192,214	\$ 197,999	\$ 202,100

Fiscal year 2026 - Zone 9 Revenues



Over the course of the five-year period, there has been a steady small increase that is reflected CPI (Consumer Price Index) increase calculated on the assessment charge. This rate is evaluated as part of the annual process to update the engineer's report. Starting in FY 2024- 2025, the District started earning funds on its reserve balances, and this has complemented the District's revenues. The County Reimbursement represents the reimbursement from Contra Costa County for the costs incurred by the District for the use of equipment to maintain the landscape for the Special Zones (County zones 35, 57, and 61).

Fiscal Year Trend - Fund 41 Expenses						
	FY 2021	FY 2022	FY 2023	FY 2024	<b>FY 2025</b>	<b>FY 2026</b>
	Actual	Actual	Actual	Actual	<b>Budget</b>	<b>Budget</b>
Salary and Benefits	42,553	28,027	37,610	33,430	65,210	63,000
Administrative Costs	23,708	25,507	25,241	17,009	25,800	23,500
Facility Maintenance	29,739	28,434	56,091	58,124	64,500	61,200
Utilities	20,787	24,902	22,246	19,957	25,200	24,200
Total Expenditures	\$ 116,787	\$ 106,870	\$ 141,188	\$ 128,520	\$ 180,710	\$ 171,900



The cost increases over the five-year period are the labor costs both internally and through a third-party contractor to ensure that the park and streetscape are appropriately maintained.

## Fund Detail

Fund 41 - Zone 9		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026
Revenues		Actual	Budget	Actual	Budget	Projected	Budget	Budget
41-31-5120	Assessment Income	158,161	153,647	164,791	156,720	170,999	170,999	173,100
41-31-5195	Interest Income	2,539		11,430	4,200	9,000	10,000	11,000
41-31-5226	County Reimbursement	12,722	13,000	15,993	13,000	17,000	17,000	18,000
Subtotal - Revenues		173,423	166,647	192,214	173,920	196,999	197,999	202,100

Fund 41 - Zone 9		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026
Expenditures		Actual	Budget	Actual	Budget	Projected	Budget	Budget
41-41-7000	Salary and Wages	37,777	47,299	26,186	60,045	38,000	53,845	52,000
41-41-7003	ER Taxes	-	-	2,076	-	3,300	4,765	4,500
41-41-7105	Reimbursement of Insurance		-	5,168	-	6,000	6,600	6,500
41-41-7180	Training Conferences Travel	1,093	1,450	98	1,450	200	1,000	1,000
41-41-7271	Consulting Services	1,680	2,000	2,025	2,500	2,200	2,200	2,200
41-41-7286	Legal - General	688	1,000	-	1,000	500	1,000	500
41-41-7301	Annual Audit Service	2,000	2,000	2,000	2,000	2,812	2,500	3,000
41-41-7317	Advertising	-	100	55	100	57	-	100
41-41-7361	Telephone - General	258	500	521	500	1,100	2,000	800
41-41-7362	Telecom - Networking		700		700	-	-	-
41-41-7363	Telephone - cellular	1,449	1,200	1,123	1,200	1,200	-	1,200
41-41-7376	Construction Material Repair		200		200	-	-	-
41-41-7392	Vehicle & Equipment - Fuel	6,639	6,000	6,370	7,500	4,500	7,500	7,500
41-41-7393	Vehicle & Equipment - Sup & Rep	374	2,000	4,628	3,250	4,500	6,000	2,500
41-71-7406	General Repairs		100		100	-	-	-
41-41-7409	Info System - Maintenance	110	1,000	250	1,000	7,000	2,000	1,500
41-41-7410	Equipment Maintenance	2,713	2,750	1,951	1,500	1,000	1,500	1,000
41-41-7412	Computer Equipment & Supplies	656	750	-	750	-	-	-
41-41-7413	Miscellaneous Small Tools	3,493	2,500	741	2,500	1,500	2,500	2,000
41-41-7411	Software Hosting	163		390	-	150	-	2,200
41-41-7421	Cleaning Supplies		500		500	-	-	-
41-41-7422	Minor equipment/furniture		500	386	500	-	500	500
41-41-7424	Postage		50	-	50	-	-	-
41-41-7425	Office Supplies	430	500	397	500	200	500	300
41-41-7439	Equipment Rental/Leasing	1,428	1,000	243	1,000	300	1,000	1,000
41-41-7440	Landscape Maintenance	52,194	21,000	46,771	30,000	40,000	50,000	50,000
41-41-7441	Building Maintenance	700	1,000	170	1,000	1,500	1,000	1,000
41-41-7451	Insurance Liability & Property	3,000	3,000	3,300	3,300	4,677	5,000	7,000
41-41-7466	Permits & Fees		500		500	-	100	-
41-41-7469	Personal Protective Equipment	1,841	3,000	2,720	3,000	1,500	3,000	2,000
41-41-7481	Utilities/Electrical Cost	635	1,600	712	1,600	1,200	1,200	1,700
41-41-7482	Utilities/Water Cost	20,019	25,500	19,245	26,000	18,313	22,000	20,000
41-41-7483	Utilities/Waste Cost	1,592	3,000		1,000	2,500	2,000	2,500
41-41-7495	Chemicals	-	-	185	-	200	-	200
41-41-7527	Miscellaneous Services & Supplies	2	1,000	387	1,000	500	500	500
41-41-7545	Revenue Collection	423	600	423	600	423	500	500
Subtotal - Expenses		141,356	134,299	128,520	156,845	145,331	180,710	175,700
Net Revenues (Loss)		\$ 32,067	\$ 32,348	\$ 63,694	\$ 17,076	\$ 51,668	\$ 17,289	\$ 26,400

## FUND 50

### PUBLIC FINANCING AUTHORITY

The District tracks the bond funds through a separate fund which includes the semi-annual debt service payments for the debt incurred to support the District's large capital projects. The principal and interest payments are paid by the water and wastewater funds thereby show incoming revenues equal to the outgoing payments.

