



FISCAL YEAR 2025-2026 OPERATING BUDGET

Adopted June 18, 2025



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

1800 WILLOW LAKE ROAD, DISCOVERY BAY, CA 94505

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

GENERAL MANAGER'S MESSAGE

June 18, 2025

Dear Board of Directors,

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

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

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

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

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

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

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

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

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

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

Respectfully submitted,

Dina Breitstein, General Manager

*California Society of Municipal
Finance Officers*

Certificate of Award

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

Presented to the

Town of Discovery Bay Community Services District

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

February 7, 2025



Ernie Reyna

Ernie Reyna
2024 CSMFO President

James Russell-Field

James Russell-Field, Chair
Recognition Committee

Dedicated to Excellence in Municipal Financial Reporting

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



Section 2: About the Town of Discovery Bay CSD

ABOUT TOWN OF DISCOVERY BAY CSD

The Town of Discovery Bay Community Service District (CSD)

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

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

District Awards

The Town has earned the following awards and recognition:

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

More information about the Town of Discovery Bay CSD can be found at todb.ca.gov

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

General Information	
Agency Type	Community Services District
Principal Act	Community Services District Laws, Government Code Section 61000 et seq. and SB 135, Community Services District Law
Date Formed	1998
Services	sewage collection, treatment, and disposal, water, parks and park maintenance, landscaping, and recreation.
Service Area	
Location	Unincorporated community of Discovery Bay
Square Miles/Acres	4.44 square miles/2,844 acres
Land Uses	Residential with some commercial and irrigation uses
Water Connections	6,122 service connections (residential, irrigation), 130 commercial/industrial customers
Population Served	18,020 (Contra Costa County GIS Data) – approximate

Water Services

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

Wastewater Services

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

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

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

Parks and Landscaping Services

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

Discovery Bay Landscape & Lighting

Zone #8

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

Zone #9 (Ravenswood)

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

Contra Costa County Landscape & Lighting

Zone #35

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

Zone #57

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

Zone #61

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

Recreation Services

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

District Form of Government

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

TODB Board of Directors



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

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

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

Vision

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

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.

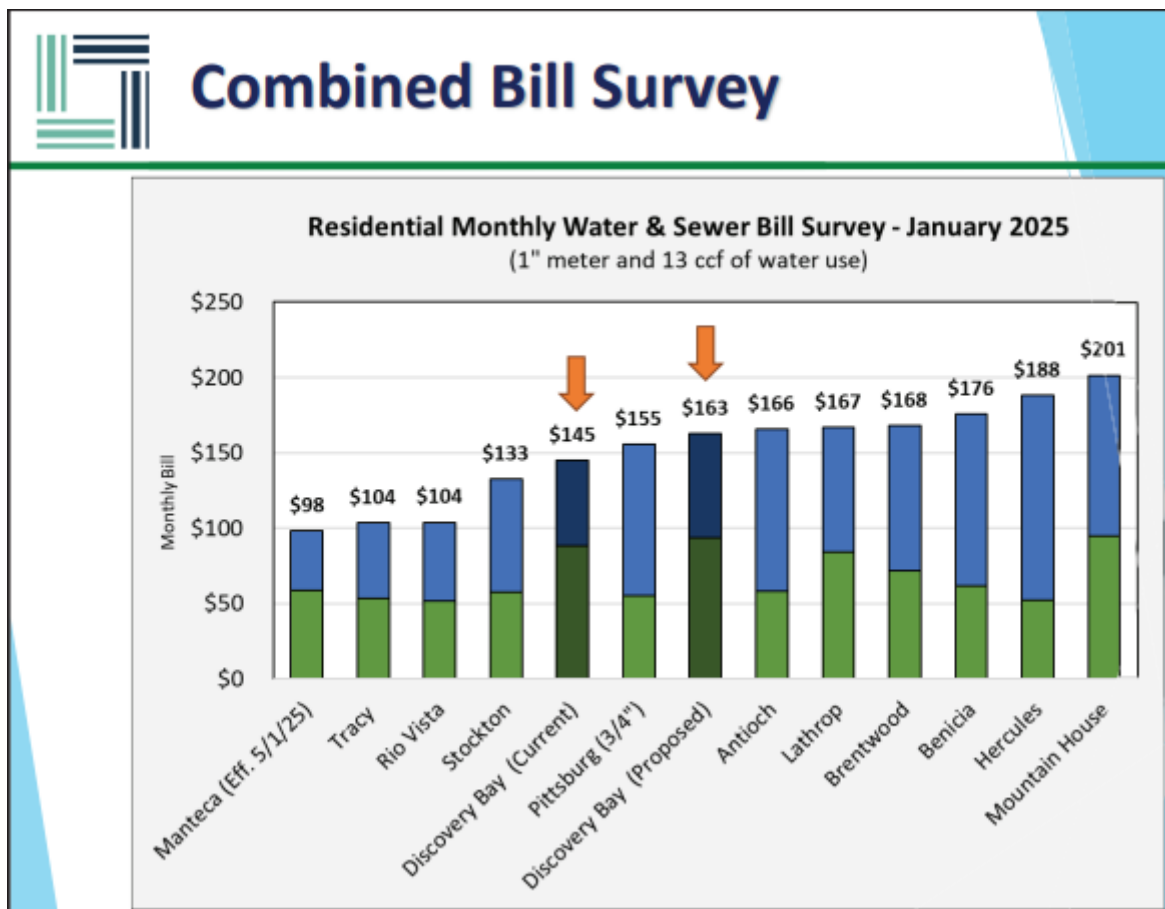
Demographics

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	42	¾ inch	1,709
Irrigation	88	1 inch	4,362
Residential	<u>6,034</u>	1 ½ inch	31
Total	6,164	>2 inch	62

