



TOWN OF DISCOVERY BAY

"A COMMUNITY SERVICES DISTRICT"

SDLF PLATINUM-Level of Governance

Chair Kevin Graves and Vice-Chair Ashley Porter

**NOTICE OF THE REGULAR MEETING
OF THE FINANCE COMMITTEE
OF THE TOWN OF DISCOVERY BAY
June 03, 2026 04:30 PM**

To Attend In-Person:

Discovery Bay Community Center, 1601 Discovery Bay Boulevard, Discovery Bay, CA 94505

In addition to physical attendance at the address indicated above, the Town of Discovery Bay Community Services District is offering the following teleconferencing options as an alternative means for the public to participate in this meeting:

To Attend by Zoom Webinar: <https://us06web.zoom.us/j/82820740593>

To Attend by Phone: +1 (669) 444-9171 OR +1 (719) 359-4580 & Webinar ID 82820740593

To Download Agenda Packet & Materials: <http://www.todb.ca.gov/>

A. ROLL CALL

1. Call business meeting to order at 4:30p.m.
2. Roll Call.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to 3 minutes)

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

the Committee only. Any clarifying questions from the Committee must go through the Chair. Comments from the public do not necessarily reflect the viewpoint of the Committee Members.

C. CONSENT CALENDAR

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

C.1 Approve Finance Committee DRAFT Meeting Minutes from April 1, 2026. Page 4

D. UPDATES

E. PRESENTATIONS

E.1 Bi-Monthly Presentation Page 7
Sponsor(s): Margaret Moggia, Finance Manager

F. DISCUSSION ITEMS

F.1 Discussion and Possible Recommendation to Set a Public Hearing to Page 20
Adopt the Operating and Capital Improvement Budgets for Fiscal Year
2026-2027.
Sponsor(s): Margaret Moggia, Finance Manager

F.2 Discussion and Possible Recommendation to Adopt Resolution No. 2026- Page 122
04 - Notice of Intent to Levy and Collect an Annual Assessment for the
Ravenswood Improvement District - Discovery Bay Lighting and
Landscape Zone 9 for Fiscal Year 2026-2027 and Set the Public Hearing.
Sponsor(s): Margaret Moggia, Finance Manager

F.3 Discussion and Possible Recommendation to Approve Audit Fee Page 130
Increase.
Sponsor(s): Margaret Moggia, Finance Manager

G. FUTURE AGENDA ITEMS

H. ADJOURNMENT

Adjourn to the next Regular Meeting of the Finance Committee at the Community Center located at 1601 Discovery Bay Boulevard.

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

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



**MINUTES OF THE REGULAR MEETING
OF THE FINANCE COMMITTEE
OF THE TOWN OF DISCOVERY BAY
April 01, 2026 04:30 PM**

Chair Kevin Graves and Vice-Chair Ashley Porter

A. ROLL CALL

Meeting was called to order at 4:32p.m.

Roll call was taken and all members were present, with Director Graves joining remotely.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to 3 minutes)

None.

C. CONSENT CALENDAR

Moved By Chair Kevin Graves

Seconded By Vice-Chair Ashley Porter

Motion to approve the consent calendar.

For (2): Chair Kevin Graves, and Vice-Chair Ashley Porter

Motion Carried (2 to 0)

C.1 Approve Finance Committee DRAFT Meeting Minutes from February 3, 2026.

 Motion to Approve the Consent Calendar.

D. UPDATES

D.1 Utility Billing/Tyler Update.

 Update given by Finance Manager Margaret Moggia.

- Tyler billing is scheduled for second week of April.
- Coordinating with Xpress, Caselle, Freedom Mailing.
- Director Porter asked clarifying questions on changing account numbers.

E. PRESENTATIONS

E.1 Bi Monthly Finance Committee Presentation.

Presented by Finance Manager Margaret Moggia.