In addition, the District will track the capital expenditures of the debt proceeds within this fund and upon completion of the project will record the completed project to the respective funds. As these costs are not operating costs, they are not reflected in the operating budget. However, the District has identified these construction proceeds with Section 8 for the discussion on the Capital Projects and provide the debt service repayment schedule.



## Section 7: CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE

## CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE

The Capital Improvement Projects for Fiscal Year 2025-2026 are valued at \$18.6 million across all funds. The budgeted projects include funding necessary to properly service, support the essential supply and functions of District operations, continued rehabilitation and replacement of existing wastewater and water facilities and distribution system, equipment purchases, lighting and landscaping projects, enhancements at the Community Center and an administration building.

For the Water and Wastewater operations, the process to determine the necessary investment begins with reviewing existing facilities and determining if the asset condition is reaching the end of useful life. These projects are identified by District staff, third-party contract operators and consultants who assist in overseeing the District's operations. The discussions also lend itself to identifying new projects to meet the demand of the Discovery Bay community and customers. In the determination of these project costs during the current year, the District has assumed an escalation factor of 12% per year. For the landscaping and community center capital projects, the staff reviewed existing records to understand the current state of the projects and made observations to bring forth recommended projects.

### Overview of Fiscal Year 2025-2026 Capital Projects

Capital Projects / Expenditures	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY29/30
Water	8,094,888	5,842,864	6,848,229	3,893,380	4,028,703
Wastewater	10,107,169	3,023,104	3,034,644	314,704	352,468
Zone 8	495,000	235,000	273,000	113,000	35,000
Zone 9	-	100,000	12,000	22,000	-
Total Costs	18,697,057	9,200,968	10,167,874	4,343,084	4,416,171
Funding Source	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY29/30
Reserves	13,416,137	1,538,344	2,973,415	843,084	916,171
California Energy Commission Loan	2,936,920	-	-	-	-
Future debt	2,344,000	7,662,624	7,194,459	3,500,000	3,500,000
Total Costs	18,697,057	9,200,968	10,167,874	4,343,084	4,416,171

In lieu of the actual future debt in place at this time, the District will establish a reimbursement resolution that will allow the future debt to reimburse the District until it is determined the most opportune time to issue.

## WATER:

### 5-YEAR CIP SCHEDULE

Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
<b>CIP for Water Supply Capacity (Source, Treatment and Storage)</b>	<i>(Escalated for anticipated CPI)</i>					
Well 8 (Bond)	1,000,000	-	-	-	-	1,000,000
Well 2	250,000	250,000	2,000,000	-	-	2,500,000
<b>TOTAL</b>	<b>1,250,000</b>	<b>250,000</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>3,500,000</b>
<b>Replacements and Rehabilitation for Existing Water Supply Facilities</b>						
Filter Replacement (Newport Filter A)	-	388,864	-	-	-	388,864
Stabilization Soils- Willow Lake Water Treatment Plant	-	-	-	-	176,234	176,234
Well 2 Upgrade Electrical Panel	258,720	-	-	-	-	258,720
Install Filter 2	-	-	-	-	352,468	352,468
Newport WTP Valve Replacement	112,000	-	-	-	-	112,000
Well 6 Upgrade from SSRV to VFD to Improve Operational Flexibility	-	-	-	393,380	-	393,380
<b>TOTAL</b>	<b>370,720</b>	<b>388,864</b>	<b>-</b>	<b>393,380</b>	<b>528,703</b>	<b>1,681,666</b>
<b>Water Distribution System/Pipeline Replacements</b>						
Mainline Pipeline	-	500,000	3,500,000	3,500,000	3,500,000	11,000,000
Newport & Sandpoint Underwater Crossing	480,000	3,360,000	-	-	-	3,840,000
<b>TOTAL</b>	<b>480,000</b>	<b>3,860,000</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>14,840,000</b>
<b>Additional Capital Improvements - Water Distribution System &amp; Maintenance</b>						
Solar System at WTP	2,936,920	-	-	-	-	2,936,920
Solar System at WTP - Phase II	403,200	1,344,000	940,800	-	-	2,688,000
Willow Lake WTP SCADA Improvements	-	-	407,429	-	-	407,429
Cathodic Protection System Improvements	146,415	-	-	-	-	146,415
<b>TOTAL</b>	<b>3,486,535</b>	<b>1,344,000</b>	<b>1,348,229</b>	<b>-</b>	<b>-</b>	<b>6,178,764</b>
<b>Other Projects</b>						
Town Administration Building	2,507,633	-	-	-	-	2,507,633
<b>TOTAL</b>	<b>2,507,633</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,507,633</b>
<b>Annual Total</b>	<b>8,094,888</b>	<b>5,842,864</b>	<b>6,848,229</b>	<b>3,893,380</b>	<b>4,028,703</b>	<b>28,708,063</b>

As part of the 2025 cost-of-service study, understanding the anticipated future capital projects, the associated costs, and timing with the operating costs with guide the determination of the account charge and metered rates over the next rate cycle. In addition to the above factors, staff evaluated if there are sufficient funds within the revolving funds to pay for the costs, or if future debt is expected. During this five-year period, staff have identified two projects where the issuance of debt would be needed to complete these essential projects. Those projects include the mainline pipeline and the Newport and Sandpoint underwater crossing. There are also solar projects that will be funded either through the California Energy Commission or Infrastructure Bank (iBank).