Comparison to Local Jurisdictions



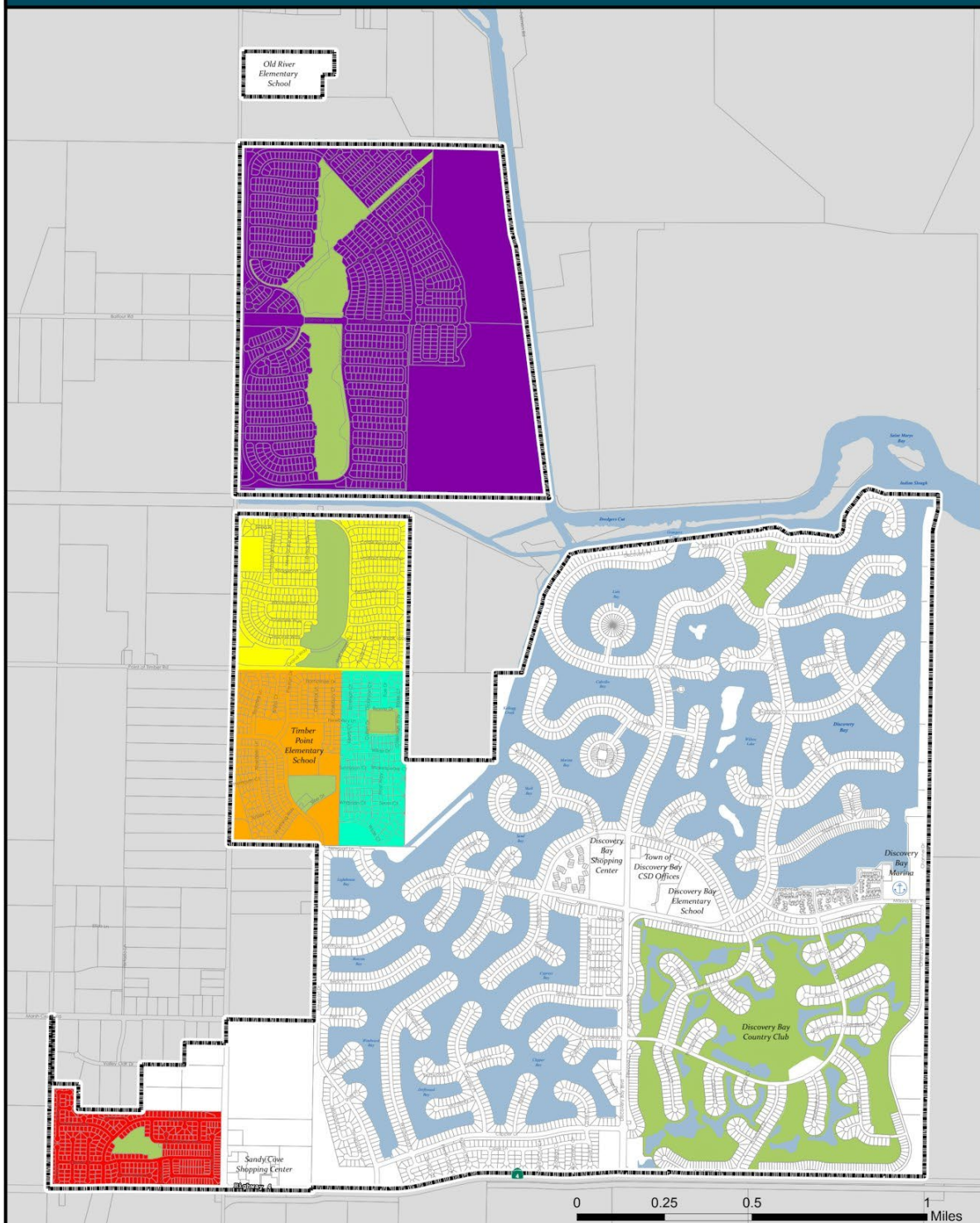
Parks and Recreation Programs

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

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



Discovery Bay Neighborhoods



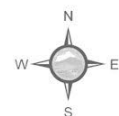
Subdivision Name

- Centex
- Discovery Bay West Village 1
- Lakeshore

- Ravenswood
- The Lakes at Discovery Bay

- Discovery Bay CSD Referral Area
- Parks

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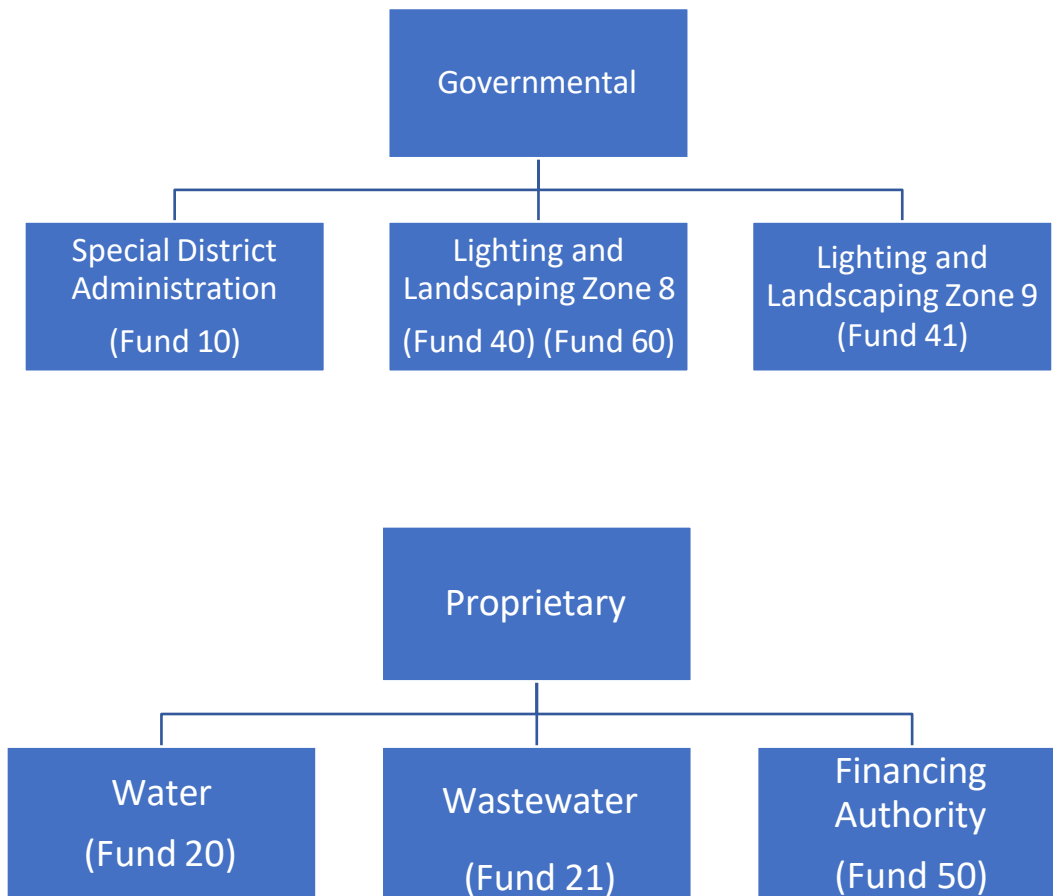


Section 3: FINANCIAL OVERVIEW AND SUMMARY

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 consider several factors including the source of revenues, staffing, program expenses, and capital expenditures. All these factors are considered in developing the annual budget, but it also extends to future years to ensure that the Board can adequately plan programming, understand rate implications, and ensure that it maintains its capital infrastructure.

