



# FISCAL YEAR 2024-2025 OPERATING BUDGET

Adopted June 19, 2024  
Resolution 2024-08



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

1800 WILLOW LAKE ROAD, DISCOVERY BAY, CA 94505

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



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

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## Section 1: General Manager's Message



# TOWN OF DISCOVERY BAY

LF Platinum-Level of Governance



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

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## GENERAL MANAGER'S MESSAGE

June 19, 2024

Dear Board of Directors,

I am honored to submit to the Town of Discovery Bay Community Services District operating and capital budget for the fiscal period July 1, 2024, through June 30, 2025. The annual budget is a planning tool utilized by staff and the Board to track revenues and expenditures by fund over the respective forecast period.

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

Over the past year, the District has responded to the opportunities to display the vital work that the District can achieve with its small and very capable staff. We continue to operate the water and wastewater facilities to ensure this essential service meets water quality standards and service delivery to our residents and businesses. Key capital projects have been completed like the denitrification at the wastewater project, and the Willow Lake filter project. Within the parks and recreation arena, the District completed the Clipper Drive revitalization project, the Cornell Park enhancement through Prop 68 grant funding and the patio project at the Community Center.

For the upcoming year, the District continues its pursuit to deliver focused projects and cost-effective business practices. Over the past five years, the District has seen an increase in its operating costs from rising energy rates to the impact on operations from regulatory requirements to the increase from contract operations and staffing costs.

For water and wastewater, this means we are actively pursuing cost saving measures on rising energy costs and proactively addressing maintenance or rehabilitation of the District's infrastructure to ensure the delivery of services. During the past year, the board and public have requested more attention be given to landscape of the District's parks and streetscape. In response, staff have recently begun evaluating the various needs and requested additional staff to oversee the timely maintenance of the landscape projects. For the community center, staff had been reenergized since the pandemic actively pursuing facility upgrades and identifying new programming to engage the residents.

In addition to operational challenges, the District staff is evaluating the long-term fiscal impact of the necessary infrastructure investment to ensure the delivery of its assorted services. This requires the District to better understand its past investments to inform future activities. From condition assessments to reviewing financial records, staff will be evaluating its anticipated future costs, the funding source (revolving funds to debt) and use this information to guide in the development for a financial model and review of the reserve policy.

For the water and wastewater funds, the upcoming rate study will help inform the District of the necessary revenue requirement to establish the rates and charges for the next five years. The District had been pursuing to bring the rate study in this fiscal year but has deferred the study for additional fact gathering. The current rate study does go through Fiscal Year 2024-2025, so the District can present this information into this budget. The District opted to also defer the study until the known outcome of the external challenge to Prop 218 and 26. This is especially important as the District has a vital mainline pipeline replacement to complete over the next few years and debt will be required to finance this project. Most of the other District's projects can be funded through reserves although the rate study may reflect some additional needs based on the timing of these projects and to maintain adequate cash levels.

For the landscape and lighting zones, the District is monitoring the use of reserves to make investments that improve the value and visibility of these assets. However, the District is exploring options for new funding sources to ensure operations and adequate cash levels continue to be made available in the future.

The most significant external challenge the District is monitoring is the November 2024 ballot initiative, Taxpayer Protection and Government Accountability Act, sponsored by the California Business Roundtable (CBRT). The CBRT measure would significantly restrict the ability of cities to raise taxes and fees, including retroactively. Taxes or fees passed since Jan. 1, 2022, must abide by the measure's rules. The measure would also create new opportunities to challenge local revenue measures. More information regarding the ballot initiative can be found at the California Special District Association's [website](#).

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

Overall, the District has seen an increase of approximately \$1 Million in operating budgets across all funds from the prior year for revenues and expenses, respectively. Total Fiscal Year 2024-2025 revenues represent approximately \$14 million (without funds transfer for debt service) and Fiscal Year 2024-2025 operating expenses represent approximately \$13 Million. The capital investment for Fiscal Year 2024-2025 represents another \$13.5 Million (approximately) for water, wastewater, and the lighting and landscaping funds. The source of funding will vary by fund, but most of the funding will come from the individual funds District reserves, and approximately \$5 Million from the 2022 Revenue Bonds construction proceeds to complete Well 8 for the Water fund.

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

Respectfully submitted,

Dina Breitstein, General Manager



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



# ABOUT TOWN OF DISCOVERY BAY CSD

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

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

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

### District Awards

The Town has earned the following awards and recognition:

- District of Distinction
- District Transparency Certificate of Excellence
- Special District Governance Platinum-Level through *Special District Leadership Foundation (SDLF)*.
- 2020 SDRMA Safety Award Recipient

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



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

General Information	
Agency Type	Community Services District
Principal Act	Community Services District Laws, Government Code Section 61000 et seq. and SB 135, Community Services District Law
Date Formed	1998
Services	sewage collection, treatment, and disposal, water, parks and park maintenance, landscaping, and recreation.
Service Area	
Location	Unincorporated community of Discovery Bay
Square Miles/Acres	4.44 square miles/2,844 acres
Land Uses	Residential with some commercial and irrigation uses
Water Connections	6,157 service connections (residential, commercial, irrigation ), 126 commercial/industrial customers
Population Served	18,020 (Contra Costa County GIS Data) – approximate

## Water Services

The District owns and maintains over fifty (50) miles of water mains in seven (7) residential developments: Discovery Bay West (Village 1, 2, 3 and 4, and Ravenswood); and two (2) of the older developments (Discovery Bay Proper and Centex). Currently, the District owns and operates six (6) water production wells that are located throughout the District and can produce seven million gallons of domestic water per day. The raw water is then treated in two (2) water treatment facilities with water storage capacity of 2.2 million gallons of treated water for customer distribution. The total water requirements of Discovery Bay are currently about 900 million gallons per year, which equates to an average daily demand of 2.2 million gallons per day; however, the water production capacity is 6.6 million gallons per day.

## Wastewater Services

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

To facilitate and transport the raw wastewater to the main wastewater treatment, the District utilizes 15 wastewater lift stations to move the waste through 50 miles of sewer mains. The plants can produce an average of 1.5 million gallons of wastewater per day.

The wastewater treatment plants currently include an influent pump station, influent screening, and secondary treatment facilities using oxidation ditches, sand filters, and ultraviolet (UV) disinfection before discharging the treated water into Old River.

Under a multi-year agreement with the District, the water and wastewater facilities are operated and maintained by Veolia North America.

## Parks and Landscaping Services

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

### Discovery Bay Landscape & Lighting

#### Zone #8

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

#### Zone #9 (Ravenswood)

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

### Contra Costa County Landscape & Lighting

#### Zone #35

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

#### Zone #57

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

## Zone #61

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

## Recreation Services

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

## District Form of Government

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

## TODB Board of Directors



President	Vice-President	Director	Director	Director
				
Michael Callahan	Carolyn Graham	Kevin Graves	Bryon Gutow	Ashley Porter
Term of Office: 12/2020 to 12/2024	Term of Office: 12/2020 to 12/2024	Term of Office: 12/2022 to 12/2026	Term of Office: 12/2022 to 12/2026	Term of Office: 12/2022 to 12/2026
Internal Operations Vice-Chair Parks & Recreation Chair	Communications Vice-Chair Finance Chair	Internal Operations Chair Water & Wastewater Chair	Parks & Recreation Vice-Chair Communications Chair	Finance Vice-Chair Water & Wastewater Vice-Chair

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

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

#### **Vision**

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

#### **Goals**

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

#### **Values:**

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

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

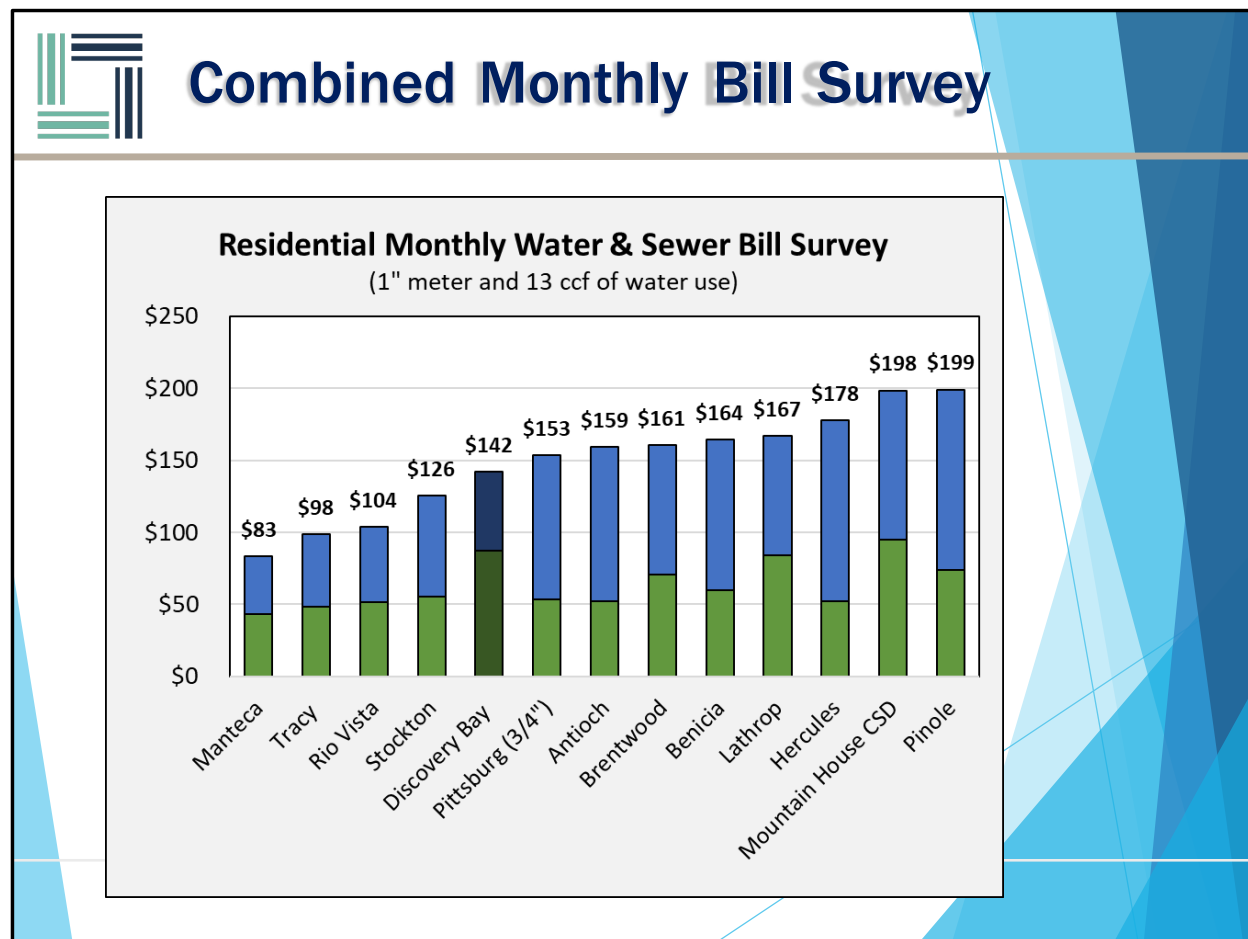
## Demographics

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

### Water and Wastewater Operations

Meters Count by Type		Meter Sizes	
Commercial	52	¾ inch	1,709
Irrigation	87	1 inch	4,348
Residential	<u>6,053</u>	1 ½ inch	32
Total	6,152	>2 inch	63

## Comparison to Local Jurisdictions



## **Parks and Recreation Programs**

Overall Usage of District facilities - 1,422 classes and reservations representing nearly 3,600 hours during the last calendar year.

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





Lakeshore

 The Lakes at  
Discovery Bay


**Parks**

Maps created 5/5/2008  
by Contra Costa County GIS Group  
9811 Pine Street, 4th Floor - Northridge, Martinez, CA 94553-8956  
37.5148-42.0594 - 122.0635-38.8449

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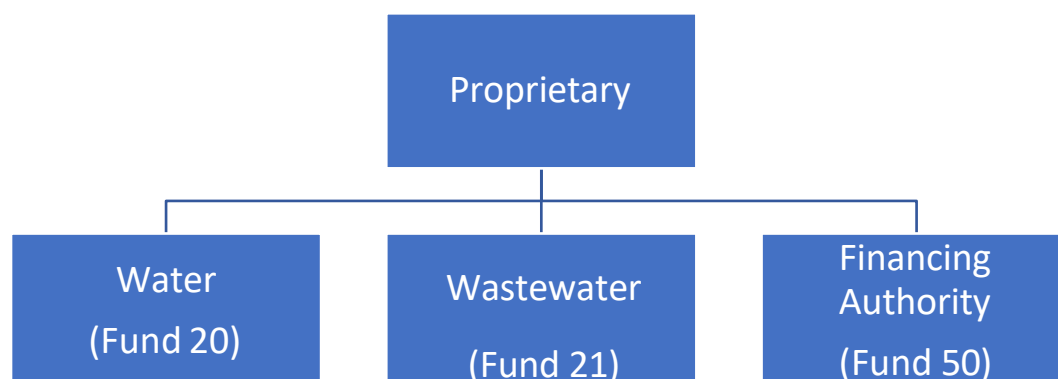
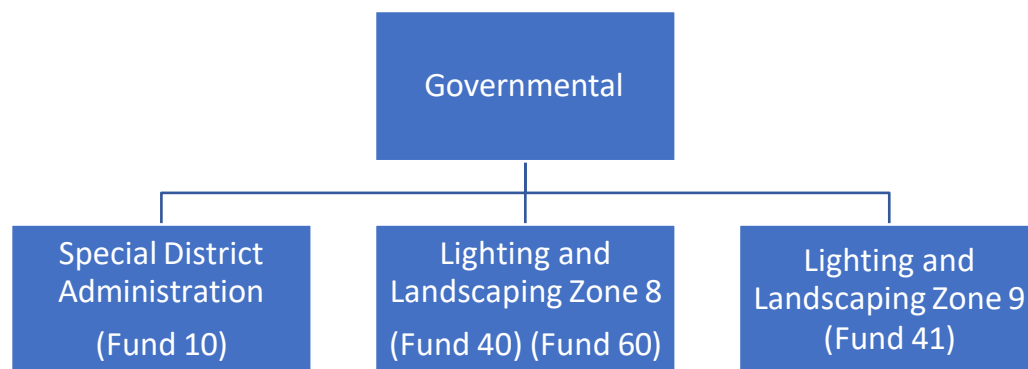
## Section 3: FINANCIAL OVERVIEW AND SUMMARY



# FINANCIAL OVERVIEW AND SUMMARY

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

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



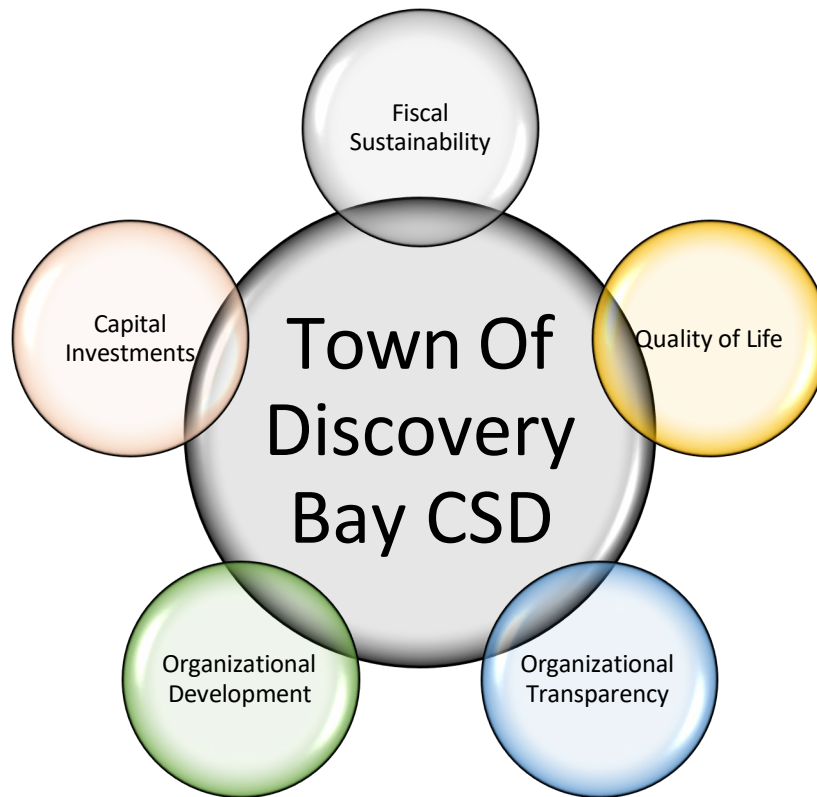
## FINANCIAL HIGHLIGHTS

To highlight the impact of each fund, the table below shows the fiscal year 2024-2025. For more detailed information, refer to Section 5 and 6 which provides additional years.