## FUND BALANCE

Fund 20 - Water	Annual Target	Balance 06/30/2025 (estimated)	Net Revenues	External funding or Debt proceeds	Uses	Balance 06/30/2026
<b>Revolving Funds</b>						
Water Infrastructure Replacement Fund	200,000	406,101	200,000		(517,135)	88,967
Booster Pump Replacement Fund	20,000	276,000	700			276,700
Generators Replacement Fund	10,000	130,000	10,000			140,000
Facility Replacement Fund	10,000	136,000	10,000			146,000
Vehicle Replacement Fund	10,000	69,092	10,000			79,092
Total Revolving Funds	250,000	1,017,193	230,700		(517,135)	730,759
<b>Reserves</b>						
Emergency Reserves	30% of Revenues	1,914,990				1,914,990
Capital and Connection Fee		2,335,045			(2,335,045)	0
Water Distribution Line Replacement		1,032,000			(897,810)	134,190
Capital Reserve		-		4,340,120	(4,340,120)	0
Undesignated		4,778			(4,778)	0
Total Reserves		5,286,813	-	4,340,120	(7,577,753)	2,049,180
Total Water Funds	\$ 250,000	\$ 6,304,007	\$ 230,700	\$ 4,340,120	\$ (8,094,888)	\$ 2,779,939

In review of the District's fund balance for the water fund, the District has several sources of these revenues including annual PAYGO contribution, funds received from developers for the capacity and connection fee, and any net revenue earned above the anticipated annual target. For Fiscal Year 2025-2026, the net revenues fell short of the annual contribution target of \$250,000.

Through the 2025 cost-of-service study, the District addressed the difference and adjust rates in the next study to provide sufficient funding for the District to achieve its annual contribution. This will also address the funding strategy to pay for capital projects through cash or debt.

District staff will be evaluating the annual contribution target to ensure the amounts reflect current estimates of replacement and rehabilitation of the District's capital asset investments.



## WASTEWATER: 5-YEAR CIP SCHEDULE

Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY29/30	Total
	<i>(Escalated for anticipated CPI)</i>					
<b>Annual Wastewater Lift Station Improvements</b>						
Lift Station	224,000	250,880	280,986	314,704	352,468	1,423,038
<b>TOTAL</b>	<b>224,000</b>	<b>250,880</b>	<b>280,986</b>	<b>314,704</b>	<b>352,468</b>	<b>1,423,038</b>
<b>Additional Capital Improvements - Wastewater System &amp; Maintenance</b>						
Add Dewatering Return Pipe & Settling Box	358,400	-	-	-	-	358,400
Belt Press WWTP#2	1,680,000	-	-	-	-	1,680,000
Decant Station Pump Station Pumps and new Vac Truck Dump Station	560,000	-	-	-	-	560,000
Add Fix Pipe Leak Seals @ ML Pump Stations	22,400	-	-	-	-	22,400
	<b>2,620,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,620,800</b>
<b>Other Projects</b>						
Solar Project Phase II -Plant 2 and lift stations	940,800	2,458,624	2,753,659	-	-	6,153,083
Town Administration Building	3,448,433	-	-	-	-	3,448,433
<b>TOTAL</b>	<b>4,389,233</b>	<b>2,458,624</b>	<b>2,753,659</b>	<b>-</b>	<b>-</b>	<b>9,601,516</b>
<b>Equipment</b>						
Solar Dryer panel replacement A&B then C&D	367,696	-	-	-	-	367,696
Install Cable Tray in solar Dryers A & B	560,000	-	-	-	-	560,000
Fence WWTP #2	1,245,440	-	-	-	-	1,245,440
Dredge anchors on Pond #2	22,400	-	-	-	-	22,400
Rehab solar circulator	134,400	-	-	-	-	134,400
Gate WWTP#1	56,000	-	-	-	-	56,000
Upgrade Remaining Radio Communications to Cell/Net Service	95,200	-	-	-	-	95,200
Vac Truck Garage/Cover	392,000	-	-	-	-	392,000
Stationary Liftstation Generators (Newport & Lakeshore)	0	313,600	-	-	-	313,600
<b>Total</b>	<b>2,873,136</b>	<b>313,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,186,736</b>
<b>Annual Total</b>	<b>10,107,169</b>	<b>3,023,104</b>	<b>3,034,644</b>	<b>314,704</b>	<b>352,468</b>	<b>16,832,090</b>

Like the water CIP, the wastewater projects will be evaluated with the 2025 cost of service study to help guide the needed rates over this period. Most of the projects will be funded by reserves, but there are also solar projects that may be funded by the Infrastructure Bank (iBank) or other state loan programs.

## Fund Balance

Fund 21 - Wastewater	Annual Target	Balance 06/30/2025 (estimated)	Net Revenues	External funding/loans	Uses	Balance 06/30/2026
<b>Revolving Funds</b>						
Wastewater Infrastructure Replacement Fund	200,000	2,724,616	200,000		(2,620,800)	303,816
Collection Pumps & Motors Replacement Fund	30,000	333,726	30,000			363,726
Generators Replacement Fund	15,000	195,000	15,000			210,000
Facility Replacement Fund	15,000	204,000	15,000			219,000
Vehicle Replacement Fund	15,000	100,226	15,000		-	115,226
Manhole Replacement Fund	100,000	200,000	100,000		-	300,000
Total Revolving Funds	\$ 375,000	\$ 3,757,568	\$ 375,000	\$ -	\$ (2,620,800)	\$ 1,511,768
<b>Reserves</b>						
Emergency Reserves	30% of Revenues	2,138,100				2,138,100
Capital and Connection Fee		1,057,728			(224,000)	833,728
Capital Reserves		5,396,629		940,800	(4,949,233)	1,388,196
Undesignated		2,186,210	137,200		(2,313,136)	10,274
Total Reserves		\$ 10,778,667	\$ 137,200	\$ 940,800	\$ (7,486,369)	\$ 4,370,298
Total Wastewater Funds	\$ 375,000	\$ 14,536,235	\$ 512,200	\$ 940,800	\$ (10,107,169)	\$ 5,882,066

In review of the District's fund balance for the wastewater fund, the District has several sources of these revenues including annual PAYGO contribution, funds received from developers for the capacity and connection fee, and any net revenues earned above the anticipated annual target. For Fiscal Year 2025-2026, the anticipated net revenues exceeded the annual contribution target of \$375,000, and those funds are reflected in the undesignated fund.

In addition, District staff will be evaluating the annual contribution target to ensure the amounts reflect current estimates of replacement and rehabilitation of the District's capital asset investments.