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



FINANCIAL HIGHLIGHTS

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

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

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

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

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

FUND DESCRIPTIONS

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

STRATEGIC GOALS

Goals, Objectives, and Performance Outlook

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

FINANCIAL POLICIES SUMMARY

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

Policy #	Policy Name	Key Policy Items
003	Investment of District Funds	<p>Maintain safety, liquidity, and yield (in this order) when considering investment decisions.</p> <p>Adhere to California Code Section 53600 etc.</p>
014	Reserve Fund	<p>Established, maintained, and set aside for specific purposes.</p> <p>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.</p> <p>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.</p> <p>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>

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

LONG RANGE FINANCIAL PLANNING

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



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

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

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

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

WATER FUND – 5 YEAR FORECAST

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

WASTEWATER FUND – 5 YEAR FORECAST

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

ZONE 8 – 5 YEAR FORECAST

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

ZONE 9 – 5 YEAR FORECAST

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



Section 4: BUDGET PROCESS AND TIMELINE

BUDGET PROCESS AND TIMELINE

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

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

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

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

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

BASIS OF ACCOUNTING

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

For financial statement purposes:

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

For budgeting purposes:

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

BUDGET PROCESS

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

Budget Timeline

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

BUDGET MONITORING

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

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



Section 5: OVERVIEW OF REVENUES AND EXPENSES

OVERVIEW OF FISCAL YEAR 2025-2026 OPERATING REVENUES AND EXPENSES

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

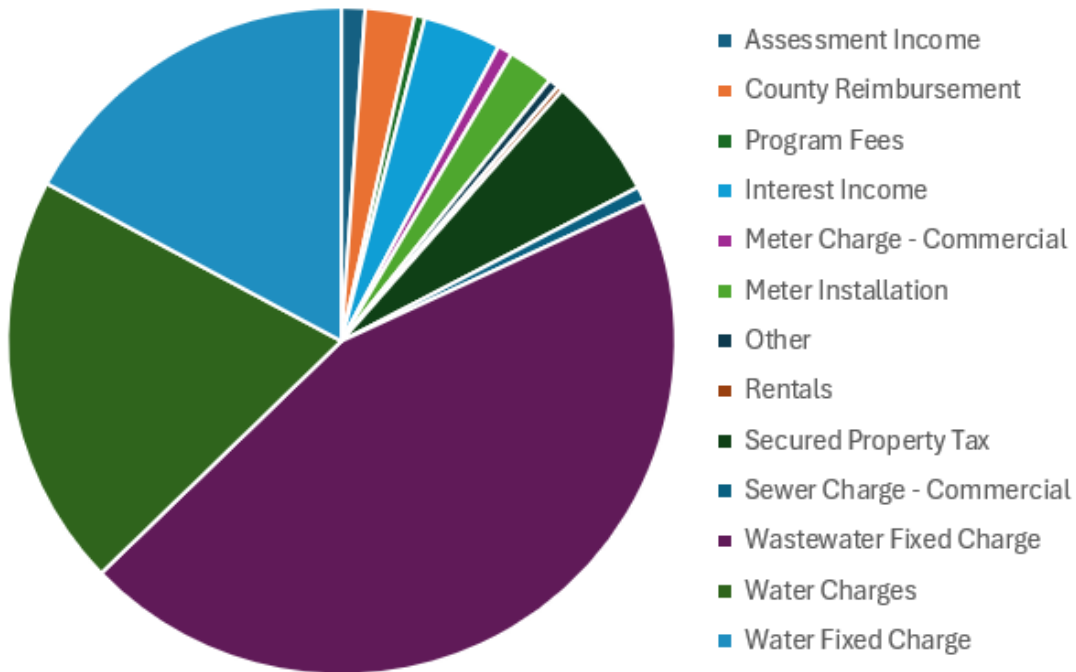
FISCAL YEAR 2025-2026 OPERATING REVENUES

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

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

More detailed explanation of variances provided under Section 6

Fiscal Year 2026 Revenues



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

Water and Sewer Charges

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

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

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

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

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

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

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

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

Water Schedule

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

ccf = 100 cubic feet = 748 gallons

Wastewater Schedule

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

Ad Valorem

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

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

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

Assessment Fee

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

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

Community Center Program Fees

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

Interest Earnings

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

Those amounts are estimated to be allocated as follows:

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

Miscellaneous

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

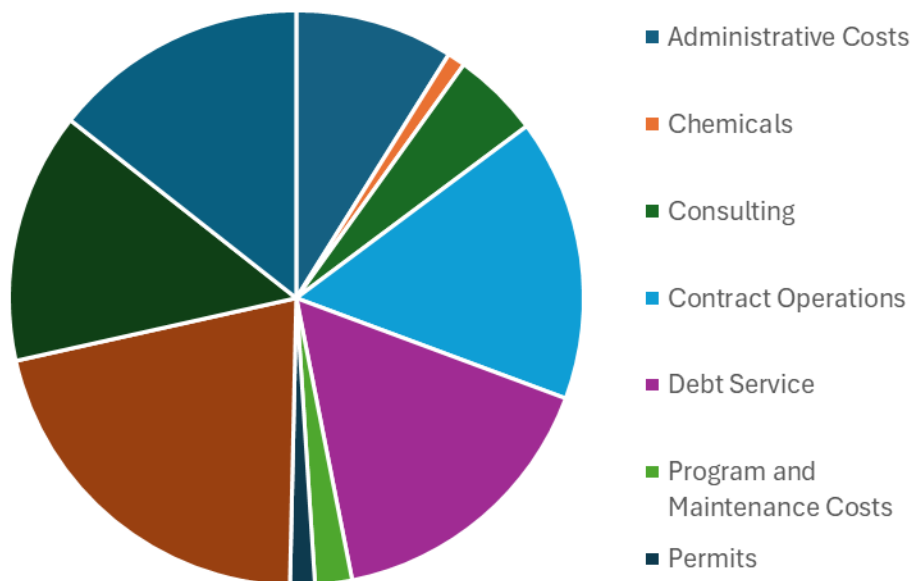
FISCAL YEAR 2025-2026 OPERATING EXPENDITURES/EXPENSES

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

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

More detailed explanation of variances provided under Section 6

Fiscal Year 2026 Expenses



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

Salary and Benefits

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

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

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

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

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

Position Headcount (budgeted)

