



TOWN OF DISCOVERY BAY CSD

President - Kevin Graves • Vice-President - Mark Simon • Director - Brian Dawson • Director - David Piepho • Director - Ray Tetreault

**NOTICE OF AGENDA OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY CSD
Wednesday December 1, 2010
1800 Willow Lake Road, Discovery Bay, California
REGULAR MEETING 7:00 P.M.
Website address: www.todb.ca.gov**

A. ROLL CALL

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

SPECIAL RECOGNITION

1. To Director Piepho for Service and Dedication to the Board of Directors to the Town of Discovery Bay CSD
2. Short Break

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

The public may address the Board on any issue in the District's jurisdiction, which is not on the agenda. The public may comment on any item on the agenda at the time that item is taken up. Any person wishing to speak must come up and speak from the podium. There will be no dialog between the Board and the commenter. Any clarifying questions from the Board must go through the Chair.

C. AREA AGENCIES REPORTS / PRESENTATION

1. DEPUTY SHERIFF /MARINE PATROL REPORT
2. CHP REPORT
3. FIRE DISTRICT REPORT
4. EAST CONTRA COSTA FIRE PROTECTION DISTRICT REPORT
5. COUNTY'S CODE ENFORCEMENT DEPARTMENT REPORT
6. SUPERVISOR MARY PIEPHO, DISTRICT III REPORT

D. CONSENT CALENDAR

1. Minutes of Regular Meeting for November 17, 2010
2. District Financials
3. District Invoices
4. Adopt Resolution 2010-20 Rescinding Resolution 2010-06 Pertaining to Warrants

E. NEW BUSINESS AND ACTION ITEMS

1. 2009-2010 Audit Presentation
2. Award Contract for Landscape Maintenance Services for Discovery Bay Landscape and Lighting Zone #9, and Contra Costa Landscape & Lighting Zones 35, 57 & 61 to Odyssey Landscaping, Inc.

F. COMMITTEE/LIAISON REPORTS

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

***These meetings are held Quarterly*

G. CHAIR REPORT AND DIRECTORS' COMMENTS

H. GENERAL MANAGER'S REPORT

I. LEGAL COUNSEL REPORT

1. County Auditors Report

J. CORRESPONDENCE -- Discussion and Possible Action

K. PUBLIC RECORD REQUESTS RECEIVED

L. FUTURE AGENDA ITEMS

1. Planning and Goal setting Work Session

M. ADJOURNMENT

1. Adjourn to next regular meeting on December 15, 2010 at 1800 Willow Lake Rd – Located in back of Delta Community Presbyterian Church.

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

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



TOWN OF DISCOVERY BAY CSD

President - Kevin Graves • Vice-President - Mark Simon • Director - Brian Dawson • Director - David Piepho • Director - Ray Tetreault

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY CSD
Wednesday November 17, 2010
1800 Willow Lake Road, Discovery Bay, California
Website address: www.todb.ca.gov**

REGULAR MEETING at 7:00p.m.

A. ROLL CALL

The Meeting was called to order at 7:00p.m. President Graves led in the Pledge of Allegiance. Roll call was taken and all Directors were present.

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

Resident Jeff Barber – Stated that he believes our Town needs a plan/vision statement. In addition, our Town needs a Communication system, such as Presidents Newsletter with details on our Community. He also believes that we need a new program for quality standards for Water and Wastewater.

Resident Bud Kyle – Congratulations to the newly elected Board Member and to the Board Members for re-election. Also, Bud wanted to thank Director Piepho for the long term he has served with the Town of Discovery Bay CSD. He commented on the Discovery Bay Golf Course Lake that is in poor condition and would like the Board to find out how to obtain resources to have cleaned. Bud also suggested that a representative from each Entity would assist with the communication process within each Committee/Department.

Don Flint – Asked why a public record was altered and sent to resident Bob Mankin.

C. PRESENTATIONS

None.

D. CHAIR REPORT AND DIRECTORS' COMMENTS

Vice-President Simon - Clarified a statement that he had made at the October 20, 2010 CSD Board Meeting that the District did not intentionally withhold information relative to the June 22, 2010 sewer spill overflow.

Director Piepho – Stated that it is his understanding that any document that comes into the Board, that is not an Attorney-Client privileged document, is then a public document, and we can share that document with anyone that is interested. Director Piepho would like Legal Counsel McGrew to clarify documents passed on to the board.

Legal Counsel McGrew – Explained that Director Piepho was referring to any document transmitted to a Board Member is a public record and that Board Member may distribute that record as desired.

E. CONSENT CALENDAR

1. Minutes of Regular Meeting for November 3, 2010

2. District Invoices

Motion made - by Vice-President Simon and seconded by Director Dawson to approve the Consent Calendar.

Motion carried by the following vote: AYES: 4, NOES: 0, ABSTAIN: 1 – Director Piepho

F. NEW BUSINESS AND ACTION ITEMS

1. Agreement between the Town of Discovery Bay CSD and U.S. Bank National Association N.D. (U.S. Bank) for participation in the State of California's "Cal Card" program

General Manager Howard – Explained the Cal-Card Program details. He pointed out that the Cal-Card will have restrictions, which will eliminate charges not authorized. Also, the card will have a design set for the Town of Discovery Bay CSD; therefore there will be no confusion as to which card should be used.

Motion made – by Director Tetreault and seconded by Director Piepho to Authorize the General Manager to execute all necessary and contract documents between the Town of Discovery Bay CSD and U.S. Bank National Association N.D. (U.S. Bank) for participation in the State of California's "Cal Card" program; and Adopt resolution 2010-18 Authorizing U.S. Bank as the sole purchase card program for the District and to cancel the current Capital One Visa account.

Motion carried by the following vote: AYES: 5, NOES: 0

2. Employee Medical Coverage

General Manager Howard - Gave details on the medical coverage plan for the employees of the Town of Discovery Bay CSD. The proposal is medical only and does not provide dental and vision for the employee. Eligibility of contribution is based on a full time or part-time basis. The Board and General Manager had a discussion on the medical coverage and what the time period is for the proposal, along with what other comparable Districts provide for their employees. General Manager Howard also pointed out that due to not providing Medical Coverage the Town of Discovery Bay CSD has lost employees. The discussion continued on in regards to the contribution amount. General Manager Howard gave details on the research of the contribution amount and that the plan can be re-evaluated and negotiated on an annual basis, and adjustments can be made.

Motion made – by Director Dawson and seconded by Director Tetreault to Authorize agreements between the Special District Risk Management Authority (SDRMA) and the Town of Discovery Bay CSD, and authorize the President of the Board to execute the necessary documents approving participation in SDRMA's medical and ancillary employee benefits program and, Adopt Resolution 2010-17 authorizing the monthly contribution by the District for each employee be established at a not to exceed cost of \$527 per month per employee for Calendar Year 2011.

Resident Jeff Barber – Pointed out that he has operated businesses and believes that the 100% contribution is an amount that should be re-evaluated.

Resident Bob Mankin – Stated he is self-employed and believes that the contribution cost will go up and that the amount should not be locked in at 100%, and instead have an amount that is closer to a 50% contribution

Resident Don Flint – Questioned why the Employee Medical Coverage was in a closed session.

Legal Counsel McGrew – Stated that the session was negotiations with unrepresented employees and that General Manager Howard attended the closed session to represent the employees and that the negotiations for him are at the discretion of the Board.

Resident Don Flint – Stated that the decision for the employees to have medical coverage is a great plan, however, believes that Kaiser would be able to offer different levels of medical and does not see within the packet.

General Manager Howard – Explained that the SDRMA program does not offer a Kaiser plan and also due to the number of employees we have, we do not have other options.

Motion carried by the following vote: AYES: 4, NOES: 1 – Vice-President Simon

3. Establishment of a Town of Discovery Bay CSD General Fund

General Manager Howard – Gave details on the general fund and that the lease for T-Mobile West Corporation revenues will be placed in the General Fund account. In addition, this account will be useful for additional funding projects.

Resident Jeff Barber – What is the anticipated amount that is going into this fund from the current source annually? And are there other sources going into the fund?

General Manager Howard – Stated that the amount is a \$2,000/month lease for the first year which would add up to \$24,000 for that first year, increasing by 4% annually for twenty-five (25) years. There will not be any other amount going into the fund at this time.

Resident Jeff Barber – Can a provision be placed on the general fund that says the first purpose is to pay the expenses, such as MAC or AC expenses, and then what is left could be used at the Board's discretion?

General Manager Howard – Stated that is not the description of a general fund; to have restrictions or to begin with that approach. We need to have a place for the lease which will allow time to build up that fund. During the budgetary process, we will revisit the general fund and adjustments may be made at that time.

Resident Don Flint – Since the land and the cell tower project has been funded so far with rate payer dollars, he would like to know why that money coming in may possibly be placed in the general fund that is not tied to rate payer dollars.

Motion made – by Vice-President Simon and seconded by Director Dawson that the Board authorize the creation of a General Fund and Adopt Resolution 2010-19 establishing a Town of Discovery Bay CSD (TODBCSD) General Fund.

Motion carried by the following vote: AYES: 5, NOES: 0

G. VEOLIA REPORT

1. Quarterly Report – July, August, and September
2. Monthly Report – October

Veolla Manager Gerald Smart - Provided slides for the Quarterly Report and discussed the Monthly Report.

H. MANAGERS REPORTS

Director Piepho – Provided a Code Enforcement Report for Discovery Bay.

I. GENERAL MANAGER REPORT

General Manager Howard – Provided a clip from Channel 7 on the Egeria Densa.

J. DISTRICT LEGAL COUNSEL REPORT

No Report

K. CORRESPONDENCE-Discussion and Possible Action

1. R – Contra Costa County Aviation Advisory Committee Meeting Minutes for August 17, 2010
2. S – Letter of Commendation for Lt. Mike Burton dated November 3, 2010
3. R – Letter from Supervisor Piepho to Liberty Union High School District regarding the district's property located at Delta Road and Sellers Avenue dated November 2, 2010
4. R – Letter from Supervisor Piepho regarding Liberty Union School District's acreage located a Delta Road and Sellers Ave dated November 2, 2010
5. R – Letter from Supervisor Piepho regarding a Board Order from the November 2, 2010 Board of Supervisors' meeting regarding the California Vehicle Code at the Discovery Bay Country Club dated November 3, 2010
6. R – Letter from Supervisor Mary Piepho regarding the cleanup of the Mount Diablo Mercury Mine dated November 4, 2010
7. R – Letter from Supervisor Mary Piepho regarding the dedication of the proposed Discovery Bay Community Center in honor of John Filtz dated November 2, 2010
8. R – Letter from the County Auditor-Controller regarding the Keller Canyon Mitigation Fund dated November 9, 2010

L. PUBLIC RECORD REQUESTS RECEIVED

Request from William Richardson – Deferred Compensation Program for employees – dated Nov. 2, 2010
Request from William Richardson – USDA Funding for Fire District – dated November 8, 2010

M. FUTURE AGENDA ITEMS

Vice-President Simon – We should no longer use cash as payments for different items, and possibly go to Credit Card or Debit Card process.

Director Dawson – Suggested revamping the Community Center Committee.

President Graves – Have the Manager of Code Enforcement attend a Board meeting and discuss what the priorities are for Discovery Bay and have input from the public.

N. ADJOURNMENT

The meeting was adjourned at 8:49p.m. to the next Regular meeting of December 1, 2010 starting at 7:00pm at 1800 Willow Lake Road- Located in back of the Delta Community Presbyterian Church.

cmc- 11.22.10

D.Bay L&L Park #8 District
 Revenue & Expenditure Budget vs. Actuals Worksheet 2010-2011
 October 14, 2010 through November 12, 2010 Period 4

Revenue:	Acct. Code	2010/11 Budget	2010/11 Actuals
Current Funds in Contra Costa County	740/750	\$1,732,129	\$1,753,945
Accounts Payable - Yr End	500		(\$43,400)
Retainage Account	510		
Due to Other Funds - Yr End	540		(\$334)
Disbursements	830	(\$5,885)	
Current Property Taxes	9010	\$381,210	\$425,703
Property Tax Supplemental/Unitary/Secured	9011/13/30/31		\$1,126
SRAF State Rev Transfer	9018		
Property Taxes-Current Unsecured	9020	\$18,029	\$14,529
Property Taxes-Prior-Unsecured	9035		\$188
Earnings on Investment	9181	\$1,000	\$247
H/O Prop Tax Relief/State Aid/In Lieu Taxes	9385/9435/9580		
Misc Revenue & Services	9799&9975		\$670
Total Revenue		\$2,126,484	\$2,152,674

Expenditure: Operating Expenses	Acct. Code	2010/11 Budget	2010/11 Actuals
Office Expenses, Books, Postage	2100	(\$850)	(\$571)
Books, Periodicals & Subscriptions	2102	(\$150)	
Postage	2103	(\$50)	
Communications	2110	(\$1,785)	(\$60)
Utilities (Street Lights, Water & Garbage)	2120	(\$117,000)	(\$37,263)
Small Tools & Instruments	2130	(\$750)	(\$1,118)
Minor Equipment, Furniture less than \$1000	2131	(\$975)	(\$79)
Household Items	2170	(\$900)	(\$962)
Public Notices	2190	(\$150)	
Memberships	2200	(\$450)	(\$120)
Rent & Lease of Equipment	2250	(\$500)	(\$220)
Computer Software	2251		
Maintenance of Equipment	2270	(\$950)	(\$80)
Automotive Supplies & Repairs	2271	(\$2,000)	(\$1,045)
Gasoline	2272	(\$4,000)	(\$793)
Maintenance of Buildings	2281	(\$5,300)	(\$1,741)
Grounds Maintenance	2282	(\$166,484)	(\$55,378)
Requested Maintenance from County	2284/3620		
Auto Mileage/Employee Reimbursement	2301	(\$100)	
Other Travel Employee Expenses	2303	(\$1,500)	
Professional Services/Specialized Services	2310	(\$8,100)	(\$936)
Staff Payroll	2310	(\$72,000)	(\$12,894)
Insurance	2360	(\$5,200)	(\$528)
Road/Construction Materials (Street Signs)	2470	(\$500)	
Other Special Expenses	2479	(\$3,500)	(\$1,484)
Miscellaneous Services & Supplies	2490	(\$300)	(\$199)
Taxes & Assessments	3530/3550		
Interfund Exp.(Investment & Property Tax Adm.)	3611	(\$500)	
Reimbursement for County Adm. Costs	5011	(\$500)	
Total Operating Expenses		(\$394,494)	(\$115,460)

Expenditure: Capital/Asset	Acct. Code	2010/11 Budget	2010/11 Actuals
Various Improvements	4265	(\$7,500)	
Structure & Walkway Repairs	4546	(\$3,500)	
Playground Equipment	4789	(\$115,000)	(\$3,080)
Landscape Master Plan	4829		
Misc. Projects - Willow Lake Road		(\$120,000)	(\$87,918)
Misc. Projects - South Point			
Misc. Projects - Laguna Court			
Misc. Projects - Discovery Point (Small Island)			
Misc. Projects - Discovery Bay Blvd (East)		(\$230,000)	(\$1,419)
Cornell Park	4834	(\$7,500)	
Vehicle Purchase	4853/4953		(\$17,493)
Tools & Sundry Equipment	4956	(\$1,000)	
Total Capital/Asset		(\$484,500)	(\$109,911)
TOTAL EXPENSES & CAPITAL		(\$878,994)	(\$225,370)
TOTAL FUND BALANCE BEFORE RESERVES		\$1,247,490	\$1,927,304
RESERVES		(\$300,000)	
GRAND TOTAL OF EXPENSES/CAPITAL/RESERVES		(\$525,370)	
FUND BALANCE AVAILABLE		\$1,627,304	

AGENDA ITEM - D-2

D.Bay L&L Park #9 District
Revenue & Expenditure Budget vs. Actuals Worksheet 2010-11
October 14, 2010 through November 12, 2010 - Period 04

Revenue:	Acct. Code	2010/11 Budget	2010/11 Actuals
Current Funds in Contra Costa County	740/750	\$234,262	\$283,892
Accounts Payable - Yr End	500		(\$23,966)
Retainage Account	510		(\$8,910)
Disbursements	830		
Current Property Taxes/Street Light Assessment	9754	\$82,500	\$83,405
Property Tax Supplemental/Unitary/Secured	9011/13/30/31		
SRAF State Rev Transfer	9018		
Property Taxes-Current Unsecured	9020		
Property Taxes-Prior-Unsecured	9035		
Earnings on Investment	9181		
H/O Prop Tax Relief/State Aid/In Lieu Taxes	9385/9435/9580		
Misc Revenue & Services	9799&9975		
Total Revenue		\$316,762	\$334,420