- Regatta Park Dedication Funds in the amount of \$286,399 were received.
- Water:
 - \$122,574 in capacity fees will be allocated for future capital improvement projects.
 - System maintenance was above budgeted amount due to repair of leaks.
- Wastewater:
 - \$331,175 in capacity fees will be allocated for future capital improvement projects.
- Zone 8:
 - \$106,820 Community Center/Park Enhancement Fees came from developers.
 - \$150,000 of County funds are earmarked for the Community Center.
- Zone 9:
 - Actual financial results are in line with budgeted amounts.
- Capital Projects: Mobile Modular Building, Well 8, Marina Underwater Crossing, Cathodic Protection, Solar Project, Sand Point Underwater Crossing, Village Lift Station, Lift Station PLC Upgrades, Pickleball Court Conversion.
- FY 2026 completed Finance activities: Financial Transaction Reports to the State, Annual Processing of 1099 and W2, Annual Bond Disclosure.
- Upcoming/In Progress Finance Activities: Financial Software Implementation, Fiscal Year 2026-2027 Budget Development, Interim Audit.

F. DISCUSSION ITEMS

F.1 Discuss and Possible Recommendation to Adopt Resolution No. 2026-03 Authorizing the Annual Assessment of the Ravenswood Improvement District Landscape and Lighting Zone #9, and Direct Herwit Engineering to Prepare the Engineer's Assessment Report.

Presented by Finance Manager Margaret Moggia.

- There is an annual assessment conducted for the Ravenswood Improvement District.

- Herwit Engineering drafts and prepares an assessment report annually.
- Herwit would perform this work under the current contract for an amount not to exceed \$2,500.
- Committee approves moving forward with item at the Board of Directors meeting.

G. FUTURE AGENDA ITEMS

None.

H. ADJOURNMENT

Meeting was adjourned at 4:57pm.

Kelly Rajala

Finance Committee Meeting

June 3, 2026

Financial Results through April 2026

Fiscal Year 2026 Finance Activities



Fiscal Year 2026 Financial Results (General)

	Actual Through April 2026	Budget Through April 2026
County Zone Reimbursements	610,399	226,993
Interest Income / Other	2,236	5,000
Total Revenues	\$612,635	\$231,993

	Actual Through April 2026	Actual Through April 2026
Salary and Benefits	77,798	166,667
Administrative Costs	463	0
Program and Maintenance Costs	608,643	60,000
Total Expenses	\$686,904	\$226,667
Overall, Net Revenues over (Expenses)	\$(74,269)	\$5,326

Regatta Park Dedication Funds \$286,399



Fiscal Year 2026 Financial Results (Water)

	Actual Through April 2026	Budget Through April 2026
Fixed Charge	2,471,549	2,470,285
Meter Installation	224,584	279,888
Interest Income	210,593	214,081
Water Charges	2,129,737	2,393,123
Meter Charge Commercial	81,560	84,530
Capacity / Connection Fees	165,982	0
Other	16,270	14,161
Total Revenues	\$5,300,275	\$5,456,068



Fiscal Year 2026 Financial Results (Water)

	Actual Through April 2026	Budget Through April 2026
Salary and Benefits	811,567	1,019,259
Administrative Costs	504,624	441,554
Professional Services	392,282	403,589
Contract Operations	791,396	762,195
Program and Maintenance Costs	41,573	31,654
Permits	62,536	49,980
System Maintenance	1,712,699	1,248,667
Utilities	608,511	711,774
Debt Service (Payment through 12/1/2025)	402,362	400,875
Total Expenses	\$5,327,550	\$5,069,547
Overall, Net Revenues over Expenses	\$(27,275)	\$386,521



Fiscal Year 2026 Financial Results (Wastewater)

Item E.1

	Actual Through April 2026	Budget Through April 2026
Fixed Charge	6,575,116	6,422,000
Sewer Charge	107,794	87,230
Interest Income	330,416	204,085
Capacity / Connection Fees	442,047	0
Other	4,960	9,996
Total Revenues	\$7,460,333	\$6,723,311



Fiscal Year 2026 Financial Results

(Wastewater)

Item E.1

	Actual Through April 2026	Budget Through April 2026
Salary and Benefits	589,076	736,622
Administrative Costs	526,204	547,665
Professional Services	164,765	182,844
Contract Operations	1,187,093	1,141,210
Program and Maintenance Costs	20,854	22,491
Permits	61,511	116,620
System Maintenance	577,324	535,619
Utilities	656,115	746,793
Debt Service (Payment Paid 12/1/2025)	1,233,293	1,242,345
Total Expenses	\$5,016,235	\$5,273,209
Overall, Net Revenues over Expenses	\$2,444,098	\$1,450,102



Fiscal Year 2026 Financial Results (Zone 8)