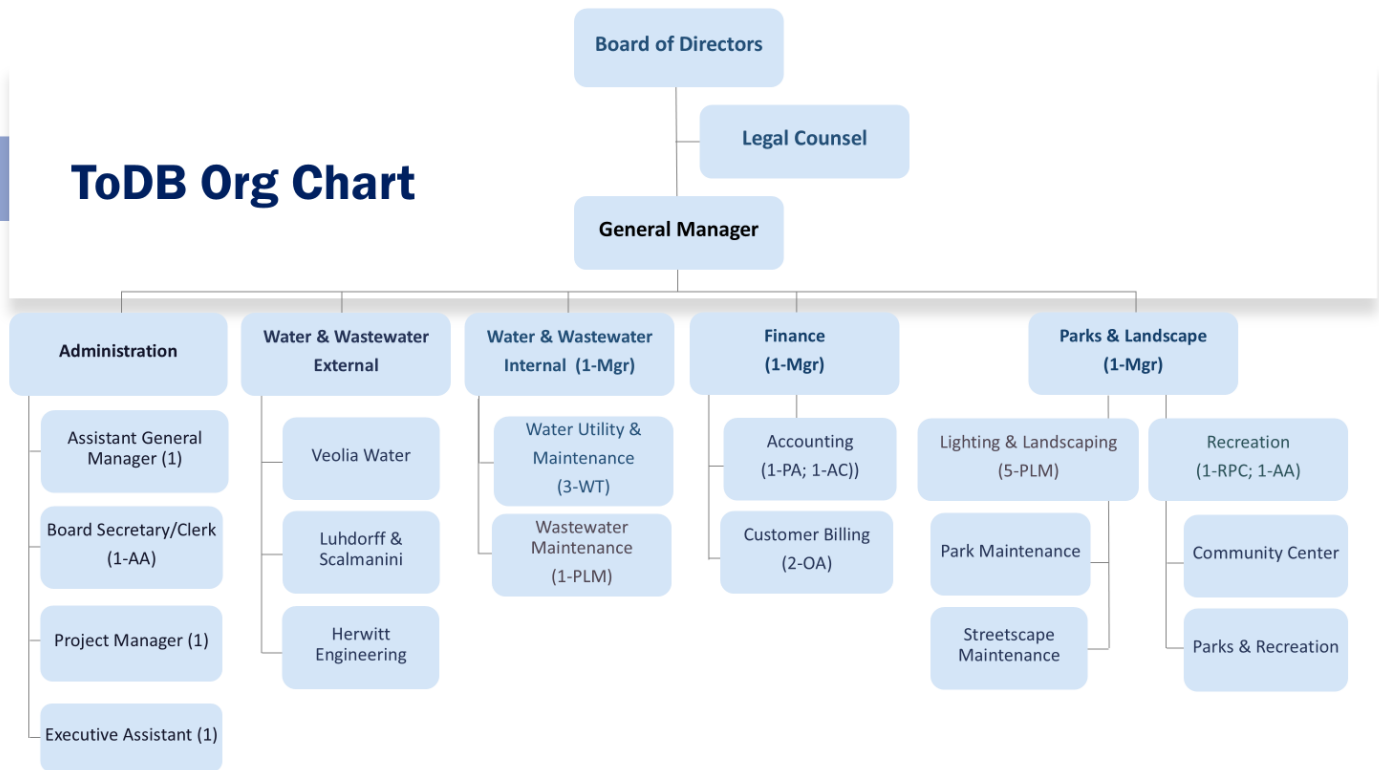
Position Title	FY2021	FY2022	FY2023	FY2024	FY2025	FY2025
Office Assistant	2	2	2	2	2	2
Administrative Assistant	2	2	2	2	2	2
Executive Assistant	1	1	1	1	1	1
Project Accountant	0	0	1	1	1	1
Accountant	1	1	1	0	0	0
Senior/Account Clerk	0	0	0	0	1	1
Water Services Technician I	2	2	2	2	2	2
Water Services Technician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

Staff allocation to Funds – based on budgeted dollars

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

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

ToDB Org Chart



v07-01-2025

2

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

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

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

District has complied with AB2561.

Benefits

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

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

Consultants

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

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

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

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

Contract Operations

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

Utilities

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

Chemicals

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

Facility Maintenance

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

Administrative Costs

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

Debt Service

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

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

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

Permits

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

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

DEPARTMENT DESCRIPTION AND OUTLOOK

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

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

Administration Department

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

Key Achievements

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

Outlook

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

Finance Department

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

Key Achievements

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

Outlook

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

Water Department

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

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

Wastewater Department

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

Water and Wastewater Key Achievements

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

Water and Wastewater Outlook

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

Lighting and Landscaping Services Department

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

Key Achievements

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

Outlook

- Rehab Discovery Bay entrance sign.

Recreation Services Department

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

Key Achievements

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

Outlook

- Community Center improvements



Section 6: FUND BUDGETS AND TREND INFORMATION

FUND BUDGETS AND TREND INFORMATION

FUND 10

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

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

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

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

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

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

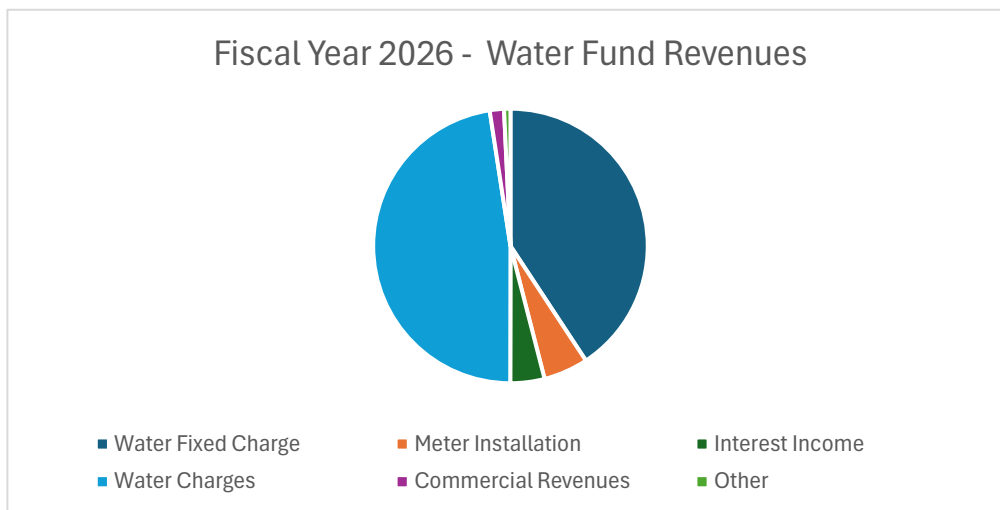
FUND 20

WATER FUND

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

Fund 20 – Water Expenses

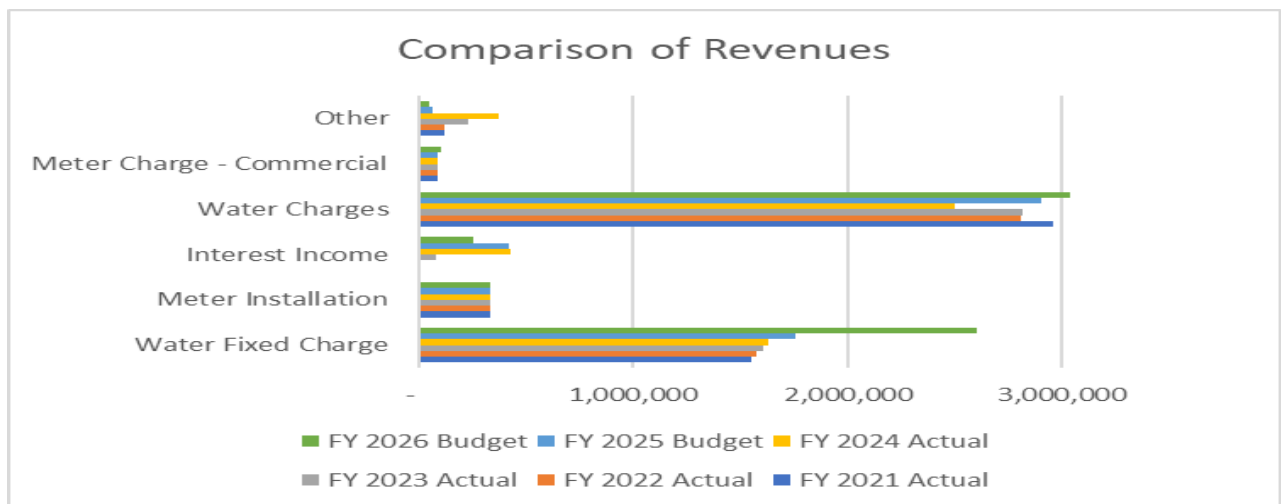
Fiscal Year Trend - Fund 20 Revenues						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	Budget	Budget
Water Fixed Charge	1,549,250	1,574,060	1,604,898	1,632,676	1,758,000	2,600,300
Meter Installation	333,823	336,196	335,409	334,650	336,000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