Expenditure: Operating Expenses	Acct. Code	2010/11 Budget	2010/11 Actuals
Office Expenses, Books, Postage	2100	(\$150)	(\$125)
Books, Periodicals & Subscriptions	2102	(\$50)	
Postage	2103	(\$50)	(\$16)
Communications	2110	(\$650)	(\$120)
Utilities (Street Lights, Water & Garbage)	2120	(\$12,500)	(\$8,685)
Small Tools & Instruments	2130	(\$100)	(\$120)
Minor Equipment, Furniture less than \$1000	2131	(\$500)	(\$103)
Household Items	2170	(\$700)	(\$209)
Public Notices	2190	(\$150)	(\$254)
Memberships	2200	(\$165)	(\$40)
Rent & Lease of Equipment	2250		
Computer Software	2251	(\$500)	
Maintenance of Equipment	2270	(\$200)	(\$80)
Automotive Supplies & Repairs	2271	(\$300)	(\$87)
Gasoline	2272	(\$500)	(\$407)
Maintenance of Buildings	2281		
Grounds Maintenance	2282	(\$48,540)	(\$14,154)
Requested Maintenance from County	2284/3620		
Auto Mileage/Employee Reimbursement	2301		
Other Travel/Employee Expenses	2303	(\$250)	
Professional Services/Specialized Services	2310	(\$2,000)	(\$3,513)
Staff Payroll	2310	(\$25,500)	(\$323)
Insurance	2360	(\$1,850)	(\$175)
Road/Construction Materials (Street Signs)	2470		
Other Special Expenses	2479	(\$500)	(\$333)
Miscellaneous Services & Supplies	2490	(\$300)	
Taxes & Assessments	3530/3550	(\$500)	
Interfund Exp.(Investment & Property Tax Adm.)	3611		
Reimbursement for County Adm. Costs	5011		
Total Operating Expenses		(\$95,955)	(\$28,743)

Expenditure: Capital/Asset	Acct. Code	2010/11 Budget	2010/11 Actuals
Various Parking Lot Improvements	4226		
Various Improvements (Splash Pad)	4265	(\$87,865)	(3,562)
Structure & Walkway Repairs (Solar)	4546	(\$11,000)	(18,413)
Playground Equipment	4789		
Tools & Sundry Equipment	4956		
Total Capital/Asset		(\$98,865)	(\$21,975)
TOTAL EXPENSES & CAPITAL		(\$194,820)	(\$50,718)
TOTAL FUND BALANCE BEFORE RESERVES		\$121,942	\$283,702

RESERVES (\$56,195)

GRAND TOTAL OF EXPENSES/CAPITAL/RESERVES (\$106,913)

FUND BALANCE AVAILABLE \$227,507




Town of Discovery Bay CSD

AGENDA REPORT

Meeting Date

December 1, 2010

Prepared By: Liz Hardy, Accounts Assistant

Submitted By: Rick Howard, General Manager 

Agenda Title

District Invoices

Recommended Action

Staff recommends that the Board approve the listed invoices for payment

Executive Summary

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

Fiscal Impact:

Amount Requested \$171,621.88

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

Prog/Fund # See listing of invoices. Category: Operating Expenses and Capital Improvements

Previous Relevant Board Actions for This Item

Attachments

Request For Authorization to Pay Invoices for the Town of Discovery Bay CSD

Town of Discovery Bay CSD Operating and Capital Budgets

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

Discovery Bay Lighting & Landscape District #8 Operating and Capital Budgets

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

Discovery Bay Lighting & Landscape District #9 Operating Budget

AGENDA ITEM: D-3

Request for authorization to pay invoices
 For the Meeting on December 1, 2010
 Town of Discovery Bay CSD
 For Fiscal Year's 7/10 - 6/11

Acct Code			
1	7002	Express Employment Inv# 99023461-9, dtd 11/10/10	Payroll for Temp Services \$763.75
2	7002	Express Employment Inv# 99039784-6, dtd 11/17/10	Payroll for Temp Services w/e 11/14/10 \$723.56
			Sub-Total \$1,487.31
3	7010	AMS.Net Inv# 124772, dtd 11/17/10	Resolve a Verint login issue \$75.00
4	7010	Luhdorff & Scalmanini Inv# 26336, dtd 10/31/10	DB CSD Water Master Plan Prof Serv thru Oct 31,2010 \$2,498.50
5	0809-002	Luhdorff & Scalmanini Inv# 26324, dtd 10/31/10	Well & Pump Station 6 Design & Const. \$1,278.00
			Sub-Total \$3,776.50
6	7010	Stantec Inv# 446212, dtd 11/11/10	Discovery Bay WWTP Master Plan \$1,943.50
7	7120	SDRMA Inv# 0034347-IN, dtd 09/02/10	Workers Comp Coverage 2nd qtr \$1,800.12
WATER			
8	7135	PG&E / Acct# 2943721807-5	Newport WTP 10/13-11/12/10 \$10,490.54
9	7135	PG&E / Acct# 2990602600-9	Willow Lake WWTP 10/12-11/09/10 \$5,390.27
10	7135	PG&E / Acct# 3349549227-5	Well #3 DB Blvd & Edgeview 10/12-11/09/10 \$18.50
11	7135	PG&E / Acct# 6760524303-8	Irr. Controller (Newport @ Well 4A) 10/13-11/10/10 \$15.79
12	7135	PG&E / Acct# 7068319849-6	Well #5 10/11-11/08/10 \$5,365.09
13	7135	PG&E / Acct# 8351173112-3	Well #2 10/12-11/09/10 \$2,362.09
14	7135	PG&E / Acct# 8609981202-5	Well #1 (Gas) 10/12-11/09/10 \$16.68
15	7135	PG&E / Acct# 8651647866-5	Well #1 10/13-11/09/10 \$4,923.72
			Sub-Total \$28,582.68
SEWER			
16	7137	PG&E / Acct# 0631986334-3	Newport Lift Station 10/13-11/12/10 \$2,291.92
17	7137	PG&E / Acct# 1182741894-5	Pump Station D 10/13-11/09/10 \$150.02
18	7137	PG&E / Acct# 1318320217-8	Pump Station A 10/13-11/09/10 \$53.53
19	7137	PG&E / Acct# 2068717691-5	Pump Station G 10/13-11/10/10 \$29.87
20	7137	PG&E / Acct# 2172798825-1	Pump Station R 10/13-11/10/10 \$38.16
21	7137	PG&E / Acct# 2527523613-8	Pump Station S 10/14-11/12/10 \$336.05
22	7137	PG&E / Acct# 3016215915-3	Pump Station F 10/11-11/08/10 \$549.00
23	7137	PG&E / Acct# 3101013157-6	Lakes 4 Lift Station 10/12-11/09/10 \$105.66
24	7137	PG&E / Acct# 3881134135-3	WWTP #1 10/13-11/11/10 \$7,926.76
25	7137	PG&E / Acct# 4193709211-6	Pump Station C 10/14-11/12/10 \$53.03
26	7137	PG&E / Acct# 4201000159-4	Golf Course Valve Station 10/14-11/12/10 \$34.59
27	7137	PG&E / Acct# 4225081240-3	Disc WWTP & Pump Station W 10/13-11/11/10 \$27.98
28	7137	PG&E / Acct# 4516230421-1	Pump Station H 10/12-11/09/10 \$16.05
29	7137	PG&E / Acct# 7234986505-4	Pump Station J 10/12-11/09/10 \$226.44
30	7137	PG&E / Acct# 7312115758-7	SS/HWY 4 E/Disco Bay Blvd W/O Bridge 10/13-11/11/10 \$14,715.14
31	7137	PG&E / Acct# 7630923070-4	Pump Station E 10/11-11/08/10 \$304.42
32	7137	PG&E / Acct# 8343916134-6	Fern Ridge Circle/Hofmann 10/09-11/08/10 \$680.58
33	7137	PG&E / Acct# 8440119997-5	Knightsen School Pump Station 10/12-11/09/10 \$18.96
			Sub-Total \$27,558.16
34	7135	EnerPower Inv# 56382, dtd 10/28/10	Elec usage for 09/11-10/11/10 \$165.00
35	7137	EnerPower Inv# 56383, dtd 10/28/10	Elec usage for 09/14-10/12/10 \$80.00
36	7137	EnerPower Inv# 56384, dtd 10/28/10	Elec usage for 09/11-10/10/10 \$125.00
			Sub-Total \$370.00
37	7250	CSDA ID #5678, dtd 9/2/10	Membership dues for 2011 \$4,141.00
38	7300	Delta Cable & Supply Inc. Inv# 35403, dtd 11/16/10	Stainless Steel Thimble & eye slip hook w/ hatch \$1,865.21
39	7300	G2 Metal Fab Inv# 938, dtd 11/10/10	Fabricate SST wheels out of 3/8" 304 Plate materials \$2,535.22
40	7300	G2 Metal Fab Inv# 939, dtd 11/10/10	SST flat bar pieces \$1,583.00
			Sub-Total \$4,118.22
41	7300	ITT Water & Wastewater U.S.A. Inv# 07604100, dtd 10/11/10	Kit repair basic \$2,044.66
42	7300	ITT Water & Wastewater U.S.A. Inv# 07606048, dtd 10/19/10	Return of repair kit -\$2,038.61
43	7300	ITT Water & Wastewater U.S.A. Inv# 07609308, dtd 11/09/10	Repair Pump \$3,022.63
			Sub-Total \$3,028.68
44	7300	J.W. Backhoe & Constr. Inv# 1429, dtd 11/05/10	1103 Beach Ct leak \$8,636.15

45	7300	Paul E. Vaz Trucking Inv# 10442, dtd 11/11/10	Base rock for water/sewer repairs	\$424.04
46	7300	Paul E. Vaz Trucking Inv# 10443, dtd 11/11/10	Base rock for water/sewer repairs	<u>\$502.02</u>
			Sub-Total	\$926.06
47	7300	Preston Pipeline, Inc Inv# 13569, dtd 10/25/10	water leak repair 1689 Willow Lake Rd	\$1,428.00
48	7300	R & B Company Inv# S1237155-004, dtd 11/16/10	Crispin air valve and brass 90 ell	\$763.74
49	7300	Shape Order# 9889FL, dtd 11/12/10	Service call WWTP no. 1 quote 090949	\$500.00
50	7300	USABlueBook Inv# 276554, dtd 11/12/10	Float Switch Weight Assembly Zinc Avocado Switch	\$357.23
51	7330	BCS Inv# SI5804092, dtd 11/05/10	Chemicals for 1800 Newport Dr	\$727.08
52	7330	BCS Inv# SI5804093, dtd 11/05/10	Chemicals for 1800 Willow Lake Rd	<u>\$1,081.95</u>
			Sub-Total	\$1,809.03
53	7410	Ricoh Americas Corp Inv# 410592974, dtd 11/01/10	Copier Maintenance	\$289.22
54	7420	Neopost by Neopost Inv# xxxx-xxxx-xxxx-4658, dtd 11/07/10	Postage	\$837.12
55	7430	Office Depot Inv# 538973679001, dtd 10/27/10	Office Supplies	\$14.25
56	7430	Office Depot Inv# 539356648001, dtd 11/01/10	Office Supplies	\$40.16
57	7430	Office Depot Inv# 539911565001, dtd 11/04/10	Office Supplies	\$165.58
58	7430	Office Depot Inv# 539911737001, dtd 11/04/10	Office Supplies	<u>\$9.82</u>
			Sub-Total	\$229.81
59	7520	Verizon Wireless Inv# 0918955169, dtd 10/26/10	Wireless charges	\$512.50
60	7665	EG Roofing Inv# 5221, dtd 11/1/10	Misc roof leakage repairs	\$419.00
61	7720	Brian Dawson dtd 11/19/10	Directors Meetings for November	\$400.00
62	7952	Boething Treeland Farms Inv# TV207141, dtd 11/10/10	Fraxinus Amer Autumn Purple*** ***To be reimbursed by Zone 61	\$257.83
63	7952	J V L Ortiz Landscaping Inv# 111926, dtd 11/20/10	Removal of fallent tree at Tyler Mem Park	\$110.00
64	7952	Valley Crest Inv# 3650283, dtd 11/08/10	Removal of Crabapple trees at Park & Ride/new Crape Myrtle***	\$994.00
65	7952	Valley Crest Inv# 3644197, dtd 11/10/10	Landscape Maint for November*** ***To be reimbursed by Zones, 35, 57 and 61	<u>\$5,460.00</u>
			Sub-Total	\$6,454.00
66	0910-007	McFadden Construction Proj# 452, dtd 09/10	UV System and Bypass Pipeline App #4	\$31,478.48
67	0910-007	Bank of Sacramento For: McFadden Construction Proj# 452, dtd 09/10	UV System and Bypass Pipeline App #4	\$3,497.61
68	1011-001	Rain for Rent Inv# 045027649, dtd 11/11/10	Deliver and Instal of pump and plpe for UV bypass project	\$4,512.74
		TODB TOTAL...		\$142,164.90

TOWN OF DISCOVERY BAY CSD OPERATING BUDGET 2010/2011 Approved at 05/16/10 Meeting															
Acct. #	Account Description	2009/2010 Budget	2009/2010 YTD ACTUALS	2009/2010 % of Budget YTD	2010/2011 Budget	Jul 10 Month to Date Expenses	Aug 10 Month to Date Expenses	Sep 10 Month to Date Expenses	Oct 10 Month to Date Expenses	Nov 10 Month to Date Expenses	Dec 10 Month to Date Expenses	Pending Approval 12/01/10	2010/2011 YTD REIMB.	2010/2011 YTD ACTUALS	2010/2011 % of Budget YTD
7001	Contract Services	\$102,000	\$103,719	102%	\$130,000		\$10,735						\$10,735	\$10,735	8%
7002	General Manager	\$221,000	\$388,678	176%	\$270,000		\$46,835						\$46,835	\$46,835	21%
7003	Staff Water Related				\$126,000									\$0	0%
7003	Landscaping Related (Reimb)	\$50,000	\$0	0%	\$52,500									\$0	0%
7005	District Benefits	\$80,000	\$87,417	109%	\$80,000	\$7,366	\$7,909		\$4,524	\$9,502			\$7,909	\$28,301	35%
7010	Legal	\$130,000	\$104,787	44%	\$210,000	\$6,951	\$10,095		\$8,392	\$5,558			\$10,095	\$45,402	22%
7011	Consulting Services	\$1,020,000	\$1,079,478	161%	\$1,173,000	\$3,560	\$83,362		\$93,362	\$83,362			\$83,362	\$250,086	21%
7012	Voila Prev & Corrective Fund	\$48,000	\$107,819	212%	\$80,000		\$8,721		\$3,560				\$8,721	\$26,108	33%
7013	NPDES Permit		\$0	0%										\$0	0%
7014	Staff Water Related		\$82,000	0%	\$24,000									\$0	0%
7015	Outsource of Water Billing													\$0	0%
7120	General Operating Expenses	\$19,000	\$21,025	111%	\$35,000									\$1,030	3%
7135	Electrical Cost (Water)	\$300,000	\$328,208	109%	\$300,000		\$90,992		\$108	\$53,460			\$90,992	\$183,836	61%
7137	Electrical Cost (Genwr)	\$300,000	\$371,784	124%	\$325,000	\$60,510	\$60,510		\$9,894	\$39,233			\$60,510	\$27,763	44%
7210	Public Comm & Noticing	\$10,000	\$13,367	134%	\$5,000		\$228		\$190					\$388	8%
7220	Electron Expenses		\$0	0%	\$12,000									\$0	0%
7230	Rent - Public Meetings	\$500	\$0	0%	\$500									\$0	0%
7250	Memberships	\$5,000	\$28,073	498%	\$16,000		\$120		\$1,093	\$327			\$1,093	\$1,545	10%
7285	Permits	\$30,000	\$29,233	97%	\$30,000		\$6,821		\$575	\$14,786			\$6,821	\$22,182	44%
7285	NPDES NOV Fines (S)		\$1,716	49%	\$25,000		\$1,531		\$281				\$1,531	\$1,811	7%
7290	Staff Training	\$3,500	\$54,147	185%	\$350,000	\$13,997	\$113,985		\$95,401	\$39,593			\$13,997	\$300,654	86%
7300	General Repair Water / Sewer	\$300,000	\$54,147	18%	\$150,000									\$0	0%
7310	Pump Repairs	\$15,000	\$0	0%	\$15,000									\$0	0%
7320	NTR / SIP Testing	\$15,000	\$0	0%	\$15,000									\$0	0%
7320	Special Equipment/Signage	\$3,000	\$4,699	157%	\$3,000		\$4,964		\$105	\$158			\$4,964	\$6,425	21%
7330	Chemicals/Odor Materials	\$50,000	\$97,797	196%	\$55,000		\$14,476		\$8,683	\$12,701			\$14,476	\$45,268	70%
7410	Office Expenses	\$5,000	\$4,697	94%	\$4,500									\$289	18%
7420	Cooler Maint		\$7,000	250%	\$2,500		\$251		\$157	\$440			\$251	\$821	12%
7430	Postage	\$7,000	\$17,497	250%	\$8,000	\$199	\$941		\$124	\$451			\$199	\$996	34%
7500	Communications	\$3,000	\$29,109	970%	\$1,000		\$64		\$160	\$479			\$64	\$346	105%
7510	Web Site/Internet	\$3,000	\$4,849	162%	\$4,500		\$731		\$460	\$370			\$731	\$513	49%
7520	Wireless	\$2,500	\$6,371	255%	\$4,000		\$195		\$380	\$1,154			\$195	\$441	54%
7550	Telephone	\$10,000	\$23,632	236%	\$15,000	\$110	\$598		\$196	\$136			\$110	\$535	35%
7650	Site Maintenance Landscaping	\$5,000	\$1,877	48%	\$10,000	\$105	\$76		\$2,141	\$5			\$105	\$2,328	23%
7670	Office Bldg / Improvements	\$5,000	\$30,035	601%	\$3,000		\$1,504		\$30	\$631			\$1,504	\$2,214	28%
7680	Office Equipment / Software	\$1,000	\$1,456	146%	\$1,500		\$76		\$352	\$38			\$76	\$328	33%
7685	Tools	\$3,000	\$6,193	206%	\$3,500	\$427	\$293		\$38	\$1,027			\$427	\$4,744	136%
7690	Maint / Fuel	\$18,000	\$25,323	141%	\$19,000	\$100	\$5,505		\$293	\$9,097			\$100	\$16,829	89%
7700	Directors Expense	\$36,000	\$25,038	70%	\$36,000	\$1,200	\$2,100		\$2,268	\$1,400			\$1,200	\$6,294	23%
7720	Compensation	\$1,000	\$312	31%	\$600		\$379		\$72	\$24			\$379	\$24	4%
7750	Miscellaneous	\$1,000	\$161,203	16120%	\$12,000		\$579		\$72	\$5,622			\$579	\$6,822	52%
7851	Misc. - Reimbursable		\$0	0%	\$10,000	\$5,545	\$8,923		\$77	\$30			\$5,545	\$107	1%
7922	Misc. - Zones Reimbursable		\$0	0%	\$100,000				\$10,275	\$12,204				\$38,202	38%
7922	Reimbursement (Hofmann)		\$0	0%										\$0	0%
7115	General Liability	\$50,000	\$102,503	171%	\$48,000									\$0	0%
7120	Worker's Comp	\$3,000	\$5,153	172%	\$5,500									\$0	0%
7805	County Services	\$600	\$0	0%	\$700									\$0	0%
7810-0810	Investment Fee	\$0	\$0	0%	\$0									\$0	0%
7815-2315	Data Processing	\$0	\$0	0%	\$2,500									\$0	0%
7820	Accounting (AP, A/R, GL)	\$5,000	\$21,180	424%	\$5,000									\$0	0%
7825	Public Works - permits		\$91,100		\$6,000									\$0	0%
CREDITS	Reimbursements to Town of DB	\$2,919,100	\$3,711,273	127%	\$3,697,800	\$127,893	\$478,604		\$223,695	\$213,352			\$127,893	\$1,213,854	33%