	Actual Through April 2026	Budget Through April 2026
Property Tax (First installment on 12/1/25)	860,322	861,080
Community Center Program Fees	35,371	63,145
County Reimburse	80,921	59,976
Rentals	14,385	33,320
Community Center/Park Enhancement Fee	141,260	0
Interest	22,407	42,483
Other / Contributions *	275,616	12,914
Total Revenues	\$1,430,282	\$1,072,918

* County funds of \$150,000 earmarked for Community Center



Fiscal Year 2026 Financial Results (Zone 8)

	Actual Through April 2026	Budget Through April 2026
Salary and Benefits	500,158	561,275
Administrative Costs	64,329	111,131
Professional Services	12,568	8,747
Program and Maintenance Costs	147,268	137,862
Permits	1,844	833
Utilities	152,213	172,431
Capital Outlay	174,857	412,335
Total Expenses	\$1,053,237	\$1,404,614
Overall, Net Revenues over Expenses	\$377,045	\$(331,698)



Fiscal Year 2026 Financial Results (Zone 9)

	Actual Through April 2026	Budget Through April 2026
Assessment Income	164,534	164,445
Interest Income	5,141	9,163
County Reimburse	15,915	14,994
Total Revenues	\$185,590	\$188,602

	Actual Through April 2026	Budget Through April 2026
Salary and Benefits	64,387	52,479
Administrative Costs	17,228	19,995
Professional Services	5,619	4,748
Program and Maintenance Costs	47,350	50,147
Utilities	17,490	20,159
Total Expenses	\$152,074	\$147,528
Overall, Net Revenues over Expenses	\$33,516	\$41,074



FY 2026 Capital Projects

Administration Building

Mobile Modular Building \$ 1,655,999

Water Capital Improvement Projects

Well 8 \$ 5,606,591

Marina Underwater Crossing \$ 486,408

Cathodic Protection \$ 159,787

Solar Project \$ 240,970

Sand Point Underwater Crossing \$ 244,492



FY 2026 Capital Projects

Waste Water Capital Improvement Projects

Village Lift Station	\$929,573
Lift Station PLC Upgrades	\$122,513
Miscellaneous Projects	\$257,872

Landscape Projects

None currently

Community Center / Parks

Pickleball Court Conversion *	\$165,500
Community Center Synthetic Turf	\$ 53,570

* Contribution of \$120K received from DB Recreation and Sports



FY 2025 Debt Portfolio

December 1 - Principal and Interest Payment
 June 1 – Interest Payment

Item E.1

	2017	2022	2022B (Refunded 2012)
Original Debt Issuance	\$8,825,000	\$16,860,000	\$11,650,000
Current Debt Outstanding	\$7,200,000	\$15,860,000	\$9,942,000
All In Total Interest Cost %	3.9281%	4.1924%	3.6837%
Final Maturity	12/1/2047	12/1/2052	12/1/2042



Water Construction Proceeds - \$0.8M
 Wastewater Construction Proceeds - \$0M

Fiscal Year 2026 Finance Activities

Completed This Period

- Financial Software Implementation – Utility Billing
- Fiscal Year 2026-2027 Budget Workshop

Upcoming/In Progress

- Financial Software Implementation
 - Modules in progress: Fixed Assets
- Fiscal Year 2026-2027 Budget Adoption
- Zone 9 Engineer's Report
- Interim Audit





Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Agenda Title: Discussion and Possible Action to Set Public Hearing to Adopt the Operating and Capital Improvement Budgets for Fiscal Year 2026-2027.

Meeting Date: June 3, 2026

Prepared By: Margaret Moggia, Finance Manager

Submitted By: Dina Breitstein, General Manager

RECOMMENDED ACTION:

Staff recommends that the Board of Directors take the following action:

Set the Public Hearing for June 17, 2026, at 7:00pm located at 1601 Discovery Bay Boulevard to consider the adoption of the Fiscal Year 2026-2027 Operating and Capital Budget through Resolution No. 2026-08.

EXECUTIVE SUMMARY:

At the [Board Meeting](#) on May 5, 2026, the Board of Directors reviewed the preliminary Fiscal Year 2026-27 budget and provided input to staff on the Town of Discovery Bay’s revenue and expenditure plans for the coming fiscal year. Staff also highlighted key budget drivers, including the results of the Classification and Compensation Study, updates to the Capital Budget, and alignment with Discovery Bay’s new mission and vision.