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

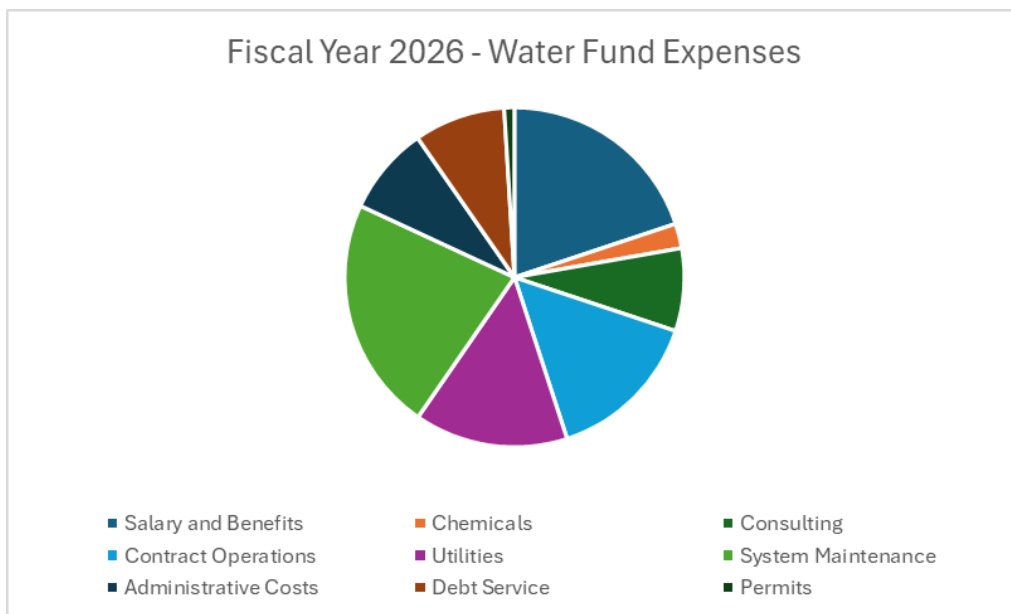
Approximately 40% of the funding is a fixed charge that is generated for the portion of the revenue requirement that is placed on the property tax roll. This funding supports the ongoing capital infrastructure necessary to support the system expansion and asset renewal as determined from the 2025 cost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

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



Fund 20 – Water Expenses

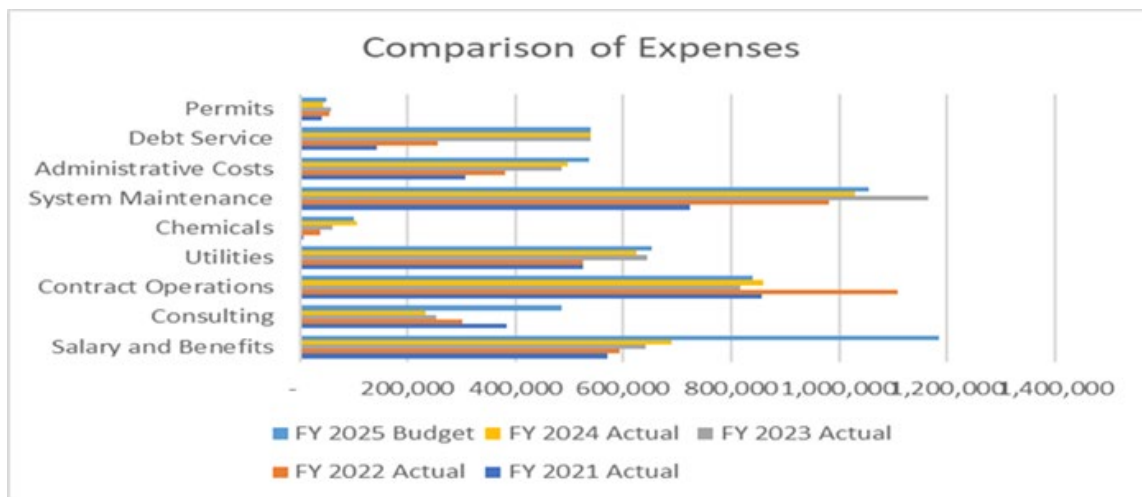
Fiscal Year Trend - Fund 20 Expenses						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Actual	Actual	Budget	Budget
Salary and Benefits	571,236	592,219	642,690	690,159	1,186,107	1,223,600
Consulting	383,652	302,078	252,641	234,476	485,000	484,500
Contract Operations	857,187	1,110,394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



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

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

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



Fund Detail

Fund 20- Water		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026
Water Revenues		Actual	Budget	Actual	Budget	Budget	Budget
20-31-5102	SEC Collections Account Charge	1,603,797	1,598,310	1,632,676	1,627,047	1,758,000	2,600,300
20-31-5145	Meter Installation	335,409	335,218	334,650	335,218	336,000	336,000
20-31-5149	Developer Deposit			82,538	-	25,000	-
20-31-5151	Grants	2,970	-	28,172	-	-	-
20-31-5179	Misc. Water Service Fees	36,594	10,000	28,648	25,000	27,000	30,000
20-31-5195	Interest Income	85,994	-	426,183	137,500	425,000	257,000
20-31-5226	Water Meter Rental	1,100	500	1,125	500	1,000	1,000
20-31-5243	Other	133,679	10,000	53,047	25,000	15,000	15,000
20-31-6000	Water Charges	2,814,276	2,901,000	2,495,806	2,901,000	2,901,000	3,035,000
20-31-6030	Connection Fees CIP	1,500	6,000	3,400	200	-	-
20-31-6045	Capacity Fee CIP	55,528	15,000	171,632	7,500	-	-
20-31-6046	Permit Fee	1,100	5,000	3,400	200	1,000	1,000
20-31-6047	Inspection Fee	1,760	5,000	5,440	200	1,000	1,000
20-31-6086	Meter Charge Commercial	89,455	85,000	89,286	85,000	90,000	107,000
	Subtotal - Revenues	5,163,162	4,971,028	5,356,004	5,144,365	5,580,000	6,383,300
Fund 20- Water		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026
Water Expenses		Actual	Budget	Actual	Budget	Budget	Budget
20-41-7000	Salary and Wages	536,815	592,103	528,471	690,013	905,932	933,000
20-41-7001	Overtime	1,452	2,000	-	2,000	-	-
20-41-7003	ER Taxes	39,828	59,210	40,778	69,001	80,175	82,600
20-41-7030	Group Insurance	81,900	110,000	83,143	100,000	140,000	150,000
20-41-7045	Workers Comp	18,475	19,200	20,294	19,320	38,000	28,000
20-41-7060	457 Plan	25,788	30,000	17,474	30,000	22,000	30,000
20-41-7075	Reimbursement of Wages	(6,000)	-	-	-	-	-
20-41-7105	Reimbursement of Insurance	-	(40,000)	-	(40,000)	-	-
20-41-7135	Vacation	4,832	-	-	-	-	-
20-41-7150	Temporary Employees	39,977	3,000	-	3,000	3,000	3,000
20-41-7165	BOD Compensation	11,960	22,500	11,656	22,500	15,000	15,000
20-41-7180	Training Conferences Travel	11,950	31,000	15,765	30,000	20,000	15,000
20-41-7181	Travel & Meetings - BOD	-	-	984	-	5,000	3,000
20-41-7225	Memberships	10,160	9,000	11,126	15,000	8,000	8,000
20-41-7255	TODB Sponsored Events	-	10,000	1,580	10,000	1,000	1,000
20-41-7271	Consulting Services	202,349	285,700	184,662	261,124	420,000	430,000
20-41-7272	Water Service Contract	722,976	720,000	860,804	745,000	840,000	915,000
20-41-7276	Contract Mailing	45,209	47,000	48,597	47,000	47,000	47,000
20-41-7280	Veolia Pass Through Expenses	94,744	132,500	146,358	100,000	186,000	180,000
20-41-7286	Legal - General	36,282	70,000	34,591	50,000	40,000	35,000
20-41-7288	Legal - Litigation	-	10,000	-	10,000	5,000	-
20-41-7301	Annual Audit Service	14,010	15,000	15,223	18,000	20,000	19,500
20-41-7316	Election Expense	5,363	6,000	-	6,000	7,900	-
20-41-7317	Advertising	168	2,000	278	2,000	1,000	1,000
20-41-7318	Public Relations	421	1,000	838	1,000	-	-
20-41-7319	Internet Website	2,304	4,800	2,707	4,800	-	-
20-41-7325	Water Conservation	-	-	-	10,000	4,000	4,000
20-41-7345	Communications and Notice	141	2,400	695	2,400	-	-
20-41-7361	Telephone - General	4,544	5,750	7,768	5,750	14,000	10,000
20-41-7362	Telecom - Networking	8,021	5,600	8,340	10,000	7,000	7,000
20-41-7363	Telephone - cellular	4,709	6,000	4,321	6,000	-	4,000