Miscellaneous Adjustments:				
Date	Acct #	Amount	Description	
7/21/2010	7950	\$5,545.00	S/B in #7952	
8/4/2010	7950	\$168.44	S/B in #7992	
7/21/2010	7300	\$4,408.00	S/B in #7011-017	
8/4/2010	7010	\$11,331.42	S/B in #7300	

Acct. #	TOWN OF DISCOVERY EAY CSD OPERATING BUDGET 2010/2011 Approved at 08/16/10 Meeting Account Description	2009/2010 Budget	2009/2010 YTD ACTUALS	2009/2010 % of Budget YTD	2010/2011 Budget	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Ponding Approval 12/01/10	2010/2011	2010/2011	2010/2011	
						Month to Date Expenses	Month to Date Expenses	Month to Date Expenses	Month to Date Expenses	Month to Date Expenses	Month to Date Expenses		YTD REIMB.	YTD ACTUALS	% of Budget YTD	
						8/29/2010	7300	\$650.00	S/B in #0809-002							
						8/29/2010	7300	\$225.00	S/B in #7630							
						8/29/2010	7300	\$86.00	remove - Pd 7/27/10							
						8/29/2010	7320	\$177.98	S/B in #7300							

TOWN OF DISCOVERY BAY CSD CAPITAL IMPROVEMENT PROGRAM 2010/2011 Approved at 8/16/10 Meeting		2009/2010 ACTUALS	2009/2010 % of Budget YTD	2010/2011 BUDGET	Jul 10 M-T-D Exp.	Aug 10 M-T-D Exp.	Sep 10 M-T-D Exp.	Oct 10 M-T-D Exp.	Nov 10 M-T-D Exp.	Dec 10 M-T-D Exp.	Plan to Approve 12/01/10	2010/2010 YTD REIMB.	2010/2011 ACTUALS	2010/2011 % of Budget YTD
SEWER	0810-004 Rehab Manholes	\$0	0%	\$15,000			\$14,893						\$14,893	99%
	0910-005 Landscape Plant #1	\$2,636	53%	\$5,000			\$7,450						\$0	0%
	0910-006 Replace Sewer Main	\$0	0%			\$151,290	\$49,196	\$44,407	\$134,389				\$158,740	0%
	0910-007 UV System	\$457,297	114%	\$200,000	\$4,489	\$28,439					\$34,976	\$280,920	\$280,920	0%
	0910-008 Salinity Project	\$0	0%										\$0	0%
	0910-009 Pumps / Motors Replacement	\$35,470	71%	\$85,000									\$0	0%
	1010-010 Wetlands	\$8,304	1%	\$80,000				\$5,590					\$0	0%
	1010-001 By-Pass Pipeline	\$0		\$20,000							\$4,513	\$5,590	\$5,590	7%
	1010-002 Replace PLC's	\$0		\$22,000									\$0	0%
	1010-003 Bio-Solids Pumps (2) Wet Well	\$0		\$60,000									\$0	0%
	1010-004 Rehab Lift Station W	\$0		\$12,000					\$500				\$0	0%
	1010-005 Bypass Valve Lift Station S	\$0		\$60,000									\$0	0%
	1010-006 Metal Cover for UV Area	\$0		\$125,000									\$0	0%
	1010-007 Clarifier Cleaning Devices	\$0		\$25,000									\$0	0%
	1010-008 Paving for Bio-Solids Area	\$0		\$15,000									\$0	0%
	1010-009 New Moles (2)	\$0		\$80,000				\$42,608					\$0	0%
	1010-010 Road Crossing Ramps	\$0		\$25,000									\$0	0%
	Water Meter Program	\$581,375	35%	\$769,000	\$4,489	\$179,729	\$71,539	\$92,604	\$134,889	\$0	\$39,489	\$0	\$483,250	63%
WATER	0809-002 Well #6 Design & Drill Test Hole	\$475,615											\$8,765	
	0910-011 Security Door Locks (12)	\$12,980	216%	\$6,000		\$1,400	\$816	\$5,612	\$937		\$1,278		\$0	0%
	0910-012 Ladder Vandal Guard	\$0	0%	\$2,000									\$0	0%
	0910-013 Pumps / Motors Replacement	\$2,972	20%	\$500,000									\$0	0%
	0910-014 Water Meter Program	\$63,079	13%	\$500,000	\$250		\$250	\$20,943	\$288				\$21,360	4%
	Water Meter Program: Reimbursements			(\$500,000)									\$0	0%
	1010-011 Filter Media Replacement	\$0		\$40,000									\$0	0%
	1010-012 Stabilize Around Willow Lake	\$0		\$30,000									\$0	0%
	1010-013 Rehab Well(s)	\$0		\$50,000									\$0	0%
	1010-014 Replace Water Mains	\$0		\$20,000									\$0	0%
	1010-015 Water Meter Trailer	\$0		\$20,000									\$0	0%
	Water Sub Total	\$555,237	105%	\$148,000	\$250	\$1,400	\$816	\$26,455	\$1,205	\$0	\$1,278	\$0	\$30,125	20%
OTHER	1010-016 Pickup Truck (1)	\$0		\$20,000									\$0	0%
	1010-017 K-Rail for Bulk Material	\$0		\$15,000	\$4,408								\$4,408	29%
	1010-018 Portable Message Units	\$0		\$30,000									\$0	0%
	1010-019 GPS Tracking Device	\$0		\$12,000									\$0	0%
	1010-020 Replace Fence Near Manua	\$0		\$15,000									\$0	0%
	1010-021 New Chairs for Board Room	\$0		\$6,000									\$0	0%
	Other Sub Total	\$7,281	19%	\$98,000	\$4,408	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,408	4%
CREDITS	0102-00 Pipeline Replace Reserve	\$0											\$0	
	Reimbursement to Town of DB	\$0											\$0	
	Total CIP Budget	\$1,143,864	71%	\$1,015,000	\$9,147	\$181,129	\$72,354	\$119,059	\$136,094	\$0	\$40,767	\$0	\$517,783	

Miscellaneous Adjustments:			
Date	Acct #	Amount	Description
7/21/2010	7300	\$4,408.00	S/B in #1011-017
8/4/2010	0809-002	\$38,032.20	removed - paid on 7/28/10

**Request for authorization to pay invoices
For the Meeting on December 1, 2010
Town of Discovery Bay, D.Bay L&L Park #8
For Fiscal Year's 7/10 - 6/11**

Acct Code						
1	2102	ISA Web Store	Inv# 30078, dtd 11/18/10	Arborists Certification Study Guide - 2010		\$100.00
2	2120	Discovery Bay Disposal	Inv# 17-0001966, dtd 11/1/10	October 2010 reg p/u and xtra pick up		\$328.00
3	2120	PG&E / Acct# 0869258994-1	(Sprink Contr)	DB Blvd. & Willow Lake	10/12-11/09/10	\$15.86
4	2120	PG&E / Acct# 2068897992-9		DB Blvd across from 510	10/13-11/10/10	\$189.52
5	2120	PG&E / Acct# 2249446019-3	(Sprinkler)	Disco Point, Tr #4077, Lot 71	10/12-11/09/10	\$16.59
6	2120	PG&E / Acct# 2800977208-9	(Irr Contr)	9295Beacon Pl @ Str Lite	10/13-11/10/10	\$16.70
7	2120	PG&E / Acct# 3736907925-8	(Sprink Contr)	E/S Edgview Dr N/O DB Blvd	10/12-11/09/10	\$15.86
8	2120	PG&E / Acct# 4111412785-9	(Sprink Contr)	DB Blvd & Seal Way	10/12-11/09/10	\$15.86
9	2120	PG&E / Acct# 445555569-5	(Sprinkler)	Disco Point, Tr #3653, Lot 17	10/12-11/09/10	\$16.59
10	2120	PG&E / Acct# 5465914049-2	(Sprinkler)	DB Blvd. & Spinnaker	10/12-11/09/10	\$15.86
11	2120	PG&E / Acct# 5939734421-5	PG&E Owned	Street & Highway Lighting	10/19-11/17/10	\$6,425.07
12	2120	PG&E / Acct# 7135420365-6	(Sprinkler)	Disco Point, Tr# 4077, Lot 65	10/12-11/09/10	\$16.59
13	2120	PG&E / Acct# 7452568975-3	(Sprink Contr)	S/E cnr DB Blvd & Willow Lk	10/12-11/09/10	\$15.86
14	2120	PG&E / Acct# 7696548482-7	(Sprinkler)	DB Blvd, Tr# 4178, Lot 5	10/12-11/09/10	\$16.59
15	2120	PG&E / Acct# 8009270258-0	@ Clipper Dr w/o Cove Ct	7723 Marina Dr	10/12-11/09/10	\$31.72
16	2120	PG&E / Acct# 8101346815-2	(Irr Contr)	Newport Dr. w/o Pier Ct	10/12-11/09/10	\$15.86
17	2120	PG&E / Acct# 8163719795-5	(Irr Contr)	9271 Newport Dr @ Str. Lite	10/13-11/10/10	\$16.70
18	2120	PG&E / Acct# 8167536097-8	(Irr Contr)	@ Clipper Dr	10/12-11/09/10	\$15.86
19	2120	PG&E / Acct# 8399010851-6	(Sprink Contr)	Willow Lake Ct, Lot 31	10/13-11/10/10	\$16.52
20	2120	PG&E / Acct# 8400813429-2	(Sprinkler)	Laguna Ct, Tr# 4076, Lot 18	10/12-11/09/10	\$16.59
21	2120	PG&E / Acct# 8545920147-2	(Lites & Sprinklers)	2489 'A' DB Blvd.	10/12-11/09/10	<u>\$87.43</u>
Sub-Total						\$6,977.63
22	2120	Town of Discovery Bay	Inv# 2589, dtd 11/03/10	DB Blvd & Sand Point Rd water usage charge 2008		\$2,767.80
23	2120	Town of Discovery Bay	Inv# 2590, dtd 11/03/10	DB Blvd & Sand Point Rd water usage charge 2009		\$822.96
24	2120	Town of Discovery Bay	Inv# 2591, dtd 11/03/10	DB Blvd & Sand Point Rd water usage charge 2010		<u>\$186.76</u>
Sub-Total						\$3,777.52
25	2281	Jani-King of CA	Inv# OAK11100263, dtd 11/01/10	Monthly contract billing for November		\$350.00
26	2282	Boething Treeland Farms	Inv# TV207140, dtd 11/10/10	Mulch and bushes		\$866.36
27	2282	Boething Treeland Farms	Inv# TV207142, dtd 11/10/10	Jacaranda Mimosifolia		<u>\$29.50</u>
Sub-Total						\$895.86
28	2282	J V L Ortiz Landscaping	Inv# 111924, dtd 11/20/10	Replacement of 2" irrig valve at Cornell Park		\$687.04
29	2282	Trugreen	Inv# 790834, dtd 10/27/10	Turf Islands on DB Blvd		\$250.00
30	2282	Valley Crest	Inv# 1823102, dtd 10/18/10	Misc irrig repairs at Cornell Park		\$180.00
31	2282	Valley Crest	Inv# 3643310, dtd 11/10/10	Landscape Maint for November		\$8,457.00
32	2282	Valley Crest	Inv# 3650277, dtd 11/08/10	Replaced cabinet on Clipper Dr #26/exchngd cabinet w/#8		\$903.00
33	2282	Valley Crest	Inv# 3650285, dtd 11/08/10	Irrig cabinet install at Newport Dr C-29		\$903.00
34	2282	Valley Crest	Inv# 3650287, dtd 11/08/10	Irrig cabinet install at Clipper Dr C-25		\$939.00
35	2282	Valley Crest	Inv# 1499617, dtd 11/10/10	Credit toward October maint ref orig Inv# 3626209		-\$292.00
36	2282	Valley Crest	Inv# 1499618, dtd 11/10/10	Credit toward November maint ref orig Inv# 3643310		<u>-\$292.00</u>
Sub-Total						\$10,798.00
37	2282	Watersavers Irrigation	Inv# I1002049, dtd 09/22/10	Irrig rain dial at Edgeview		\$132.49
38	2282	Watersavers Irrigation	Inv# I1006676, dtd 10/12/10	Credit for return of clock		-\$82.88
39	4829	Watersavers Irrigation	Inv# I1015919, dtd 11/17/10	Repairs to valves on DB Blvd/Sandpoint		<u>\$235.53</u>
Sub-Total						\$285.14
40	2360	SDRMA	Inv# 0034347-IN, dtd 09/02/10	Workers comp coverage 2nd quarter		\$786.88
41	4789	Gates & Associates	Inv# 31421, dtd 11/10/10	Prpjct# P4157 Professional services for period ended 11/07/10		\$865.50
42	4829	Bay Area News Group	Ref # 3728074, dtd 10/31/10	Advertising DB Blvd/Sand Point		\$232.60
TOTAL						\$26,334.17