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

Challenge	Response
Public awareness on District Funding /Programs	Increased communications of District activities through presentations and social media
Operational costs outpacing cost of living increases	Identified projects to reduce operational costs
Address capital investment and asset renewal	Evaluated and prioritized capital project timing
Limited revenue increases necessary to support program and capital investment	Address funding requirements for identified projects Defer projects until funding source is identified
Address of Retention of Staff	Completed Classification & Compensation Study Updated Personnel Policy

To highlight the operating impact of each fund, the table below shows the fiscal year 2026-2027.

Fiscal Year 2026-2027 by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Assessment Income					179,750	\$ 179,750
County Reimbursement	217,500			90,000	22,000	\$ 329,500
Program Revenues				53,000		\$ 53,000
Interest Income	2,000	80,000	150,000	42,000	9,000	\$ 283,000
Commercial Revenues		119,000				\$ 119,000
Meter Installation		336,000				\$ 336,000
Grants				95,000		\$ 95,000
Other		43,000	12,000	135,000		\$ 190,000
Rentals				45,000		\$ 45,000
Secured Property Tax				946,680		\$ 946,680
Commercial Sewer Revenues			118,000			\$ 118,000
Wastewater Account Charge			7,270,000			\$ 7,270,000
Water Charges		3,250,000				\$ 3,250,000
Water Account Charge		2,925,000		-	-	\$ 2,925,000
Total	\$ 219,500	\$ 6,753,000	\$ 7,550,000	\$ 1,406,680	\$ 210,750	\$ 16,139,930

Fiscal Year 2026-2027 by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Administrative Costs		585,250	663,050	138,350	28,150	\$ 1,414,800
Chemicals		150,000				\$ 150,000
Consulting		488,800	172,000			\$ 660,800
Contract Operations		1,048,300	1,483,800			\$ 2,532,100
Debt Service		538,500	1,801,600			\$ 2,340,100
Program and Maintenance Costs	41,000	-		133,300	60,100	\$ 234,400
Permits		75,000	70,000			\$ 145,000
Salary and Benefits	176,500	1,195,700	957,550	704,600	88,800	\$ 3,123,150
System Maintenance		1,788,800	488,000			\$ 2,276,800
Utilities		755,000	875,000	229,500	24,950	\$ 1,884,450
Capital Outlay	-	-	-	221,000	-	\$ 221,000
Total	\$ 217,500	\$ 6,625,350	\$ 6,511,000	\$ 1,426,750	\$ 202,000	\$ 14,982,600
Net Change	\$ 2,000	\$ 127,650	\$ 1,039,000	\$ (20,070)	\$ 8,750	\$ 1,157,330

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

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

Capital Projects / Expenditures	FY 26/27	FY 27/28	FY 28/29	FY29/30	FY30/31
Water	11,221,400	4,025,000	4,100,000	8,500,000	4,091,000
Wastewater	8,557,150	775,000	425,000	1,425,000	425,000
Zone 8	221,000	35,000	35,000	113,000	35,000
Zone 9	-	-	10,000	12,000	-
Total Costs	19,999,550	4,835,000	4,570,000	10,050,000	4,551,000
Funding Source	FY 26/27	FY 27/28	FY 28/29	FY29/30	FY30/31
Reserves	10,617,150	1,085,000	470,000	1,550,000	1,051,000
Grants	95,000				
California Energy Commission Loan	2,845,000	-	-	-	-
Future debt	6,442,400	3,750,000	4,100,000	8,500,000	3,500,000
Total Costs	19,999,550	4,835,000	4,570,000	10,050,000	4,551,000

Changes to May 5, 2026 Fiscal Year 2026-2027 Draft Budget:

- Update estimated revenues for Zone 8 Ad Valorem based on Department of Finance annual notice
- Updated Zone 9 Assessment revenues based on Engineer’s Report.

At the Board meeting on June 17, 2026, staff recommends that the Board President opens the public hearing on Fiscal Year 2026-2027 Operating and Capital Improvement Budgets, accept any public comments, close the public hearing, and adopt Resolution.

FISCAL IMPACT:

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

PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

May 5, 2026 – Special Board Meeting – Budget Workshop

ATTACHMENTS:

Proposed Fiscal Year 2026-2027 Budget.