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

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

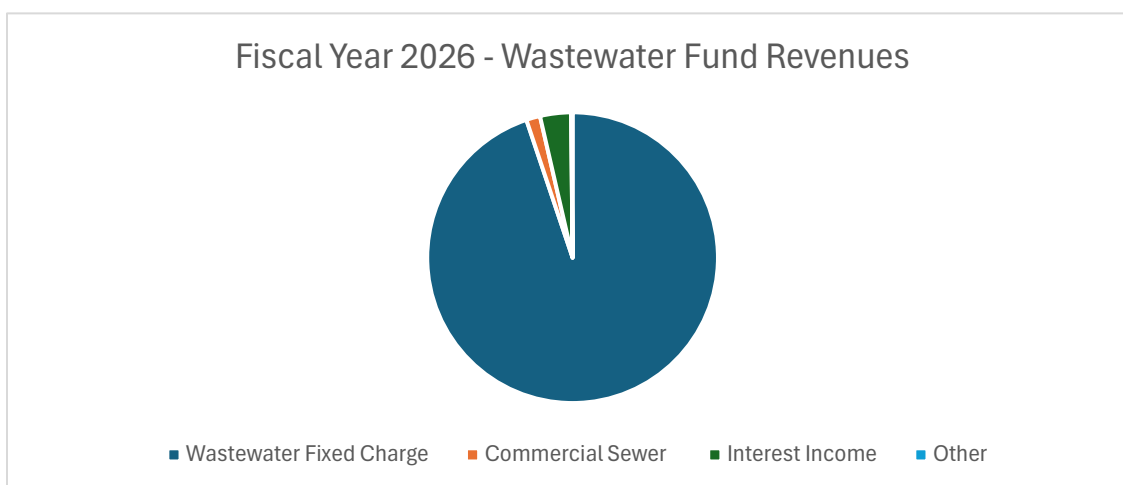
FUND 21

WASTEWATER

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

Fund 21 – Wastewater Revenues

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



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

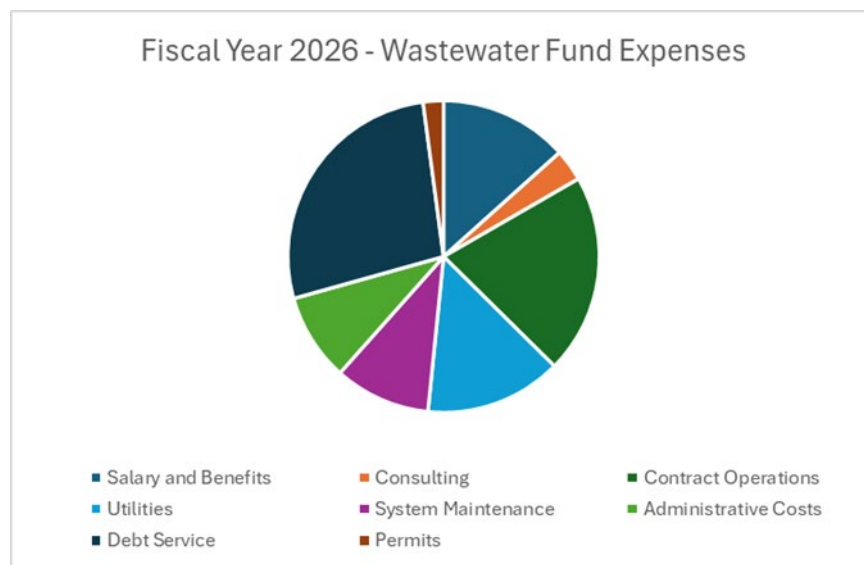
As the five-year trend shows, the revenues are steady during the period. The main change is the District's decision to invest its reserves in the Money Market and local government investment pool called California CLASS. However, the anticipated interest income is expected to decline as the District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

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

Fund 21 – Wastewater Expenses

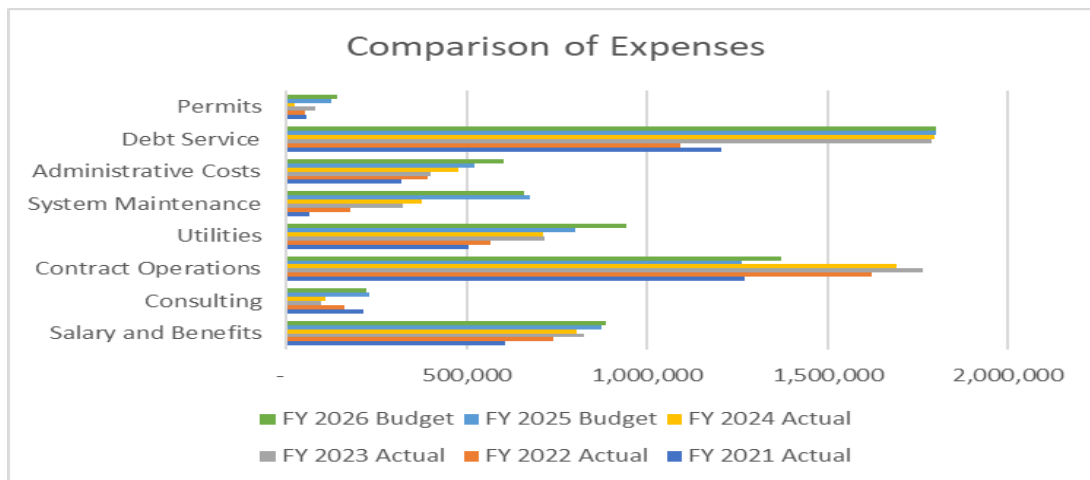
Over the five-year period, the cost of wastewater operations increased in contract operations and utilities. The contract operations line item represents the estimated increase from Veolia’s new agreement for their staff to manage the wastewater facility. In addition, it also includes the estimated pass-through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