Fund	Revenues	Expenses	Net Revenues
Fund 10	\$81,400	\$71,400	\$10,000
Fund 20	\$5,580,000	\$5,445,019	\$134,982
Fund 21	\$7,028,500	\$6,281,416	\$747,084
Fund 40	\$1,136,281	\$1,134,688	\$1,594
Fund 41	\$197,999	\$180,710	\$17,289
Fund 50	\$2,339,820	\$2,339,820	\$0
Fund 60	\$20,000	\$0	\$20,000

- Fund 10 represents the Special District Administration for the support the District provides to certain Contra Costa County zones landscaping and lighting efforts. The costs are fully reimbursed by the County. Minor receipts are received for miscellaneous rebates and may be transferred to other district operations.
- Fund 20 represents the operating and maintenance expenditures for the water system whose revenues are determined by a multi-year rate study.
- Fund 21 represents the operating and maintenance expenditures for the wastewater system whose revenues are determined by a multi-year rate study.
- Fund 40 represents the operating and maintenance expenditures for the area designated as Zone 8. Revenues to support these functions are derived from the Ad Valorem tax and community center program fees.
- Fund 41 represents the operating and maintenance expenditures for the area designated as Zone 9. Revenues to support these functions are derived from annual assessment documented through an engineer's report and assessment rate approved by the Board of Directors.
- Fund 50 represents the activity of the public financing authority established to issue and track construction proceeds and to pay the annual debt service.
- Fund 60 represents an account previously used for the community center.

## STRATEGIC GOALS



### Goals, Objectives, and Performance Outlook

Goal	Objective	Performance Outlook
Fiscal Sustainability	<ul style="list-style-type: none"> <li>Balance Revenues and expenditures to ensure fiscal stability.</li> <li>Monitor trends in key revenue sources.</li> <li>Provide core services in an efficient and effective manner.</li> </ul>	<ul style="list-style-type: none"> <li>Review expenditure vs. budget reports for each department monthly.</li> <li>Analyze 10-year history to understand trends and make recommendations.</li> </ul>
Quality of Life	<ul style="list-style-type: none"> <li>Focus on key services, programs, and activities for seniors and youth.</li> <li>Partner with service clubs to promote community-wide events.</li> <li>Maintain parks throughout the community.</li> </ul>	<ul style="list-style-type: none"> <li>Provide bi-monthly reports on activities for youth, seniors, and park &amp; recreation programs.</li> <li>Develop a master plan for landscape oversight to properly upkeep this investment.</li> </ul>

Organizational Transparency	<ul style="list-style-type: none"> <li>• Post key information on the District's website.</li> <li>• Use media to inform and engage the public.</li> <li>• Prepare the budget in a user-friendly, informative &amp; transparent format.</li> </ul>	<ul style="list-style-type: none"> <li>• Post all agendas, reports, and contracts on the District's website.</li> <li>• Post all policy documents and resolutions on the website.</li> <li>• Increase the use of social media to promote district activities and business.</li> </ul>
Organizational Development	<ul style="list-style-type: none"> <li>• Evaluate staffing levels to ensure adequate delivery of core services.</li> <li>• Provide training and resources to sustain a talented workforce.</li> <li>• Maintain accountability and recognition of employees.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare a long-term staffing plan.</li> <li>• Develop training for key management and supervisory staff.</li> <li>• Uphold and maintain safety training.</li> </ul>
Capital Investments	<ul style="list-style-type: none"> <li>• Prioritize and evaluate needed capital investments.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver capital projects on time and within budget.</li> <li>• Seek funding opportunities to fund infrastructure projects.</li> <li>• Continuous updates to District master plans.</li> </ul>

## FINANCIAL POLICIES SUMMARY

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

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

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

## LONG RANGE FINANCIAL PLANNING

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



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

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

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





## Section 4: BUDGET PROCESS AND TIMELINE

## BUDGET PROCESS AND TIMELINE

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

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

The budget is available for interested parties, such as bond holders, credit rating agencies and their customers for review. The budget further demonstrates the District's commitment to fiscal responsibility and transparency of its operations. As a good business practice, the District prepares, adopts, monitors, and reports budgeted information to the Board of Directors on a bi-monthly basis.

Budget Considerations	
Incorporate rate study information for water and wastewater into FY 2024-2025 budget	✓
Develop five-year capital budget for each fund and identify funding sources	✓
Achieve required debt coverage for water and wastewater funds	✓
Budget sufficient funds to support each fund operating activities and set aside funds to the revolving account	✓

## BASIS OF ACCOUNTING

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

### For financial statement purposes:

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

### For budgeting purposes:

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

## BUDGET PROCESS

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

## Budget Timeline

Date	Key Activity	Responsible Party
January 25, 2024	Distribute budget calendar, budget worksheets, and mid-year Fiscal Year 2023-2024 financial results	Finance Manager
February 12, 2024	Capital budget discussions with staff, contract operator and consultants	General Manager Water/Wastewater Mgr. Veolia, LSCE, and Herwit
February 20, 2024	Review staff time allocation and development of Labor Budget	Department Managers Finance Manager
February 21-23, 2024	Develop of draft Fiscal Year 2024-2025 Operating Budget worksheets	Finance Manager
February 28, 2024	Review of draft budget worksheets with Department Managers	Department Managers Finance Manager
February 29, 2024	Finalize staffing requirement, and review labor and benefit worksheet with General Manager	General Manager Finance Manager
March 5 and 7, 2024	Review revised operating budgets worksheets with General Manager	General Manager Department Managers Finance Manager
March 14, 2024	The Board of Directors held their annual board workshop where the General Manager shared the accomplishments for the current fiscal year and the outlook for Fiscal Year 2024-2025.	General Manager Board of Directors
March 19, 2024	Develop capital outlay for landscaping and community center and review with General Manager and Department Manager	General Manager Department Manager Finance Manager
March 27, 2024	Finalize Capital budget for Water and Wastewater and review with General Manager and Department Manager	General Manager Department Manager Finance Manager
April 30, 2024	Preliminary Budget document presented to General Manager	General Manager Finance Manager
May 16, 2024	Budget workshop is presented to the Board of Directors	General Manager Finance Manager
June 5, 2024	Set public hearing for June 19 at June 5 Board meeting	General Manager Finance Manager
June 19, 2024	Board approves Fiscal Year 2024-2025 Budget and Resolution on Zone 9 Assessment Rate and Engineers Report, and Resolution on Zone 8 Appropriations Limit	General Manager Finance Manager

## BUDGET MONITORING

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

The budget is amended when expenditures are anticipated to significantly exceed estimates. Budget amendments can also occur for expenditures seen as appropriate charges but were not anticipated in the budget process. Any suggested amendments added to the original budget are brought to the Board of Directors through staff reports at the appropriate committee meeting. Staff is to describe why, how much, and what program budget requires an amendment to the original budget. These approvals are discussed at the appropriate committee and Board meetings and require a majority vote of the Board of Directors. Upon approval, staff updates the budget and financial system to reflect the approved change.



## Section 5: OVERVIEW OF REVENUES AND EXPENSES

# OVERVIEW OF REVENUES AND EXPENSES

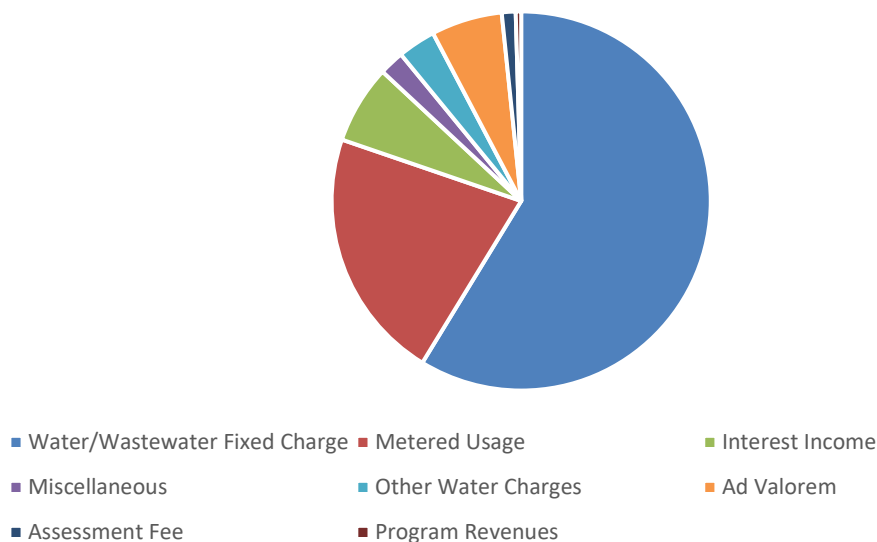
As a community services district CSD, the District can provide a variety of services to its constituents. Through the Contra Costa LAFCO process, it was determined the District will provide water and sewer service, landscaping services, and recreational activities. Each of these services may have similar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

Section 6 provides a detailed breakdown of each fund's revenues and expenses for the current year, and prior years.

## REVENUES

Account Category	Amount	% of Total
Water/Wastewater Fixed Charge	\$ 8,244,500	59%
Metered Usage	3,021,000	22%
Interest Income	940,000	7%
Miscellaneous	297,400	2%
Other Water Charges	454,000	3%
Ad Valorem	851,281	6%
Assessment Fee	170,999	1%
Program Revenues	65,000	0%
Total Revenues	\$ 14,044,180	100%

District Revenues - All Funds





## Water and Sewer Charges

As an enterprise fund activity, the District is required to follow a Prop 218 process to set its rates and charges. Typically, the District has a consultant review the information and prepares a rate recommendation for the Board of Directors to vote upon. This report is prepared every 4-5 years. The current rate study was prepared in 2020 and provides information through Fiscal Year 2024-2025. The District has begun the data gathering process to update the cost of service and plans to bring forth a new rate study in the next year. The rate process begins with gathering data for a few factors from customer base, reserves, cost of service (operating and capital plan) to be able to perform the following key steps.

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

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

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

Based on the [last study](#), the water rates and charges are comprised of both an account charge assessed through the Contra Costa County and placed on one's property tax bill. The other portion represents the meter charge for individual use. This amount is billed monthly based on meter reads.

The split of revenues is split between the account charge and water usage is approximately 36% water and wastewater fixed charge, and the balance is on the rates. Whereas the wastewater revenues are the account charge from Contra Costa County. As a result, the variability in revenues estimated through the rate study and the actual results have been on point.

For the Fiscal Year 2024-2025 it is estimated to represent \$8,244,500 water and wastewater fixed charge and approximately \$3,021,000. There are other charges, approximately \$454,000 that may be determined based on the rate study and include meter installation, miscellaneous water fees, and commercial meter charges.

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

## Water Schedule

TABLE 1: ADOPTED WATER RATES										
WATER	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Monthly (\$/month)	Use (\$/cuf)	Monthly (\$/month)	Use (\$/cuf)	Monthly (\$/month)	Use (\$/cuf)	Monthly (\$/month)	Use (\$/cuf)	Monthly (\$/month)	Use (\$/cuf)
<b>Unmetered Account Charge</b>	\$ 14.67		\$ 14.67		\$ 14.67		\$ 14.67		\$ 14.67	
<b>All Metered</b>	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)
<i>Non-Irrigation Account Charge</i>										
5/8" Meter	\$ 21.46	\$ 257.52	\$ 21.84	\$ 262.08	\$ 22.22	\$ 266.64	\$ 22.62	\$ 271.44	\$ 23.02	\$ 276.24
3/4" Meter	\$ 21.46	\$ 257.52	\$ 21.84	\$ 262.08	\$ 22.22	\$ 266.64	\$ 22.62	\$ 271.44	\$ 23.02	\$ 276.24
1" Meter	\$ 21.46	\$ 257.52	\$ 21.84	\$ 262.08	\$ 22.22	\$ 266.64	\$ 22.62	\$ 271.44	\$ 23.02	\$ 276.24
1 1/2" Meter	\$ 40.08	\$ 480.96	\$ 40.78	\$ 489.36	\$ 41.50	\$ 498.00	\$ 42.24	\$ 506.88	\$ 42.98	\$ 515.76
2" Meter	\$ 62.98	\$ 755.76	\$ 63.96	\$ 767.52	\$ 64.94	\$ 779.28	\$ 65.92	\$ 791.04	\$ 66.94	\$ 803.28
3" Meter	\$ 124.56	\$ 1,494.72	\$ 126.10	\$ 1,513.20	\$ 127.64	\$ 1,531.68	\$ 129.20	\$ 1,550.40	\$ 130.80	\$ 1,569.60
4" Meter	\$ 193.84	\$ 2,326.08	\$ 196.00	\$ 2,352.00	\$ 198.20	\$ 2,378.40	\$ 200.40	\$ 2,404.80	\$ 202.64	\$ 2,431.68
6" Meter	\$ 386.30	\$ 4,635.60	\$ 390.22	\$ 4,682.64	\$ 394.18	\$ 4,730.16	\$ 398.18	\$ 4,778.16	\$ 402.22	\$ 4,826.64
<i>Irrigation Account Charge</i>										
5/8" Meter	\$ 19.24	\$ 230.88	\$ 19.58	\$ 234.96	\$ 19.92	\$ 239.04	\$ 20.26	\$ 243.12	\$ 20.62	\$ 247.44
3/4" Meter	\$ 19.24	\$ 230.88	\$ 19.58	\$ 234.96	\$ 19.92	\$ 239.04	\$ 20.26	\$ 243.12	\$ 20.62	\$ 247.44
1" Meter	\$ 19.24	\$ 230.88	\$ 19.58	\$ 234.96	\$ 19.92	\$ 239.04	\$ 20.26	\$ 243.12	\$ 20.62	\$ 247.44
1 1/2" Meter	\$ 37.12	\$ 445.44	\$ 37.38	\$ 448.56	\$ 37.64	\$ 451.68	\$ 37.90	\$ 454.80	\$ 38.18	\$ 458.16
2" Meter	\$ 58.54	\$ 702.48	\$ 58.72	\$ 704.64	\$ 58.90	\$ 706.80	\$ 59.06	\$ 708.72	\$ 59.24	\$ 710.88
3" Meter	\$ 115.73	\$ 1,388.76	\$ 115.73	\$ 1,388.76	\$ 115.73	\$ 1,388.76	\$ 115.73	\$ 1,388.76	\$ 115.73	\$ 1,388.76
4" Meter	\$ 180.27	\$ 2,163.24	\$ 180.27	\$ 2,163.24	\$ 180.27	\$ 2,163.24	\$ 180.27	\$ 2,163.24	\$ 180.27	\$ 2,163.24
6" Meter	\$ 359.54	\$ 4,314.48	\$ 359.54	\$ 4,314.48	\$ 359.54	\$ 4,314.48	\$ 359.54	\$ 4,314.48	\$ 359.54	\$ 4,314.48
<b>Newly Metered Customers :</b>										
Meter Install Fee (10 yr)	\$8.01		\$8.01		\$8.01		\$8.01		\$8.01	
<b>Metered Usage Charge:</b>	Use (\$/cuf)		Use (\$/cuf)		Use (\$/cuf)		Use (\$/cuf)		Use (\$/cuf)	
	2.266		2.34		2.405		2.479		2.577	
DW= Dwelling Unit ccf=100 cubic feet=748 gallons										

TABLE 2: ADOPTED WASTEWATER RATES										
SEWER	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)
<b>Residential/Unmetered</b>										
Single Family (Each DU)	\$ 83.34	\$ 1,000.08	\$ 84.59	\$ 1,015.08	\$ 85.86	\$ 1,030.32	\$ 87.15	\$ 1,045.80	\$ 88.46	\$ 1,061.52
Multifamily/Condos (Each DU)	\$ 63.89	\$ 766.68	\$ 65.92	\$ 791.04	\$ 68.01	\$ 816.12	\$ 70.17	\$ 842.04	\$ 72.40	\$ 868.80
Vacant	\$ 18.67	\$ 224.00	\$ 18.67	\$ 224.00	\$ 18.67	\$ 224.00	\$ 18.67	\$ 224.00	\$ 18.67	\$ 224.00
<b>Non-Residential/Metered</b>	Use (\$/cuf)		Use (\$/cuf)		Use (\$/cuf)		Use (\$/cuf)		Use (\$/cuf)	
Business/Government/Clubs	6.05		6.384		6.737		7.109		7.501	
Restaurants/Bars/Dining Facilities	17.337		17.899		18.479		19.078		19.696	
Schools	5.462		5.781		6.118		6.475		6.853	
Other Domestic Strength Users	6.05		6.384		6.737		7.109		7.501	