County Acct#	Town of Discovery Bay/D.Bay L&L Park #8 Operating Expense Budget 10/11 Approved at 6/16/10 Meeting	2009/2010 Budget	2009/2010 Actuals	2009/2010 % of Budget YTD	2010/2011 Budget	2010/2011 Budget YTD	8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	Plan to Approve 12/1/2010	2010/2011 Actuals	2010/2011 % of Budget YTD
2100	Office Expenses	\$500	\$1,076	215%	\$850	\$850	\$105	\$382	\$51	\$163	\$382	\$0	\$701	82%	
2102	Books, Periodicals & Subscriptions	\$50	\$25	49%	\$150	\$150		\$60			\$60		\$100	40%	
2103	Postage	\$50	\$0	0%	\$50	\$50								0%	
2110	Communications (Messenger, Radio, etc.)	\$1,500	\$1,140	76%	\$1,785	\$1,785			\$60					0%	
2120	Utilities (Street Lights, Water, & Garbage)	\$105,000	\$39,853	38%	\$117,000	\$117,000	\$239	\$7,702	\$12,060	\$5,281	\$11,981	\$11,083	\$37,263	32%	
2130	Small Tools & Instruments	\$1,000	\$875	87%	\$750	\$750	\$100	\$736	\$107	\$124	\$388		\$1,456	194%	
2131	Minor Equipment, Furniture Less than \$1000.	\$500	\$1,203	242%	\$975	\$975					\$75		\$75	8%	
2170	Household Items	\$800	\$1,209	151%	\$900	\$900			\$879				\$879	98%	
2190	Public Notices	\$100	\$633	633%	\$150	\$150							\$0	0%	
2200	Memberships	\$200	\$0	0%	\$450	\$450				\$120			\$120	27%	
2250	Rent & Lease of Equipment	\$100	\$95	95%	\$500	\$500			\$220				\$220	44%	
2251	Computer Software	\$500	\$0	0%									\$0	#DIV/0!	
2270	Maintenance of Equipment	\$700	\$1,858	265%	\$950	\$950					\$9		\$89	9%	
2271	Automotive Supplies & Repairs	\$1,300	\$9	1%	\$2,000	\$2,000	\$159	\$886					\$1,045	52%	
2272	Gasoline/Fuel for Equipment	\$4,100	\$2,245	55%	\$4,000	\$4,000	\$244	\$368			\$249		\$1,042	26%	
2281	Maintenance of Buildings	\$5,000	\$5,402	108%	\$5,300	\$5,300	\$350	\$350			\$372		\$1,422	27%	
2282	Grounds Maintenance	\$250,000	\$189,315	76%	\$166,484	\$166,484	\$9,915	\$30,450	\$1,854	\$11,890	\$13,215		\$67,325	40%	
2284	Requested Maintenance from County (3620)	\$500	\$0	0%									\$0	#DIV/0!	
2301	Auto Mileage/Employee Reimbursement	\$300	\$790	263%	\$100	\$100							\$0	0%	
2303	Other Travel Employee Expenses	\$200	\$102	51%	\$1,500	\$1,500							\$0	0%	
2310	Professional Services	\$10,000	\$11,116	111%	\$8,100	\$8,100	\$366		\$400	\$170			\$936	12%	
2310	Staff Payroll	\$63,000	\$39,064	62%	\$72,000	\$72,000	\$11,671	\$726			\$497		\$12,894	18%	
2360	Insurance	\$8,000	\$10,389	130%	\$5,200	\$5,200				\$528			\$528	10%	
2470	Road/Construction Materials (Street Signs)	\$1,000	\$0	0%	\$500	\$500							\$0	0%	
2479	Other Special Expenses	\$5,000	\$5,810	116%	\$3,500	\$3,500	\$647	\$59	\$59	\$778	\$172		\$1,484	42%	
3530	Miscellaneous Services & Supplies	\$200	\$21	10%	\$300	\$300				\$27			\$199	66%	
3611	Taxes & Assessments	\$4,500	\$0	0%									\$0	0%	
5011	Intertund Exp - Gov/Gov (Investment Svcs&Property Tax Adm. Costs)	\$500	\$0	0%	\$500	\$500							\$0	0%	
Misc.	Reimbursement-Gov/County Administration Chrgs	\$500	\$0	0%	\$500	\$500							\$0	0%	
	Reserves		\$0										\$0	0%	
	Total Expenses:	\$465,100	\$362,238	78%	\$394,494	\$394,494	\$10,619	\$52,065	\$17,134	\$20,580	\$27,399	\$0	\$25,001	\$127,797	32%

Miscellaneous Adjustments:

County Acct#	Town of Discovery Bay/D Bay L&L Zone #8 Capital / Asset Budget 10/11 Approved at 6/16/10 Meeting	2009/2010 Budget	2009/2010 Actuals	2009/2010 % of Budget YTD	2010/2011 Budget	Jul 10 Month to Date Expenses	Aug 10 Month to Date Expenses	Sep 10 Month to Date Expenses	Oct 10 Month to Date Expenses	Nov 10 Month to Date Expenses	Dec 10 Month to Date Expenses	2010/2011 Actuals	2010/2011 % of Budget YTD	
4265	Various Improvements	\$7,500	\$4,842	65%	\$7,500							\$0	0%	
4546	Structure & Walkway Repairs	\$3,500	\$0	0%	\$3,500							\$0	0%	
4789	DB L&L Zone #8 Playground Equipment	\$3,000	\$0	0%	\$115,000					\$3,080		\$3,080	3%	
4829	DB L&L Zone #8 Landscape Master Plan Entrai	\$0	\$0		\$0				\$50,366			\$50,366	#DIV/0!	
	DB L&L Zone #8 Landscape Clipper Drive Phas	\$0	\$0		\$0							\$0	#DIV/0!	
4834	DB L&L Zone #8 Misc. Projects (1)	\$233,100	\$9,314	4%	\$350,000	\$21	\$1,965	\$3,188	\$33,798			\$38,972	11%	
4953	Cornell Park - Discovery Bay Vehicle Purchase	\$3,000	\$0	0%	\$7,500			\$17,030	\$464			\$0	0%	
4956	Tools & Sundry Equipment	\$1,000	\$26	3%	\$1,000							\$17,493	#DIV/0!	
	Total	\$251,100	\$14,182	6%	\$484,500	\$21	\$1,965	\$20,218	\$84,627	\$3,080	\$0	\$1,334	\$109,911	23%

*** DB L&L Zone #8 Misc. Projects (1)

- 1 Willow Lake Rd \$120,000
- 2 Discovery Bay Blvd. (East) \$230,000
- \$350,000

Request for authorization to pay invoices
 For the Meeting on December 1, 2010
 Town of Discovery Bay, D.Bay L&L Park #9 (Ravenswood)
 For Fiscal Year's 7/10 - 6/11

Acct Code							
1	2100	Office Depot	Inv# 538973679001, dtd 10/27/10	Office Supplies			\$44.68
2	2100	Office Depot	Inv# 539911565001, dtd 11/04/10	Office Supplies			<u>\$44.68</u>
						Sub-Total	\$89.36
3	2102	ISA Web Store	Inv# 30078, dtd 11/18/10	Arborists Certification Study Guide 2010			\$24.26
4	2103	UPS	Inv# 000012X417450, dtd 11/06/10	Contract to James B			\$20.41
5	2120	PG&E / Acct# 1066166716-1	829 Poe Dr (Irrig Ctrlr)		10/12-11/09/10		\$10.21
6	2120	PG&E / Acct# 7705163630-4	1738 Wilde Dr (Irrig Controller)		10/12-11/09/10		<u>\$10.76</u>
						Sub-Total	\$20.97
7	2282	Cleary Bros	Inv# B011097, dtd 11/15/10	Monthly Maint for November 2010			\$2,920.00
8	2282	Watersavers	Inv# I1013262, dtd 11/05/10	Repairs to Wilde Dr.			\$13.02
9	2282	Watersavers	Inv# I1015449, dtd 11/16/10	80" x 80" Burlap Sheet			<u>\$34.79</u>
						Sub-Total	\$47.81
						TOTAL	\$3,122.81

2010/2011

Town of Discovery Bay/L&L #9 Ravenswood
Operating Expense Budget
Approved at 6/16/10 Meeting

County	2009/2010 Budget	2009/2010 YTD ACTUALS	2009/2010 % of Budget YTD	2010/2011 Budget	2010/2011 YTD ACTUALS	2010/2011 YTD REIMB.	Planned to Pay 12/1/2010	Dec 10 Month to Date Expenses	Nov 10 Month to Date Expenses	Oct 10 Month to Date Expenses	Sep 10 Month to Date Expenses	Aug 10 Month to Date Expenses	Jul 10 Month to Date Expenses	50.00%	41.67%	25.00%	16.67%	8.33%	2010/2011 YTD ACTUALS	2010/2011 % of Budget YTD
2100 Office Expenses	\$150	16	10%	\$150	\$177		\$89	\$13	\$62	\$51	\$51	\$51	\$51	\$13	\$13	\$51	\$51	\$51	\$177	118%
2102 Books, Periodicals & Subscriptions	\$50	120	240%	\$50	\$0		\$24												\$0	0%
2103 Postage	\$50	8,685	17370%	\$50	\$16		\$20												\$16	31%
2110 Communications (Messenger, Radio, etc.)	\$100	177	177%	\$650	\$120														\$120	18%
2120 Utilities (Street Lights, Water, & Garbage)	\$5,000	103	2%	\$12,500	\$7,188		\$21	\$7,188											\$8,685	69%
2130 Small Tools & Instruments	\$100	193	193%	\$100	\$120			\$57											\$177	177%
2131 Minor Equipment, Furniture Less than \$1000.	\$100	253	253%	\$500	\$103														\$103	21%
2170 Household Items	\$0	581	#DIV/0!	\$700	\$193														\$193	28%
2190 Public Notices	\$50	38	76%	\$150	\$200														\$253	169%
2200 Memberships	\$50	0	0%	\$165	\$40														\$40	24%
2250 Rent & Lease of Equipment	\$500	0	0%		\$0														\$0	0%
2251 Computer Software		0	#DIV/0!	\$500	\$0														\$0	0%
2270 Maintenance of Equipment	\$200	109	55%	\$200	\$80														\$80	40%
2271 Automotive Supplies & Repairs	\$300	0	0%	\$300	\$87														\$87	29%
2272 Gasoline/Fuel for Equipment	\$300	0	0%	\$500	\$69														\$407	81%
2282 Grounds Maintenance	\$54,000	32,593	60%	\$48,540	\$2,920		\$2,968	\$3,830											\$14,521	30%
2301 Auto Mileage/Employee Reimbursement	\$100	129	129%	\$250	\$0														\$0	0%
2303 Other Travel Employee Expenses		46	#DIV/0!	\$250	\$0														\$0	0%
2310 Professional Services	\$5,000	2,890	58%	\$2,000	\$597														\$3,792	190%
2310 Staff Payroll	\$13,000	358	3%	\$25,500	\$1,189														\$1,189	5%
2350 Insurance	\$5,000	0	0%	\$1,850	\$175														\$175	9%
2470 Road/Construction Materials (Street Signs)		0	#DIV/0!		\$0														\$0	0%
2479 Other Special Expenses		1,249	#DIV/0!	\$500	\$333														\$333	67%
2490 Miscellaneous Services & Supplies		0	#DIV/0!	\$300	\$0														\$0	0%
3530 Taxes & Assessments	\$1,000	0	0%	\$500	\$0														\$0	0%
5011 Reimbursement-Gov/County Admin. Chrgs	\$100	0	0%	\$500	\$0														\$0	0%
Misc. Reserves		0	#DIV/0!		\$0														\$0	0%
Total Expenses	\$85,150	47,537	56%	\$95,955	\$3,915		\$3,123	\$13,031	\$3,915	\$4,669	\$7,814	\$921	\$921	\$0	\$13,031	\$4,669	\$7,814	\$921	\$30,350	32%

Reserves=
Total Reserves
* Maintenance includes bioswales/mitigation areas.
* Future budget for utilities etc. to be based on actuals.

Town of Discovery Bay/L&L #9 Ravenswood
Capital / Asset

For 2007/08 there is no planned Capital Improvement
Plans
Miscellaneous Adjustments:




Town of Discovery Bay CSD

AGENDA REPORT

Meeting Date

December 1, 2010

Prepared By: Rick Howard, General Manager

Submitted By: Rick Howard, General Manager 

Agenda Title

Adopt Resolution 2010-20 Rescinding Resolution 2010-06 Pertaining to Warrants

Recommended Action

Adopt Resolution 2010-20 Rescinding Resolution 2010-06 that amended Resolution 2004-08 and Appointing ECC Bank, a Division of Bank of Agriculture and Commerce for a majority of warrants

Executive Summary

On June 16, 2010, the Board passed Resolution 2010-06 that proposed consolidating the manner in which the District does its banking. As you recall, the District has a bank account with ECC Bank, and also submits warrants through the County. At the recommendation of our auditors, ECC bank would be used for day-to-day business banking, and the County would then be used to replenish that account when it became necessary to do so. The County indicates, and District legal counsel concurs, that by doing this the District would be in violation of CSD Government Code. The primary issue resolves around the fact that the County acts as our legal Treasurer.

It is recommended that the Board Rescind Resolution 2010-06.

Fiscal Impact:

Amount Requested \$N/A

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

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

Previous Relevant Board Actions for This Item

Adoption of Resolution 2010-06 on June 16, 2010

Attachments

Resolution 2010-06

Resolution 2010-20 Rescinding Resolution 2010-06

AGENDA ITEM: D-4



Town of Discovery Bay CSD
Resolution No. 2010-06

COPY

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT
AMENDING RESOLUTION NO. 2004-08 AND APPOINTING
ECC BANK, A DIVISION OF BANK OF AGRICULTURE AND COMMERCE BANK FOR A MAJORITY OF
WARRANTS**

WHEREAS, pursuant to former Section 61737.01 of the California Government Code, the District appointed a bank or savings and loan association as depository for a portion of the District's funds; and

WHEREAS, Senate Bill 135 (Chapter 249 of the Statutes of 2005) repealed former Section 61737.01; and

WHEREAS, Senate Bill 135 in Section 61003 of the Government Code preserved existing resolutions of community services districts; and

WHEREAS, it is necessary to preserve Resolution No. 2004-08 which created a fund of \$400,000.00 to carry out the District's purposes even though the County of Contra Costa serves as the depository for the bulk of the District's funds.

NOW, THEREFORE, it is resolved by the Board of Directors of the Town of Discovery Bay Community Services District amends Resolution No. 2004-08 as follows:

SECTION 1. The ECC Bank, Discovery Bay Branch, 14804 A Highway 4, Discovery Bay, CA 94505, is hereby appointed as an alternative depository for District funds, which funds shall not exceed \$400,000.00; and

SECTION 2. The General Manager shall act as the District Treasurer for these funds and shall carry out the requirements of California Government Code Section 61053; and


SECTION 3. Signatures requirement for checks issued from this account shall be in accordance with Article VII of the District's Bylaws.

SECTION 4. Effect. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Board of Directors of the Town of Discovery Bay Community Services District, at a regular meeting thereof, held on June 16, 2010, by the following vote:


AYES:	<u>5</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

J. Kevin Graves


President, Board of Directors

ATTEST:

VIRGIL KOEHNE


Secretary, Board of Directors

AGENDA ITEM -- D-4



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2010-20**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT RESCINDING RESOLUTION 2010-06 AMENDING
RESOLUTION 2004-08 AND APPOINTING ECC BANK, A DIVISION OF BANK OF
AGRICULTURE AND COMMERCE BANK FOR A MAJORITY OF WARRANTS**

WHEREAS, Town of Discovery Bay Community Services District adopted Resolution 2010-06 on June 16, 2010 amending Resolution 2004-08 and appointing ECC Bank, a division of Bank of Agriculture and Commerce Bank for a majority of warrants; and

WHEREAS, due to conflicts with Community Services District Law (Government Code §61050(b)) this action requires Resolution 2010-06 be rescinded.

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

SECTION 1. That Resolution 2010-06 be rescinded.

SECTION 2. The Board Secretary shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 1st DAY OF December, 2010.

J. Kevin Graves
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on December 1, 2010, by the following vote of the Board:

AYES:
NOES:
ABSENT:

Richard J. Howard
Board Secretary

TOWN OF DISCOVERY BAY
RECEIVED
11/22/10



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2009

DRAFT

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Independent Auditors' Report

To the Board of Directors
**Town of Discovery Bay Community
Services District**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **Town of Discovery Bay Community Services District (District)** as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the **Town of Discovery Bay Community Services District** as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2 through 10 is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

CROCE & COMPANY
Accountancy Corporation
Stockton, California
July 2, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

This narrative overview and analysis of the Town of Discovery Bay Community Services District's (District) financial activities for the fiscal year ended June 30, 2009 has been provided by the management of the District. The management's discussion and analysis is intended to serve as an introduction to the District's financial statements which follow this section and is recommended to be reviewed in conjunction with them.

Financial Highlights

- The District's net assets increased by \$16,204,744 over the prior year, including a \$365,838 increase in net assets of governmental activities, and a \$15,838,906 increase in net assets of business-type activities. The District's net assets are now \$42,479,400.
- Total assets of the District were \$42,877,486 with capital assets at \$33,623,695 net of accumulated depreciation. Current assets were \$9,253,791.
- Total liabilities were \$398,086 consisting of current liabilities at \$398,086.
- Assets of the District exceeded liabilities at the close of the most recent fiscal year by \$42,479,400 (net assets). Of this amount, \$6,136,162 (unrestricted net assets) may be used to meet the District's ongoing obligations, \$17,276,957 is invested in capital assets, net of related debt and \$19,066,281 is contributed capital.
- On the current financial resources basis, the District's governmental fund revenues exceeded expenditures (including \$82,065 in capital outlay expenditures) by \$293,617. The proprietary fund expenses exceeded revenues by \$225,007.
- At year-end, there was \$2,511,872 in cash and investments to fund future governmental activities, and \$6,530,987 in cash and investments to fund future business-type activities.

Overview of the Financial Statements

The District's financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to financial statements including required supplementary information.

Government-wide and fund financial statements present the results of operations for different functions of the District as follows:

1. **Government-wide financial statements** provide both long-term and short-term information about the District's overall financial position in a manner similar to private-sector business.

The **Statement of Net Assets** displays all of the District's assets and liabilities, with the difference between the two reported as net assets. The **Statement of Activities** provides all current year

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

Overview of the Financial Statements (Continued)

revenues and expenses on an accrual basis of accounting regardless of when cash is received or paid. These two government-wide statements report the District's net assets and how they have changed during the fiscal year. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or weakening.