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



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

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



FUND DETAIL

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

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

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

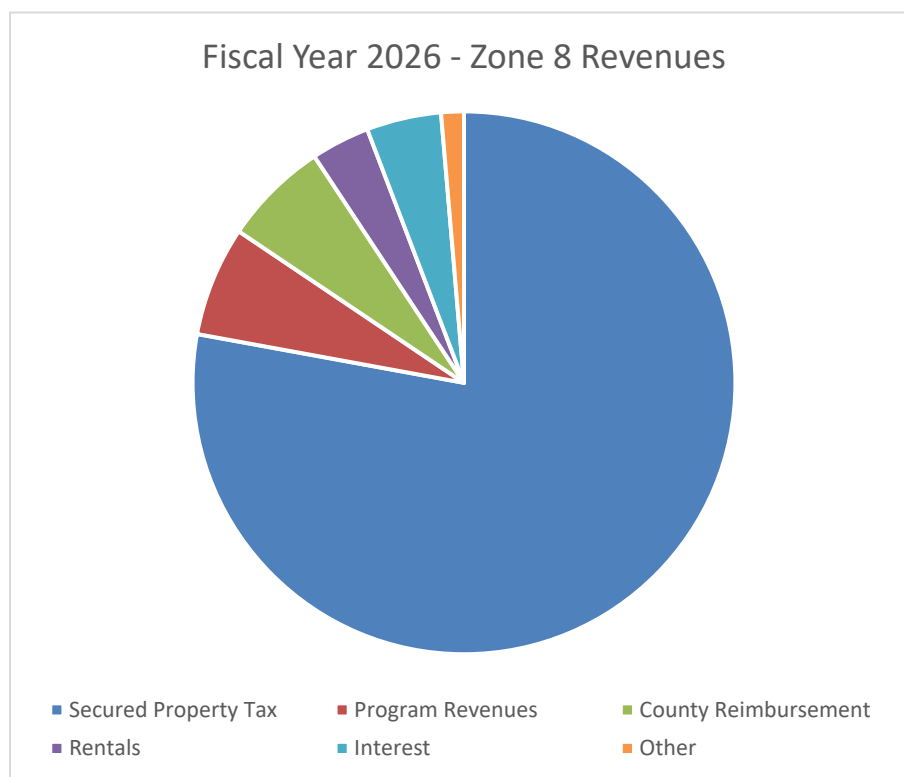
Based on bond documents, the District needs to maintain debt coverage of at least 1.25. As part of the current rate study, the report evaluated the necessary rates to pay for operations and capital projects, maintain cash levels and support annual contribution targets for the District's revolving funds.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

FUND 40

ZONE 8 AND COMMUNITY CENTER

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

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



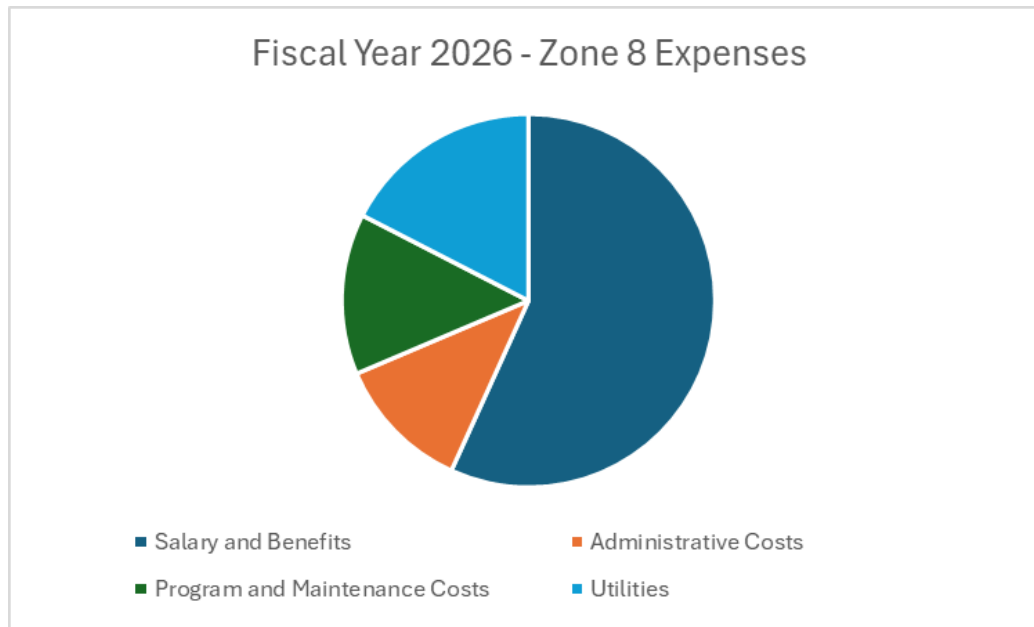
The revenue source for Fund 40 is from property tax (75%) which provides stability in the revenue needed to support Zone 8. This revenue is calculated according to the GANN limit and is based on the change in per capital personal income and population. This information is provided to the District by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

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

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



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



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

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

Fund Detail

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

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

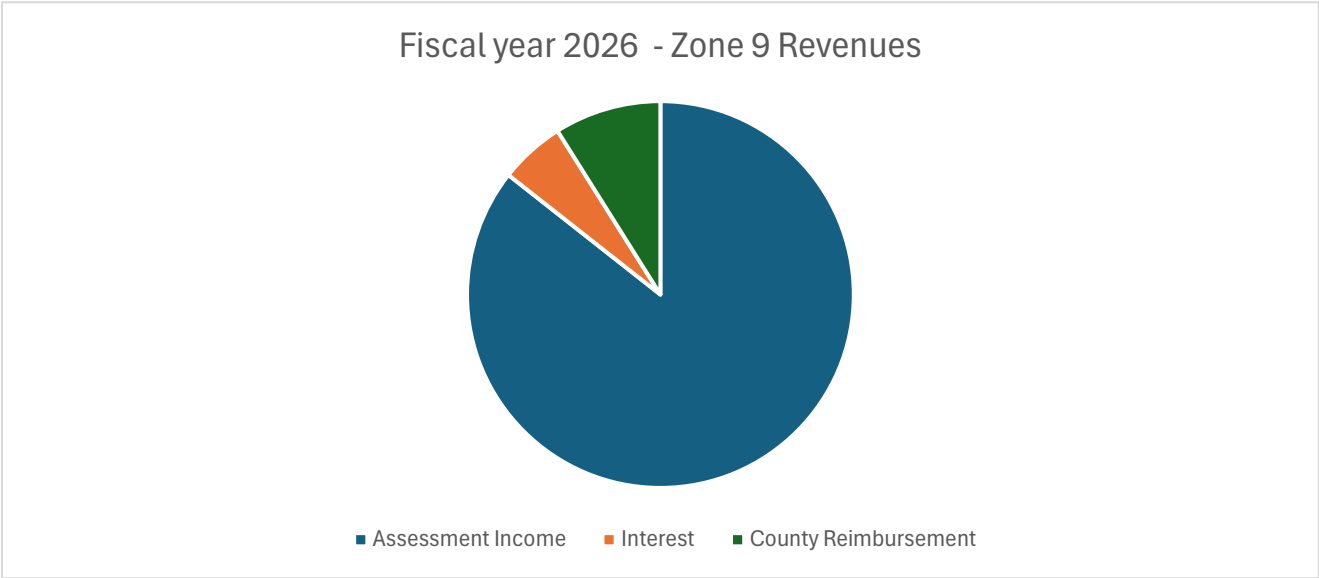
Fund 40 - Zone 8		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026
Expenses		Actual	Budget	Actual	Budget	Projected	Budget	Budget
40-41-8000	Salary and Wages	196,077	171,000	168,455	183,308	181,900	330,539	290,000
40-41-8002	Part-time and Season Staff	-	107,882	15,514	119,591	-	-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