## Zone 8:

### 5-YEAR CIP SCHEDULE

Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
<b>Landscaping - Streetscape and Parks</b>					
Front Entrance /Wall	175,000		-	-	-
Willow Lake	-	-	40,000	-	-
Newport Drive	-	-	150,000	-	-
<b>Total Landscaping</b>	<b>\$ 175,000</b>	<b>\$ -</b>	<b>\$190,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Community Center</b>					
Building Improvements	200,000	25,000	25,000	25,000	25,000
Patio Project	50,000	200,000	-	-	-
Pool Equipment	20,000	10,000	10,000	10,000	10,000
Tennis courts	50,000	-	-	-	-
Pickleball courts	-	-	-	30,000	-
<b>Total Community Center</b>	<b>\$ 320,000</b>	<b>\$ 235,000</b>	<b>\$ 35,000</b>	<b>\$ 65,000</b>	<b>\$ 35,000</b>
<b>Vehicles</b>					
Truck	-	-	48,000	-	-
Tractor	-	-	-	48,000	-
<b>Total Vehicles</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,000</b>	<b>\$ 48,000</b>	<b>\$ -</b>
<b>Total Zone 8</b>	<b>\$ 495,000</b>	<b>\$ 235,000</b>	<b>\$ 273,000</b>	<b>\$ 113,000</b>	<b>\$ 35,000</b>

The District funds the capital projects through the annual revenues generated through the property tax. In any given year, the District sets the operating budget to achieve an annual set aside the District's revolving funds. This allows for sufficient funding to be available in the year of the anticipated capital investment. On occasion, the District may receive funding from developers for a community center fee or a park enhancement fee and will track these costs to show how these funds are being spent.

## Fund Balance

	Annual Target	Balance 06/30/2025 (estimated)	Net Revenues	Uses	Balance 06/30/2026
<b>Revolving Funds</b>					
Community Center	45,000	71,330		(70,000)	1,330
Streetscapes/Parks	40,000	56,836			56,836
Vehicle Replacement	10,000	50,000			50,000
<b>Total Revolving</b>	<b>\$ 95,000</b>	<b>\$ 178,166</b>	<b>\$ -</b>	<b>\$ (70,000)</b>	<b>\$ 108,166</b>
<b>Reserves</b>					
Undesignated	-	1,456	(26,700)		(25,244)
Designated Fund		591,251	-	(225,000)	366,251
Park Enhancement Fee	-	64,980	-		64,980
Community Center Fee	-	247,790	-	(200,000)	47,790
Emergency Reserves	50% of Annual Operating Revenue	579,950	-	-	579,950
<b>Total Reserves</b>	<b>\$ -</b>	<b>\$ 1,485,427</b>	<b>\$ (26,700)</b>	<b>\$ (425,000)</b>	<b>\$ 1,033,727</b>
<b>Total Zone 8</b>	<b>\$ 95,000</b>	<b>\$ 1,663,593</b>	<b>\$ (26,700)</b>	<b>\$ (495,000)</b>	<b>\$ 1,141,893</b>

Net revenues for the year did not provide sufficient funds to add to the annual target. However, the District is still awaiting the Department of Finance notification of the anticipated ad valorem taxes. Understanding the capital needs of the District and the ongoing operational costs will help the District to evaluate other potential revenue sources so that sufficient funds will be available to cover these costs. The District does have some funds received several years ago that should be used towards parks and recreation projects and the investment made this year at the Community Center and the Discovery Bay front sign will utilize these funds. Lastly, the funds received from developers also fund community and park projects and these amounts are separately tracked to reflect how these are used.

## Zone 9:

### 5-YEAR CIP SCHEDULE

Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
<b>Landscaping - Streetscape and Parks</b>					
Ravenswood Park - Solar Lighting				10,000	
Poe Road		100,000			-
<b>Total Landscaping</b>	\$ -	\$ 100,000	\$ -	\$ 10,000	\$ -
<b>Vehicles / Equipment</b>					
Truck	-	-	12,000	-	-
Tractor	-	-		12,000	
<b>Total Vehicles</b>	\$ -	\$ -	\$ 12,000	\$ 12,000	\$ -
<b>Total Zone 9</b>	\$ -	\$ 100,000	\$ 12,000	\$ 22,000	\$ -

The District funds the capital projects through the annual assessment fee. In any given year, the District sets the operating budget to achieve an annual set aside the District's revolving funds. This allows for sufficient funding to be available in the year of the anticipated capital investment.

### Fund Balance

	Annual Target	Balance 06/30/2025 (estimated)	Net Revenues	Uses	Balance 06/30/2025
<b>Revolving Funds</b>					
Park Structures	25,000	-	11,400		11,400
Streetscapes/Parks	10,000	10,000	10,000	-	20,000
Vehicle/Equipment Replacement	5,000	30,000	5,000	-	35,000
<b>Total Revolving</b>	\$ 40,000	\$ 40,000	\$ 26,400	\$ -	\$ 66,400
<b>Reserves</b>					
Undesignated	-	-	-		-
Capital Reserves	-	45,242	-		45,242
Emergency Reserves	50% of Annual Operating Revenue	101,050	-	-	101,050
<b>Total Reserves</b>	\$ -	\$ 146,292	\$ -	\$ -	\$ 146,292
<b>Total Zone 9</b>	\$ 40,000	\$ 186,292	\$ 26,400	\$ -	\$ 212,692

While the District's net revenue did not provide for the full target, the Assessment District has a cap of on reserves to be 200% of its total operating income. Per the Assessment formation, the Fiscal Year 2025-2026 balance should not exceed \$403,000.

## CIP Project Descriptions

### Administration Project

**Administration Building** – Due to regulatory requirements, the District needs to maintain separate access to its Willow Lake treatment plant from its administration building. The location of the current administration building is a mobile unit and could provide direct access to the public to this potable drinking facility. The District has been exploring these options and has narrowed its decision to provide a separate building so that the public may have access to inquire, pay its water bills, or attend meetings. The costs associated with this project are land, sitework and a mobile modular constructed as a building. This project costs will be split between the water and wastewater funds. Project completion is expected by winter 2026.

