



TOWN OF DISCOVERY BAY CSD

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Board Members

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

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY CSD

Wednesday, June 16, 2010

1800 Willow Lake Road, Discovery Bay, California

Website address: www.todb.ca.gov

REGULAR MEETING at 7:00p.m.

A. ROLL CALL

The meeting was called to order at 7:00p.m. President Graves led the Pledge of Allegiance. Roll Call reflected that all Directors were present.

B. PUBLIC COMMENTS

Resident Don Flint stated that he wanted to congratulate the Board for stepping up on the Fire District issue that affects Discovery Bay by sending a letter and attending the last East Contra Costa Fire Protection District (ECCFPD) meeting. He also recognized Chris Finetti for his comments at the recent ECCFPD meeting. Mr. Flint then presented some questions about the Community Center Committee including why all the members of that committee were not in attendance at the meeting tonight and he wanted more information on the recent appraisal that was recently done.

C. CONSENT CALENDAR

1. Minutes previous meeting, Regular Meeting June 2, 2010 and Special Meeting of May 25th
2. Various District Invoices

Director Piepho made a motion to approve the Consent Calendar. Vice-President Simon 2nd the motion. No comments from the Board or from the Public. The motion passed with a vote of 5 ayes, 0 nos, 0 abstain.

D. PRESENTATIONS

1. Presentation and Status on Proposed Community Center – President Graves introduced Catherine Kutsuris, Director of the Contra Costa County Department of Conservation and Development. She stated that she is at the meeting to talk about the Community Center issue and her perspective on behalf of the department. Before doing so, she provided some background on the state of the economy and its impact on construction and building. She explained that the county has not seen a back to back

year reduction in residential assessed valuations since 1934 and 1935 and reductions were hard hit in East Contra Costa County. She reported that there still is a fair amount of construction going on in the County and there was approximately \$410 Million in assessed valuation and construction in 2009, however, that is down from the 2005/2006/2007 numbers that were near \$800 Million in assessed valuation and construction. The industrial industry is still strong. The decline started in residential and then went to commercial and the East County was particularly hard hit due to the large growth in single family homes. In fiscal year 2007/2008, the County was down approximately thirty percent (30%) of the previous year in terms of both building permits and assessed valuations. In 2008/2009, the County went down about thirty-five percent (35%), and this year the slide is slowing and as of the end of March 2010, they were off fifteen percent (15%). She then went on to talk about the Community Center. She stated that there was a requirement on the Discovery Bay West Permit (for The Hofmann Company) which was granted in 1995 that said that the Community Center will be provided as part of that project and the location and size needs to be determined prior to the filing of the final map. The Hofmann Company was required to dedicate the land and pay fifty percent (50%) of the building construction costs, including landscaping and parking requirements. There were also some timing requirements with the Community coming up with the remaining fifty percent (50%) of the building costs. With today's economy that is a significant challenge. When she talked to the CSD Board last time, she suggested to the Board, that if a Community Center can be built, that perhaps the Community should look at a phased approach and rely on current money rather than banking on something in the future. She also wanted to find out at that time if the CSD Board was interested in looking in to another site and they had talked about a Sand Point Site and whether there was interest in having some discussion about a different location that might serve the public interest and be better for the community. She said at that time, there was some interest from the CSD Board. The site at that time that was set aside and dedicated by the Hofmann Company was the "Newport Site." There was a condition that there could be a discussion between three (3) parties, the County, the Hofmann Company, and the CSD Board. From Catherine's perspective, she thinks it's in the public interest to see if something can be worked out with another piece of property. Hofmann Company has agreed to do this. They are not required to do this and the CSD is not required to do this. She stated that she doesn't know what the outcome will be, but she is optimistic that a conclusion can come in relatively short order, maybe sixty (60) days to agree on something better than the Newport Site. She does appreciate that Hofmann is willing to look at another piece of property that they own and she is very thankful that the CSD is willing to consider the possibility of a site that might be better for the community. She inquired if the CSD Board was interested to accepting the site if something can be worked out. In her perspective, she stated that she believes local control is generally better. Given the condition that they didn't talk about ongoing maintenance, the County is not in a position of taking on additional buildings to be maintained. Vice-President Simon stated that at the last meeting that Catherine Kutsuris came to that it was said that the Hofmann Company was running out of patience and the window was closing. He stated that one of the issues is money and he does not believe that the Community can afford it. There is no Business Plan, he does not know where the money is going to come from and the district does not have any land. He wants to know where and when they would start from and who is going to participate in the first meeting that actually moves this forward. Catherine Kutsuris responded by stating that she agrees in part that if the community is relying on future development to help pay for a community center, then that would be moving the wrong way. President Graves stated that there was a Business Plan that was brought forward at one time and it does need to be updated for current needs. Director Piepho stated that unfortunately the appraisal took much longer than expected, but now that the Board has something, they can pull out and update the old one because it is hard to write a Business Plan about an ambiguous building on a site that we do not have. He also said that the Community has to come up with fifty percent (50%) of the cost. He stated that luckily the Ravenswood Community brought in \$500,000 of the approximately \$523,000 in the Community Center fund. Vice-President Simon is concerned about the cost of running the building. President Graves said that they should wait for the Business Plan before making that decision. Catherine Kutsuris stated that Hofmann was required to post a bond for