FISCAL YEAR 2026-2027 OPERATING BUDGET

Final Draft



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

1800 Willow Lake Road, Discovery Bay, CA 94505

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www.todb.ca.gov



— THE TOWN OF —
DISCOVERY BAY
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Section 1:

General Manager's Message





TOWN OF DISCOVERY BAY

LF Platinum-Level of Governance



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

GENERAL MANAGER'S MESSAGE

June 17, 2026

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, 2026, through June 30, 2027. 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.

As a steward to the residents and business of Discovery Bay, the budget has been developed to demonstrate the district's financial plan that outlines expected income and expenses and serves as a roadmap to manage resources effectively, deliver services and programs un and achieve programs and capital investment Its purpose with the goal of meeting the mission and vision established by the Board of Directors. 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. The District's budget includes specified goals to ensure a unified effort and sets forth a work plan for the year.

In December 2025, the General Manager with the senior management discussed a variety of topics to highlight achievements and to build upon and guide future planning. The management team discussed organizational alignment, strategic communications and planning, and showcase new tools and resources to support district operations and programs. The outcome from this multi-day planning was an updated mission statement with revised goals and vision.

Effective Governance and Fiscal Responsibility

Through board meetings and workshops, the Board and management can communicate and collaborate on the appropriate decision to be responsive to district operations and community engagement. The board holds its annual strategic planning meeting in March to hear highlights and planned efforts, and a update from legal counsel on the governing rules for elected officials. The district also ensures that the board is compliant with state requirements including the new SB827 legislation requiring two hours of fiscal training

effective as of January 1, 2026. On a bi-monthly basis, Finance provides a bimonthly report that shares the budget versus actual results and the department's activities to ensure compliance with continuing disclosure requirements, state reporting requirements for financial transactions and compensation reports and other state debt reporting requirements.

Workplace Development and Organization Planning

During the prior year, the District completed a comprehensive classification and compensation study. The study replaces the last report completed over 10 years ago that modernizes job descriptions and adjusted compensation to be more competitive than with peer agencies. The impact of those changes has been incorporated into the Fiscal year 2026-2027. The other aspect of staff retention included a major overhaul of its personnel manual (Policy #005) in early 2026 to address more competitive benefits. This important step will address employee retention with current employees and attract new employees. This is in direct response to recent years when the district saw the departure of a handful of employees of its approximately 20 personnel.

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, welcome individuals to the community center for program activities, and maintain community landscape and parks. In addition to creating an employer of choice environment, the District has been evaluating certain external contracted services and saw the cost benefit of bringing these job duties in house to gain year around benefits while also increasing service delivery. Last year, the district successfully hired a full-time landscape maintenance worker to replace the conservation corps. For the upcoming year, the district plans to hire a Maintenance and Janitorial Worker to replace a contract. There has been no change in funds or programming.

Customer Satisfaction and Community Engagement

Beginning in the summer of 2025, staff began evaluating its communications efforts to recommend to the Board a series of improvements to increase awareness of district activities. This included the redesign of the district's website, more intentional engagement through social media and the creation of a quarterly newsletter. These efforts are reflected in bi-monthly updates to the Communications committee and through the Communications Strategic Plan. The plan is to bring a communications policy and realign the administrative assistant position when the position is recruited in summer 2026. The District also invested in eScribe, an agenda management system that more easily disseminates information for interested parties, and the focus for upcoming board presentations is to bring more comprehensive updates on project status and fiscal impact. One area of exploration is how to showcase district projects to stakeholders and other interested parties to identify where potential funding support may be possible.

Infrastructure Reliability and Safety

For the upcoming year, the District continues its pursuit to deliver focused projects and cost-effective business practices. The completion of the Willow Filter project in summer 2025 and the recent completion of Well 8 represent a couple of key examples of infrastructure reliability and to be available to meet current and near-term future expansion of subdivisions within the service area. To respond to permit requirements and safeguard district facilities, the district completed its security fencing and gate entrance around the wastewater and water treatment facilities. The District has also begun implementing its cross connect program on the water system to adhere to the new state requirements.

Energy price increases have seen year-over-year increases resulting in higher operating costs for both water and wastewater operations budget. Through the contract operators, the district was able to secure 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.