## Wastewater Schedule

TABLE 2: ADOPTED WASTEWATER RATES										
SEWER	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)	Monthly (\$/month)	Yearly (\$/DU)
<b>Residential/Unmetered</b>										
Single Family (Each DU)	\$ 83.34	\$ 1,000.08	\$ 84.59	\$ 1,015.08	\$ 85.86	\$ 1,030.32	\$ 87.15	\$ 1,045.80	\$ 88.46	\$ 1,061.52
Multifamily/Condos (Each DU)	\$ 63.89	\$ 766.68	\$ 65.92	\$ 791.04	\$ 68.01	\$ 816.12	\$ 70.17	\$ 842.04	\$ 72.40	\$ 868.80
Vacant	\$ 18.67	\$ 224.00	\$ 18.67	\$ 224.00	\$ 18.67	\$ 224.00	\$ 18.67	\$ 224.00	\$ 18.67	\$ 224.00
<b>Non-Residential/Metered</b>	Use (\$/cuf)		Use (\$/cuf)		Use (\$/cuf)		Use (\$/cuf)		Use (\$/cuf)	
Business/Government/Clubs	6.05		6.384		6.737		7.109		7.501	
Restaurants/Bars/Dining Facilities	17.337		17.899		18.479		19.078		19.696	
Schools	5.462		5.781		6.118		6.475		6.853	
Other Domestic Strength Users	6.05		6.384		6.737		7.109		7.501	
DW= Dwelling Unit										

## Ad Valorem

The Discovery Bay Lighting and Landscape Zone #8 (Zone 8) receives annual funding through a portion of property taxes collected within its boundaries. Each year, the District is responsible for identifying its appropriation limit in accordance Article XIII B of the California Constitution, known as the Proposition 4 or the GANN limit. Staff collects the necessary information from the California Department of Finance and calculates the Appropriations Limit for Zone 8 for board approval every July. The calculation is based on the previous year's appropriation limit and factors in the change of California's per capita personal income and local population percentage change. For the Fiscal Year 2024-2025 it is estimated to bring \$851,281

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

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

## Assessment Fee

As part of the annual assessment process for the Ravenswood Improvement District (Zone 9), the Town of Discovery Bay Board of Directors adopts a Resolution annually, which directs HERWIT Engineering to prepare the assessment report. HERWIT provides the Draft of the Final Assessment Engineer's Report to District Staff. In that report, HERWIT determines assessed costs per parcel based on the operating budget. Herwit Engineering lists all factors leading to any increased assessment and the funds needed to maintain the reserve amount and cover the increased cost of operations. The Annual Assessment can be viewed on the Districts website. For the Fiscal Year 2024- 2025, it is estimated at about \$170,999.

Year	Number of lots/homes	Engineers Rate	YoY % increase
2005-2006	203		
2006-2007	203	431.00	-
2007-2008	203	431.00	0.00%
2008-2009	203	431.00	0.00%
2009-2010	203	406.00	-5.80%
2010-2011	203	406.00	0.00%
2011-2012	203	561.20	38.23%
2012-2013	203	555.76	-0.97%
2013-2014	203	563.94	1.47%
2014-2015	203	602.92	6.91%
2015-2016	203	606.94	0.67%
2016-2017	203	625.78	3.10%
2017-2018	203	658.50	5.23%
2018-2019	203	658.50	0.00%
2019-2020	203	707.00	7.37%
2020-2021	203	714.84	1.11%
2021-2022	203	742.04	3.81%
2022-2023	203	779.12	5.00%
2023-2024	203	811.78	4.19%
2024-2025	203	842.36	3.77%

## Community Center Program Fees

As previously shown, the District offers a variety of classes at the Community Center located in Zone 8 to engage the community of all ages. The classes include exercise classes like yoga and Zumba, tennis, aquatic lessons, and other miscellaneous classes. The rates vary by course offering and the arrangement is that the District receives 25% of the fee charged by the instructor. The District will charge the full amount and reimburse the instructor for their portion. It is estimated that program fees will be \$65,000

## Interest Earnings

The District has adopted an investment policy (Policy #003) that allows for the District to invest in investment vehicles that will return a favorable yield only after the requirements of safety and liquidity are met. Presently, the District invests excess funds of approximately \$18 million across all funds with a money market account and a local government investment pool, California CLASS. Based on the anticipated rates between 3-5%, the District anticipates approximately \$940,000 in interest earnings. Those amounts are estimated to be allocated as follows:

Fund	Estimated Budget
10 Administration	\$10,000
20 Water	\$425,000
21 Wastewater	\$400,000
40 Zone 9	\$75,000
41 Zone 9	\$10,000
60 Community Center	\$20,000
<b>Total Interest Earnings</b>	<b>\$940,000</b>

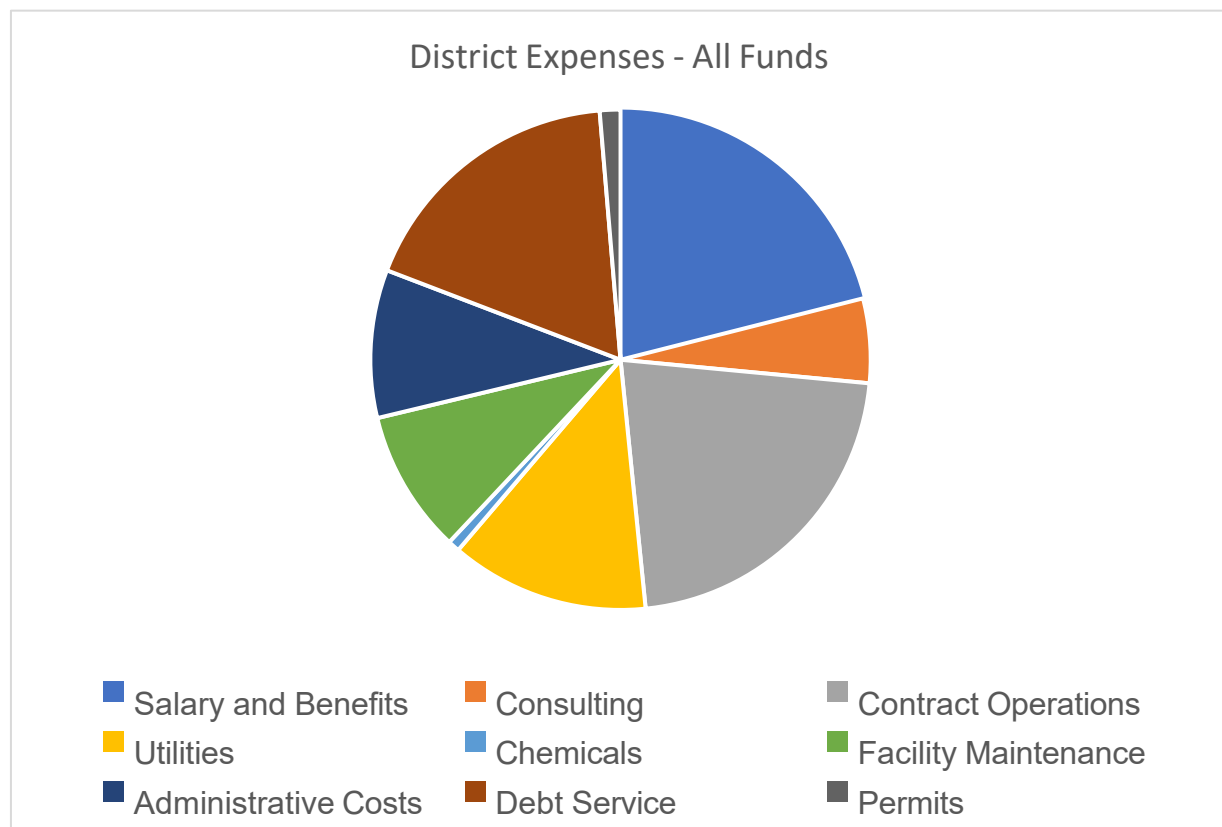
## Miscellaneous

The District also receives miscellaneous other revenues during the year that represent developer reimbursement costs, county reimbursements for the special zones, rentals, administrative fees pertaining to new connections, and other. These amounts total about \$297,400.

## EXPENDITURES/EXPENSES

Account Category	Amount	% of Total
Salary and Benefits	\$ 2,760,513	21%
Consulting	715,000	5%
Contract Operations	2,871,000	22%
Utilities	1,684,200	13%
Chemicals	100,000	1%
Facility Maintenance	1,212,900	9%
Administrative Costs	1,254,800	10%
Debt Service	2,339,820	18%
Permits	175,000	1%
Total Expenses *	\$ 13,113,232	100%

\*The difference between revenues of \$14,037,900 and total expenses of \$13,113,232 of \$924,668 represents the collective net revenues for all district fund activities. These amounts support revolving funds that are set aside for PAYGO spending on capital projects.



## Salary and Benefits

The District is led by the General Manager who oversees the staff of the various departments including Administration, Finance, Parks and Recreation, Water and Wastewater Operations. Through their collective efforts, the District strives to meet the demands of our community. While the staff are organized by departments, there is an effort to streamline some processes that may have them to reflect their time to another fund's budget. The Administration and Finance staff time is allocated to the various efforts based on an approximation of their time spent to support the parks/landscape efforts, recreation efforts, the water efforts and wastewater efforts.

In Fiscal Year 2024-2025, there were opportunities to make some staff changes to elevate and promote internal staff which creates opportunities to add some new positions – specifically, senior account clerk, recreations coordinator, and landscape coordinator. The introduction of these new positions allows for more effective management and response to District's priorities.

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

Special Administration	4.8%
Water	39.3%
Wastewater	29.8%
Zone 8 / Community Center	23.7%
Zone 9	<u>2.3%</u>
Total Payroll Budget	100%

In addition to the regular staff position noted in the position headcount table, the District also hires seasonal staff to support the Community Center programming. This includes recreation leaders and swim/lifeguard instructors.

To ensure that there is fair compensation to the employees, the District has a multi-step pay scale which is adjusted by a CPI (Consumer Price Index) of 5% on July 1, 2024. The General Manager compensation is determined by the Board of Directors.

IN addition to the internal District staff, the water and wastewater operations are supported by external contractors. The facilities are managed by Veolia Water and the District Engineer by two contracts which are LCSE (Water) and Herwit (Wastewater).



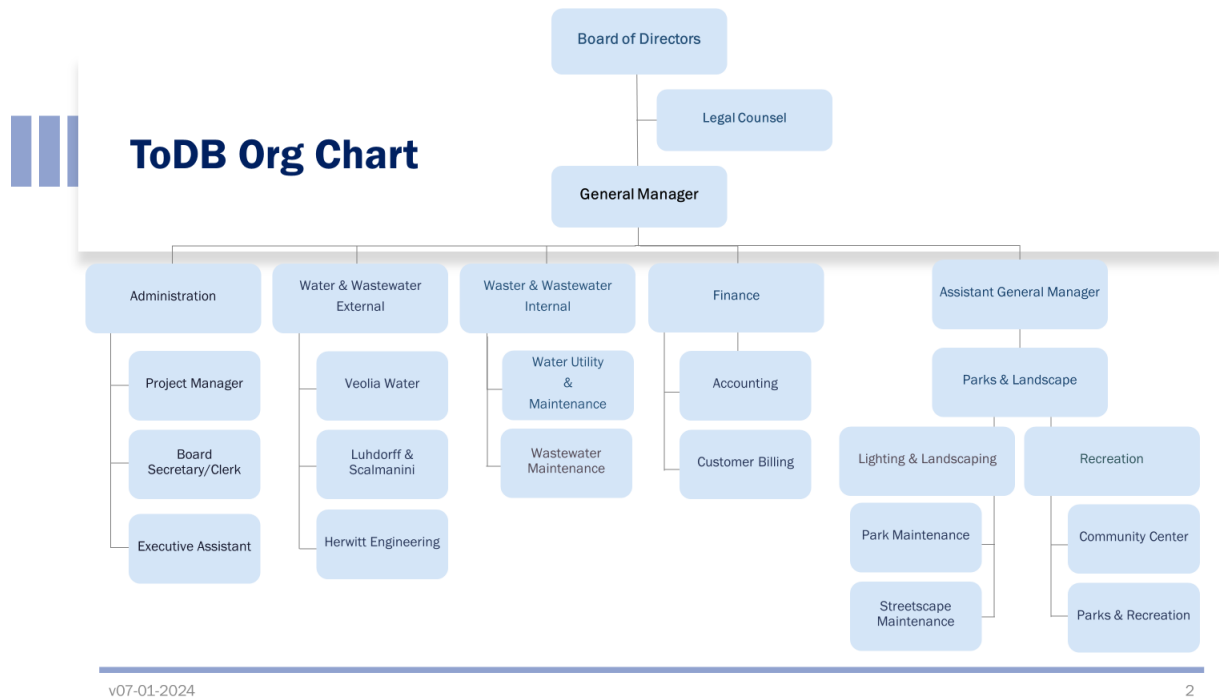
## Position Headcount (budgeted)

Position Title	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Office Assistant	2	2	2	2	2	2
Administrative Assistant	2	2	2	2	2	2
Executive Assistant	1	1	1	1	1	1
Project Accountant	0	0	0	1	1	1
Accountant	1	1	1	1	0	0
Senior Account Clerk	0	0	0	0	0	1
Water Services Technician I	2	2	2	2	2	2
Water Services Technician II	1	1	1	1	1	1
Parks & Maintenance Worker I	1	1	1	1	1	1
Parks & Maintenance Worker II	2	2	2	2	2	1
Parks & Maintenance Worker III	1	1	1	1	1	2
Recreation Programs Supervisor	1	1	1	1	1	0
Landscape Coordinator	0	0	0	0	0	1
Recreation Programs Coordinator	0	0	0	0	0	1
Parks & Landscape Manager	1	1	1	1	1	1
Water & Wastewater Manager	1	1	1	1	1	1
Finance Manager	1	1	1	1	1	1
Projects Manager	1	1	1	1	1	1
Assistant General Manager	1	1	1	1	1	1
General Manager	1	1	1	1	1	1
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>20</b>	<b>22</b>

## Staff allocation to Funds – based on budgeted dollars

	Water	Wastewater	Zone 8	CC	Zone 9	Special Zones	Total
Direct Labor	4.4	2.3	1.9	3.0	0.4	1.0	13.0
Indirect Labor	4.2	4.2	0.2	0.2	0.1	0.1	9.0
	8.6	6.5	2.1	3.2	0.5	1.1	22.0

On the following page is the organizational chart that reflects the entirety of the District.



## Benefits

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

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

## Consultants

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

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

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

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

## **Contract Operations**

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

## **Utilities**

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

## Chemicals

Through the Bay Area Chemicals Consortium, the District obtains competitive pricing for the chemicals, sodium hypochlorite, used for its water operations. Wastewater operations also minimally uses chemicals, and these costs are incurred and pass through from Veolia.

## Facility Maintenance

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

## Administrative Costs

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

## Debt Service

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

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

Fund 20	Water	\$ 539,912
Fund 21	Wastewater	\$1,799,908

## Permits

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

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

## DEPARTMENT DESCRIPTION AND OUTLOOK

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

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

### Administration Department

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

### Key Achievements

- ✓ Improved records management access through Laserfiche.
- ✓ Update boardroom audio visual equipment.

- ✓ Successful launch of Slick Text Service for the Town's new SMS Community Alerts system.
- ✓ Launched TODB on NextDoor for Government.

## **Outlook**

- Evaluate options for new revenue sources to finance landscaping services.
- Increase engagement with community by developing partnerships and social media promotion.

## **Finance Department**

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

## **Key Achievements**

- ✓ Timely completion of annual audit and submission of audited financial statements to State of California, S&P, and EMMA.
- ✓ Further enhanced interest earning potential by opening an account with California CLASS.