### Water Projects

**Well 8** - The District is currently finalizing the design of the Well 8 pump station project which includes the well, pump, an iron and manganese treatment system, sodium hypochlorite feed system, concrete masonry building to house the sodium hypochlorite tank, analyzer, and related equipment. Project also includes a backwash reclaim tank, motor control center, diesel generator, and other general site improvements. Well 8 will provide the TODB with increased water supply reliability to meet the increasing water demands due to construction of new subdivisions. The District received funding through the issuance of debt in 2022, and any expenditure above the construction proceeds will come from District reserves.

**Well 2** - Following the recent failure of the well pump equipment and considering this well (drilled in 1971) is the oldest in the Town's inventory, the water group has discussed the potential to advance a full well replacement project. This would avoid spending funds to replace failed pump equipment and upgrade the electrical switchgear at the existing site. The proposed project would involve drilling a new well, installing new pump equipment, and constructing underground and aboveground piping to connect to the nearby existing raw water transmission main, along with improvements to facilitate overboard discharges from pump to waste cycles and future well rehabilitation work. Preliminary cost estimates range from \$2.75 - \$4.0 million with project start expected to begin in 2026 with an overall duration of approximately 2 to 3 years from planning through commissioning.

**Solar Project** – The project goal is to produce energy savings over the long term at the water treatment plant, wastewater plant, and community center. Project costs include permitting, procurement, and installation at District facilities of solar panels and related equipment. The District is planning a phased approach to allow for an opportunity to pursue low interest loan through the California Energy Commission low interest loan or iBank. Under the program terms, the loan repayment follows one year of operations, and the expected terms is 16-20 years. Savings on PG&E energy costs from these solar projects will initially offset the loan repayment with future savings to reduce operating costs. Phase I is approximately \$3 Million and Phase II is approximately \$8 Million.

**Stabilization Soils Project** - Asphalt pavement cracking and evidence of site subsidence has been observed at Willow Lake and Newport WTPs as of several years ago. This project includes the scope of work to perform a floor level survey, collect borings, and develop a report with conclusions as to the probable cause of observed settlement/cracking and provided recommendations for stabilizing and repair of the distressed areas, if necessary.

**Well 6 Variable Frequency Drive (VFD) Project** - this project is to replace the steady state reduced voltage (SSRV) starter at the Well 6 site with a variable frequency drive (VFD) which will allow operational flexibility to operate the well pump motor at different speeds and as a result the ability to pump at different flow rates through the onsite WTP filters depending on other pumps in operation onsite.

**Mainline Pipeline Project** - This project consists of abandoning in-place about 8-miles out of about 18-miles of asbestos cement (AC) pipe present in the TODB water system. The 8 miles of AC pipe to be replaced as part of this project is over 50 years old and deteriorating at an advanced rate due to corrosive soils within the TODB footprint. This project will include installation of 8-miles of PVC pipe, valves, fire hydrants, cathodic protection, paving, service connections, etc. This project will also facilitate the abandonment of 5 underwater crossings present in the water system. The remaining approximate 10 miles of AC pipe 40 years of age or less will be replaced as part of a future project as funds are available.

**Newport and Sandpoint Underwater Crossing** - The project consists of performing an initial feasibility study and replacing the existing 8-inch asbestos cement pipe underwater crossing in Newport Bay from Sand Point Court to Newport Lane with an initially proposed 12-inch HDPE pipe via horizontal directional drilling. The existing underwater crossing is undersized and creates a hydraulic bottleneck for the TODB to move water from east to west or vice versa.

## Wastewater Projects

**Lift Stations** – rehabilitation of lift station of Programming Language Controls (PLC) and control panels

**Replace Belt Press WWTP#2** - Belt Press No. 1 does not function and is beyond its useful life. Veolia needs to replace it to keep up with the sludge dewatering capacity needed at Plant No. 2.

**Decant Station Pump Station** - The existing vac truck dump station can only handle 1 load before it is full requiring multiple trips and time needed to properly clean a pump station or manhole. The new Vac Truck Dump Station will have more capacity and be design to flow water in a manner allowing multiple dumps a day. This project would be grouped with the other miscellaneous wastewater projects with design starting this year and construction starting in 2026.

**Vac Truck Cover** - The new Vac Truck is substantially larger than the existing vac truck and does not fit into the existing metal cover at Plant No. 2. This project would construct a larger cover next to the existing one for the new vac truck. The old space would be converted to storage. This project would be grouped with the other miscellaneous wastewater projects with design starting this year and construction starting in 2026.

**Digester Pond WWTP#2** - As influent loading is increasing at Plant No. 2, a new digester pond is needed to help digest and equalize solids prior to dewatering.

**Perimeter Fencing / Security Gate** - The new NPDES permit requires the Town to fence the entire wastewater treatment plant site. This project would allow fencing around the entire site and upgrade gate access to key plant locations.

**Solar Project** – The project goal is to produce energy savings over the long term at the water treatment plant, wastewater plant, and community center. Project costs include permitting, procurement, and installation at District facilities of solar panels and related equipment. The District is planning a phased approach to allow for an opportunity to pursue low interest loan through the California Energy Commission low interest loan or iBank. Under the program terms, the loan repayment follows one year of operations, and the expected terms is 16-20 years. Savings on PG&E energy costs from these solar projects will initially offset the loan repayment with future savings to reduce operating costs. Phase I is approximately \$3 Million and Phase II is approximately \$8 Million.



## Zone 8 Landscape and Community Center Projects

**Streetscapes** – future projects replace and refresh the landscaping along roads including Willow Lake and Newport Drive during this five-year period.

**Community Center** – the costs associated with this line represent building improvements at the Community Center including electrical panel upgrades, storage, and painting the facility. In addition, funds will be spent on the courts and pool over this period.

**Patio Project (Phase II)** – this project is envisioned to expand the use of the public space to enhance the resident experience and is currently under development.

**Discovery Bay Signage** – this project is to replace the worn aspects of main signage as one enters Discovery Bay.

## Zone 9 Landscape and Community Center Projects

**Streetscapes** – future projects replace and refresh the landscaping along roads including Poe Drive during this five-year period.