Through the efforts of staff to record each asset into a new geographic information system (GIS), this information will provide important characteristics that will allow the District to better understand the investment, the location, and the condition assessment of the component. During the past year, the district has experienced over 40 leaks throughout its distribution line. This has resulted in emergency repairs that have had a major impact on its operation budget with nearly doubling costs over the past five years.

With the final design of the Newport and Sandpoint underwater crossing complete, the district will initiate bidding and begin construction of this important water infrastructure project. In addition, the district plans to begin planning the replacement of the main line pipeline throughout the service area with anticipation of annual investment each year for the foreseeable future. For the wastewater facilities, there is a collection of individual projects that are currently at 85% design and will be bidden together to see if each of these important reliability projects can be completed. These projects help with more effective operations from a new vac truck station, belt press and solar dryers.

Long Term Planning for Future Sustainability

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 of the current reserve policy.

For the water and wastewater funds, the rate study helps guide the District of the necessary revenue requirement to establish the rates and charges for the next five years. 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.

Pressure on increasing operating expenses is impacting on the district's ability to set aside earnings to fund its revolving funds. This is causing the district to revisit the timing of non-essential projects. While the district has been able to see positive returns, these are the result of one-time developer fees from the new subdivisions and used toward capital projects. One example is the use of the community center fee to replace the tennis courts from 2014. The predictability of these developer funds is not known from one year to the next year, and so they are not budgeted. However, Zone 8 and Zone 9 large landscape projects have been deferred until there is a clearer picture of the potential funding sources to support the needed investment.

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. The district has shared its five-year plan to provide a long-term view of the necessary investment in infrastructure. Staff continue to evaluate its water and wastewater facilities and may adjust its forecast based on business operations and other identified efficiencies.

Overall Fiscal 2026-2027 Budget Summary

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 2026-2027 operating revenues across all funds represent approximately \$16.1 million (without funds transfer for debt service) and Fiscal Year 2026-2027 operating expenses represent approximately \$15.0 Million. The capital investment for Fiscal Year 2026-2027 represents another \$19.8 Million (approximately) for water and wastewater, and a small capital outlay of the lighting and landscaping funds for community center improvements. 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 delivery 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 Excellence Award
Fiscal Year 2025-2026***

Presented to the

Town of Discovery Bay

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

February 5, 2026



Jennifer Wakeman

*Jennifer Wakeman
2025 CSMFO President*

James Russell-Field

*James Russell-Field, Chair
Recognition Committee*

Dedicated to Excellence in Municipal Financial Reporting

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.

The 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:

- California Special District Association District of Distinction
- California Special District Association 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 for 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 serving seven (7) residential developments: Discovery Bay West (Villages 1, 2, 3, and 4, and Ravenswood), as well as two (2) older developments (Discovery Bay Proper and Centex). The District currently owns and operates five (5) water production wells located throughout the service area, with a combined production capacity of approximately 7 million gallons per day. Raw water is treated at three (2) water treatment facilities, with a total treated water storage capacity of 2.2 million gallons for customer distribution. The total annual water demand in Discovery Bay is approximately 900 million gallons, equivalent to an average daily demand of 2.2 million gallons. The system's current production capacity is approximately 6.6 million gallons per day.

In the upcoming fiscal year, the District expects to complete the Well 8 project, which will significantly increase water supply and system reliability. In addition to adding new groundwater production capacity, Well 8 will function as a third water treatment facility, providing redundancy within the system and enhancing operational flexibility. This added capacity will help the District better meet peak demand periods, support ongoing and future development, and improve resiliency in the event of outages or maintenance at existing wells and treatment facilities.

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 24 full-time staff and seasonal staff.



2026 TODB Board of Directors

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

Special Board Planning Meeting

1

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.



NEW: Mission, Vision, Goals and Values

Mission: To provide effective and fiscally responsible municipal services that enhance the quality of life, ensure reliable and safe drinking water, promote community engagement through parks and recreation, and uphold environmental stewardship. The Town of Discovery Bay is committed to organizational sustainability and to working in partnership with residents and stakeholders to foster a thriving and connected community.