## **Outlook**

- Review of existing financial policies and create new policies on disclosure and capital funding.
- Finalize Water and Wastewater Rate Study.
- Implement new commercial credit card program.
- Evaluate funding strategies to finance District's capital projects.
- Evaluate software platforms to improve financing tracking, reporting, and monitoring.
- Prepare its first Annual Comprehensive Financial Report (ACFR)

## Water Department

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

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

## Wastewater Department

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

### Water and Wastewater Key Achievements

- ✓ Completed Denitrification project.
- ✓ Completed Wastewater Diffuser project.
- ✓ Installation of filter at Willow Lake Plant.
- ✓ Installation of the WWTP Bar Screen.
- ✓ Replace Clipper bridge force main.
- ✓ Removal of failed Well 7 pump and motor.
- ✓ Completion of Lift Station Y and influent pump station bar screen installation.

### Water and Wastewater Outlook

- Complete construction of Well 8.
- Initiate Marina underwater crossing project.
- Initiate mainline pipeline project.
- Proceed forward with direction by the Board on Administration Building.
- Replace solar dryer panel for the wastewater system.
- Obtain roller track system to replace mole system.

## Lighting and Landscaping Services Department

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

### Key Achievements

- ✓ Enhancements made at Cornell Park were funded through Prop 68.
- ✓ Complete Clipper Drive Irrigation.
- ✓ Install solar bollard lights along Clipper Drive.
- ✓ Resurfaced tennis and pickleball courts at Cornell Park, wall ball at Community Center, and basketball at Slifer Park.

### Outlook

- Replace the Ravenswood Park Splash Pad.
- Poe Road enhancements.
- Rehab Discovery Bay entrance sign.
- Update play structure at Cornell Park.

## Recreation Services Department

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

### Key Achievements

- ✓ Completion of Patio enhancement project.
- ✓ Improved Pickleball surface and installed new shade structure.
- ✓ Implement new software for recreational course sign ups and payment.

### Outlook

- Examine current special interest recreational opportunities offered and look for new and creative ways to expand current offerings, and expansion of community relationships with local groups.
- Make enhancements at Community Center including electrical panel, exterior painting, and new storage sheds.





## Section 6: FUND BUDGETS AND TREND INFORMATION

# FUND BUDGETS AND TREND INFORMATION

## FUND 10

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

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

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

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

Account	Fiscal Year 2024-2025
Revenue – Interest Income	\$10,000
Revenue – Other (County Reimbursement)	\$71,400
Expense – Landscape Services	(\$71,400)
<b>Net Revenues</b>	<b>\$10,000</b>

The interest earned may be used for general purposes for the District.

## Capital Improvements

Capital Improvements are planned by Contra Costa County Public Works Department. For Fiscal Year 2024-2025 the following projects are planned

- Zone 35 – Replace irrigation and replace vegetation on medians, and slurry of pathway.
- Zone 57 – Enhance shrub beds at Regatta Park near playground and BBQ; replace park entrance sign.
- Zone 61 – Replace lighting and soccer nets at Slifer Park.

## FUND 20

### WATER FUND

The District provides water service to over 6,000 residential and commercial accounts. The Department staff consist of a manager and water technicians to ensure delivery of potable water. The facilities are managed through a third-party contractor, Veolia. Any evaluations for service are discussed by staff, Veolia and the District, a third-party consultant, LCSE.

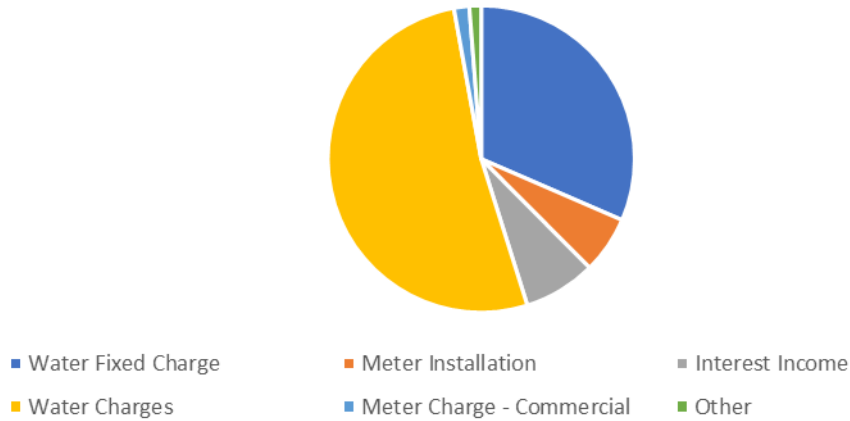
This fund is supported by revenue charges and rates set by approved Board action after the Proposition 218 process. The current rate study was established in 2020 and goes through the fiscal year. The District is currently gathering data to update the rate study for the next five-year period and will present an update to the Board later in 2024.

Five Year Trend – Fund 20 Revenues					
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	Budget	Budget
Water Fixed Charge	1,549,250	1,574,060	1,604,898	1,627,047	1,758,000
Meter Installation	333,823	336,196	335,409	335,219	336,000
Interest Income	-	-	85,944	137,501	425,000
Water Charges	2,960,014	2,809,584	2,814,276	2,901,000	2,901,000
Meter Charge – Commercial	87,416	88,288	89,455	85,001	90,000
Other	124,564	120,251	233,130	58,601	70,000
Total Revenues	\$ 5,055,067	\$ 4,928,379	\$ 5,163,112	\$ 5,144,369	\$ 5,580,000

As the five-year trend shows, the revenues are steady during the period. The main change is the District's decision to invest its reserves into Money Market and local government investment pool called California CLASS.

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

Fiscal Year 2024-2025  
Fund 20 - Water

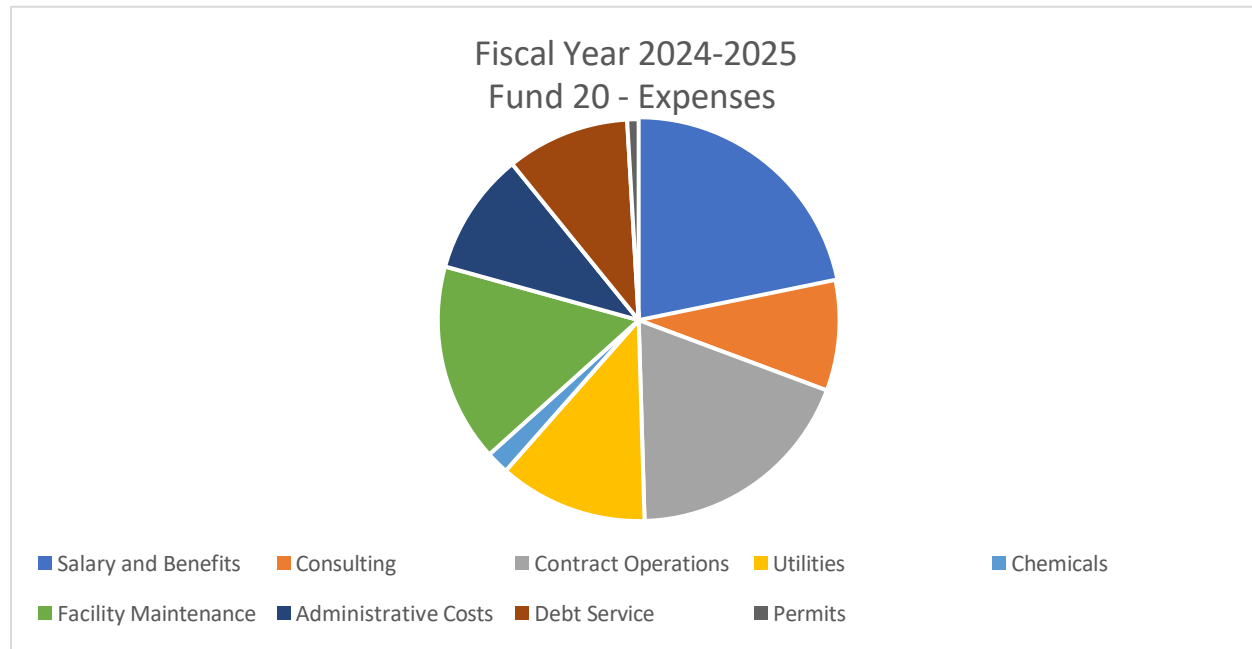


As the above chart reflects, most of the revenue is received through water charges. As the five-year trend shows, the revenues remain consistent. The account charge (or SEC Account Charge) is placed on the County property tax bill and received semi-yearly. These two revenue sources represent approximately 84% of the revenues. The meter installation revenue is the expected source to repay the debt for the 2017 meter project and is expected to run through 2027.

Five Year Trend - Fund 20 Expenses					
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	Budget	Budget
Salary and Benefits	571,236	592,219	642,690	870,334	<b>1,186,107</b>
Consulting	383,652	302,078	252,641	339,124	<b>485,000</b>
Contract Operations	857,187	1,110,394	817,720	845,000	<b>1,026,000</b>
Utilities	525,090	524,284	644,125	640,762	<b>652,000</b>
Chemicals	5,938	36,586	59,125	120,000	<b>100,000</b>
Facility Maintenance	724,387	982,866	1,166,155	989,500	<b>869,000</b>
Administrative Costs	308,356	380,716	485,839	544,743	<b>537,000</b>
Debt Service	143,608	255,843	540,562	539,223	<b>539,912</b>
Permits	39,645	53,982	57,636	50,000	<b>50,000</b>
Total Expenses	\$ 3,559,099	\$ 4,238,968	\$ 4,666,493	\$ 4,938,687	<b>\$ 5,445,019</b>

The cost to produce potable water has increased over the five-year period. The increase in salary and benefits does represent the increased effort from the direct staff and indirect labor that had been previously reflected other funds. The increase in consulting for FY 2024-2025 presents the effort towards the future water supply analysis. Contract operations are expected to increase based on current price

increases expected through contract negotiations. During this period, the chemical price increased but remains a small portion of the overall water budget. Administration costs over this period have increased due to the cost of property and liability insurance. Finally, the increase in debt service is due to the 2022 financing transaction where the District received funds for the construction of Well 8.



Salary and Benefits	1,186,107	22%
Consulting	485,000	9%
Contract Operations	1,026,000	19%
Utilities	652,000	12%
Chemicals	100,000	2%
Facility Maintenance	869,000	16%
Administrative Costs	537,000	10%
Debt Service	539,912	10%
Permits	50,000	1%
Total Expenses	\$5,445,019	100%

## Fund Detail

<b>Fund 20- Water</b>		<b>Fiscal Year 2022-2023</b>		<b>Fiscal Year 2023-2024</b>		<b>Fiscal Year</b>
Water Revenues		Actual	Budget	Projected	Budget	<b>2025</b>
		<b>Budget</b>				
20-31-5102	Wastewater Fixed Charge	1,603,797	1,598,310	1,632,779	1,627,047	1,758,000
20-31-5145	Meter Installation	335,409	335,218	336,000	335,218	336,000
20-31-5149	Developer Deposit			40,000	-	25,000
20-31-5151	Grants	2,970	-	-	-	-
20-31-5179	Misc. Water Service Fees	36,594	10,000	25,000	25,000	27,000
20-31-5195	Interest Income	85,994	-	400,000	137,500	425,000
20-31-5226	Water Meter Rental	1,100	500	1,200	500	1,000
20-31-5243	Other	133,679	10,000	20,000	25,000	15,000
20-31-6000	Water Charges	2,814,276	2,901,000	2,850,000	2,901,000	2,901,000
20-31-6030	Connection Fees CIP	1,500	6,000	1,400	200	-
20-31-6045	Capacity Fee CIP	55,528	15,000	70,672	7,500	-
20-31-6046	Permit Fee	1,100	5,000	1,400	200	1,000
20-31-6047	Inspection Fee	1,760	5,000	2,240	200	1,000
20-31-6086	Meter Charge Commercial	89,455	85,000	85,000	85,000	90,000
	Subtotal – Revenues	5,163,162	4,971,028	5,465,691	5,144,365	5,580,000

<b>FUND 20</b>		<b>Fiscal Year 2022-2023</b>		<b>Fiscal Year 2023-2024</b>		<b>Fiscal Year</b>
<b>EXPENSES</b>		Actual	Budget	Projected	Budget	<b>2025</b>
Water Expenses		<b>Budget</b>				
20-41-7000	Salary and Wages	536,815	592,103	700,000	690,013	905,932
20-41-7001	Overtime	1,452	2,000	-	2,000	-
20-41-7003	ER Taxes	39,828	59,210	40,000	69,001	80,175
20-41-7030	Group Insurance	81,900	110,000	80,000	100,000	140,000
20-41-7045	Workers Comp	18,475	19,200	40,000	19,320	38,000
20-41-7060	457 Plan	25,788	30,000	15,000	30,000	22,000
20-41-7075	Reimbursement of Wages	(6,000)	-	-	-	-
20-41-7105	Reimbursement of Insurance	-	(40,000)	-	(40,000)	-
20-41-7135	Vacation	4,832	-	-	-	-
20-41-7150	Temporary Employees	39,977	3,000	-	3,000	3,000
20-41-7165	BOD Compensation	11,960	22,500	9,500	22,500	15,000
20-41-7180	Training Conferences Travel	11,950	31,000	17,000	30,000	20,000
20-41-7181	Travel & Meetings – BOD	-	-	1,000	-	5,000
20-41-7225	Memberships	10,160	9,000	6,000	15,000	8,000
20-41-7255	TODB Sponsored Events	-	10,000	1,580	10,000	1,000
20-41-7271	Consulting Services	202,349	285,700	150,000	261,124	420,000
20-41-7272	Water Service Contract	722,976	720,000	745,000	745,000	840,000
20-41-7276	Contract Mailing	45,209	47,000	45,000	47,000	47,000
20-41-7280	Veolia Pass Through Expenses	94,744	132,500	100,000	100,000	186,000
20-41-7286	Legal – General	36,282	70,000	27,000	50,000	40,000
20-41-7288	Legal – Litigation	-	10,000	-	10,000	5,000
20-41-7301	Annual Audit Service	14,010	15,000	18,000	18,000	20,000
20-41-7316	Election Expense	5,363	6,000	-	6,000	7,900
20-41-7317	Advertising	168	2,000	500	2,000	1,000
20-41-7318	Public Relations	421	1,000	500	1,000	-
20-41-7319	Internet Website	2,304	4,800	4,600	4,800	-
20-41-7325	Water Conservation	-	-	-	10,000	4,000
20-41-7345	Communications and Notice	141	2,400	1,000	2,400	-
20-41-7361	Telephone – General	4,544	5,750	6,500	5,750	14,000
20-41-7362	Telecom – Networking	8,021	5,600	7,000	10,000	7,000
20-41-7363	Telephone – cellular	4,709	6,000	3,000	6,000	-
20-41-7376	Construction Material Repair	67,577	137,500	50,000	137,500	80,000
20-41-7392	Vehicle & Equipment – Fuel	12,783	15,000	10,000	15,000	12,000
20-41-7393	Vehicle & Equipment - Sup & Rep	6,636	6,000	4,000	7,000	7,000