The government-wide financial statements separately present the District's functions as follows:

- **Governmental activities** include services financed mainly through property taxes. The District's lighting and landscaping and community center services comprise its governmental activities.
 - **Business-type activities** include services financed, in whole or in part, by fees paid by those who directly benefit from the service. The District's business-type activities include providing water and wastewater services to the residents of the District.
2. **Fund financial statements** focus on the individual functions of the District, and report the District's operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used by state and local governments to control their resources that are legally restricted or otherwise earmarked for special purposes. The District reports its fund financial statements in the following two categories:
- **Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 1) short-term inflows and outflows of expendable resources, and 2) the resources remaining at the end of the fiscal year that are available for future use. Because the focus of governmental funds is narrower than the government-wide financial statements, a reconciliation that explains the relationship (or differences) between them is presented following each of the governmental fund statements.
 - **Proprietary funds** are used to report the same functions presented as business-type activities in the government-wide financial statements in more detail.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis of the Government-wide Financial Statements

A review of net assets over time may serve as a useful indicator of the District's financial position. Net assets represent the difference between the District's assets and liabilities. As of June 30, 2009, the District's net assets were \$42,479,400, an increase of \$16,204,744 from prior year. The following table outlines the District's net assets by function for the current and prior fiscal years.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

Financial Analysis of the Government-wide Financial Statements (Continued)

Town of Discovery Bay Community Services District Net Assets

As of June 30, 2009 and 2008

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Variance</u> \$
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
<u>Assets</u>							
Current and other assets	\$ 2,526,885	\$ 2,188,966	\$ 6,726,906	\$ 7,174,003	\$ 9,253,791	\$ 9,362,969	\$ (109,178)
Capital assets, net	<u>1,047,702</u>	<u>1,033,342</u>	<u>32,575,993</u>	<u>16,656,839</u>	<u>33,623,695</u>	<u>17,690,181</u>	<u>15,933,514</u>
Total assets	<u>3,574,587</u>	<u>3,222,308</u>	<u>39,302,899</u>	<u>23,830,842</u>	<u>42,877,486</u>	<u>27,053,150</u>	<u>15,824,336</u>
<u>Liabilities</u>							
Current liabilities	21,700	35,259	376,386	743,235	398,086	778,494	380,408
Non-current liabilities	-	-	-	-	-	-	-
Total liabilities	<u>21,700</u>	<u>35,259</u>	<u>376,386</u>	<u>743,235</u>	<u>398,086</u>	<u>778,494</u>	<u>380,408</u>
<u>Net Assets</u>							
Invested in capital assets	1,047,702	1,033,342	32,575,993	16,229,255	33,623,695	17,262,597	16,361,098
Unrestricted	<u>2,505,185</u>	<u>2,153,707</u>	<u>6,350,520</u>	<u>6,858,352</u>	<u>8,855,705</u>	<u>9,012,059</u>	<u>(156,354)</u>
Total net assets	<u>\$ 3,552,887</u>	<u>\$ 3,187,049</u>	<u>\$ 38,926,513</u>	<u>\$ 23,087,607</u>	<u>\$ 42,479,400</u>	<u>\$ 26,274,656</u>	<u>\$ 16,204,744</u>

By far the largest portion of the District's net assets (79%) reflects its net capital assets (e.g., land, buildings and improvements, equipment, etc.). The District uses its capital assets to provide the services it is responsible for and those assets don't represent future expendable resources. The second largest portion of the District's net assets, approximately 21%, reflects its unrestricted net assets, which may be used to meet the government's ongoing obligations.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

Financial Analysis of the Government-wide Financial Statements (Continued)

The following table displays the change in the District's net assets for the year ended June 30, 2009.

Town of Discovery Bay Community Services District Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues						
Charges for services	\$ -	\$ -	\$ 4,469,286	\$ 4,620,358	\$ 4,469,286	\$ 4,620,358
Capital grants and contributions	1,814	2,758	-	-	1,814	2,758
General revenues						
Property taxes	576,485	598,918	-	-	576,485	598,918
Assessments	87,493	87,493	-	-	87,493	87,493
Investment earnings	9,683	31,044	35,918	157,080	45,601	188,124
Capacity fees	-	-	-	20,767	-	20,767
Miscellaneous	4,988	3,606	5,042	800	10,030	4,406
Total revenues	<u>680,463</u>	<u>723,819</u>	<u>4,510,246</u>	<u>4,799,005</u>	<u>5,190,709</u>	<u>5,522,824</u>
Expenses						
Community center	1,592	5,240	-	-	1,592	5,240
Lighting and landscaping Zone 8	358,985	456,742	-	-	358,985	456,742
Lighting and landscaping Zone 9	11,909	5,454	-	-	11,909	5,454
Water and sewer	-	-	4,735,253	3,991,413	4,735,253	3,991,413
Total expenses	<u>372,486</u>	<u>467,436</u>	<u>4,735,253</u>	<u>3,991,413</u>	<u>5,107,739</u>	<u>4,458,849</u>
Transfers	-	-	-	-	-	-
Change in net assets	<u>307,977</u>	<u>256,383</u>	<u>(225,007)</u>	<u>807,592</u>	<u>82,970</u>	<u>1,063,975</u>
Contributed capital	57,861	-	16,063,913	-	16,121,774	-
Net assets, beginning of year	<u>3,187,049</u>	<u>2,930,666</u>	<u>23,087,607</u>	<u>22,280,015</u>	<u>26,274,656</u>	<u>25,210,681</u>
Net assets, end of year	<u>\$ 3,552,887</u>	<u>\$ 3,187,049</u>	<u>\$38,926,513</u>	<u>\$23,087,607</u>	<u>\$42,479,400</u>	<u>\$26,274,656</u>

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

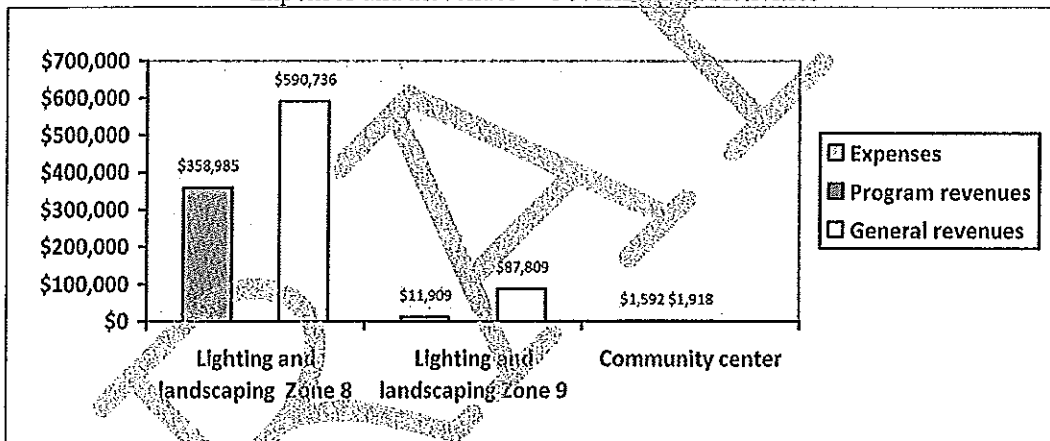
Financial Analysis of the Government-wide Financial Statements (Continued)

The \$82,970 increase in total net assets is attributed to each function as follows:

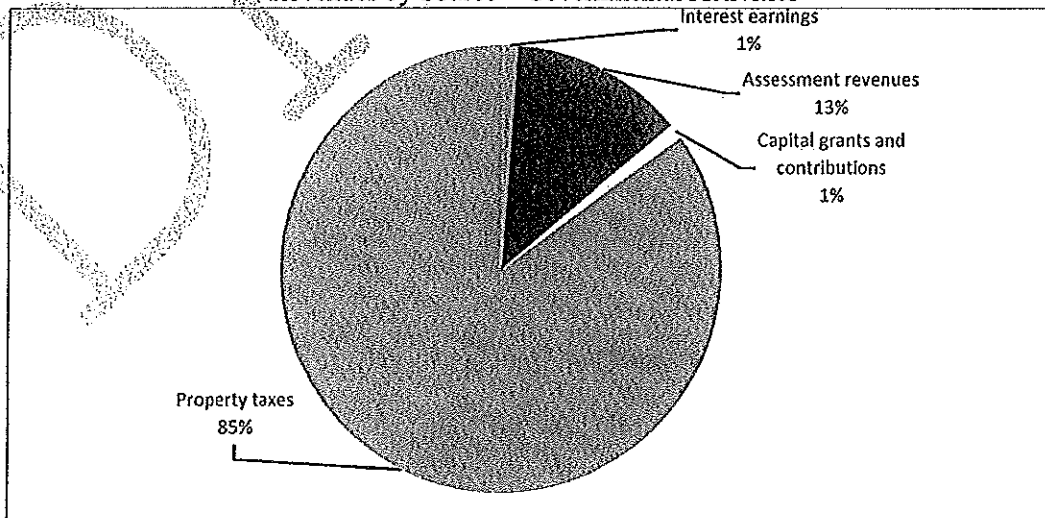
Governmental Activities

- Capital grants and contributions decreased by \$944 due to the District not receiving as many funds from developers for the future building of the community center.
- Investment revenue decreased by \$21,361 due to the significant decline in interest rates during fiscal year 2009.
- Costs for utilities decreased \$ 15,368 (13%).

Expenses and Revenues – Governmental Activities



Revenues by Source – Governmental Activities



(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

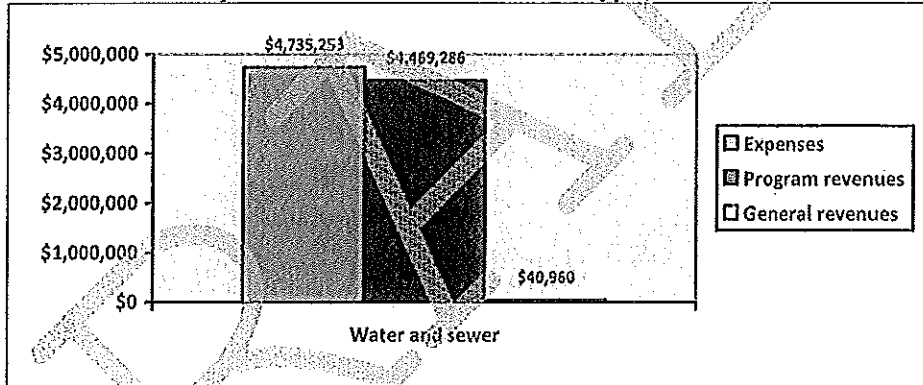
June 30, 2009

Financial Analysis of the Government-wide Financial Statements (Continued)

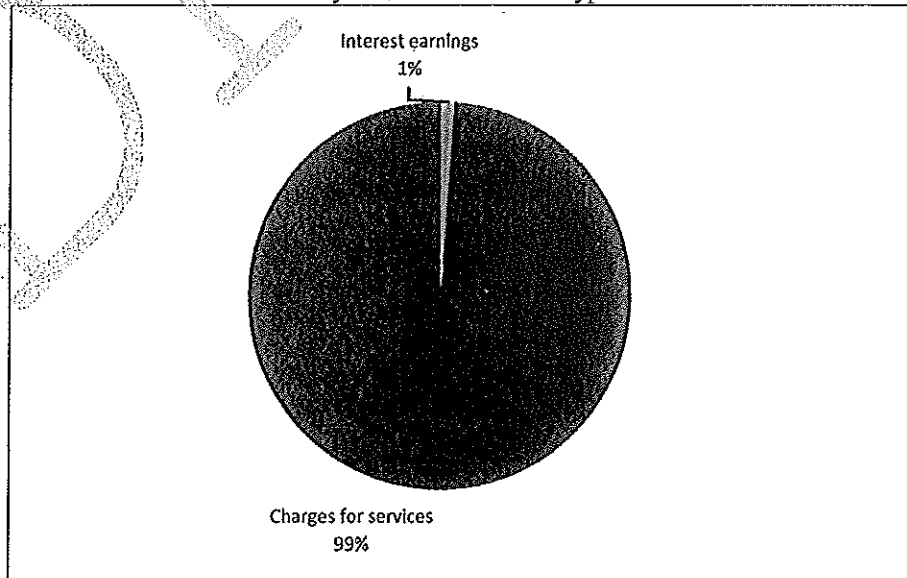
Business-type Activities

- Revenues from investment earnings decreased \$121,162 (77%) due to a decrease in interest rates during fiscal year 2009.
- Revenues from capacity fees decreased \$20,767 (100%) as a result of the decline in the real estate market. The District has charged less capacity fees from the developers due to this decrease in overall development.
- Expenses increased \$743,840 (19%) primarily due to higher repairs and maintenance, legal fees, and payroll costs.

Expenses and Revenues – Business-type Activities



Revenues by Source – Business-type Activities



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on the short-term inflows and outflows and balances of current expendable resources. In particular, the *unreserved fund balance* presented in the balance sheet may serve as a useful measure of the District's resources available for spending at the end of its fiscal year.

As of the end of the current fiscal year, the District's combined governmental fund revenues exceeded expenditures by \$293,617 primarily due to decreased expenditures. This resulted in a \$293,617 increase in the combined ending fund balance of the District's governmental funds. The fund balance of the Lighting and landscaping Zone 8 fund increased by \$217,391, the fund balance of the Lighting and landscaping Zone 9 fund increased by \$75,901, and the fund balance of the community center fund increased by \$325. At year-end, the combined fund balance of governmental funds was \$2,505,185, consisting of unreserved funds, which is available for spending at the government's discretion.

Proprietary Funds

The District's proprietary fund statements provide the same type of information, in more detail, on the business-type activities presented in the government-wide financial statements.

The net assets of the proprietary funds increased by \$15,838,906 from \$23,087,607 to \$38,926,513. The net assets included \$6,350,520 in unrestricted net assets which has decreased by \$507,832 or 7% from the previous year. The decrease in unrestricted net assets is primarily due to an increase in operating expenses.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2009, the District's investment in capital assets amounted to \$33,623,695 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, structures and improvements, and treatment and collection.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

Capital Asset and Debt Administration (Continued)

The District's total investment in capital assets before depreciation increased by \$15,933,514 from \$17,690,181 to \$33,623,695. Significant additions to capital assets included:

- Well and pump station #6 (\$157,101)
- Wastewater treatment plant expansion (\$16,063,913)
- Vac-truck (\$256,379)

The following table displays the changes in District's capital assets, net of accumulated depreciation.

**Town of Discovery Bay Community Services District's Capital Assets
(net of depreciation, in rounded dollars)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 100,000	\$ 100,000	\$ 267,000	\$ 267,000	\$ 367,000	\$ 367,000
Buildings and improvements	1,450,270	1,392,409	257,150	244,433	1,707,420	1,636,842
Treatment and collection	-	-	28,626,402	12,462,330	28,626,402	12,462,330
Structure and improvements	-	-	6,151,426	6,149,786	6,151,426	6,149,786
Equipment	17,302	16,506	781,681	754,694	798,983	771,200
Office furniture and equipment	4,309	3,463	-	-	4,309	3,463
Vehicles	16,586	14,990	356,928	100,549	373,514	115,539
Construction in progress	5,976	-	157,101	-	163,077	-
Total	1,594,443	1,527,368	36,597,688	19,978,792	38,192,131	21,506,160
Less accumulated depreciation	(546,741)	(494,026)	(4,021,695)	(3,321,953)	(4,568,436)	(3,815,979)
Net capital assets	\$ 1,047,702	\$ 1,033,342	\$32,575,993	\$16,656,839	\$33,623,695	\$17,690,181

Additional information on the District's capital assets can be found in Note D of the "Notes to Financial Statements" section.

Economic Factors and Next Year's Budgets and Rates

Sewer and water rates will increase by the change in the consumer price index to keep pace with inflation. For fiscal year 2009-2010, these fees will increase 3%. During August 2009, the District approved the same established rate for Ravenswood Improvement District (L & L #9) for the fiscal year 2009-2010.

Residential development will continue, but at a much slower pace compared with the past several years, resulting in revenues from water and wastewater capacity fees that are lower than recent years.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

June 30, 2009

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's financial accountability and compliance with applicable laws for all those with an interest in the District's finances. Questions concerning any of the information provided in this report, or requests for additional financial information can be addressed to Town of Discovery Bay Community Services District, Attention: General Manager, 1800 Willow Lake Road, Discovery Bay, California 94505.