## Section 8: DEBT

DRAFT

# DEBT

## Public Financing Authority

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

The Town of Discovery Bay, before issuing Revenue Bonds necessary to finance large capital projects, must first become a member of a financing authority.

While there are several financing authorities throughout the state which the District could join and become a member, it is also common for two agencies to form their own Joint Powers Authority (JPA) to facilitate the establishment of a financing authority.

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

The JPA's mutually benefit both the Town as well as the BBID in that either district could utilize the financing powers of their respective JPA to issue Municipal Bonds as future needs arise. The formation of the JPA's requires two separate legal public entities to facilitate the creation of a new legal entity in accordance with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. It is a five-member board that governs the Town of Discovery Bay JPA, comprised of the Board of Directors for the Town and a five-member board governs the BBID JPA, comprised of the Board of Directors for the BBID (the "Governing Board(s)").

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

Based on the official statement and other related bond documents of each of the District's bond transactions, the District does manage its debt management portfolio to ensure that rates are being set to meet the legal debt requirement of 1.25. The District does not issue debt for the governmental funds and therefore does not have a legal debt requirement.

## DEBT PROCEEDS

The 2012 Municipal bonds were issued for \$14,100,000. The projects under this bond are listed below: *(all monies have been expended)*

2012 Bonded Projects	Bond Year	Project Cost
<b>Water Project Improvements</b>		
Planning & Construction of Well #7	2012	\$1,500,000
<b>Wastewater Project Improvements</b>		\$250,000
UV Bank 4 Installation	2012	\$500,000
Lift Station F Rehabilitation	2012	\$1,050,000
Influent Pump station	2012	\$400,000
Re-Activate Pump Station W	2012	\$250,000
Emergency Storage Facilities	2012	\$6,050,000
Splitter Box, Ox Ditch, Clarifier, RAS Pumps at Plant 2, Standby Aerators	2012	\$3,800,000
New Solar Dryer and Belt Presses	2012	\$300,000
Contingency	2012	
<b>Total</b>		<b>*\$14,100,000</b>

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

2017 Bonded Projects	Bond Year	Project Cost
<b>Water Project Improvements</b>		
Water Meter Completion Project	2017	\$1,500,000
<b>Wastewater Project Improvements</b>		
Filtration Project	2017	\$7,400,000
<b>Total</b>		<b>*\$8,900,000</b>

In 2022 the District issued its third Municipal bond for \$16,860,000. The projects under this bond are listed below: *\* investors paid a premium for these bonds, variance between \$16,860 and \$18.0M. Wastewater fees have been expended as of June 2024.*

2022 Bonded Projects	Bond Year	Project Cost
<b>Water Project Improvements</b>		
Well 8	2022	\$5,000,000
<b>Wastewater Project Improvements</b>		
Denitrification Project	2022	\$13,000,000
<b>Total</b>		<b>*\$18,000,000</b>

### Bond Balance 6/30/2025

Trustee	Bond	Total Balance (Est)
US Bank	2022B (2012)	\$ 10,362,000
US Bank	2017	\$ 7,425,000
US Bank	2022	\$ 16,135,000
<b>Total</b>		<b>\$ 33,922,000</b>

### Water Only

Trustee	Bond	Total Balance (Est)
US Bank	2022B (2012)	\$1,101,000
US Bank	2017	\$ 460,000
US Bank	2022	\$4,480,000
<b>Total</b>		<b>\$6,041,000</b>

### Wastewater Only

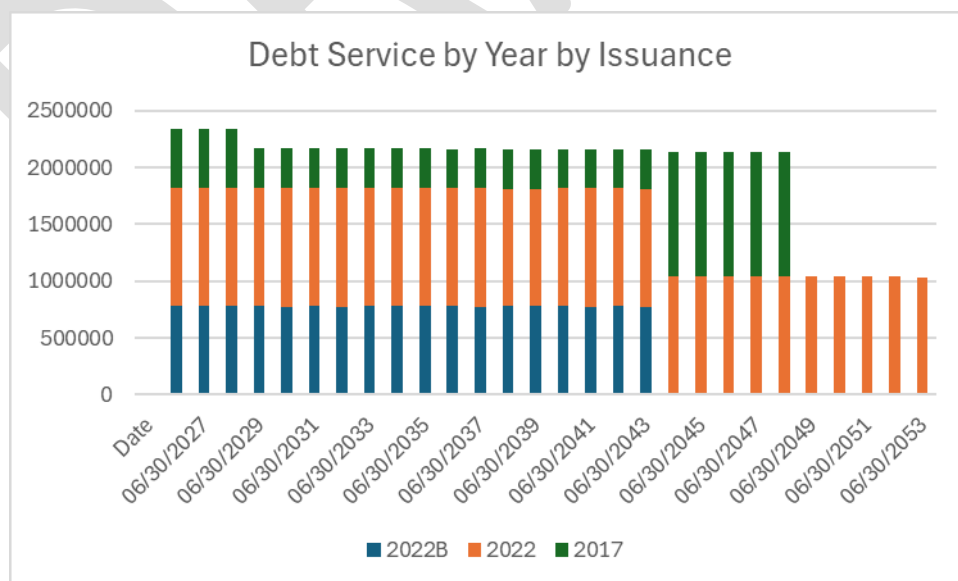
Trustee	Bond	Total Balance (Est)
US Bank	2022B (2012)	\$9,261,000
US Bank	2017	\$6,965,000
US Bank	2022	\$11,655,000
<b>Total</b>		<b>\$27,881,000</b>