Fund 20- Water		Fiscal Year 2022-2023		Fiscal Year 2023-2024		Fiscal Year
Water Expenses		Actual	Budget	Projected	Budget	2025
						Budget
20-41-7404	Water Meter and Registers	138,659	70,000	80,000	80,000	120,000
20-71-7406	General Repairs	869,500	450,000	400,000	750,000	650,000
20-41-7409	Info System – Maintenance	20,884	23,000	25,000	23,000	85,000
20-41-7410	Equipment Maintenance	2,459	3,600	500	3,600	2,000
20-41-7411	Software Hosting	37,516	40,000	12,000	40,000	-
20-41-7412	Computer Equipment & Supplies	2,478	3,500	400	3,500	-
20-41-7413	Miscellaneous Small Tools	10,602	4,000	3,500	4,000	4,000
20-41-7414	Equipment Repair	376	400	2,100	400	-
20-41-7415	Computer Software	3,019	4,000	2,000	4,000	-
20-41-7422	Minor Equipment/Furniture	-	2,000	1,000	2,000	5,000
20-41-7423	Office Furniture	-	3,000	-	3,000	-
20-41-7424	Postage	160	1,000	1,000	1,000	1,000
20-41-7425	Office Supplies	12,003	10,000	8,000	10,000	10,000
20-41-7437	Rent - Public Meetings	839	200	-	200	-
20-41-7438	Building – Rent	13,200	13,200	13,200	13,200	13,200
20-41-7439	Equipment Rental/Leasing	1,653	3,000	1,000	3,000	2,000
20-41-7440	Landscape Maintenance	27	5,000	20,000	2,000	20,000
20-41-7441	Building Maintenance	9,738	12,000	20,000	15,000	12,000
20-41-7451	Insurance Liability & Property	123,334	128,068	144,282	151,273	180,000
20-41-7466	Permits & Fees	57,636	45,000	50,000	50,000	50,000
20-41-7469	Personal Protective Equipment	1,721	3,000	2,000	3,000	3,000
20-41-7470	Safety Equipment and Supplies	136	1,400	100	1,400	-
20-41-7481	Utilities/Electrical Cost	636,494	575,424	640,000	628,762	640,000
20-41-7483	Utilities/Waste Cost	7,631	12,000	8,000	12,000	12,000
20-41-7495	Chemicals	59,125	50,000	100,000	120,000	100,000
20-41-7510	Freight	-	800	-	800	-
20-41-7511	UPS/Courier	-	320	-	320	-
20-41-7526	Miscellaneous Bank Charges	25,557	25,000	30,000	27,000	30,000
20-41-7527	Miscellaneous Services & Supplies	1,516	1,500	1,500	1,500	2,500
20-41-7532	Miscellaneous	5,942	2,000	-	2,000	-
20-41-7533	Bad Debt	-	5,000	2,000	5,000	2,500
20-41-7534	Special Expense	2,838	-	1,500	-	2,000
20-41-7536	Debt Service/Operating Transfer Out	540,562	548,940	539,223	539,223	539,912
20-41-7545	Revenue Collection	2,166	2,400	1,117	2,400	2,400
20-41-7547	Payroll Wire Transfer Fee	292	500	-	500	-
20-41-7549	Public Works – Permits	-	20,000	-	20,000	-
20-41-7550	Property Taxes	161	1,200	2,442	1,200	2,500
20-41-7587	Developer Deposit Reimbursement	72,896	10,000	40,000	25,000	25,000
	Subtotal – Expenses	4,666,493	4,400,715	4,234,043	4,938,687	5,445,019
	Net Revenues (Loss)	\$ 496,669	\$ 570,313	\$ 573,060	\$ 205,678	\$ 134,982
	Net Revenues, before Debt Service	\$ 1,037,230	\$ 1,119,253	\$ 967,397	\$ 744,902	674,893
	Debt Coverage	1.92	2.04	2.45	1.38	1.25

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



## FUND 21

### WASTEWATER

The District provides wastewater collection, treatment, and distribution services to approximately 6,000 homes and businesses located in the town. The wastewater treatment process goes through two (2) separate conveyance systems which are interconnected and are dependent upon each other for various functions. To facilitate and transport the raw wastewater to the main wastewater treatment, the District utilizes 15 wastewater lift stations to move the waste through 50 miles of sewer mains. The plants can produce an average of 1.2 million gallons of wastewater per day. The wastewater treatment plants currently include an influent pump station, influent screening, and secondary treatment facilities using oxidation ditches, sand filters, and ultraviolet (UV) disinfection before discharging the treated water into Old River.

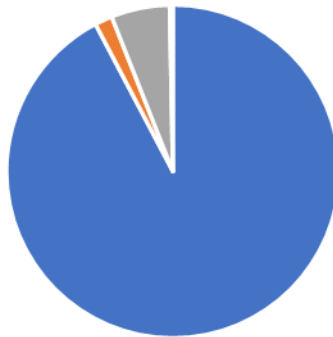
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Five Year Trend - Fund 21 Revenues					
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	Budget	Budget
Wastewater Fixed Charge	5,991,417	6,087,297	6,182,320	6,228,623	<b>6,486,500</b>
Sewer Charge - Commercial	110,517	114,535	116,124	157,001	<b>120,000</b>
Interest Income	-	-	78,415	247,500	<b>400,000</b>
Other	108,186	84,229	176,108	34,600	<b>22,000</b>
Total Revenues	\$ 6,210,120	\$ 6,286,061	\$ 6,552,967	\$ 6,667,724	<b>\$ 7,028,500</b>

As the five-year trend shows, the revenues are steady during the period. The main change is the District's decision to invest its reserves into Money Market and local government investment pool called California CLASS.

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

Fiscal Year 2024-2025  
Fund 21 - Revenues



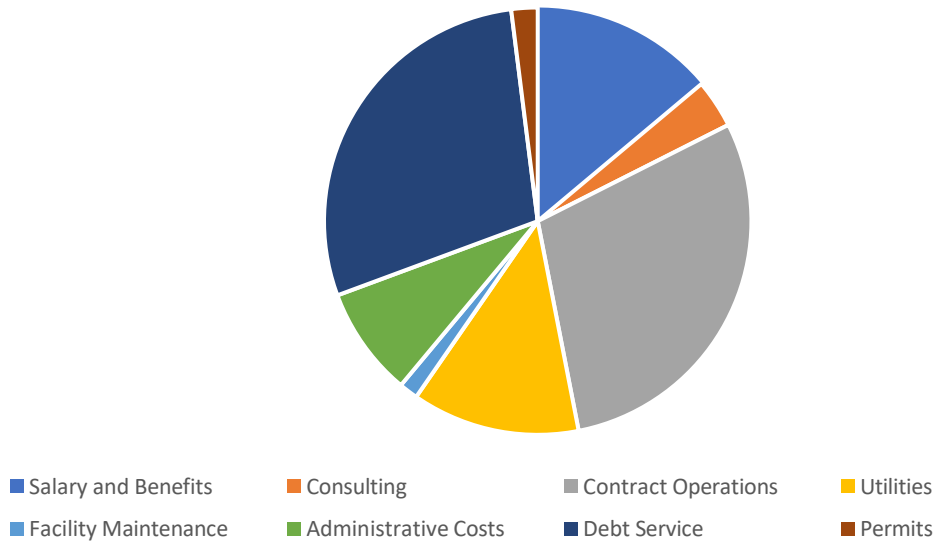
■ Wastewater Fixed Charge   ■ Sewer Charge - Commercial   ■ Interest Income   ■ Other

Most of the funds are generated from a fixed revenue source, the account charge placed on the County property tax bill.

Five Year Trend - Fund 21 Expenses					
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	Budget	Budget
Salary and Benefits	604,364	738,791	824,992	1,011,377	<b>872,808</b>
Consulting	211,027	158,910	94,755	298,301	<b>230,000</b>
Contract Operations	1,269,832	1,622,575	1,765,322	1,451,000	<b>1,845,000</b>
Utilities	505,558	563,929	713,172	712,538	<b>798,000</b>
Facility Maintenance	62,689	177,475	320,210	95,000	<b>90,000</b>
Administrative Costs	320,035	388,984	399,457	545,352	<b>520,700</b>
Debt Service	1,206,089	1,092,674	1,786,335	1,799,100	<b>1,799,908</b>
Permits	55,524	51,424	77,712	125,000	<b>125,000</b>
Total Expenses	\$ 4,235,118	\$ 4,794,762	\$ 5,981,955	\$ 6,037,665	<b>\$ 6,281,416</b>

Over the five-year period, the cost of wastewater operations increased in contract operations and utilities. The District is currently in contract negotiations for contract operations and is looking at an energy-saving project to try and mitigate cost increases in electricity. In addition, the 2022 debt issuance for the denitrification project, necessary to meet permit requirements, caused an increase in debt service.

Fiscal Year 2024-2025  
Fund 21 - Expenses



Salary and Benefits	872,808	14%
Consulting	230,000	4%
Contract Operations	1,845,000	29%
Utilities	798,000	13%
Facility Maintenance	90,000	1%
Administrative Costs	520,700	8%
Debt Service	1,799,908	29%
Permits	125,000	<u>2%</u>
Total Expenses	<u>\$ 6,281,416</u>	100%

## FUND DETAIL

Fund 21- Wastewater Wastewater Revenues		Fiscal Year 2022-2023 Budget 2023-2024		Fiscal Year		Proposed FY
		Actual	Budget	Projected	Budget	2025 Budget
21-31-5101	SEC Collections Wastewater	6,182,320	6,134,148	6,277,971	6,228,622	6,486,500
21-31-5149	Developer Reimbursements/Deposits	-	-	5,000		10,000
21-31-5151	Grant	-	-	4,303	-	-
21-31-5195	Interest Income	78,415	-	370,000	247,500	400,000
21-31-5243	Other	32,804	10,000	50,000	10,000	10,000
21-31-6015	Sewer Charge – Commercial	116,124	157,000	120,000	157,000	120,000
21-31-6030	Connection Fees CIP	700	10,000	700	200	-
21-31-6045	Capacity Fee CIP	140,844	65,000	89,628	24,000	-
21-31-6046	Permit Fee	-	5,000	-	200	1,000
21-31-6047	Inspection Fee	1,760	5,000	1,120	200	1,000
<b>Subtotal – Revenues</b>		<b>6,552,967</b>	<b>6,386,148</b>	<b>6,918,722</b>	<b>6,667,722</b>	<b>7,028,500</b>

Fund 21- Wastewater Wastewater Expenses		Fiscal Year 2022-2023 Budget		Fiscal Year 2023- 2024		Proposed FY
		Actual	Budget	Projected	Budget	2025 Budget
21-41-7000	Salary and Wages	649,333	718,553	725,000	759,451	687,008
21-41-7001	Overtime	42	2,000	-	2,000	-
21-41-7003	ER Taxes	87,981	71,855	55,000	75,945	60,800
21-41-7030	Group Insurance	122,583	180,000	125,000	150,000	140,000
21-41-7045	Workers Comp	27,712	28,800	30,440	28,980	38,000
21-41-7060	457 Plan	36,670	45,000	35,000	45,000	22,000
21-41-7075	Reimbursement of Wages	(9,000)	-	-	-	-
21-41-7105	Reimbursement of Insurance	(97,452)	(50,000)	(50,000)	(50,000)	(75,000)
21-41-7150	Temporary Employees	59,966	5,000	-	5,000	3,000
21-41-7165	BOD Compensation	17,940	22,500	15,000	22,500	15,000
21-41-7180	Training Conferences Travel	15,596	30,000	15,000	30,000	20,000
21-41-7181	Travel & Meetings – BOD	-	-	2,000	-	5,000
21-41-7210	Dues and Subscriptions	-	2,600	-	1,000	-
21-41-7225	Memberships	7,353	12,000	8,000	12,000	8,000
21-41-7255	TODB Sponsored Events	-	10,000	2,369	10,000	1,000
21-41-7271	Consulting Services	45,521	156,300	50,000	186,300	140,000
21-41-7272	Water Service Contract	1,084,463	1,079,000	1,111,000	1,111,000	1,260,000
21-41-7280	Veolia Pass Through Expenses	680,859	240,000	360,000	340,000	585,000
21-41-7286	Legal – General	28,220	100,000	40,000	75,000	50,000
21-41-7288	Legal – Litigation	-	10,000	-	10,000	10,000
21-41-7301	Annual Audit Service	21,015	22,000	27,000	27,000	30,000
21-41-7316	Election Expense	7,958	10,000	-	10,000	7,900
21-41-7317	Advertising	478	3,000	1,000	3,000	-
21-41-7319	Internet Website	3,456	-	8,000	3,600	-
21-41-7345	Communications and Notice	212	3,600	2,000	3,600	2,000
21-41-7361	Telephone – General	10,165	15,000	9,000	15,000	22,000
21-41-7362	Telecom – Networking	14,930	15,000	12,000	18,000	11,000
21-41-7363	Telephone – cellular	5,016	6,000	4,000	6,000	-
21-41-7376	Construction Material Repair	11,807	3,000	-	3,000	-
21-41-7392	Vehicle & Equipment – Fuel	4,298	7,500	5,000	7,000	5,000
21-41-7393	Vehicle & Equipment - Sup & Rep	3,390	30,000	2,000	10,000	10,000

Fund 21- Wastewater Wastewater Expenses		Fiscal Year 2022-2023 Budget		Fiscal Year 2023- 2024		Proposed FY 2025
		Actual	Budget	Projected	Budget	Budget
21-71-7406	General Repairs	192,736	75,000	450,000	75,000	75,000
21-41-7409	Info System – Maintenance	41,370	40,000	34,000	45,000	51,000
21-41-7410	Equipment Maintenance	6,266	5,400	1,000	5,400	2,000
21-41-7411	Software Hosting	19,618	17,400	14,000	14,000	-
21-41-7412	Computer Equipment & Supplies	2,222	6,000	1,000	6,000	-
21-41-7413	Miscellaneous Small Tools	6,875	3,000	3,000	2,000	3,000
21-41-7414	Equipment Repair	3,954	600	3,500	2,000	-
21-41-7415	Computer Software	4,397	1,500	1,500	3,000	-
21-41-7421	Cleaning Supplies	176	1,500	-	-	-
21-41-7424	Postage	11,669	10,000	1,000	1,500	1,000
21-41-7425	Office Supplies	1,257	-	6,000	10,000	10,000
21-41-7437	Rent - Public Meetings	19,800	19,800	19,800	19,800	19,800
21-41-7438	Building – Rent	3,103	4,000	-	-	-
21-41-7439	Equipment Rental/Leasing	1,586	2,400	2,000	4,000	2,000
21-41-7440	Landscape Maintenance	35,186	12,000	18,000	2,400	10,000
21-41-7441	Building Maintenance			25,000	14,000	16,000
21-41-7451	Insurance Liability & Property	183,526	184,012	216,423	226,800	270,000
21-41-7466	Permits & Fees	77,712	55,000	55,000	55,000	55,000
21-41-7468	NDPES Permits & Fees	-	70,000	70,000	70,000	70,000
21-41-7469	Personal Protective Equipment	2,203	1,000	2,000	2,000	2,500
21-41-7470	Safety Equipment and Supplies	204	3,000	-	3,000	-
21-41-7481	Utilities/Electrical Cost	698,780	550,424	700,000	700,538	780,000
21-41-7483	Utilities/Waste Cost	14,392	2,000	14,000	12,000	18,000
21-41-7495	Chemicals	-	12,000	-	12,000	-
21-41-7510	Freight		1,000	-	1,000	-
21-41-7526	Miscellaneous Bank Charges	-	1,000	-	1,000	-
21-41-7527	Miscellaneous Services & Supplies	1,692	4,500	2,200	4,500	2,500
21-41-7532	Miscellaneous	8,480	-	-	-	-
21-41-7533	Bad Debt	-	1,000	-	1,000	-
21-41-7534	Special Expense	4,180	2,000	1,500	2,000	2,000
21-41-7536	Debt Service/Operating Transfer Out	1,786,335	1,848,491	1,799,100	1,799,100	1,799,908
21-41-7545	Revenue Collection	3,248	7,000	4,300	7,000	4,000
21-41-7547	Payroll Wire Transfer Fee	402	1,500	10,000	750	10,000
21-41-7549	Public Works – Permits	-	3,500	-	3,500	-
21-41-7550	Property Taxes	11,874	2,000	9,554	2,000	10,000
21-41-7587	Developer Deposit Reimbursement	(1,800)	10,000	5,000	10,000	10,000
	Subtotal – Expenses	5,981,957	5,736,735	6,062,686	6,037,665	6,281,416
	Net Revenues (Loss)	571,009	649,413	856,036	630,058	747,084
	Net Revenues, before Debt Service	2,357,344	2,497,904	2,655,136	2,429,158	2,546,992
	Debt Coverage	1.32	1.35	1.48	1.35	1.42

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

## FUND 40

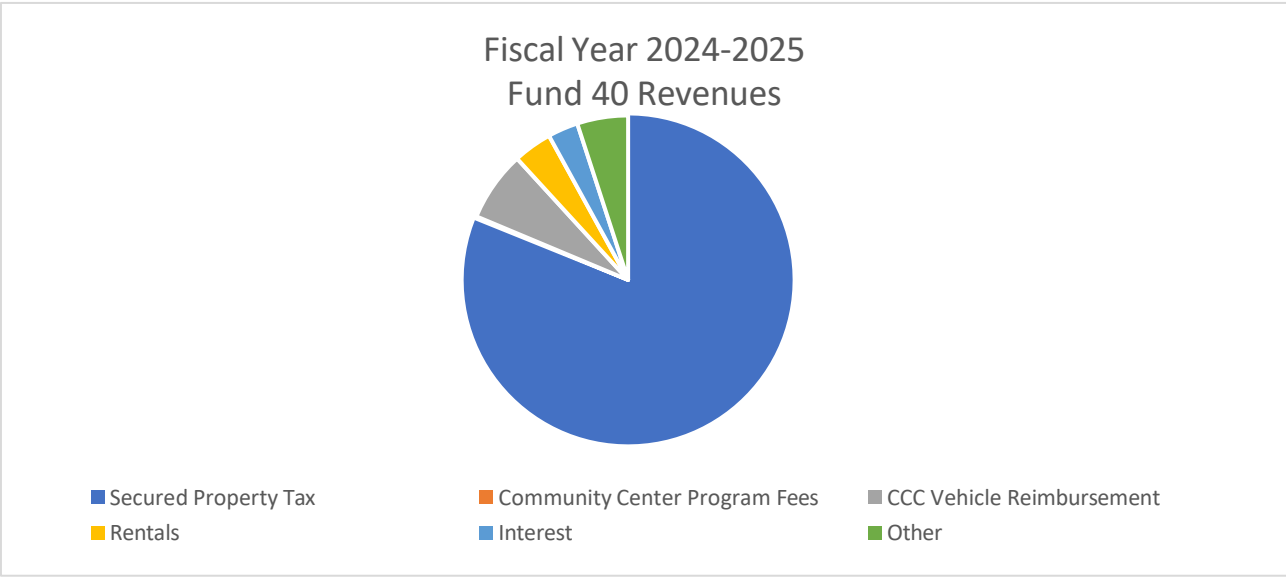
### ZONE 8 AND COMMUNITY CENTER

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

Five Year Trend - Fund 40 Revenues					
	Actual FY 2021	Actual FY 2022	Actual FY 2023	Budget FY 2024	Budget FY 2025
Secured Property Tax	729,578	763,243	828,881	820,310	851,281
Community Center Program Fees	1,825	30,218	79,332	54,000	65,000
CCC Vehicle Reimbursement	61,997	66,129	45,809	60,000	67,000
Rentals	34,257	39,028	43,767	39,000	40,000
Interest	26,848	-	17,490	-	75,000
Other	45,029	83,728	46,362	24,500	38,000
	\$ 899,534	\$ 982,346	\$ 1,061,641	\$ 997,810	\$ 1,136,281

The revenue source for Fund 40 is from property tax (75%) which provides stability in the revenue needed to support Zone 8. This revenue is calculated following the GANN limit and is based on the change in per capital personal income and population. This information is provided to the District by the State of California Department of Finance. The amount is estimated at \$851,451 until the information is available.