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TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Statement of Net Assets

June 30, 2009

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Assets			
Cash and investments	\$ 2,511,872	\$ 6,530,987	\$ 9,042,859
Accounts receivable, net of allowance for doubtful accounts	-	195,087	195,087
Advances on taxes	1,192	832	2,024
Due from other funds	60	-	60
Inventory	13,761	-	13,761
Capital assets, net of accumulated depreciation	<u>1,047,702</u>	<u>32,575,993</u>	<u>33,623,695</u>
Total assets	<u>3,574,587</u>	<u>39,302,899</u>	<u>42,877,486</u>
Liabilities			
Accounts payable	21,026	343,974	365,000
Accrued payroll	633	14,032	14,565
Deferred revenue	-	16,988	16,988
Due to other funds	<u>145</u>	<u>1,392</u>	<u>1,533</u>
Total liabilities	<u>21,700</u>	<u>376,386</u>	<u>398,086</u>
Net Assets			
Invested in capital assets, net of related debt	1,047,702	32,575,993	33,623,695
Unrestricted	<u>2,505,185</u>	<u>6,350,520</u>	<u>8,855,705</u>
Total net assets	<u>\$ 3,552,887</u>	<u>\$ 38,926,513</u>	<u>\$ 42,479,400</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT OF ACTIVITIES

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TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Statement of Activities

For the year ended June 30, 2009

		<u>Program revenues</u>	
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>
			<u>Capital grants and contributions</u>
Governmental activities			
General government	\$ -	\$ -	\$ -
Community center	1,592	-	1,814
Lighting and landscaping Zone 8	358,985	-	-
Lighting and landscaping Zone 9	11,909	-	-
Total governmental activities	<u>372,486</u>	<u>-</u>	<u>1,814</u>
Business-type activities			
Water and sewer	4,735,253	4,469,286	-
Total business-type activities	<u>4,735,253</u>	<u>4,469,286</u>	<u>-</u>
Total government	<u>\$ 5,107,739</u>	<u>\$ 4,469,286</u>	<u>\$ 1,814</u>

General revenues

Taxes

 Property taxes

 Homeowners property tax relief

 Other

Assessments

Investment income

Other income

Total general revenues

Change in net assets

Contributed capital

Net assets, beginning of year

Net assets, end of year

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Net (expense) revenue and changes in net assets

<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Totals</u>
\$ -	\$ -	\$ -
222	-	222
(358,985)	-	(358,985)
<u>(11,909)</u>	<u>-</u>	<u>(11,909)</u>
<u>(370,672)</u>	<u>-</u>	<u>(370,672)</u>
-	<u>(265,967)</u>	<u>(265,967)</u>
-	<u>(265,967)</u>	<u>(265,967)</u>
<u>(370,672)</u>	<u>(265,967)</u>	<u>(636,639)</u>
570,868	-	570,868
592	-	5,592
25	-	25
87,493	-	87,493
9,683	35,918	45,601
<u>988</u>	<u>5,042</u>	<u>10,030</u>
<u>678,649</u>	<u>40,960</u>	<u>719,609</u>
307,977	(225,007)	82,970
7,861	16,063,913	16,121,774
<u>3,187,049</u>	<u>23,087,607</u>	<u>26,274,656</u>
<u>\$ 3,552,887</u>	<u>\$ 38,926,513</u>	<u>\$ 42,479,400</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Balance Sheet
Governmental Funds**

June 30, 2009

	General fund	Community center	Special revenue funds		Total governmental funds
			Lighting and landscaping Zone 8	Lighting and landscaping Zone 9	
Assets					
Cash and investments	\$ -	\$ 535,854	\$ 1,731,339	\$ 244,630	\$ 2,511,873
Advances on taxes	-		1,191		1,191
Inventory	-	13,761	-		13,761
Due from other funds	-	-	60	-	60
Total assets	<u>\$ -</u>	<u>\$ 549,615</u>	<u>\$ 1,732,640</u>	<u>\$ 244,630</u>	<u>\$ 2,526,885</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 19,033	\$ 1,993	\$ 21,026
Accrued payroll	-	-	533	-	533
Due to other funds	-	-	141	-	141
Total liabilities	<u>-</u>	<u>-</u>	<u>19,707</u>	<u>1,993</u>	<u>21,700</u>
Fund balances					
Undesignated	-	549,615	1,712,933	242,637	2,505,185
Total fund balances	<u>-</u>	<u>549,615</u>	<u>1,712,933</u>	<u>242,637</u>	<u>2,505,185</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 549,615</u>	<u>\$ 1,732,640</u>	<u>\$ 244,630</u>	<u>\$ 2,526,885</u>

Reconciliation to statement of net assets

Total governmental fund balances 2,505,185

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 1,047,702

Net assets of governmental activities \$ 3,552,887

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

For the year ended June 30, 2009

	General fund	Community center	Special revenue funds		Total governmental funds
			Lighting and landscaping Zone 8	Lighting and landscaping Zone 9	
Revenues					
Property taxes	\$ -	\$ -	570,868	\$ -	\$ 570,868
Assessment income	-	-	-	87,493	87,493
Investment income	-	904	9,262	316	9,682
Homeowners property tax relief	-	-	5,592	-	5,592
Other	-	-	13,666	-	13,666
Contributions	-	1,814	-	-	1,814
Total revenues	<u>-</u>	<u>1,918</u>	<u>599,388</u>	<u>87,809</u>	<u>689,115</u>
Expenditures					
Repairs and maintenance	-	-	157,265	5,376	162,641
Utilities	-	-	100,192	-	100,192
Administration	-	-	24,504	-	24,504
Other	-	97	12,023	770	13,770
Professional fees	-	616	5,948	5,762	12,326
Capital outlay	-	-	82,065	-	82,065
Total expenditures	<u>-</u>	<u>1,593</u>	<u>381,997</u>	<u>11,908</u>	<u>395,498</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>325</u>	<u>217,391</u>	<u>75,901</u>	<u>293,617</u>
Net change in fund balances	-	325	217,391	75,901	293,617
Fund balances, beginning of year	-	549,290	1,437,681	166,736	2,153,707
Contributed capital	-	-	57,861	-	57,861
Fund balances, end of year	<u>\$ -</u>	<u>\$ 549,615</u>	<u>\$ 1,712,933</u>	<u>\$ 242,637</u>	<u>\$ 2,505,185</u>

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds (Continued)

For the year ended June 30, 2009

Reconciliation to statement of activities

Net change in fund balances – governmental funds	\$ 293,617
Amounts reported for governmental activities in the statement of net assets are different because of the following:	
Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds	(60,585)
Governmental funds report capital outlays as expenditures while governmental activities record depreciation expense to allocate those expenditures over the life of the assets	82,065
Governmental funds recognize the entire proceeds from the sale of capital assets, but governmental activities reflect only the gain or loss on the sale of capital assets	<u>(7,120)</u>
Change in net assets of governmental activities	<u>\$ 307,977</u>

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The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Net Assets
Proprietary Fund**

June 30, 2009

		<u>Water and sewer fund</u>
Assets		
Current assets		
Cash and investments		\$ 6,536,987
Accounts receivable, net of allowance for doubtful accounts of \$34,427		195,087
Advances on taxes		<u>832</u>
Total current assets		<u>6,726,906</u>
Capital assets, net of accumulated depreciation		<u>32,575,993</u>
Total assets		<u>39,302,899</u>
Liabilities and Net Assets		
Current liabilities (payable from current assets)		
Accounts payable		343,974
Accrued payroll		14,032
Deferred revenue		16,988
Due to other funds		<u>1,392</u>
Total current liabilities		<u>376,386</u>
Total liabilities		<u>376,386</u>
Net Assets		
Invested in capital assets, net of related debt		32,575,993
Unrestricted		
Board designated		3,000,000
Undesignated		<u>3,350,520</u>
Total net assets		<u>\$ 38,926,513</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Revenues, Expenses and Change in Net Assets
Proprietary Fund**

June 30, 2009

	Water and sewer fund
Operating revenues	
Charges for services	\$ 4,373,412
Reimbursements	94,195
Other	5,042
Connection fees	680
Total operating revenues	<u>4,474,329</u>
Operating expenses	
Contract services	1,479,133
Repairs and maintenance	871,739
Depreciation	699,742
Utilities	676,929
Payroll	380,381
Miscellaneous	181,297
Professional fees	153,756
Insurance	63,429
Chemicals	62,588
Permits and fees	41,058
Directors' expenses	21,157
Supplies	14,428
Taxes and assessments	13,161
Telephone and communications	12,783
Memberships	8,451
Staff training	3,904
Public communication	2,754
Total operating expenses	<u>4,686,690</u>
Operating loss	<u>(212,361)</u>
Nonoperating revenues (expenses)	
Bad debt expense	(34,427)
Interest income	35,918
Debt service -- interest	(14,137)
Total nonoperating revenues (expenses)	<u>(12,646)</u>
Change in net assets	<u>(225,007)</u>
Net assets, beginning of year	23,087,607
Contributed capital	<u>16,063,913</u>
Net assets, end of year	<u>\$ 38,926,513</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Cash Flows
Proprietary Fund**

June 30, 2009

	<u>Water and sewer fund</u>
Cash flows from operating activities	
Receipts from customers	\$ 4,457,258
Payments to suppliers for goods and services	(3,527,305)
Payments to directors and employees	(398,454)
Receipts from other funds for services	<u>209</u>
Net cash provided by operating activities	<u>531,708</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(554,983)
Payments on long-term debt	(427,584)
Interest paid on long-term debt	<u>(14,751)</u>
Net cash used in capital and related financing activities	<u>(997,318)</u>
Cash flows from investing activities	
Interest income	<u>35,918</u>
Net cash provided by investing activities	<u>35,918</u>
Net decrease in cash and cash equivalents	(429,692)
Cash and cash equivalents, beginning of year	<u>6,960,679</u>
Cash and cash equivalents, end of year	<u>\$ 6,530,987</u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (212,361)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	699,742
Change in assets and liabilities	
Accounts receivable	(17,022)
Accounts payable	85,105
Accrued payroll	3,084
Regional Water Quality Control Board liability	(27,000)
Deferred revenue	(49)
Due to other funds	<u>209</u>
Net cash provided by operating activities	<u>\$ 531,708</u>

Noncash investing, capital and financing activities:

The Water and Sewer Fund received \$16,063,913 noncash capital contributions from developers consisting of water and sewer infrastructure.

The accompanying notes are an integral part of this financial statement.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies

This summary of significant accounting policies of the Town of Discovery Bay Community Services District (the District) is presented to assist in understanding the District's financial statements.

Description of the reporting entity

The Town of Discovery Bay Community Services District, formerly known as Discovery Bay Community Services District was formed by the residents of Discovery Bay under the authority of the Cortese-Knox Act (Gov. C. Sec. 56000). This newly formed special district was formed as a result of a petition of residents to provide services to the residents of Discovery Bay. Effective July 1, 1998, the District assumed the responsibilities, funding, and assets previously held by the dissolved Sanitation District #19. During November 1998, the residents of Discovery Bay voted to activate the latent powers of the District to include recreation; specifically, to acquire, fund, and operate a Community Center.

Effective August 13, 2003, the Local Agency Formation Commission (LAFCO) of Contra Costa County dissolved County Service Area M-8 and annexed the territory to the Town of Discovery Bay Community Services District. The District is responsible for maintaining the lighting, landscaping, and parks within Service Area M-8 of the Town of Discovery Bay.

The Town of Discovery Bay Community Services District formed an assessment district known as Ravenswood Improvement District – Discovery Bay Lighting and landscaping Zone 9 for the purpose of providing for the operation and maintenance of landscaping, parks, street lights and open space in the subdivision known as Ravenswood.

The purpose of the Town of Discovery Bay Community Services District, a multipurpose independent district, is to represent the residents of Discovery Bay in any matters covered under the California Government Code relating to a Community Services District. In addition to the purposes listed in the Government Code, the District has been ordered by LAFCO and the Board of Supervisors to perform an advisory role for the residents of Discovery Bay. This role includes, but is not limited to, advising the County in matters of land use planning, zoning, compliance, roads and streets, lighting, landscaping, parks and public safety services. The District also provides water and sewer services to the Town of Discovery Bay.

Government-wide financial statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. These statements include the financial activities of the overall District government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be 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. The District presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the District. The reporting entity includes the following special revenue funds, all of which are reported as major funds:

<u>Fund</u>	<u>Brief description</u>
Community Center	Accounts for revenues and expenditures of acquiring, funding, and operating a community center.
Lighting and landscaping Zone 8	Accounts for revenues and expenditures related to maintenance of community lighting and landscape features in Zone 8.
Lighting and landscaping Zone 9	Accounts for revenues and expenditures related to operation and maintenance of landscaping, parks, street lights and open space in the subdivision known as Ravenswood.

Proprietary Funds

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds, all of which are reported as major funds:

<u>Fund</u>	<u>Brief description</u>
Water and Sewer Fund	Accounts for the activities of providing water and wastewater services to the residents of the District. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The District's operating revenues include all revenues derived from water and sewage services. Operating expenses include all costs related to water and sewage services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, except for capital contributions, which represent capital contributions collected for the acquisition or construction of capital assets.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

Measurement focus

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of accounting

In the government-wide Statement of Net Assets and Statement of Activities both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.”

Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Cash, cash equivalents and investments

For the purpose of financial reporting “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. This also includes short term commercial paper and U.S. Agency bonds.

Investments are stated at cost, which approximates fair value.

Accounts receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The District provides for losses on accounts receivable using the allowance method. The allowance is based on historical experience and management’s evaluation of outstanding accounts receivable.

Inventory

Inventory held in the special revenue fund is carried at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital assets

All capital assets are valued at historical cost or estimated historical cost. The District’s policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets.

Structures and improvements	5-50 years
Equipment	5-25 years
Vehicles	5 years

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

Equity classification

Equity in the government-wide statements is classified as net assets and displayed in three components as follows:

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund equity in the fund financial statements is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statement.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A – Summary of Significant Accounting Policies (Continued)

Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans – Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services – Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements – Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers – Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

Property taxes

Property taxes and property assessments were levied January 1, 2008, assessed July 1, 2008 and were payable in two installments on December 10, 2008 and April 10, 2009. The County of Contra Costa bills and collects property taxes on behalf of the District.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note A -- Summary of Significant Accounting Policies (Continued)

Contributed capital

Effective August 13, 2003, the District recorded contributed capital to transfer funds from County Service M-8 to Lighting and landscaping Zone 8. The Lighting and landscaping Zone 8 district became the responsibility of the District on August 13, 2003. The contributed capital represents all capital assets and assets transferred to the District.

The District has received \$18,219,313 of noncash capital contributions from developers consisting of water and sewer infrastructure. This includes \$16,000,913 received during the fiscal year ended June 30, 2009.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Budgetary accounting

The District does not adopt appropriated budgets. However, the District does adopt non-appropriated budgets annually, which are approved by the Board of Directors.

Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Note B -- Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 9,042,859
Total cash and investments	\$ 9,042,859

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note B – Cash and Investments (Continued)

Cash and investments as of June 30, 2009 consist of the following:

Deposits with financial institutions	\$ 547,591
Contra Costa County Treasurer	3,034,853
Investments	4,560,415
	<u>\$ 9,042,859</u>

<u>Investment Type</u>	<u>Carrying value</u>	<u>Fair value</u>
U.S. Agencies – Bonds	4,554,000	\$ 4,554,000
Certificate of Deposit	6,415	6,415
	<u>\$ 4,560,415</u>	<u>\$ 4,560,415</u>

The District maintains a cash and investment pool that is available for use by all funds except for the Lighting and landscaping fund whose investments were directed by Contra Costa County. Each fund type's portion of this pool is displayed on the statement of net assets and balance sheet as "cash and investments". Cash balances from all participating funds are combined and invested to the extent possible, pursuant to the Board of Directors approved Investment Policy and guidelines, and the California Government Code Section 53600.

The Government Code and the District's Investment Policy allow investments in the following instruments:

<u>Investment Type</u>	<u>Maximum Maturity</u>	<u>Authorized Limit%</u>	<u>Required Rating</u>
Local Agency Bonds	N/A	None	None
U.S. Treasury Bills, Notes or Bonds	N/A	None	None
State Registered Warrants, Notes, or Bonds	N/A	None	None
Notes and bonds of other Local California Agencies including pooled investment accounts	N/A	None	None
U.S. Agencies	N/A	None	None
Bankers Acceptances	270 days	40%	None
Prime Commercial Paper	180 days	15% or 30%	A1/P1
Negotiable Certificates of Deposit	N/A	30%	None
Repurchase and Reverse Repurchase Agreements	N/A	None/20%	None

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note B – Cash and Investments (Continued)

<u>Investment Type</u>	<u>Maximum Maturity</u>	<u>Authorized Limit%</u>	<u>Required Rating</u>
Medium Term Corporate Notes	5 years	30%	A
Money Market Mutual Funds	N/A	15%	2-AAA
Collateralized Bank Deposits	N/A	None	None
Mortgage Pass-Through Securities	5 years	30%	AA
Funds held under the Terms of a Trust Indenture or other contract	*	*	*

*Such funds may be invested according to the provisions of those indentures or agreements.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>12 months or less</u>	<u>13 – 24 months</u>	<u>25-36 months</u>	<u>37 – 48 months</u>	<u>49 – 60 months</u>	<u>More than 60 months</u>
U.S. Agencies – Bonds	\$ 4,554,000	\$ 4,554,000	\$ -	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	6,415	6,415	-	-	-	-	-
Total	\$ 4,560,415	\$ 4,560,415	\$ -	\$ -	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note B – Cash and Investments (Continued)

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End				As of Investment
				AAA	AA	A	Not Rated	
U.S. Agencies – Bonds	\$4,554,000	N/A	\$ -	\$4,554,000	\$ -	\$ -	\$ -	99%
Certificate of Deposit	6,415	N/A	-	-	-	-	6,415	1%
Total	\$4,560,415	N/A	\$ -	\$4,554,000	\$ -	\$ -	\$ 6,415	100%

Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in certain types of investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Deposits with financial institutions and Contra Costa County Treasurer

Cash on deposit in commercial accounts is insured by the FDIC. Cash held by the Contra-Costa County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer’s investment policy at <http://www.co.contra-costa.ca.us/>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained in the Pool.