Vision/Goals:

- Long-term planning for future sustainability
- Infrastructure Reliability and Safety
- Customer Satisfaction and Community Engagement
- Effective Governance & Fiscal Responsibility
- Workforce Development and Organizational Planning

Values:

- Integrity and ethical conduct
- Fairness and equity
- Service to the community
- Openness and transparency
- Accountability for results and resources
- Professionalism and merit
- Excellence and continuous improvement

In December 2025, the District management team met to review the current mission, vision, goals and values and recommended the above new language was acknowledged at the March 2026 board planning meeting. 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.

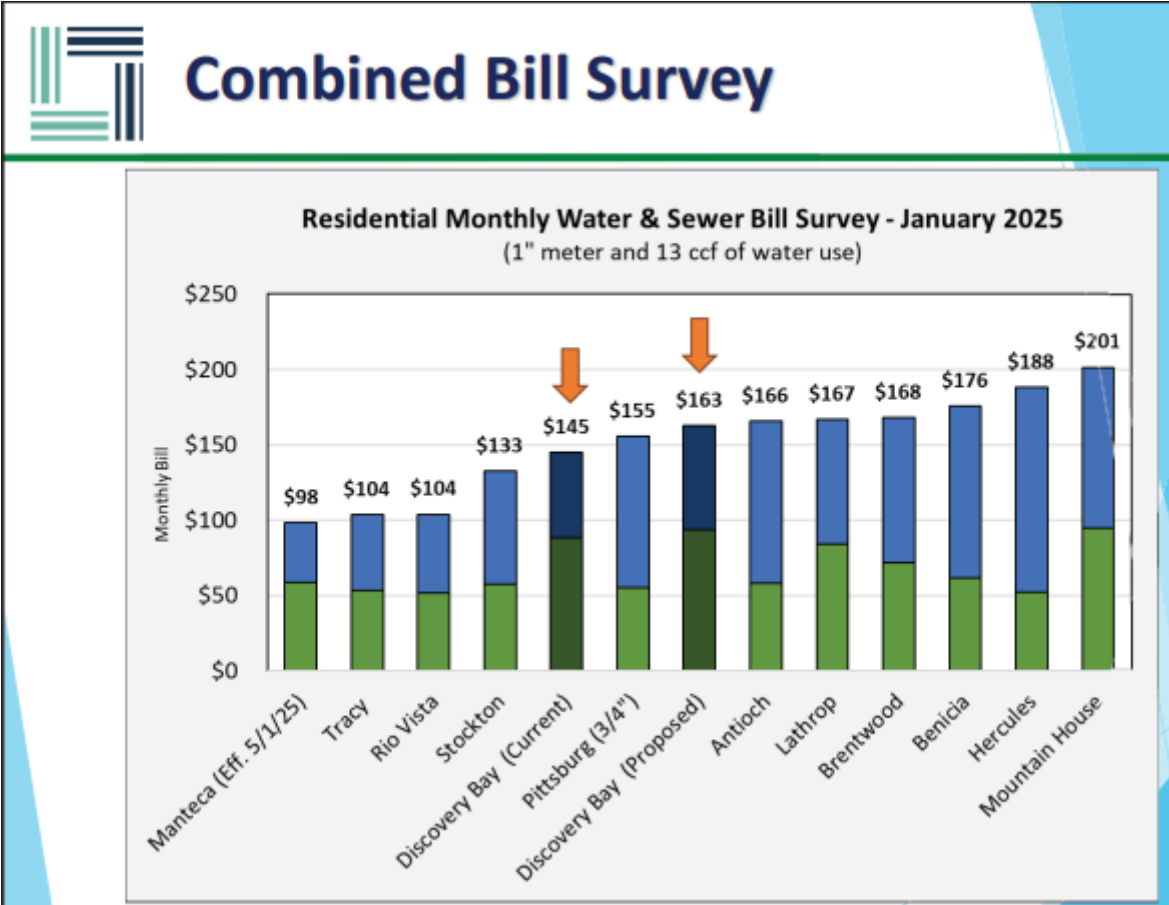
Demographics

To best meet the demands of the District’s water and wastewater customers, an understanding of the customer types provides the District meaningful information. District experiences an increase of 40 meters.