fifty percent (50%) in 1998 and she thinks that the current value of that bond is between \$800,000 and \$850,000. The County would be able to provide those funds within a few weeks. One resident suggested that the Board appoint a new committee and use fundraisers to get more money and try to get stimulus funds from the Government. There were also questions about the Business Plans and resident Jeff Barber asked if there is another written after April 2007. He also asked if there is a precedent for a town with no general fund to get a Community Center to sure the town does not get itself buried by something that will not work. He also stated that he heard the town will rent space. He asked why no one will say that the building in question is the one at 1520 Discovery Bay Blvd. He believes that the developer is going to try and leverage that in to more development in the center of Discovery Bay. Resident Walter MacVittie asked Catherine Kutsuris that other than the conditions of approval as she described, has any other agreements been made. She responded by saying, "No." He stated that there have been a lot of rumors of agreements that have been made that have been pulled. Catherine reiterated with "No." She stated that 1998, because the developer was ready to proceed and the community not having their portion of the funds, a memorandum was issued so that the developer contribution would be based on values at that time. That allowed the Hofmann Company to be in compliance with the condition of that building permit, so that building permits could be issued. Catherine Kutsuris responded to Jeff Barber's comments by stating that she considers herself a watchdog in providing the proper separation between Community Center discussions and the ultimate recommendation on development that Hofmann has proposed on the Community Center property. She went on to say that the Community Center was included as a condition to build Discovery Bay West and it should not in any way be tied to whether the County makes a recommendation, approval or denial on the Community Center site. Resident Bill Richardson stated that there need not be a building to make a Business Plan and that the Business Plan should come first. Director Piepho stated that the reason there had not been more meetings is because the CSD was waiting on the County and the developer, who are the two (2) primaries of the condition, to help develop an opportunity for the community. Now that there are some tangible items to discuss, the CSD Board should be the ones having the meetings, not the Community Center Committee. Director Tetreault mentioned that now that we have the opportunity for an existing building and although there is not yet any commitment, it may allow the district to get in and start smaller without spending as much money as they thought they would. He stated that they could possibly use it as a Civic Center to allow for some office space and the town could possibly get a loan. He thinks this is something that could be put together; not in the same scope as was looked at before, but to look at it as "Phase I." President Graves thanked Catherine Kutsuris for attending the meeting and recognized David Lennon from the Hofmann Company to show support for their side of the agreement. President Graves stated that he thinks the Hofmann Company has good intentions to completing this and this is something everyone wants.

2. East Contra Costa Fire Protection District Committee Report – District Representative Chris Finetti provided an update on the most recent meeting which dealt with budget challenges that the fire district is facing. He said that the Fire District Board asked Chief Hugh Henderson to create five (5) scenarios. He provided a document showing the options. Chris said that he tried to get the Board to discuss revenue enhancement, however, all the scenarios included budget cuts. He will not support any station closures at this time, but feels that the Fire District Board will vote to close two (2) stations, one in Discovery Bay and the one in Byron. Director Piepho stated that the ECCFPD was asked by the Board of Supervisors to convert to an Independent Special District and if they did, none of those Council Members could serve on that Board as it would be an incompatibility of offices. He also said that the Board of Supervisors also asked them to consider trying to get a revenue enhancement. Treasurer Dawson mentioned that he would like to see a greater community presence at the next ECCFPD meeting on June 29th. One resident suggested holding a community forum in order to garner support from the community. County Supervisor Mary Piepho stated that the ECCFPD was created in the interest of providing the opportunity of building the fire district to create better opportunities for increasing public safety district wide, not to retract services and that this was built in to the resolutions that were approved by both the City of Brentwood and the City of Oakley for which some claim that they are not honoring.