Participants’ equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. The value of the District shares in the Pool, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the District’s position in the Pool. The District’s investment in the Pool is unrated, stated at cost which approximates fair value, available upon demand and considered cash equivalents.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note C – Interfund Transactions

Interfund transactions consist of the following:

Transfers between funds

Resources may be transferred from one District fund to another with approval. The purpose of the majority of transfers is to reimburse a fund which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the year ended June 30, 2009 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
Community Center	\$ -	\$ -
Lighting and landscaping Zone 6 Fund	1,533	141
Lighting and landscaping Zone 9 Fund	-	-
Major Proprietary Fund		
Water and Sewer Fund	-	1,392
Total Interfund transfers	<u>\$ 1,533</u>	<u>\$ 1,533</u>

In general, the District uses interfund transfers to:

Transfer unrestricted revenues collected in the water and sewer fund to help finance various programs and capital projects accounted for in other funds

- Fund operations (move revenues from the funds that collect them to the funds that statute or budget requires to expend them)
- Fund inter departmental cost reimbursement
- Fund capital projects

The effect of the interfund activity has not been eliminated from the government-wide financial statements as the amounts relate to transfers between governmental and business-type activities. The transfers have resulted from deposits made by Contra Costa County into the Sewer and Water Fund for revenues of the Community Center Special Revenue Fund.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note D – Capital Assets

Capital asset activity for the year ended June 30, 2009, is as follows:

	Balance June 30, 2008	Additions	Deletions	Transfers	Balance June 30, 2009
Governmental activities					
Nondepreciable capital assets					
Land	\$ 100,000	\$ -	\$ -	\$ -	100,000
Construction in progress	-	5,976	-	-	5,976
Total nondepreciable capital assets	<u>100,000</u>	<u>5,976</u>	<u>-</u>	<u>-</u>	<u>105,976</u>
Depreciable capital assets					
Equipment	16,506	796	-	-	17,302
Buildings and improvements	392,409	57,861	-	-	1,450,270
Office furniture and equipment	3,463	841	-	-	4,309
Vehicles	14,990	16,386	(14,990)	-	16,586
Total depreciable capital assets	<u>1,427,368</u>	<u>76,089</u>	<u>(14,990)</u>	<u>-</u>	<u>1,488,467</u>
Less accumulated depreciation	<u>(494,026)</u>	<u>(60,585)</u>	<u>7,870</u>	<u>-</u>	<u>(546,741)</u>
Net depreciable capital assets	<u>933,342</u>	<u>15,504</u>	<u>(7,120)</u>	<u>-</u>	<u>941,726</u>
Net capital assets	<u>\$ 1,033,342</u>	<u>\$ 21,480</u>	<u>\$ (7,120)</u>	<u>\$ -</u>	<u>\$ 1,047,702</u>
Business-type activities					
Nondepreciable capital assets					
Land	\$ 267,000	\$ -	\$ -	\$ -	\$ 267,000
Construction in progress	-	157,101	-	-	157,101
Total nondepreciable capital assets	<u>267,000</u>	<u>157,101</u>	<u>-</u>	<u>-</u>	<u>424,101</u>

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note D – Capital Assets (Continued)

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2009</u>
Depreciable capital assets					
Buildings and improvements	244,433	12,717	-		257,150
Treatment and collection	12,462,330	16,164,072	-		28,626,402
Structures and improvements	6,149,786	1,640	-		6,151,426
Equipment	754,694	26,987	-		781,681
Vehicles	100,549	256,379	-		356,928
Total depreciable capital assets	19,711,792	16,461,795	-		36,173,587
Less accumulated depreciation	<u>(3,321,953)</u>	<u>(699,742)</u>	<u>-</u>		<u>(4,021,695)</u>
Net depreciable capital assets	16,389,839	15,762,053	-		32,151,892
Net capital assets	\$ 16,036,839	\$ 15,919,154	\$ -		\$ 32,575,993

Depreciation expense was charged to function and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental activities:	
Lighting and landscaping Zone 8	\$ 60,585
Total depreciation expense – Governmental activities	\$ 60,585
Business-type activities:	
Water and sewer	\$ 699,742
Total depreciation expense – Business-type activities	\$ 699,742

Note E – Long-Term Liabilities

Long-term liabilities outstanding as of June 30, 2009 consist of the following:

	<u>Interest rate</u>	<u>Maturity date</u>	<u>Amounts authorized and issued</u>	<u>Outstanding</u>	<u>Due within one year</u>
Note payable – Municipal Finance Corporation	3.45%	June 15, 2009	\$ 2,000,000	\$ -	\$ -

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note E – Long-Term Liabilities (Continued)

The following is a summary of long-term liability issuances and transactions during the year ended June 30, 2009:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2009</u>
Note payable – Municipal Finance Corporation	\$ 427,584	\$ -	\$ 427,584	\$ -

Note payable – Municipal Finance Corporation

On June 9, 2004, the District entered into an installment agreement with Municipal Finance Corporation for the acquisition and construction of a discharge pipeline and biosolids building. The note is payable in annual principal and interest installments of \$442,336 and is secured by capital assets. All District revenues received by the Water and Sewer Fund are pledged for the repayment of this obligation. The note was paid off during June 2009.

Note F – Joint Venture (Joint Powers Agreement)

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; risk of loss to employees; and natural disasters.

In order to insure for risks of loss, the District participates in a joint venture under a joint powers agreement with the Special Districts Risk Management Authority (SDRMA). The relationship between the District and the SDRMA is such that the SDRMA is not a component unit of the District for financial reporting purposes.

The SDRMA arranges for and provides property, liability and worker's compensation coverage for its member districts. The Town of Discovery Bay Community Services District participates in all programs.

Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the SDRMA. The District's share of surpluses and deficits cannot be determined, although District management does not expect such amounts, if any, to be material in relation to the financial statements.

(Continued)

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2009

Note F – Joint Venture (Joint Powers Agreement) (Continued)

The District is covered by the following types of insurance through the SDRMA as of June 30, 2009:

<u>Coverage</u>	<u>Limits of liability</u>
General liability	5,000,000
Public officials and employees errors	5,000,000
Personal liability coverage for board members	500,000
Employment practices liability	5,000,000
Employee benefits liability	5,000,000
Employee dishonesty coverage	400,000
Auto liability	5,000,000
Uninsured/underinsured motorists	750,000
Property coverage	1,000,000,000
Boiler and machinery	100,000,000
Statutory workers' compensation	Statutory

Note G – Governing Board

The powers of the District are exercised by a Board of Directors consisting of five directors each elected for a term of four years by the qualified electors within the District.

As of June 30, 2009, the members of the District's Board of Directors were as follows:

<u>Trustees</u>	<u>Term expires</u>
Dave Dove	December 2010
Ray Fetreault	December 2012
Shannon Murphy-Teixeira	December 2010
David Pieplig	December 2010
Mark Simon	December 2012

Note H – Contingencies and Commitments

The District is involved in litigation arising in the ordinary course of operations that, in the opinion of management, will not have a material effect on the financial condition of the District. In addition, the District has entered into construction and service contracts with various companies. Many of the contracts are considered fixed fee arrangements. However, work under these contracts could be discontinued at the direction of the District. Therefore, it is the opinion of management that a fixed commitment does not exist.



Town of Discovery Bay CSD

AGENDA REPORT

Meeting Date

December 1, 2010

Prepared By: Fairin Perez, Landscape Manager

Submitted By: Rick Howard, General Manager

Agenda Title

Award Contract for Landscape Maintenance Services for Discovery Bay Landscape and Lighting Zone #9, and Contra Costa Landscape & Lighting Zones 35, 57 & 61 to Odyssey Landscaping, Inc.

Recommended Action

Direct Staff to Negotiate Contract with Odyssey Landscaping, Inc. as the Landscape Maintenance Contractor for Discovery Bay Landscape & Lighting Zone #9 and Contra Costa County Landscape & Lighting Zones 35, 57 & 61 in an amount not to exceed \$118,260 during the first year of the contract period.

Executive Summary

On October 29, 2010 Request for Proposal (RFP) 10-02 for Landscape Maintenance Services for the Discovery Bay Landscape & Lighting Zone #9 and Contra Costa County Landscape Zones # 35, 57 & 61 was advertised. The current contract for Zones 35, 57 & 61 is set to expire December 31, 2010. Zone 9 was added to the RFP as the current temporary contract has been a month-to-month basis and was not under the Discovery Bay Landscape Standards requirements.

A mandatory field review and landscape tour was held on November 4th, 2010. Six qualified Landscape Contractors attended. Bidders were directed to return proposals by November 17th, 2010. Four proposals were received, though, one was returned due to failure to meet the 2:00 p.m. bid deadline. The three responsive companies' (Altamont Landscape, TruGreen Landscape & Odyssey Landscaping, Inc.) proposals were immediately opened and reviewed for completeness. All proposals met RFP requirements and Staff began a more thorough review of content, including telephone interviews and on-site evaluations of references.

Staff considered proposal outlines and costs, reference responses and site inspections to come to their final recommendation of Odyssey Landscaping, Inc. as the preferred vendor for RFP 10-02. Odyssey Landscaping, Inc. did not come in as the lowest bidder, but their proposal offered enhanced services over the lowest bidder. In field inspections of the proposers existing maintenance locations, Odyssey Landscape sites were clean, well maintained, and in general excellent condition. In addition, their references were also very good and their owners extremely satisfied. They also have a history of satisfactory municipal maintenance.

Based on this recommendation, Staff would like to proceed with Contract negotiations and processing with Odyssey Landscaping, Inc. Total monthly contract amount would not exceed \$9,855.00. The Contract term would begin January 3rd, 2011 and extend thru January 3rd, 2013 with two (2) one-year contract extensions to be exercised at the option of the District.

The proposals are attached for Board review. Staff will be prepared to share details on the telephone interviews and site inspections, including photo documentation, at the December 1, 2010 meeting, should the Board desire additional information.

Fiscal Impact:

Amount Requested - NTE \$236,520 for the initial two year term.

Sufficient Budgeted Funds Available?: Yes (To Be Split between Zones 9, 35, 57 & 61)

Zone # Various Category: Operating Fund# 2282

Previous Relevant Board Actions for This Item

None

Attachments

Proposals (Altamont Landscaping, TruGreen LandCare, Odyssey Landscaping, Inc.)

Proposal Cost Summary & Breakdown

AGENDA ITEM: E-2



ALTAMONT LANDSCAPE SERVICES INC.

Ph# 925-634-5555 • Fax# 925-634-0311 • P.O. Box 1643 Brentwood, CA 94513
www.AltamontLandscape.com • Info@AltamontLandscape.com

November 17, 2010

Town of Discovery Bay Community Service District,

Thank you for the opportunity to bid the Discovery Bay Landscape and Lighting Zone 9, Contra Costa County Landscape Zones 35, 57, and 61 along with Landscape Maintenance Services. Enclosed is a proposal to comply with all terms and conditions stated in the RFD, with the effective start date of January 3rd, 2011.

I, Frank Carlson am the president of Altamont Landscape Services Incorporated. As a homeowner in Discovery Bay since 1988, I take pride in my neighborhood and look forward to improving its landscape. I have been working in the landscape industry for 30 years, and more specifically, I have owned and operated Altamont Landscape since 1992. We have been successful over the years by being professional, trustworthy and making sure the customer is satisfied before profit. We focus on being proactive to keep clients informed with the best solutions to any potential problems that may arise. Altamont Landscape currently has nine trucks and eight trailers. We have 15 employees for maintenance, a quality control manager, office assistant and myself.

For a proposed work schedule, I would have three men maintaining the landscape four days a week. I would have an employee that has been with me for 3 years be the foreman. He is great at communicating in English, trained as an irrigation technician and has great work ethic.

To achieve the required landscape standards some major improvements would need to be made in the first six months of service. One of the first approaches to improving the overall landscape is to fertilize all shrubbery that are doing poorly. Our quality control manager will weekly walk the landscape areas and discuss with the crew what items need to be improved to meet and hopefully exceed the standards stated in the RFD.

Please feel free to contact these property managers for reference:

Patricia Green, Colliers International- 925-825-6171
Dorie Woychowski- Radius Group- 915-516-8701
Michelle Kaus, Developers Diversified- 925-676-4848

I look forward to serving you,

Frank Carlson
President
Cell 925-759-8001

AGENDA ITEM – E-2

Proposal Cost Breakdown**Discovery Bay Landscape & Lighting Zone #9**

**All Items as identified and described on Attachment No. 1

Item	Bid Item Description	Monthly Bid Dollar Amount
1A	Ravenswood Park	\$ 1,663
2B	Wilde Drive	\$ 420
3C	Poe Drive	\$ 630
4D	Point of Timber	\$ 630
	Zone #9 Total	\$ 3,343

Contra Costa County Landscape & Lighting Zone #35

**All Items as identified and described on Attachment No. 1

Item	Bid Item Description	Monthly Bid Dollar Amount
2A	Pedestrian Pathway	\$ 105
2B	Bixler Road	\$ 105
	Zone #35 Total	\$ 210

Contra Costa County Landscape & Lighting Zone #57

**All Items as identified and described on Attachment No. 1

Item	Bid Item Description	Monthly Bid Dollar Amount
3A	Regatta Park	\$ 2,700
3B	Parking Area 1	\$ 105
3C	Parking Area 2	\$ 105
3D	NW Corner of Bixler & Regatta	\$ 105
3E	Bixler Road	\$ 215
3F	Pedestrian Pathway	\$ 30
3G	Highway 4	\$ 315
3H	Porthole Drive	\$ 105
	Zone #57 Total	\$ 3,680

Attachment "L"

Contra Costa County Landscape & Lighting Zone #61

**All Items as identified and described on Attachment No. 1

Item	Bid Item Description	Monthly Bid Dollar Amount
4A	Slifer Park	\$ 2,638
4B	Slifer Drive	\$ 210
4C	Park & Ride	\$ 630
4D	Point of Timber Road	\$ 315
4E	Bixler Road	\$ 1,260
4F	Preston Drive	\$ 315
4G	Newport Drive	\$ 630
	Zone #61 Total	\$ 6,997

Total Monthly Bid Amount (All Zones): \$ 14,230

Total Annual Proposal Cost (All Zones): \$ 170,760

Bids shall be for monthly service. Proposals submitted in any unit other than monthly will be deemed incomplete and will not be considered in the award process.

*Discovery Bay Landscape & Lighting Zone 9
Contra Costa County Landscape Zones 35, 57 and 61*

*Proposal
for
Landscape Maintenance Services*

by

*TruGreen LandCare
November 17, 2010*

November 17, 2010

*Town of Discovery Bay CSD
Attn: Fairin Perez, Landscape Manager
1800 Willow Lake Road
Discovery Bay, CA 94505*

Dear Fairin,

TruGreen LandCare is excited about the opportunity to partner with the Town of Discovery Bay. We bring to you over two decades of knowledge and experience in commercial landscape management with a special emphasis on municipality contracts. TruGreen currently provides landscape maintenance services for the Cities of Vallejo, American Canyon, Concord and Fairfield. Our contract with the City of Fairfield has a value of over one million dollars annually and consists of parks, street medians, center islands, various public facilities and numerous roadside landscaped areas. Our staff of 25 employees assigned to the City of Fairfield contract includes gardeners, irrigation technicians, pest control operator and area manager. We believe our level of experience with municipal projects is unmatched in the industry and would be a great fit for the Town of Discovery Bay.

We are including additional information (see below) that will help you better understand our plan for your project. We encourage you to check our references and would also look forward to a personal meeting so that we can answer any questions or concerns you may have relative to our proposal.

Respectfully,

*Martin Becker
Branch Manager
TruGreen LandCare.*

Facility Information:

*TruGreen LandCare
Main Office
393 Watt Dr. Suite B
Fairfield, Ca. 94534*

*TruGreen LandCare
Satellite Office
4991 Pacheco Blvd
Martinez, Ca. 94553*

Main Phone: (707) 864-5594

Start Date:

We as TruGreen LandCare are completely (as specified by the RFP) prepared to be on site with the proposed monthly cost on 1/3/11.

Compliance:

TruGreen LandCare has read and complies with all terms and conditions as stated in the RFP.

Branch Resources:

The Fairfield/Martinez branch of TruGreen Landcare currently employe's 70-80 employees depending on the season. We are a full service company providing landscape management, irrigation and water management, tree management, design/installation and renovations. Our branches annual sales are approximately 4-5 million dollars annually. Our fleet of trucks total 40 along with 100's pieces of small equipment.

Our Plan:

Our plan for the Town of Discovery Bay is to provide daily coverage Monday thru Friday. We shall utilize the Discovery Bay yard for storage of equipment. Staff shall report directly to Discovery Bay yard eliminating the travel time to and from our office. Our crew shall receive supplemental help with additional laborers as required in order to ensure service requirements are met. Our response time to last minute request or emergencies shall be 30 minutes or less.