FUND 41

ZONE 9 (Ravenswood)

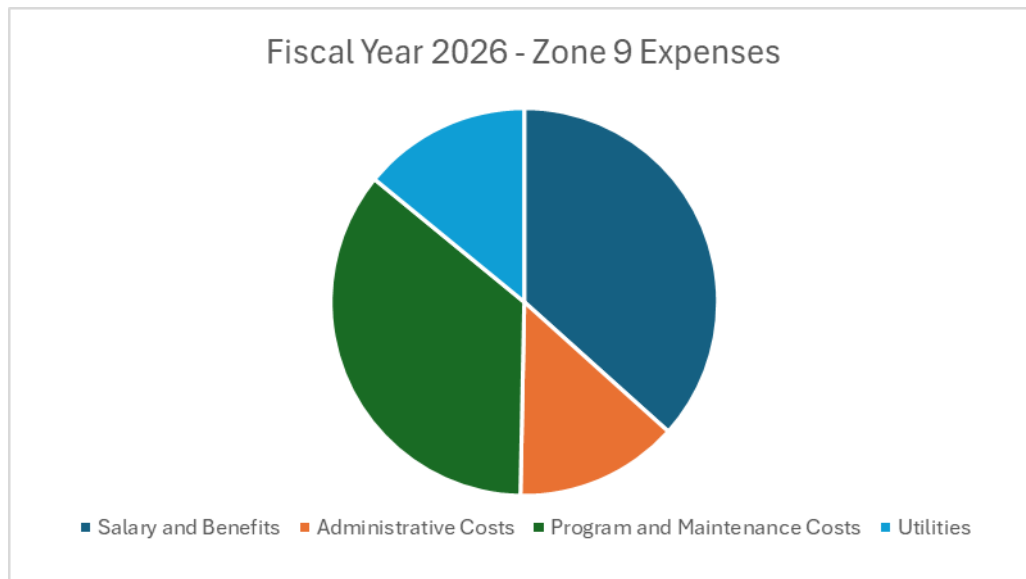
Zone 9 is owned and maintained by the Town of Discovery Bay CSD. This zone includes the landscape streetscape frontages along Wilde Drive and Poe Drive. Ravenswood Park is also included in this zone.

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



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

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



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

Fund Detail

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

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

FUND 50

PUBLIC FINANCING AUTHORITY

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

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



Section 7: CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE

CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE

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

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

Overview of Fiscal Year 2025-2026 Capital Projects

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

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

WATER:

5-YEAR CIP SCHEDULE

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

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

FUND BALANCE

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

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

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

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

WASTEWATER: 5-YEAR CIP SCHEDULE

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

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

Fund Balance

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

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

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

Zone 8:

5-YEAR CIP SCHEDULE

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

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

Fund Balance

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

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

Zone 9:

5-YEAR CIP SCHEDULE

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

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

Fund Balance

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

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

CIP Project Descriptions

Administration Project

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

Water Projects

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

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

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

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

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

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

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

Wastewater Projects

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

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

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

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

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

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

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

Zone 8 Landscape and Community Center Projects

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

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

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

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

Zone 9 Landscape and Community Center Projects

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



Section 8: DEBT

DEBT

Public Financing Authority

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

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

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

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

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

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

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

DEBT PROCEEDS

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

2012 Bonded Projects	Bond Year	Project Cost
Water Project Improvements		
Planning & Construction of Well #7	2012	\$1,500,000
Wastewater Project Improvements		\$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	
Total		*\$14,100,000

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
Water Project Improvements		
Water Meter Completion Project	2017	\$1,500,000
Wastewater Project Improvements		
Filtration Project	2017	\$7,400,000
Total		*\$8,900,000

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
Water Project Improvements		
Well 8	2022	\$5,000,000
Wastewater Project Improvements		
Denitrification Project	2022	\$13,000,000
Total		*\$18,000,000

Bond Balance 6/30/2025

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

Water Only

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

Wastewater Only

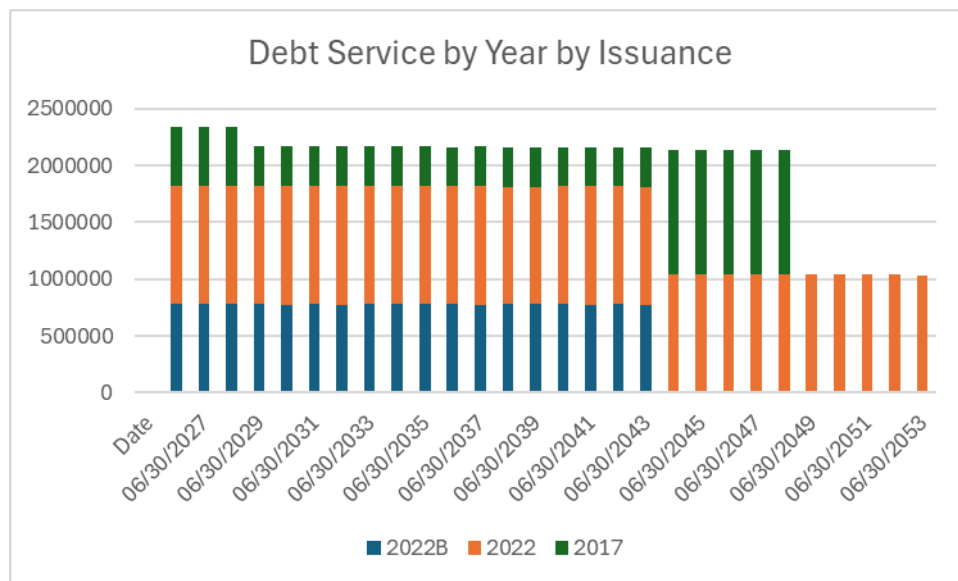
Trustee	Bond	Total Balance (Est)
US Bank	2022B (2012)	\$9,261,000
US Bank	2017	\$6,965,000
US Bank	2022	\$11,655,000
Total		\$27,881,000

Debt Service Payments

December 1 - Principal and Interest

June 1 – Interest Only

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



Summary by Fund

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

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



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.