Supervisor Piepho suggested that a local forum would be good, but to also to pursue advocacy in the City of Brentwood and the City of Oakley by attending their Council Meetings as a way to reach out to those citizens who do boat on the Delta and who do drive on Vasco Road and Highway J-4 and who do live beyond their own rooftops. Those residents are also directly impacted by any station closure in the district. Treasurer Dawson agrees with holding a community forum and suggested trying to utilize the School Gym for the meeting and he asked Legal Counsel Mike McGrew if the Board could hold a Special Meeting for this one (1) Agenda Item at a local school and he said that they could do that as long as it is within the district boundaries. President Graves said he would try and get the Special Meeting scheduled for Monday, June 21st.

E. REQUEST FOR BOARD CONSIDERATION

- 1. Discuss and Approve Lowest Responsive Bidder for Willow Lake Landscape Improvement Project (Perez)** – Landscape Manager Perez reviewed the Bid Results with the Board. Treasurer Dawson mentioned that the low bid was quite a bit lower than the second lowest bid and asked if Landscape Manager Perez had any concerns about the pricing difference. Manager Perez stated that she felt that the Contractor can do the project at that cost. Director Piepho made a motion to approve the contract award to Green Valley Landscaping, not to exceed \$90,000. Treasurer Dawson 2nd the motion. The motion passed with a vote of 5 ayes, 0 nos, 0 abstain.
- 2. Approval and Adoption of the Proposed Final 2010-2011 Operating and Capital Improvement Budgets for the Discovery Bay Lighting & Landscaping District Zone #8 and Zone #9 (Perez)** – Landscape Manager Perez asked for approval of the Landscape Budgets for the Zone #8 and Zone #9 Landscape Districts. She reviewed the budget items with the Board. Director Tetreault made a motion to accept the budgets as presented. Treasurer Dawson 2nd the motion. The motion passed with a vote of 5 ayes, 0 nos, 0 abstain.
- 3. Approval and Adoption of the Proposed Final 2010-2011 Operating and Capital Improvement Budgets for Water & Wastewater (Koehne)** – A corrected copy of the Budgets (not included in the Agenda Packets) were provided to the Board and the Public. President Graves opened the Public Hearing regarding the budget. Resident Walter MacVittie stated that his major concern is the Veolia cost that is an increase of approximately twenty-eight percent (28%) increase over the previous year. He stated that is close to a \$400,000 annual increase in the Operating Budget and he thinks that is too much. After addressing a few additional questions, President Graves closed the Public Hearing. Director Piepho made a motion to approve the 2010-2011 Operating and CIP Budget. Treasurer Dawson 2nd the motion. The motion passed with a vote of 5 ayes, 0 nos, 0 abstain.
- 4. Discuss and Possible Action to Approve Development of a Water Master Plan (Koehne)** – Water & Wastewater Manager Koehne reviewed the proposal with the Board which came in approximately \$68,000 less than the previous proposal because they removed the Surface Water versus Ground Water comparisons and some of the analysis associated with those comparisons. Director Piepho made a motion to accept the Water Master Plan and authorize this not to exceed \$130,000. Director Tetreault 2nd the motion. The motion passed with a vote of 5 ayes, 0 nos, 0 abstain.
- 5. Discuss and Approval of Resolution 2010-06 to Utilize One (1) District Bank Account for a Majority of the Town of Discovery Bay CSD Warrants (Koehne)** – The Final Resolution was provided at the meeting after review from legal as it was not completed in time for the Agenda Packets. Water & Wastewater Manager Koehne explained that the Resolution is a recommendation from the district's Auditor. The way the accounts are set up now, with the County paying Warrants for items over \$5,000, the district has to keep two (2) sets of books and so it is more work for staff and much more time consuming for the Auditor. The Auditor suggested that the district keep a majority of the Warrants in one spot, keeping the major funding source at

the County, and once a month, draw from the County to supply the bank with cash to cover the Warrants for that month. Director Tetreault made a motion to approve Approve Resolution 2010-06 as amended. Treasurer Dawson 2nd the motion. The motion passed with a vote of 5 ayes, 0 nos, 0 abstain.