## Debt Service Payments

December 1 - Principal and Interest

June 1 – Interest Only

2022B Enterprise Revenue Refunding Bonds Enterprise (Revenue)				2022 Enterprise Revenue Bonds Enterprise (Revenue)			2017 Enterprise Revenue Bonds Enterprise (Revenue)		
Date	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
06/30/2026	420,000	359,381	779,381	275,000	763,125	1,038,125	225,000	292,194	517,194
06/30/2027	436,000	344,230	780,230	290,000	749,000	1,039,000	240,000	280,569	520,569
06/30/2028	451,000	328,530	779,530	305,000	734,125	1,039,125	250,000	268,319	518,319
06/30/2029	466,000	312,299	778,299	320,000	718,500	1,038,500	95,000	260,169	355,169
06/30/2030	481,000	295,537	776,537	340,000	702,000	1,042,000	100,000	256,269	356,269
06/30/2031	501,000	278,156	779,156	355,000	684,625	1,039,625	100,000	252,769	352,769
06/30/2032	516,000	260,155	776,155	375,000	666,375	1,041,375	105,000	249,694	354,694
06/30/2033	536,000	241,534	777,534	395,000	647,125	1,042,125	105,000	246,478	351,478
06/30/2034	558,000	222,170	780,170	415,000	626,875	1,041,875	105,000	243,131	348,131
06/30/2035	578,000	202,063	780,063	435,000	605,625	1,040,625	110,000	239,569	349,569
06/30/2036	597,000	181,266	778,266	455,000	583,375	1,038,375	110,000	235,856	345,856
06/30/2037	617,000	159,778	776,778	480,000	560,000	1,040,000	120,000	231,900	351,900
06/30/2038	640,000	137,529	777,529	500,000	535,500	1,035,500	120,000	227,700	347,700
06/30/2039	663,000	114,466	777,466	525,000	509,875	1,034,875	125,000	223,100	348,100
06/30/2040	690,000	90,518	780,518	555,000	482,875	1,037,875	125,000	218,100	343,100
06/30/2041	711,000	65,720	776,720	585,000	454,375	1,039,375	135,000	212,900	347,900
06/30/2042	738,000	40,073	778,073	615,000	424,375	1,039,375	135,000	207,500	342,500
06/30/2043	763,000	13,505	776,505	645,000	392,875	1,037,875	145,000	201,900	346,900
06/30/2044				680,000	363,150	1,043,150	915,000	180,700	1,095,700
06/30/2045				705,000	335,450	1,040,450	955,000	143,300	1,098,300
06/30/2046				735,000	306,650	1,041,650	995,000	104,300	1,099,300
06/30/2047				760,000	276,750	1,036,750	1,035,000	63,700	1,098,700
06/30/2048				795,000	245,650	1,040,650	1,075,000	21,500	1,096,500
06/30/2049				830,000	209,000	1,039,000			
06/30/2050				870,000	166,500	1,036,500			
06/30/2051				920,000	121,750	1,041,750			
06/30/2052				965,000	74,625	1,039,625			
06/30/2053				1,010,000	25,250	1,035,250			
<b>Total</b>	<b>10,362,000</b>	<b>3,646,908</b>	<b>14,008,908</b>	<b>16,135,000</b>	<b>12,965,400</b>	<b>29,100,400</b>	<b>7,425,000</b>	<b>4,861,616</b>	<b>12,286,616</b>



### Summary by Fund

	Wastewater Fund			
Date	Principal	Interest	Total	Outstanding Balance
06/30/2026	655,000.00	1,145,220.66	1,800,220.66	27,226,000.00
06/30/2027	684,000.00	1,117,322.86	1,801,322.86	26,542,000.00
06/30/2028	713,000.00	1,088,179.46	1,801,179.46	25,829,000.00
06/30/2029	741,000.00	1,058,283.16	1,799,283.16	25,088,000.00
06/30/2030	775,000.00	1,027,533.96	1,802,533.96	24,313,000.00
06/30/2031	802,000.00	996,011.06	1,798,011.06	23,511,000.00
06/30/2032	836,000.00	963,739.46	1,799,739.46	22,675,000.00
06/30/2033	869,000.00	930,010.83	1,799,010.83	21,806,000.00
06/30/2034	904,000.00	894,728.35	1,798,728.35	20,902,000.00
06/30/2035	942,000.00	857,807.65	1,799,807.65	19,960,000.00
06/30/2036	974,000.00	819,367.45	1,793,367.45	18,986,000.00
06/30/2037	1,016,000.00	779,331.70	1,795,331.70	17,970,000.00
06/30/2038	1,052,000.00	737,629.60	1,789,629.60	16,918,000.00
06/30/2039	1,098,000.00	693,909.10	1,791,909.10	15,820,000.00
06/30/2040	1,142,000.00	647,992.10	1,789,992.10	14,678,000.00
06/30/2041	1,196,000.00	599,989.00	1,795,989.00	13,482,000.00
06/30/2042	1,240,000.00	549,899.80	1,789,899.80	12,242,000.00
06/30/2043	1,292,000.00	497,796.40	1,789,796.40	10,950,000.00
06/30/2044	1,405,000.00	443,100.00	1,848,100.00	9,545,000.00
06/30/2045	1,465,000.00	385,700.00	1,850,700.00	8,080,000.00
06/30/2046	1,525,000.00	325,900.00	1,850,900.00	6,555,000.00
06/30/2047	1,585,000.00	263,700.00	1,848,700.00	4,970,000.00
06/30/2048	1,650,000.00	199,000.00	1,849,000.00	3,320,000.00
06/30/2049	600,000.00	151,000.00	751,000.00	2,720,000.00
06/30/2050	630,000.00	120,250.00	750,250.00	2,090,000.00
06/30/2051	665,000.00	87,875.00	752,875.00	1,425,000.00
06/30/2052	695,000.00	53,875.00	748,875.00	730,000.00
06/30/2053	730,000.00	18,250.00	748,250.00	
<b>Total</b>	<b>27,881,000.00</b>	<b>17,453,402.60</b>	<b>45,334,402.60</b>	