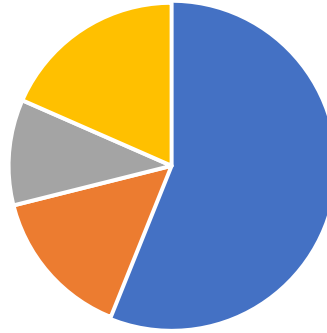
To complement the major source of revenue, Zone 8 does receive a variety of other revenues to help achieve the revenue requirement necessary for the fund. Starting in FY 2024-2025, the District started earning funds on its reserve balances, and this has complimented the District's revenues. The other represents the reimbursement from Contra Costa County for the costs incurred by the District use of equipment to maintain the landscape for the Special Zones (County zones 35, 57, and 61). There has been variability in community center program fees, but the District has been rebuilding the programming since the 2020 pandemic. Rental income includes expected about \$33,000 from the Water and Wastewater operations for the community center to conduct District board and committee meetings.



Five Year Trend - Fund 40 Expenses					
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	Actual	Actual	Actual	Budget	Budget
Salary and Benefits	313,300	329,514	457,534	453,778	636,388
Administrative Costs	73,547	103,526	131,230	159,284	170,300
Facility Maintenance	144,780	166,329	144,033	142,700	119,000
Utilities	162,146	182,661	195,334	200,500	209,000
Total Expenditures	\$ 693,773	\$ 782,030	\$ 928,131	\$ 956,262	\$ 1,134,688

During the five-year period, costs increased with the increased efforts to support needs and programming for Zone 8. The increase in salary and benefits reflects the additional costs to compensate the labor necessary. For instance, the increase in the minimum wage has impacted the seasonal staff wages over this period along with anticipated longer hours to keep the aquatic programming longer. Administrative costs include the costs for program instructors which were not as present in Fiscal Year 2020-2021, and there have been some minor increases throughout the other administrative costs for general price increases. Utilities have also increased over this period.

FY 2024-2025  
Fund 40 Expenditures



■ Salary and Benefits ■ Administrative Costs ■ Facility Maintenance ■ Utilities

Salary and Benefits	636,388	56%
Administrative Costs	170,300	15%
Facility Maintenance	119,000	10%
Utilities	209,000	18%
Total Expenditures	\$ 1,134,688	100%

## Fund Detail

Fund 40 - Zone 8		Fiscal Year 2023		Fiscal Year 2024 2025		Fiscal Year
		Actual	Budget	Projected	Annual Budget	Budget
40-31-5106	Current Secured Property Tax	828,881	704,657	837,318	820,310	851,451
40-31-5148	Advertising Income	700	500	1,500	500	2,000
40-31-5149	Community Center Program Fees	37,488	40,000	48,000	45,000	65,000
40-31-5125	Grant Income	-	1,000	5,520	-	-
40-31-5150	Community Center Events	-	-	1,500	1,000	4,000
40-31-5153	Borrowed reserves	-	-	-	18,000	14,000
40-31-5195	Interest Income	14,045	-	-	-	75,000
40-31-5226	CCC Vehicle Reimbursement	50,889	75,000	38,756	60,000	67,000
40-31-5243	Other	6,000	6,000	1,501	6,000	2,000
40-31-6000	Recreation Revenue	74,844	-	-	-	-
40-31-6060	Gifts & Contributions (Donations)	7,195	4,000	6,500	-	6,000
40-31-6080	Community Center Fee	25,000	-	15,000	-	-
40-31-6695	Rentals	10,767	39,000	41,000	39,000	40,000
40-31-6999	Community Center Pool Fee	7,467	7,500	10,000	8,000	10,000
	Subtotal – Revenues	1,063,275	877,657	1,006,595	997,810	1,136,281



Fund 40 - Zone 8		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025
		Actual	Budget	Projected	Annual Budget	Budget
40-41-7000	Salary and Wages	261,457	170,000	185,000	149,879	216,531
40-41-7001	Overtime	-	1,000	-	1,000	-
40-41-7003	ER Taxes	-	-	-	-	19,163
40-41-7105	Reimbursement of Insurance	-	-	-	-	31,395
40-41-7180	Training Conferences Travel	3,428	2,000	1,500	2,500	1,500
40-41-7225	Memberships	345	600	462	600	500
40-41-7255	TODB Sponsored Events	-	-	-	5,000	-
40-41-7286	Legal – General	64	1,000	500	1,000	1,000
40-41-7301	Annual Audit Service	2,200	2,200	2,200	2,200	2,500
40-41-7317	Advertising	-	50	136	50	-
40-41-7361	Telephone – General	-	600	-	480	1,200
40-41-7363	Telephone – cellular	1,504	2,000	1,000	1,800	-
40-41-7376	Construction Material Repair	-	500	-	500	-
40-41-7392	Vehicle & Equipment – Fuel	7,849	10,000	8,000	10,200	8,500
40-41-7393	Vehicle & Equipment - Sup & Rep	4,866	3,500	3,000	6,000	6,500
40-41-7409	Info System – Maintenance	110	800	-	800	4,500
40-41-7410	Equipment Maintenance	2,508	4,000	7,500	4,500	4,500
40-41-7411	Software Hosting	-	-	-	612	-
40-41-7412	Computer Equipment & Supplies	601	150	-	150	-
40-41-7413	Miscellaneous Small Tools	10,612	2,000	2,000	2,500	2,500
40-41-7414	Equipment Repair	11	-	1,000	-	-
40-41-7415	Computer Software	1,052	-	-	300	-
40-41-7421	Cleaning Supplies	-	500	100	500	-
40-41-7424	Postage	-	150	-	100	-
40-41-7425	Office Supplies	985	1,000	1,000	1,000	1,000
40-41-7439	Equipment Rental/Leasing	2,139	2,460	1,500	2,500	2,000
40-41-7440	Landscape Maintenance	66,563	45,000	64,000	55,000	55,000
40-41-7441	Building Maintenance	10,510	6,500	10,000	10,700	12,000
40-41-7451	Insurance Liability & Property	5,000	5,000	6,250	6,250	7,500
40-41-7466	Permits & Fees	-	100	100	102	100
40-41-7469	Personal Protective Equipment	2,696	3,000	3,000	3,000	3,000
40-41-7481	Utilities/Electrical Cost	81,744	93,840	90,000	90,000	90,000
40-41-7482	Utilities/Water Cost	49,282	51,000	52,000	55,000	55,000
40-41-7483	Utilities/Waste Cost	4,908	5,000	4,000	5,000	5,000
40-41-7495	Chemicals	-	-	-	1,000	-
40-41-7526	Miscellaneous Bank Charges	100	-	-	-	-
40-41-7527	Miscellaneous Services & Supplies	-	500	500	500	500
40-41-7532	Miscellaneous	(1,610)	-	-	-	-
40-41-7544	Reimbursement for County Admin	-	500	-	-	-
40-41-7545	Revenue Collection	4,941	5,700	5,609	5,800	5,000
40-41-7549	Public Works – Permits	-	500	-	500	-
40-41-7550	Property Taxes	911	2,000	911	1,000	1,000
40-41-7551	CCC DB Sign Replacement	388	2,000	-	2,000	1,000
40-41-8000	Salary and Wages	196,071	170,000	308,186	182,808	330,539
40-41-8001	Overtime	6	1,000	-	500	-
40-41-8002	Part-time and Season Staff	-	107,882	-	119,591	-
40-41-8003	ER Taxes	-	-	-	-	29,253
40-41-8105	Reimbursement of Insurance	-	-	-	-	9,507
40-41-8180	Training Conferences Travel	226	1,500	750	2,000	1,500
40-41-8225	Memberships	1,115	1,020	1,200	1,400	1,500
40-41-8255	Donation Expenditures	3,786	41,000	18,000	18,000	14,000
40-41-8256	Events	999	6,530	4,115	6,500	1,500
40-41-8286	Legal – General	2,335	3,500	3,500	3,000	3,000
40-41-8301	Annual Audit Service	1,000	1,000	1,000	1,000	1,500
40-41-8317	Advertising	5,677	5,355	2,150	5,750	-
80-41-8361	Telephone – General	2,764	3,560	2,400	3,360	6,500
40-41-8362	Telecom – Networking	3,023	3,000	3,000	3,200	4,400
40-41-8363	Telephone – cellular	831	720	600	850	-
40-41-8406	General Repairs	-	2,040	-	-	-
40-41-8409	Info System – Maintenance	-	2,000	-	2,000	10,000
40-41-8410	Equipment Maintenance	580	800	-	800	500
40-41-8411	Software Hosting	4,385	5,000	5,000	5,000	-
40-41-8412	Computer Equipment & Supplies	1,788	500	-	750	-
40-41-8413	Miscellaneous Small Tools	245	500	-	750	-
40-41-8415	Computer Software	960	500	500	750	-
40-41-8416	Community Center/Pool Equipment	2,305	-	4,000	4,000	2,500
40-41-8424	Postage	-	250	-	250	-
40-41-8425	Office Supplies	4,528	4,080	4,000	4,000	4,500
40-41-8440	Landscape Maintenance	23,524	15,000	14,000	15,300	20,000
40-41-8441	Building Maintenance	15,739	15,000	13,500	17,000	14,000
40-41-8442	Pool Maintenance	11,944	3,060	12,500	15,000	14,000
40-41-8451	Insurance Liability & Property	6,000	6,000	6,120	6,120	7,300
40-41-8466	Permits & Fees	1,167	2,000	1,000	2,000	1,000
40-41-8469	Personal Protective Equipment	1,225	1,000	600	1,000	1,500
40-41-8470	Safety Equipment and Supplies	359	1,020	300	1,000	-
40-41-8481	Utilities/Electrical Cost	41,112	26,000	40,000	31,500	40,000
40-41-8482	Utilities/Water Cost	11,791	14,000	13,000	13,000	13,000
40-41-8483	Utilities/Waste Cost	6,496	6,000	5,500	6,000	6,000
40-41-8495	Chemicals	8,458	10,000	14,000	12,000	15,000
40-41-8526	Miscellaneous Bank Charges	4,276	3,500	3,500	3,800	3,300
40-41-8527	Miscellaneous Services & Supplies	4,440	510	575	2,000	4,000
40-41-8535	Credit Memo	4,010	-	-	-	-
40-41-8543	Program Fees	29,677	30,000	27,000	33,750	36,000
40-41-8550	Property Taxes	470	500	470	510	500
Subtotal – Expenses		928,475	920,477	961,734	956,262	1,134,688
Net Revenues (Loss)		\$ 134,800	\$ (42,820)	\$ 44,862	\$ 41,548	\$ 1593

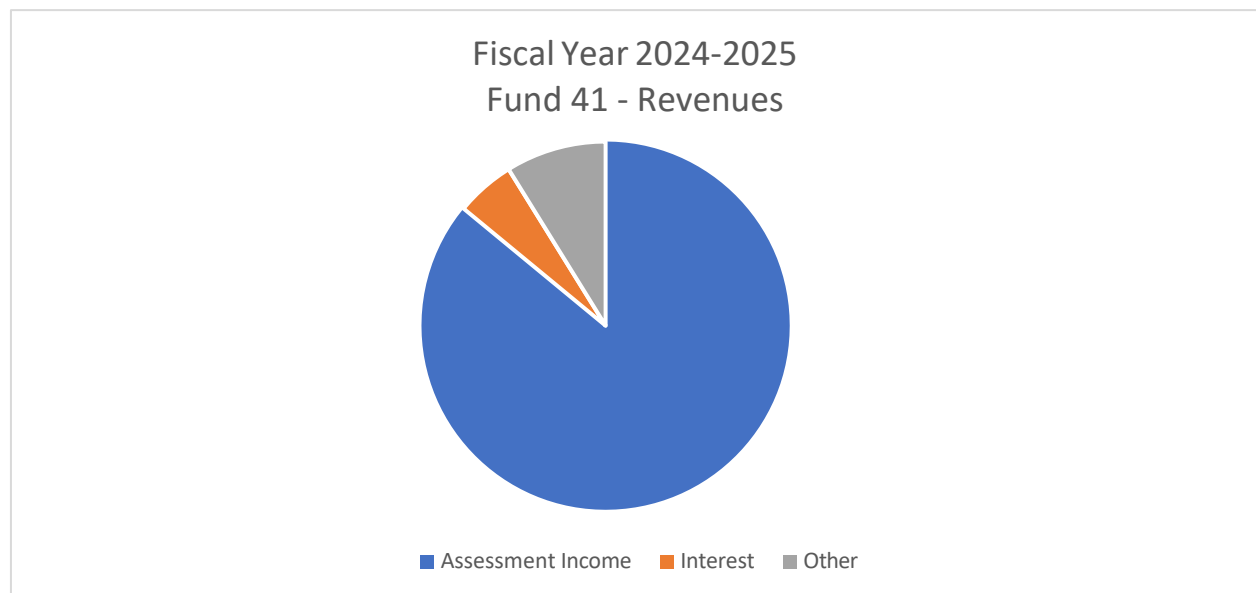
# FUND 41

## ZONE 9 (Ravenswood)

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

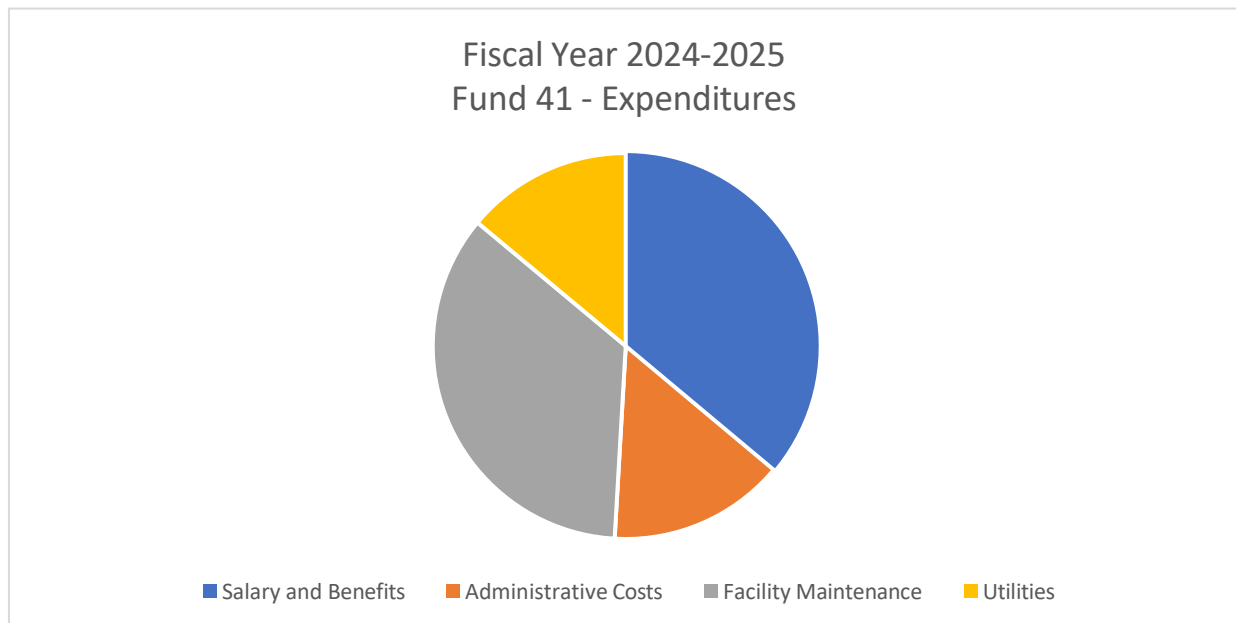
Five Year Trend - Fund 41 Revenues					
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	Budget	Budget
Assessment Income	145,113	150,634	158,161	156,720	<b>170,999</b>
Interest	-	-	2,539	4,200	<b>10,000</b>
Other	15,499	20,688	11,452	13,000	<b>17,000</b>
	\$ 160,612	\$ 171,322	\$ 172,152	\$ 173,920	<b>\$ 197,999</b>