30-60-90 day start up plan:

Within the first two weeks, a 30/60/90 plan shall be developed. Areas to be addressed include tree status, irrigation system operation, general safety and liability observations and overall condition of the landscape. This information will be presented to the customer within the first 90 days. The primary objective is to partner with the customer in a proactive well thought through plan relative to the overall continued improvement of the landscape.

Staffing:

Staffing shall consist of 2-3 full time gardeners depending on the season, five days per week. Additionally, an area manager will be assigned to the property and will provide a single point of contact for the customer. Both the area manager and the crew foreman shall be equipped with cell phone/radio units. Gardeners shall be in full company issued uniforms at all times. Supplemental support available to our daily maintenance crew will be irrigation technicians, spray technicians, arbor services and enhancement crews.

Equipment:

Equipment to be used shall consist of typical commercial landscape items such as weed eaters, mowers, blowers and various hand tools. The crew will be provided trucks and trailers as required to perform daily work.

Bios:

Martin Becker- Branch Manager

Martin started his career in the green industry back when he was 14 years old working on the local golf course after school and weekends. Over the past 30+ years, Martin has accumulated a tremendous amount of knowledge and experience at every level of commercial landscape management. Martin has had the opportunity to work for the two largest commercial landscape firms in the country and has enjoyed continued advancement. Martin's core values include truth, honesty and passion.

Pablo Correa- Area Manager

Pablo has worked his way up thru the ranks first starting out five years ago with TruGreen LandCare as general laborer. Pablo has quickly proven to be a valuable asset to our team and has earned numerous accommodations for his excellent customer service. Pablo speaks three languages and heads up our Martinez satellite office.

Jim Walsh- Enhancement Manager

Jim has worked over 32 years of valuable experience in the green industry. He is our certified pest control applicator holding QAL and QAC license. Jim has also earned his certificate as a certified landscape technician thru the CLCA. Jim is in charge of our design, installation and renovation department capable of handling just about any size or scope of project you may have.

References:

*City of Fairfield: Client since 1/1/93
Public Works Dept.
Contact: Tom Martian
1000 Webster St.
Fairfield, CA. 94533
Tel.# 707-428-7478
Area Mgr.- Jeff Gillespie*

*City of American Canyon: Client since 5/1/2008
Contact: George Deocampo
300 Crawford Way
American Canyon, CA. 94503
Tel.# 707-648-7275
Area Mgr.- Jose Meza*

*Miramonte HOA: Client since 6/1/07
Contact: Ed Cossart
1 Miramonte Drive
Moraga, CA. 94556
Tel.# 925-376-3727
Area Mgr.- Pablo Correa*

*Additional references available upon request.
This proposal is effective for the proposed start date of January 3, 2011
TruGreen LandCare shall comply with all terms and conditions as stated in this RFP.*

Proposal Cost Breakdown**Discovery Bay Landscape & Lighting Zone #9******All Items as Identified and described on Attachment No. 1**

Item	Bid Item Description	Monthly Bid Dollar Amount
1A	Ravenswood Park	1,084
2B	Wilde Drive	85
3C	Poe Drive	212
4D	Point of Timber	209
	Zone #9 Total	1,590

Contra Costa County Landscape & Lighting Zone #35****All Items as Identified and described on Attachment No. 1**

Item	Bid Item Description	Monthly Bid Dollar Amount
2A	Pedestrian Pathway	110
2B	Bixler Road	37
	Zone #35 Total	147

Contra Costa County Landscape & Lighting Zone #57****All Items as Identified and described on Attachment No. 1**

Item	Bid Item Description	Monthly Bid Dollar Amount
3A	Regatta Park	1815
3B	Parking Area 1	36
3C	Parking Area 2	21
3D	NW Corner of Bixler & Regatta	20
3E	Bixler Road	30
3F	Pedestrian Pathway	47
3G	Highway 4	241
3H	Porthole Drive	95
	Zone #57 Total	2,305

Attachment "L"

Contra Costa County Landscape & Lighting Zone #61

**All Items as identified and described on Attachment No. 1

Item	Bid Item Description	Monthly Bid Dollar Amount
4A	Slifer Park	1,966
4B	Slifer Drive	47
4C	Park & Ride	295
4D	Point of Timber Road	748
4E	Bixler Road	1,117
4F	Preston Drive	121
4G	Newport Drive	373
	Zone #61 Total	4,677

Total Monthly Bid Amount (All Zones): 8,719

Total Annual Proposal Cost (All Zones): 104,633

Bids shall be for monthly service. Proposals submitted in any unit other than monthly will be deemed incomplete and will not be considered in the award process.

COPY



November 17, 2010

Attn: Fairin Perez
Town of Discovery Bay
1800 Willow Lake Rd.
Discovery Bay, CA 94505

RE: Proposal for Landscape Maintenance Services

Odyssey Landscape Company Inc. understands and is able to start work if awarded the maintenance contract for zones 35, 57, 61 and zone 9, on or before January 3, 2011.

We have read and understand the town's request in the RFP and attachment "I"; Odyssey Landscape will comply with all terms and conditions stated in this RFP.

Odyssey Landscape has been doing work in the landscape maintenance management industry for 28 years.

We at Odyssey Landscape have ready the necessary equipment and personnel to achieve the required landscape standards the town desires. We have an established yard in the near city of Antioch and the ability to create a schedule that will work for the town's needs and standards.

Odyssey Landscape has an excellent reputation in the municipal landscape management industry. We are a full service company currently managing many cities. We have on staff all the needed licenses/certificates to manage your town's needs (QAL, QAC, C-27, ET Certifications and CLT).

Odyssey proposes to manage this account with the following personnel:

- 3 Men mow crew 5 days a week during the summer/spring months and as needed during winter and fall.
- 3 Men trimming/pruning crew 5 days a week in the summer/spring months and as needed during winter and fall.

These two crews will also do all other necessary tasks such as litter, trash cans, etc.

We will have a full time irrigation technician overseeing the town's irrigation systems. He is well educated on the "Evolution System" you are using.

We have all the necessary equipment to perform all the town's needs, such as turf tractor for aeration, fertilizer spreaders, ballfields renovation equipment, etc.

5400 W. Hwy 12, Lodi, CA 95242,

Phone 209-369-6197

Fax 209-369-6965

I Dave Silva as the manager of Odyssey's Maintenance Division will personally oversee this account. I am a Certified Landscape Technician in maintenance and irrigation (CLT) and hold a Qualified Applicators Certificate (QAC) in landscape maintenance (Cat B) and right of way (Cat C). I also hold an ET certificate as well as an Irrigation Water Audit Certification.

I have been working in municipality maintenance for 18 years and have been working with the RainMaster/Evolution irrigation system since it came out.

I currently oversee and manage the following city accounts:

City of Stockton (David Kroll)
1465 South Lincoln St.
Stockton, CA 95202
(209) 939-8676 / david.kroll@ci.stockton.ca.us
This contract is (68) city parks with a value of 1.2 Million per year.

City of Lathrop (Milton Daley)
390 Towne Centre Dr.
Lathrop, CA 95330
(209) 992-0044 / mdaley@ci.lathrop.ca.us
We have two contracts one if for streetscapes and the second one for parks maintenance with a combined value of approx. 400k per year.

City of Merced (Mike Miller)
1776 Grogan Ave
Merced, CA 95340
(209) 385-6800 / millerm@cityofmerced.org
This contract is streetscapes/ medians/ roadsides/ open spaces etc. with a value of 500k per year.

These accounts are very similar to what the Town of Discovery Bay is asking for. We at Odyssey Landscape have earned the trust to manage these cities landscape needs and look forward to earning yours.

If you have any questions, please feel free to call.



Sincerely,
Dave Silva
Odyssey Landscape Company
Phone: 209.369.6197 ext 401
Fax: 209.369.6965
Email: dsilva@odysseylandscape.com

Proposal Cost Breakdown**Discovery Bay Landscape & Lighting Zone #9******All Items as identified and described on Attachment No. 1**

Item	Bid Item Description	Monthly Bid Dollar Amount
1A	Ravenswood Park	1950.00
2B	Wilde Drive	200.00
3C	Poe Drive	200.00
4D	Point of Timber	375.00
	Zone #9 Total	2725.00

Contra Costa County Landscape & Lighting Zone #35****All Items as identified and described on Attachment No. 1**

Item	Bid Item Description	Monthly Bid Dollar Amount
2A	Pedestrian Pathway	75.00
2B	Bixler Road	140.00
	Zone #35 Total	215.00

Contra Costa County Landscape & Lighting Zone #57****All Items as identified and described on Attachment No. 1**

Item	Bid Item Description	Monthly Bid Dollar Amount
3A	Regatta Park	1950.00
3B	Parking Area 1	25.00
3C	Parking Area 2	25.00
3D	NW Corner of Bixler & Regatta	60.00
3E	Bixler Road	200.00
3F	Pedestrian Pathway	25.00
3G	Highway 4	225.00
3H	Porthole Drive	125.00
	Zone #57 Total	2635.00

Attachment "L"

Contra Costa County Landscape & Lighting Zone #61

****All Items as Identified and described on Attachment No. 1**

Item	Bid Item Description	Monthly Bid Dollar Amount
4A	Slifer Park	2250.00
4B	Slifer Drive	240.00
4C	Park & Ride	425.00
4D	Point of Timber Road	380.00
4E	Bixler Road	380.00
4F	Preston Drive	225.00
4G	Newport Drive	380.00
	Zone #61 Total	4280.00

Total Monthly Bid Amount (All Zones): \$9,855.00

Total Annual Proposal Cost (All Zones): \$118,260.00

Bids shall be for monthly service. Proposals submitted in any unit other than monthly will be deemed incomplete and will not be considered in the award process.

LANDSCAPE MAINTENANCE SERVICES

Contra Costa Landscape & Lighting Zones 35, 57 & 61 + Discovery Bay Landscape & Lighting Zone 9
 Proposal Cost Breakdown

Item	Bid Item Description	Odyssey Landscape 5400 W. Hwy 12 Lodi, CA 95242	Altamont Landscape P.O. Box 1643 Brentwood, CA 94513	TruGreen LandCare 393 Watt Dr., Ste. B Fairfield, CA 94534
Zone #9				
1A	Ravenswood Park	\$1,950	\$1,663	\$1,084
2B	Wilde Dr.	\$200	\$420	\$85
3C	Poe Dr.	\$200	\$630	\$212
4D	Point of Timber	\$375	\$630	\$209
	Total Zone #9	\$2,725	\$3,343	\$1,590
Zone #35				
2A	Pedestrian Pathway	\$75	\$105	\$110
2B	Bixler Rd.	\$140	\$105	\$37
	Total Zone #35	\$215	\$210	\$147
Zone #57				
3A	Regatta Park	\$1,950	\$2,700	\$1,815
3B	Parking Area 1	\$25	\$105	\$36
3C	Parking Area 2	\$25	\$105	\$21
3D	NW Corner of Bixler & Regatta	\$60	\$105	\$20
3E	Bixler Rd.	\$200	\$215	\$30
3F	Pedestrian Pathway	\$25	\$30	\$47
3G	Hghway 4	\$225	\$315	\$241
3H	Porthole Dr.	\$125	\$105	\$95
	Total Zone #57	\$2,635	\$3,680	\$2,305
Zone #61				
4A	Slifer Park	\$2,250	\$3,637	\$1,966
4B	Slifer Dr.	\$240	\$210	\$47
4C	Park and Ride	\$425	\$630	\$295
4D	Point of Timber	\$380	\$315	\$748
4E	Bixler Rd.	\$380	\$1,260	\$1,117
4F	Preston Dr.	\$225	\$315	\$131
4G	Newport Dr.	\$380	\$630	\$373
	Total Zone #61	\$4,280	\$6,997	\$4,677
	Total Monthly ALL Zones	\$9,855	\$14,230	\$8,719
	Total Annual Proposal	\$118,260	\$170,760	\$104,628

NO BACK UP
DOCUMENTATION
FOR THIS AGENDA
ITEM # F

NO BACK UP
DOCUMENTATION
FOR THIS AGENDA
ITEM # G

NO BACK UP
DOCUMENTATION
FOR THIS AGENDA
ITEM # H

NEUMILLER & BEARDSLEE
A Professional Corporation

Memorandum

TO: Discovery Bay Board Members
FROM: Michael F. McGrew *M. F. M.*
DATE: November 24, 2010
FILE: 18632-25857
RE: Discovery Bays Municipal Advisory Council Function

This Municipal Advisory Council (MAC) issue keeps coming up. The Contra Costa Local Agency Formation Commission (LAFCO) and the Board of Supervisors transferred the old Discovery Bay Municipal Advisory Council's advisory functions to the Discovery Bay Community Services District upon its formation. Recently, the County Auditor - Controller sent a memorandum to private citizens with his analysis and recommendation concerning this transfer. Notwithstanding any confusion, it is within the powers of the Town of Discovery Bay to provide advisory functions similar to a MAC.

On November 5, 2010, Mr. Stephen J. Ybarra, the Contra Costa County Auditor - Controller, issued a memorandum to four private citizens entitled, "Response to Allegation Concerning the Keller Canyon Mitigation Fund". On November 9, 2010, Mr. Ybarra transmitted Section II of his memorandum to our General Manager calling attention to Mr. Ybarra's Recommendation 6 which pertains to Discovery Bay's MAC advisory responsibilities.

Recommendation 6 provides:

- (a) Establish a Discovery Bay Municipal Advisory Council (DBMAC), pursuant to Government Code 31010, and appoint the DBCSD's members as the DBMAC members; or (b) eliminate the advisory council functions performed by the DBCSD.

Mr. Ybarra expresses his reason as a Condition which provides:

The DBMAC was terminated by LAFCO (later ratified by the Board of Supervisors) and its advisory functions assigned to the DBCSD. That action has created confusion regarding the proper governance and funding of the DBCSD's advisory functions.

Mr. Ybarra correctly recites the fact concerning the formation of the Discovery Bay Community Services District and the transfer of the then existing Municipal Advisory Council functions to Discovery Bay.

The Contra Costa Local Agency Commission approved the formation of the Discovery Bay Community by Resolution 96-16, "Resolution of the Local Agency Formation Commission (LAFCO) of Contra Costa County making determinations and approving the Discovery Bay Boundary Reorganization and establishment of the sphere of influence (SOI) Boundary of the Discovery Bay Community Services District (DBCSD)."

The Contra Costa County Board of Supervisors as the conducting authority of the LAFCO determination ordered the formation of the Discovery Bay Community Services District by Resolution 97/925, "Discovery Bay Reorganization." Both the LAFCO and Board of Supervisors Resolutions state, "...in order to create a smooth transition of 'in-progress' advisory functions to the newly-created DBCSD, the Discovery Bay Municipal Advisory Council shall be terminated on December 1, 1998 and its advisory responsibilities shall be assumed by the DBCSD Board of Directors."

Mr. Ybarra challenges the authority of LAFCO in 1996 to be involved in the transfer of the advisory functions of a MAC to a community services district. He cites the 2005 change in the CSD Law that permits CSDs to fund MACs (Government Code § 61100 (ad)). He believes there was no authority prior to 2006.

The transfer of the then existing Discovery Bay Municipal Advisory Council's advisory functions to the new Discovery Bay Community Services District may have been unusual but it was not without authority. Factually, neither LAFCO or the Board of Supervisors designated Discovery Bay as the MAC. They only transferred the MAC's advisory functions.

LAFCO's may impose a wide array of conditions provided the conditions do not directly regulate land use, property development or land use. LAFCO may condition its approval on "[a]ny other matters necessary or incidental to any of the terms and conditions specified in ...section [56886]." This permits LAFCO to condition its approval on "a virtually limited array of factors." *Board of Supervisors v. Local Agency Formation Commission*. (1992) 3 Cal. 4th 903, 912.

One of the LAFCO conditions which is found in section 56886(r) is "[t]he continuation or provision of any service provided at that time, or previously authorized to be provided by the official act of the local agency." The condition is not limited to a specific "local agency". A "local agency" may be city, county, or district (section 56054). Because LAFCO had the MAC issue before it without the County's objection, LAFCO was able to transfer its functions.

If there was an irregularity in this determination, it was cured by the Third Validating Act of 1998 (Statute 1998, Chapter 537). The Validating Act declares that all public bodies "organized or existing under any color of any law, are hereby declared to have been

legally organized and to be legally functioning...” If the acts are not challenged in the court within six months, the matters “shall be held to be valid and every respect legal and incontestable.” The Validating Act cured any irregularities.

On top of all this, the 2005 changes to the Community Services District Law grandfathered in terms and conditions made by local agency formation commissions prior to January 1, 2006 (Government Code § 61003 (f)). The Community Services District law grandfathered in the Contra Costa LAFCO determination transferring the advisory functions to Discovery Bay.

In summary, the Town of Discovery Bay Community Services District correctly assumed the advisory functions of a municipal advisory council without becoming a municipal advisory council. That does not mean to say that it precludes the Board of Supervisors from designating Discovery Bay Board of Directors as a Municipal Advisory Council if it is the wish of the Board of Supervisors and the Board of Directors consents.

NO BACK UP
DOCUMENTATION
FOR THIS AGENDA
ITEM # J