	Water Fund			
Date	Principal	Interest	Total	Outstanding Balance
06/30/2026	265,000.00	269,478.90	534,478.90	5,776,000.00
06/30/2027	282,000.00	256,475.50	538,475.50	5,494,000.00
06/30/2028	293,000.00	242,794.00	535,794.00	5,201,000.00
06/30/2029	140,000.00	232,684.40	372,684.40	5,061,000.00
06/30/2030	146,000.00	226,271.70	372,271.70	4,915,000.00
06/30/2031	154,000.00	219,538.20	373,538.20	4,761,000.00
06/30/2032	160,000.00	212,483.90	372,483.90	4,601,000.00
06/30/2033	167,000.00	205,126.50	372,126.50	4,434,000.00
06/30/2034	174,000.00	197,448.30	371,448.30	4,260,000.00
06/30/2035	181,000.00	189,449.30	370,449.30	4,079,000.00
06/30/2036	188,000.00	181,129.50	369,129.50	3,891,000.00
06/30/2037	201,000.00	172,346.20	373,346.20	3,690,000.00
06/30/2038	208,000.00	163,099.40	371,099.40	3,482,000.00
06/30/2039	215,000.00	153,531.80	368,531.80	3,267,000.00
06/30/2040	228,000.00	143,500.70	371,500.70	3,039,000.00
06/30/2041	235,000.00	133,006.10	368,006.10	2,804,000.00
06/30/2042	248,000.00	122,048.00	370,048.00	2,556,000.00
06/30/2043	261,000.00	110,483.70	371,483.70	2,295,000.00
06/30/2044	190,000.00	100,750.00	290,750.00	2,105,000.00
06/30/2045	195,000.00	93,050.00	288,050.00	1,910,000.00
06/30/2046	205,000.00	85,050.00	290,050.00	1,705,000.00
06/30/2047	210,000.00	76,750.00	286,750.00	1,495,000.00
06/30/2048	220,000.00	68,150.00	288,150.00	1,275,000.00
06/30/2049	230,000.00	58,000.00	288,000.00	1,045,000.00
06/30/2050	240,000.00	46,250.00	286,250.00	805,000.00
06/30/2051	255,000.00	33,875.00	288,875.00	550,000.00
06/30/2052	270,000.00	20,750.00	290,750.00	280,000.00
06/30/2053	280,000.00	7,000.00	287,000.00	
<b>Total</b>	<b>6,041,000.00</b>	<b>4,020,521.10</b>	<b>10,061,521.10</b>	





## Section 9: ACRONYMS AND GLOSSARY

DRAFT

# ACRONYMS AND GLOSSARY

CIP – Capital Improvement Program

CPI – Consumer Price Index

CY – Calendar Year

FY – Fiscal Year

PAYGO – Pay-As-You-Go

~~~~~

**Accrual Basis** – The basis of accounting under which transactions are recognized when they occur, regardless of timing of cash receipts and disbursements.

**Ad Valorem Tax** - An amount based on the value of a transaction or of a property. Generally imposed annually.

**Annual Comprehensive Financial Report** – An annual report intended to provide interested parties with a broad financial outlook.

**Assessment District** – a financing mechanism which enables cities, counties, and special districts to organize to aid in the development or improvement of a specific area.

**Balanced Budget** - A balanced budget occurs when the total sum of money a government collects in a year is equal to the amount it spends on goods, services, and debt interest.

**Bond Fund** – Restricted funds used to pay for capital expenditures.

**Budget** – A balanced financial plan for a specified period.

**Capital Expenditure** – Costs incurred that will derive a future benefit and include the acquisition or upgrade of land, equipment, or facilities.

**Capital Improvement Program** – A multi-year plan identifying capital projects to be funded during the planning period.

**Consumer-Price-Index** - A measurement of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

**Debt Limit** - The legal maximum debt permitted by a municipal, state, or national government.

**Defeasance** – A provision that avoids a bond or loan when the borrower sets aside cash or bonds sufficient to service the borrower's debt.

**Debt Coverage** – The ratio of annual net income to annual debt service.

**Debt Service** - Principal and interest payments on bonds or other debt instruments used to finance capital facilities.

**Designated Funds** - Unrestricted funds that can be used for any lawful purpose at the Board of Directors' discretion.

**Effluent** – Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

**EMMA** – Is the Electronic Municipal Market Access website that served as the official source for municipal securities data and documents for the Municipal Securities Rulemaking Board (MSRB).

**Enterprise Fund** – An entity with a self-balancing set of accounts established to record the financial position and results that pertain to a specific governmental activity.

**Financial Policies** – Document approved by the Board of Directors that identifies parameters through which West Basin operates and provides a standard in which fiscal performance can be reviewed.

**Fiscal Year** – The period the budget applies, July 1 through June 30.

**Fund Balance** – Represents the difference between assets and liabilities.

**Groundwater** – Water that has percolated into natural, underground aquifers; water in the ground, not water collected on the surface.

**Net Revenues** – the difference between revenues and expenses.

**Official Statement** – A legal statement which serves as the prospectus for a municipal bond. It is a disclosure of the finances surrounding the issue of the municipal bond and is prepared by the local or state government and its legal counsel. It also indicates how investors in the bonds will be repaid.

**Pay-As-You-Go** – The practice of funding construction expenditures from current operating revenues in-lieu of using debt proceeds.

**Potable** – Drinkable water. Conversely, non-potable means non-drinkable.

**Refunding Revenue Bonds** – A bond that retires another bond before the first bond matures. Refunding bonds may be issued for several reasons, but to reduce the cost of funding because of lower interest rates.

**Restricted Funds** – Funds restricted by a third party, by law, regulation, or contractual obligation.

**Revenue Bonds** – a municipal bond that guarantees repayment solely from revenues generated from the entity associated with the bonds, rather than a tax. The bonds are issued to construct or expand upon various revenue-generating entities.

**Revolving Fund** – a fund or account that remains available to finance an organization's continuing operations without any fiscal year limitation because the organization replenishes the fund by funding the account from net revenues.

**Standards & Poor's** - One of the nationally recognized statistical-rating organizations.

**Unrestricted Funds** – Funds not restricted by a third party, by law, regulation or by contractual obligation.

**Urban Water Management Plan** – A report prepared by a water purveyor to ensure the appropriate level of reliability of water service sufficient to meet the needs of its various categories of customers during normal, single dry or multiple dry years. The California Water Management Planning Act of 1983, as amended, requires urban water suppliers to develop a UWMP every five years in the years ending in zero and five.