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



Five Year Trend - Fund 41 Expenses					
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	<b>FY 2024-2025</b>
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	Budget	<b>Budget</b>
Salary and Benefits	42,553	28,027	37,610	60,045	<b>65,210</b>
Administrative Costs	23,708	25,507	25,241	26,250	<b>26,800</b>
Facility Maintenance	29,739	28,434	56,091	41,750	<b>63,500</b>
Utilities	20,787	24,902	22,246	28,600	<b>25,200</b>
Total Expenditures	\$ 116,787	\$ 106,870	\$ 141,188	\$ 156,645	<b>\$ 180,710</b>

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



Salary and Benefits	65,210	36%
Administrative Costs	26,800	15%
Facility Maintenance	63,500	35%
Utilities	25,200	14%
	<u>\$ 180,710</u>	<u>100%</u>

## Fund Detail

Fund 41 - Zone 9		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025
		Actual	Budget	Projected	Budget	Budget
41-31-5120	Assessment Income	158,161	153,647	164,797	156,720	170,999
41-31-5195	Interest Income	2,539		12,000	4,200	10,000
41-31-5226	CCC Vehicle Reimbursement	12,722	13,000	18,000	13,000	17,000
	Subtotal - Revenues	173,423	166,647	194,797	173,920	197,999
		Actual	Budget	Actual	Budget	
41-41-7000	Salary and Wages	37,777	46,799	45,000	59,545	53,845
41-41-7001	Overtime	-	500	-	500	-
41-41-7003	ER Taxes	-	-	-	-	4,765
41-41-7105	Reimbursement of Insurance		-	-	-	6,600
41-41-7180	Training Conferences Travel	1,093	1,000	-	1,000	1,000
41-41-7210	Dues and Subscriptions		50		50	-
41-41-7225	Memberships		400	-	400	-
41-41-7271	Consulting Services	1,680	2,000	2,200	2,500	2,200
41-41-7286	Legal - General	688	1,000	-	1,000	1,000
41-41-7301	Annual Audit Service	2,000	2,000	2,000	2,000	2,500
41-41-7317	Advertising	-	100	55	100	-
41-41-7361	Telephone - General	258	500	300	500	2,000
41-41-7362	Telecom - Networking		700		700	-
41-41-7363	Telephone - cellular	1,449	1,200	1,000	1,200	-
41-41-7376	Construction Material Repair		200		200	-
41-41-7392	Vehicle & Equipment - Fuel	6,639	6,000	7,500	7,500	7,500
41-41-7393	Vehicle & Equipment - Sup & Rep	374	2,000	6,500	3,250	6,000
41-71-7406	General Repairs		100		100	-
41-41-7409	Info System - Maintenance	110	1,000	-	1,000	2,000
41-41-7410	Equipment Maintenance	2,713	1,500	1,000	1,500	1,500
41-41-7412	Computer Equipment & Supplies	656	750	-	750	-
41-41-7413	Miscellaneous Small Tools	3,493	2,500	1,500	2,500	2,500
41-41-7414	Equipment Repair		1,250		-	-
41-41-7415	Computer Software	163		275	-	-
41-41-7421	Cleaning Supplies		500		500	-
41-41-7422	Minor equipment/furniture		500		500	500
41-41-7424	Postage		50	-	50	-
41-41-7425	Office Supplies	430	500	-	500	500
41-41-7439	Equipment Rental/Leasing	1,428	1,000	500	1,000	1,000
41-41-7440	Facility Landscape Maintenance	52,194	21,000	44,130	30,000	50,000
41-41-7441	Building Maintenance	700	1,000	-	1,000	1,000
41-41-7451	Insurance Liability & Property	3,000	3,000	3,300	3,300	5,000
41-41-7466	Permits & Fees		500		500	100
41-41-7469	Personal Protective Equipment	1,841	3,000	3,000	3,000	3,000
41-41-7481	Utilities/Electrical Cost	635	1,600	1,000	1,600	1,200
41-41-7482	Utilities/Water Cost	20,019	25,500	22,000	26,000	22,000
41-41-7483	Utilities/Waste Cost	1,592	3,000		1,000	2,000
41-41-7527	Miscellaneous Services & Supplies	2	1,000	500	1,000	500
41-41-7545	Revenue Collection	423	600	423	600	500
	Subtotal - Expenses	141,356	134,299	142,182	156,845	180,710
	Net Revenues (Loss)	\$ 32,067	\$ 32,348	\$ 52,616	\$ 17,076	\$ 17,289

## FUND 50

### PUBLIC FINANCING AUTHORITY

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

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

## FUND 60

### COMMUNITY CENTER

Starting in FY 2024-2025, the District started earning funds on its reserve balances, and this has complimented the District's revenues. Based on estimated rates expected in the money market and California CLASS, it is estimated these funds will be \$20,000. The funds will help support the programming costs in Fund 40. As the District intends to use the reserves to pay for essential capital projects, it is anticipated that these funds will diminish.



## Section 7: CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE

## CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE

The Capital Improvement Projects for Fiscal Year 2024-2025 are valued at \$13.5 million across all funds. The budgeted projects include funding necessary to properly service, support the essential supply and functions of District operations, continued rehabilitation and replacement of existing wastewater and water facilities and distribution system, equipment purchases, lighting and landscaping projects, enhancements at the Community Center and an administration building.

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

### Overview of Fiscal Year 2024-2025 Capital Projects

<b>Fund</b>	<b>Project Costs</b>	<b>2022 Debt</b>	<b>Future Debt</b>	<b>PAYGO/Reserves</b>
20 – Water	\$9,185,696	\$4,953,044	\$860,081	\$3,372,571
21 – Wastewater	\$2,931,260	-	-	\$2,931,260
40 – Zone 8	\$1,110,000			\$1,110,000
41 – Zone 9	\$250,000	-	-	\$250,000
<b>Total CIP</b>	<b>\$13,476,956</b>	<b>\$4,953,044</b>	<b>\$860,081</b>	<b>\$7,663,831</b>

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

## WATER:

### 5-YEAR CIP SCHEDULE

Project Name	Total Project Costs as of June 2024	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
		ANTICIPATED CASH FLOW					
CIP for Water Supply Capacity (Source, Treatment and Storage)			(Escalated for anticipated CPI)				
Well 8 (Bond)	6,778,639	5,553,044	-	-	-	-	5,553,044
Decommission Well 5A	251,000	-	281,120	-	-	-	281,120
<b>TOTAL</b>	<b>7,029,639</b>	<b>5,553,044</b>	<b>281,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,834,164</b>
Upgrades and Maintenance for Existing Water Supply Facilities							
Well 7 Rehabilitation	150,000	-	168,000	-	-	-	168,000
Filter Replacement (Newport Filter A)	310,000	-	-	388,864	-	-	388,864
Stabilization Soils- Willow Lake Water Treatment Plant	100,000	-	-	-	-	157,352	157,352
Well 2 Upgrade Electrical Panel	231,000	-	-	289,766	-	-	289,766
Well 6 Upgrade from SSRV to VFD to Improve Operational Flexibility	250,000	-	-	-	-	393,380	393,380
Gates-Newport & Willow Lake	100,000	-	-	125,440	-	-	125,440
<b>TOTAL</b>	<b>2,896,798</b>	<b>-</b>	<b>168,000</b>	<b>804,070</b>	<b>-</b>	<b>550,732</b>	<b>1,522,802</b>
Water Distribution System/Pipeline Replacements							
Mainline Pipeline	28,669,350	860,081	18,921,771	12,835,268	-	-	32,617,119
Marina Underwater Crossing	682,561	682,561	-	-	-	-	682,561
Newport & Sandpoint Underwater Crossing	3,625,400	-	-	1,250,618	3,692,734	-	4,943,352
<b>TOTAL</b>	<b>32,977,311</b>	<b>1,542,641</b>	<b>18,921,771</b>	<b>14,085,886</b>	<b>3,692,734</b>	<b>-</b>	<b>38,243,032</b>
Additional Capital Improvements - Water Distribution System & Maintenance							
Upgrade Hypo Tanks at Newport & Willow Lake Water Treatment Plants	60,000	60,000	-	-	-	-	60,000
Willow Lake WTP SCADA Improvements	290,000	-	-	363,776	-	-	363,776
Asset Management Database	63,884	-	71,550	-	-	-	71,550
Cathodic Protection System Improvements	166,727	30,011	153,122	-	-	-	183,133
<b>TOTAL</b>	<b>580,611</b>	<b>90,011</b>	<b>224,672</b>	<b>363,776</b>	<b>-</b>	<b>-</b>	<b>678,459</b>
Other Projects							
Town Administration Building	5,750,000	2,000,000	4,200,000	-	-	-	6,200,000
<b>TOTAL</b>	<b>5,750,000</b>	<b>2,000,000</b>	<b>4,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,200,000</b>
<b>Annual Total</b>	<b>49,234,359</b>	<b>9,185,696</b>	<b>23,795,563</b>	<b>15,253,732</b>	<b>3,692,734</b>	<b>550,732</b>	<b>52,478,457</b>

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

	2022 Debt	Future Debt/ Rates	Revolving Funds	Total
FY2025	\$4,953,044	\$860,081	\$3,372,572	\$9,185,696
FY2026	-	\$18,921,771	\$4,873,792	\$23,795,563
FY2027	-	\$14,085,886	\$1,167,846	\$15,253,732
FY2028	-	\$3,692,734	-	\$3,692,734
FY2029	-	-	\$550,732	\$550,732
<b>Total</b>	<b>\$4,953,044</b>	<b>\$37,560,471</b>	<b>\$9,964,942</b>	<b>\$52,478,457</b>



## FUND BALANCE

Fund 20 - Water	Annual Target	Balance 06/30/2024 (estimated)	Net Revenues	Uses	Balance 06/30/2025
<b>Revolving Funds</b>					
Water Infrastructure Replacement Fund	200,000	1,418,728	84,982	(682,561)	821,149
Booster Pump Replacement Fund	20,000	256,000	20,000		276,000
Generators Replacement Fund	10,000	120,000	10,000		130,000
Facility Replacement Fund	10,000	126,000	10,000		136,000
Vehicle Replacement Fund	10,000	91,426	10,000		101,426
Total Revolving Funds	250,000	2,012,154	134,982	(682,561)	1,464,575
<b>Reserves</b>					
Emergency Reserves	30% of Revenues	1,674,000			1,674,000
Capital and Connection Fee		2,044,157		(2,000,000)	44,157
Water Distribution Line Replacement		1,032,000			1,032,000
Capital Reserve		-			-
Undesignated		1,401,338		(690,011)	711,327
Total Reserves		6,151,495	-	(2,690,011)	3,461,484
<b>Total Water Funds</b>	<b>\$ 250,000</b>	<b>\$ 8,163,649</b>	<b>\$ 134,982</b>	<b>\$ (3,372,572)</b>	<b>\$ 4,926,059</b>

In review of the District's fund balance for the water fund, the District has several sources of these revenues including annual PAYGO contribution, funds received from developers for the capacity and connection fee, and any net revenues earned above the anticipated annual target. For Fiscal Year 2024-2025, the net revenues fell short of the annual contribution target of \$250,000.

Through the cost-of-service study, the District plans to address the difference, and adjust rates in the next study to provide sufficient funding for the District to achieve its annual contribution. The higher anticipated operating costs were the reason for the shortfall. The District had originally planned to bring recommended rates for Fiscal Year 2024-2025 but deferred the study to gather more information to present the basis and value of future rate increases. This will also address the funding strategy to pay for capital projects through cash or debt.

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

## WASTEWATER:

### 5-YEAR CIP SCHEDULE

Project Name	CIP Cost	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
<b>ANTICIPATED CASH FLOW</b>						
<i>(Escalated for anticipated CPI)</i>						
<b>Annual Wastewater Lift Station Improvements</b>						
Lift Station(s) D 23/24, S 24/25, A 25/26, C 26/27	800,000	200,000	224,000	250,880	280,986	-
<b>TOTAL</b>	<b>800,000</b>	<b>200,000</b>	<b>224,000</b>	<b>250,880</b>	<b>280,986</b>	<b>-</b>
<b>Additional Capital Improvements - Wastewater System &amp; Maintenance</b>						
Plant 2 RAS & WAS Pumping System- Covering Structure Installation	169,560	169,560	-	-	-	-
Belt Press WWTP#2	600,000	-	672,000	-	-	-
Digester Pond WWTP#2	1,200,000	-	672,000	752,640	-	-
	1,969,560	169,560	1,344,000	752,640	-	-
<b>Mainline Piping Replacement</b>						
235 feet of pipe replacement (Lakeview Business Plaza from Cherry Hills)	250,000	-	280,000	-	-	-
<b>TOTAL</b>	<b>250,000</b>	<b>-</b>	<b>280,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Projects</b>						
Town Administration Building	5,750,000	2,000,000	4,200,000	-	-	-
O&M Manual update after the completion of Denitrification	100,000	100,000	-	-	-	-
<b>TOTAL</b>	<b>5,850,000</b>	<b>2,100,000</b>	<b>4,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equipment</b>						
Solar Dryer panel replacement A&B then C&D	490,000	161,700	181,104	208,983	0	0
Roller track system (replacing the mole system)	400,000	150,000	280,000	0	0	0
<b>Total</b>	<b>890,000</b>	<b>311,700</b>	<b>461,104</b>	<b>208,983</b>	<b>0</b>	<b>0</b>
<b>Veolia Capital Planning Recommendations</b>						
Replace Newport Village 1, Slifer above ground Pipeline	500,000	0	560,000	0	0	0
Replace Dump Truck Method of Solids Transport or Replace Vehicle	100,000	0	112,000	0	0	0
Gates WWTP#2	100,000	100,000	0	0	0	0
Gate WWTP#1	50,000	50,000	0	0	0	0
Upgrade Remaining Radio Communications to Cell/Net Service	85,000	0	95,200	0	0	0
Vac Truck Garage/Cover	250,000	0	280,000	0	0	0
Stationary Lift station Generators (Newport & Lakeshore)	175,000	0	196,000	0	0	0
Lakes Village 4 & Lakeshore Village 2 Lift station Rehab and Bypass	607,800	0	680,736	0	0	0
<b>Total</b>	<b>1,867,800</b>	<b>150,000</b>	<b>1,923,936</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Annual Total</b>	<b>11,627,360</b>	<b>2,931,260</b>	<b>8,433,040</b>	<b>1,212,503</b>	<b>280,986</b>	<b>0</b>

Like the water CIP, the wastewater projects will be evaluated with the current cost of service study to help guide the needed rates over this period. Based on the current identified projects, the District anticipated the funding source to be as follows:

	2022 Debt	Future Debt/ Rates	Revolving Funds	Total
FY2025	-	-	\$2,931,260	\$2,931,260
FY2026	-	\$2,707,827	\$5,725,213	\$8,433,040
FY2027	-	\$1,012,503	\$200,000	\$1,212,503
FY2028	-	\$80,986	\$200,000	\$208,986
FY2029	-	-	-	-
<b>Total</b>	<b>-</b>	<b>\$3,801,316</b>	<b>\$9,056,473</b>	<b>\$12,857,789</b>

The District has fully spent the 2022 Bonds for the Denitrification project, and no funds remain.