6. Discuss and Possible Action of New Web Site Application from NIA (Koehne) – Staff is requesting Board approval to accept the launch of the new website with minor changes. General Manager Rick Howard stated that he has a few minor concerns, but overall it looks good. He would like to work with the Web Designer to make a few changes. President Graves asked Jennifer Finetti of NIA Creative of the status. She responded that as soon as she has approval, it would take a few business days to complete. Director Piepho made a motion to accept the website with minor changes. Vice-President Simon 2nd the motion. The motion passed with a vote of 4 ayes, 0 nos, and 1 abstain from Treasurer Dawson as he excused himself from this part of the meeting due to a conflict of interest.

7. Discuss and Possible Action to Request RFP's to Operate and Manage District's Water & Wastewater Facilities (Koehne) – Water & Wastewater Manager Koehne stated that when the district brought in Veolia Water in 2009, the cost was about fifty-two percent (52%) increase in the Operating Budget for that year and for this year as well. With the new proposal that Veolia has submitted to the district, the costs are from nineteen percent (19%) to twenty-five percent (25%) increase depending on the length of the contract. This is a huge impact and staff would like to see if there are other Vendors that provide like service at a lower cost. Director Tetreault stated that the increase includes additional staff which is needed, but he does agree with the process. Aaron Winer, Project Manager for Veolia Water, stated that the increase that the district had with Veolia from the previous Operator was based on the issues that the district had with the previous contractor. Resident Jeff Barber asked if a district this size can run their Water and Sewer operations without using a Contractor. Water & Wastewater Manager Koehne replied that the majority of them in this County do run their own operations. Director Tetreault made a motion to prepare the RFP for the Water & Wastewater contract. Treasurer Dawson 2nd the motion. The motion passed with a vote of 5 ayes, 0 nos, 0 abstain.

F. CHAIR REPORT

No Report.

G. DIRECTORS' COMMENTS

Treasurer Dawson attended the P-6 Zone Citizen Advisory Meeting and submitted a report. Director Piepho attended the Code Enforcement Meeting on June 3rd and submitted a report. Vice-President Simon met with Landscape Manager Perez and they talked about the Basketball Court and Splash Pad projects and he submitted a report. Director Tetreault attended the Fire Board meeting and submitted a report. He stated that President Graves, Vice-President Simon, and Treasurer Dawson also were in attendance. He also attended a Wastewater Master Plan meeting.

H. GENERAL MANAGER REPORT

General Manager Howard stated that he attended a pre-construction meeting on Monday. On a personal note, he is very happy to be here in the community and is looking forward to working with the Board, Legal, Staff, and the Public.

1. Veolia's Monthly (May) Report – Water & Wastewater Manager Koehne reviewed the report with the Board.

2. Water Meter Billing Process Changes – One issue that is slowing down billing is that the staff has to make copies of all checks and staff is looking at a device from the bank that would allow the district to scan the check in. It would be deposited and the district keeps the original check for the

record. This would save a trip to the bank as well as the time and cost associated with copying every check. Staff is also looking at using a firm who would send out the water bills for the district. That would save staff time of printing, stuffing, stamping and mailing bills from the district office. Director Piepho asked if the district charges a service fee for a reconnection. He would like to see the Board address that possibility. Water & Wastewater Manager Koehne then reported that the district has submitted a salinity study update to the Regional Board. The district alarm went off late one night, and the building was very hot, but secure. He also reported that the district is having some issues with the Well 1B rehabilitation. Work on Well 6 is coming along well. The contractor is working on the epoxy for the UV Bypass Project. The Discovery Point Sewer Replacement Project was delayed due to the Encroachment Permit with the County.

I. LEGAL COUNSEL REPORT

No Report.

J. CORRESPONDENCE-Discussion and Possible Action

1. R - Minutes of State Route 4 Bypass Authority for April 8, 2010
2. R - Minutes of Aviation Advisory Committee Meeting of April 20, 2010
3. R - Minutes of East Contra Costa Fire Protection District Board Meeting of May 3, 2010
4. R - Minutes of Transplan Committee Meeting for May 13, 2010
5. R - Minutes of Byron MAC Meeting for May 20, 2010
6. S - Letter to East Contra Costa Fire Protection District Board dated June 4, 2010

K. PUBLIC RECORD REQUESTS RECEIVED

No Public Records Requests received since June 2, 2010 Board Meeting

L. FUTURE AGENDA ITEMS (Planned)

1. Video & Audio Streaming

Director Piepho would like to schedule a Special Meeting on the Community Center.

M. ADJOURNMENT

The meeting was adjourned at 9:40p.m. to next Regular meeting of July 07, 2010 starting at 7:00pm at 1800 Willow Lake Road- Located in back of the Delta Community Presbyterian Church.

jd - 06.30.10