## Fund Balance

Fund 21 - Wastewater	Annual Target	Balance 06/30/2024 (estimated)	Net Revenues	Uses	Balance 06/30/2025
<b>Revolving Funds</b>					
Wastewater Infrastructure Replacement Fund	200,000	2,550,000	200,000	(411,700)	2,338,300
Collection Pumps & Motors Replacement Fund	30,000	384,000	30,000		
Generators Replacement Fund	15,000	180,000	15,000		195,000
Facility Replacement Fund	15,000	189,000	15,000	(150,000)	54,000
Vehicle Replacement Fund	15,000	117,560	15,000		132,560
Manhole Replacement Fund	100,000	100,000	100,000		200,000
Total Revolving Funds	\$ 375,000	\$ 3,520,560	\$ 375,000	\$ (561,700)	\$ 2,919,860
<b>Reserves</b>					
Emergency Reserves	30% of Revenues	2,108,550			2,108,550
Capital and Connection Fee		384,820		(369,560)	15,260
Capital Reserves		5,490,689	372,084	(2,000,000)	3,862,773
Undesignated		1,268,817			1,268,817
Total Reserves		\$ 9,252,876	\$ 372,084	\$ (2,369,560)	\$ 7,255,400
<b>Total Wastewater Funds</b>	<b>\$ 375,000</b>	<b>\$ 12,773,436</b>	<b>\$ 747,084</b>	<b>\$ (2,931,260)</b>	<b>\$ 10,175,260</b>

In review of the District's fund balance for the wastewater fund, the District has several sources of these revenues including annual PAYGO contribution, funds received from developers for the capacity and connection fee, and any net revenues earned above the anticipated annual target. For Fiscal Year 2024-2025, the anticipated net revenues exceeded the annual contribution target of \$375,000, and those funds are reflected in the capital reserves fund.

For future years, there is a continual draw on reserves or debt anticipated of approximately \$3.8 million which will need to be addressed by the cost-of-service study. The District had originally planned to bring recommended rates for Fiscal Year 2024-2025 but deferred the study to gather more information to present the basis and value of future rate increases. In addition, District staff will be evaluating the annual contribution target to ensure the amounts reflect current estimates of replacement and rehabilitation of the District's capital asset investments.

## Zone 8:

### 5-YEAR CIP SCHEDULE

Project Name	CIP Cost	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
<b>ANTICIPATED CASH FLOW</b>						
<b>Landscaping - Streetscape and Parks</b>						
Front Entrance /Wall	175,000	175,000		-	-	-
Clipper Drive	50,000	50,000	-		-	-
Willow Lake	40,000	-	40,000			-
Newport Drive	150,000	-	150,000	-	-	-
Cornell Park Play Structure	200,000	200,000	-		-	-
Cornell Park Tennis/Pickleball Court	40,000	-	-	-	-	40,000
Cornell Park Basketball Court	40,000	-	-	-	-	40,000
Cornell Park Baseball Field	40,000	-	-		40,000	-
<b>Total Landscaping</b>	<b>\$ 735,000</b>	<b>\$ 425,000</b>	<b>\$ 190,000</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ 80,000</b>
<b>Community Center</b>						
Building Improvements	625,000	525,000	25,000	25,000	25,000	25,000
External Storage	90,000	90,000		-	-	-
Patio Project	250,000	50,000	200,000	-	-	-
Pool Equipment	40,000	20,000	5,000	5,000	5,000	5,000
Tennis courts	50,000	-	50,000	-	-	-
Pickleball courts	30,000	-	-	-	-	30,000
<b>Total Community Center</b>	<b>\$ 1,085,000</b>	<b>\$ 685,000</b>	<b>\$ 280,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 60,000</b>
<b>Vehicles</b>						
Truck	35,000	-	-	-	35,000	-
Tractor	40,000	-	-	-	-	40,000
<b>Total Vehicles</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ 40,000</b>
<b>Total Zone 8</b>	<b>\$ 1,895,000</b>	<b>\$ 1,110,000</b>	<b>\$ 470,000</b>	<b>\$ 30,000</b>	<b>\$ 105,000</b>	<b>\$ 180,000</b>

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

## Fund Balance

	Annual Target	Balance 06/30/2024 (estimated)	Net Revenues	Uses	Balance 06/30/2025
<b>Revolving Funds</b>					
Community Center	45,000	45,000			45,000
Streetscapes/Parks	40,000	176,299		(50,000)	126,299
Vehicle Replacement	10,000	40,000		-	40,000
<b>Total Revolving</b>	<b>\$ 95,000</b>	<b>\$ 261,299</b>	<b>\$ -</b>	<b>\$ (50,000)</b>	<b>\$ 211,299</b>
<b>Reserves</b>					
Undesignated	-	212,256	1,593	(90,000)	123,849
Designated Fund		965,891	-	(900,000)	65,891
Park Enhancement Fee	-	50,540	-		50,540
Community Center Fee	-	70,000	-	(70,000)	-
Emergency Reserves	50% of Annual Operating Revenue	568,140	-	-	568,140
<b>Total Reserves</b>	<b>\$ -</b>	<b>\$ 1,866,827</b>	<b>\$ 1,593</b>	<b>\$ (1,060,000)</b>	<b>\$ 808,420</b>
<b>Total Zone 8</b>	<b>\$ 95,000</b>	<b>\$ 2,128,126</b>	<b>\$ 1,593</b>	<b>\$ (1,110,000)</b>	<b>\$ 1,019,719</b>

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

## Zone 9:

### 5-YEAR CIP SCHEDULE

Project Name	CIP Cost	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
		<b>ANTICIPATED CASH FLOW</b>				
<b>Landscaping - Streetscape and Parks</b>						
Ravenswood Park - Splash Pad	-	200,000	-	-	-	-
Ravenswood Park - Solar Lighting	10,000	-	10,000	-	-	-
Ravenswood Park - Greenscape	50,000	-	50,000	-	-	-
Greenway - Lighting	20,000		20,000			
Poe Road	50,000	50,000				-
Total Landscaping	\$ -	\$ 250,000	\$ 80,000	\$ -	\$ -	\$ -
<b>Vehicles</b>						
Truck	9,000	-	-	-	9,000	-
Tractor	10,000	-	-	-	-	10,000
<b>Total Vehicles</b>	<b>\$ 19,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,000</b>	<b>\$ 10,000</b>
<b>Total Zone 9</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ 80,000</b>	<b>\$ -</b>	<b>\$ 9,000</b>	<b>\$ 10,000</b>

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

### Fund Balance

	Annual Target	Balance 06/30/2024 (estimated)	Net Revenues	Uses	Balance 06/30/2025
<b>Revolving Funds</b>					
Park Structures	25,000	100,000	17,289	(117,289)	-
Streetscapes/Parks	10,000	10,000		-	10,000
Vehicle Replacement	5,000	35,000		-	35,000
<b>Total Revolving</b>	<b>\$ 40,000</b>	<b>\$ 145,000</b>	<b>\$ 17,289</b>	<b>\$ (117,289)</b>	<b>\$ 45,000</b>
<b>Reserves</b>					
Undesignated	-	120,324	-	(82,711)	37,613
Capital Reserves	-	53,160	-	(50,000)	3,160
Emergency Reserves	50% of Annual Operating Revenue	99,000	-	-	99,000
<b>Total Reserves</b>	<b>\$ -</b>	<b>\$ 272,484</b>	<b>\$ -</b>	<b>\$ (132,711)</b>	<b>\$ 139,773</b>
<b>Total Zone 9</b>	<b>\$ 40,000</b>	<b>\$ 417,484</b>	<b>\$ 17,289</b>	<b>\$ (250,000)</b>	<b>\$ 184,773</b>

While the District's net revenue did not provide for the full target, the Assessment District has a cap of on reserves to be 200% of its total operating income. Per the Assessment formation, the Fiscal Year 2024-2025 balance should not exceed \$342,000. The District has approved a capital project that will bring the balance under the cap.

## CIP Project Descriptions

### Administration Project

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

### Water Projects

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

**Well 5A Decommissioning** – this well has continued to have electrical conductivity (EC) levels above the secondary Maximum Contaminant Level (MCL) as established by Title 17 and 22 of the California Regulations related to Drinking Water. As such, the State Water Resources Control Board (SWRCB) Division of Drinking Water (DDW) has agreed to allow the District to decommission the site.

**Well 7 rehab** - Through the TODB biennial well and pump testing program, the District can track the specific capacity of each well. Decline in specific capacity is typically an indication of clogging in the well screens or gravel pack. This project includes the efforts/costs to rehabilitate two wells if needed.

**Newport Filter A** - This project consists of the work associated with rehabilitating Filter A at the Newport WTP. Specific project work includes recoating and relining the filter vessel, replacing piping internals, replacing filter media, and testing and startup/commissioning to bring the filter back online to the system.

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

**Well 2 Electrical Panel Upgrade** - The project consists of the work to replace aging electrical equipment at the Well #2 site.

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

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

**Marina Underwater Crossing** - This project adds a Primus Line liner to the existing 8-inch pipe crossing under the surface water body between the Marina Harbor and 5758 Marlin Drive. The existing water main is broken and is currently isolated from the system. This project will return the water main to active service. Also, this project will install a cathodic protection system on the Marina side.

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



## Wastewater Projects

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

**Plant 2 RAS & WAS Pumping System** - Covering Structure Installation: This project is to add a weather cover over the RAS pump station at Plant No. 2 to reduce sun and rain wear on the pumps that currently sit outside and unprotected.

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

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

**235 feet of pipe replacement** (Lakeview Business Plaza from Cherry Hills). The District has had issues with some piping deteriorating when it's associated with a force main breaking to atmosphere. This pipe conveys sewage from the shopping center to Cherry Hills Drive.

## Zone 8 Landscape and Community Center Projects

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

**Cornell Park** – As the cornerstone park, it provides a variety of outlets to enjoy the park. A series of projects are planned to update the playground structure, the baseball field, and courts.

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

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

## Zone 9 Landscape Projects

**Ravenswood Park**– The current splash pad has recurring operational issues and is at the end of its useful life. This project is to consider options to replace the existing structure as it is a community favorite.

**Streetscapes** – this project is to replace and refresh the landscaping along roads including Poe Road during this five-year period.



## Section 8: DEBT

# DEBT

## Public Financing Authority

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

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

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

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

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

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

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

## DEBT PROCEEDS

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

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

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

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

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

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

### Bond Balance 6/30/2024

Trustee	Bond	Total Balance (Est)
US Bank	2022B (2012)	\$ 10,768,000
US Bank	2017	\$ 7,640,000
US Bank	2022	\$ 16,400,000
<b>Total</b>		<b>\$ 34,808,000</b>

### Water Only

Trustee	Bond	Total Balance (Est)
US Bank	2022B (2012)	\$1,144,000
US Bank	2017	\$ 600,000
US Bank	2022	\$4,555,000
<b>Total</b>		<b>\$6,299,000</b>

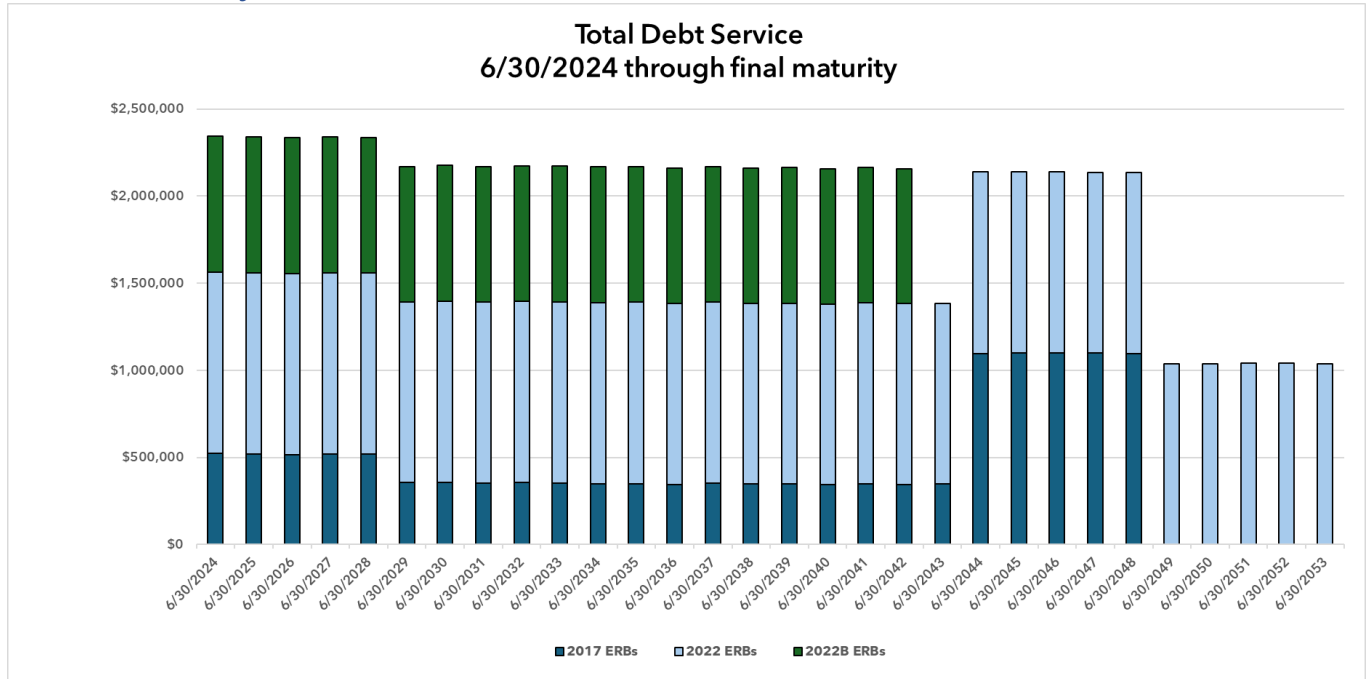
### Wastewater Only

Trustee	Bond	Total Balance (Est)
US Bank	2022B (2012)	\$9,624,000
US Bank	2017	\$7,040,000
US Bank	2022	\$11,845,000
<b>Total</b>		<b>\$28,509,000</b>

## Debt Service Payments

Debt Service Schedule – Combined			
FYE	2017 ERBs	2022 ERBs	2022B ERBs
6/30/2024	\$522,769	\$1,039,500	\$780,001
6/30/2025	\$518,194	\$1,041,625	\$779,381
6/30/2026	\$517,194	\$1,038,125	\$780,230
6/30/2027	\$520,569	\$1,039,000	\$779,530
6/30/2028	\$518,319	\$1,039,125	\$778,299
6/30/2029	\$355,169	\$1,038,500	\$776,537
6/30/2030	\$356,269	\$1,042,000	\$779,156
6/30/2031	\$352,769	\$1,039,625	\$776,155
6/30/2032	\$354,694	\$1,041,375	\$777,534
6/30/2033	\$351,478	\$1,042,125	\$780,170
6/30/2034	\$348,131	\$1,041,875	\$780,063
6/30/2035	\$349,569	\$1,040,625	\$778,266
6/30/2036	\$345,856	\$1,038,375	\$776,778
6/30/2037	\$351,900	\$1,040,000	\$777,529
6/30/2038	\$347,700	\$1,035,500	\$777,466
6/30/2039	\$348,100	\$1,034,875	\$780,518
6/30/2040	\$343,100	\$1,037,875	\$776,720
6/30/2041	\$347,900	\$1,039,375	\$778,073
6/30/2042	\$342,500	\$1,039,375	\$776,505
6/30/2043	\$346,900	\$1,037,875	
6/30/2044	\$1,095,700	\$1,043,150	
6/30/2045	\$1,098,300	\$1,040,450	
6/30/2046	\$1,099,300	\$1,041,650	
6/30/2047	\$1,098,700	\$1,036,750	
6/30/2048	\$1,096,500	\$1,040,650	
6/30/2049		\$1,039,000	
6/30/2050		\$1,036,500	
6/30/2051		\$1,041,750	
6/30/2052		\$1,039,625	
6/30/2053		\$1,035,250	
	\$13,327,578	\$31,181,525	\$14,788,909

## Debt Maturity Schedule





## Section 9: ACRONYMS AND GLOSSARY



# ACRONYMS AND GLOSSARY

CIP – Capital Improvement Program

CPI – Consumer Price Index

CY – Calendar Year

FY – Fiscal Year

PAYGO – Pay-As-You-Go

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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