Water and Wastewater Operations

Meters Count by Type		Meter Sizes		
Commercial	44	}	¾ inch	1,723
Irrigation	93		1 inch	4,380
Residential	<u>6,067</u>		1 ½ inch	34
Total	6,204		>2 inch	67

Comparison to Local Jurisdictions (from 2025 Rate Study)

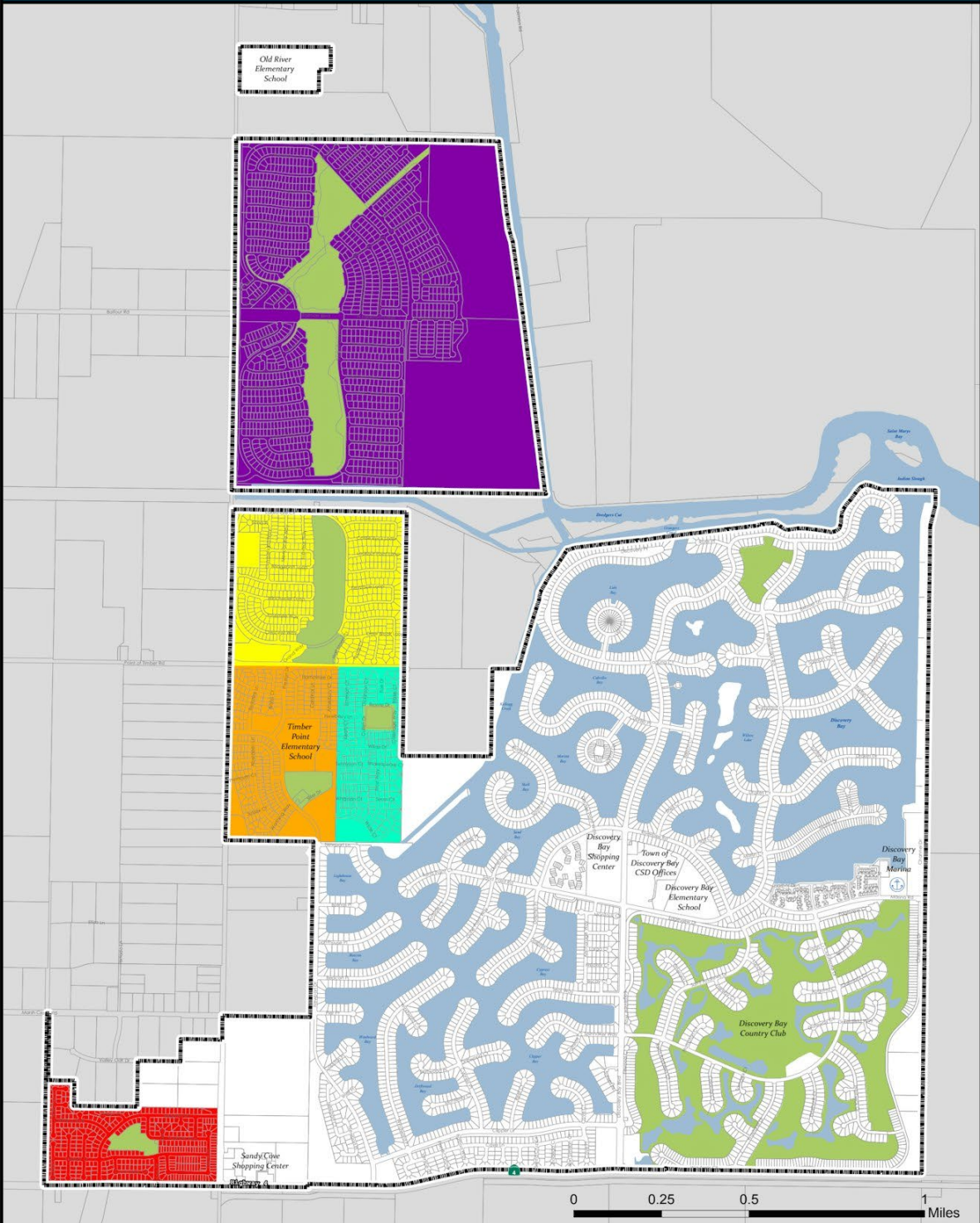


Parks and Recreation Programs

District facilities continue to see strong community use.

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

Discovery Bay Neighborhoods



Subdivision Name

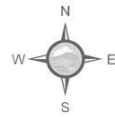
- Centex
- Discovery Bay West Village 1
- Lakeshore

- Ravenswood
- The Lakes at Discovery Bay

Discovery Bay CSD Referral Area

■ Parks

Map prepared by Discovery Bay CSD
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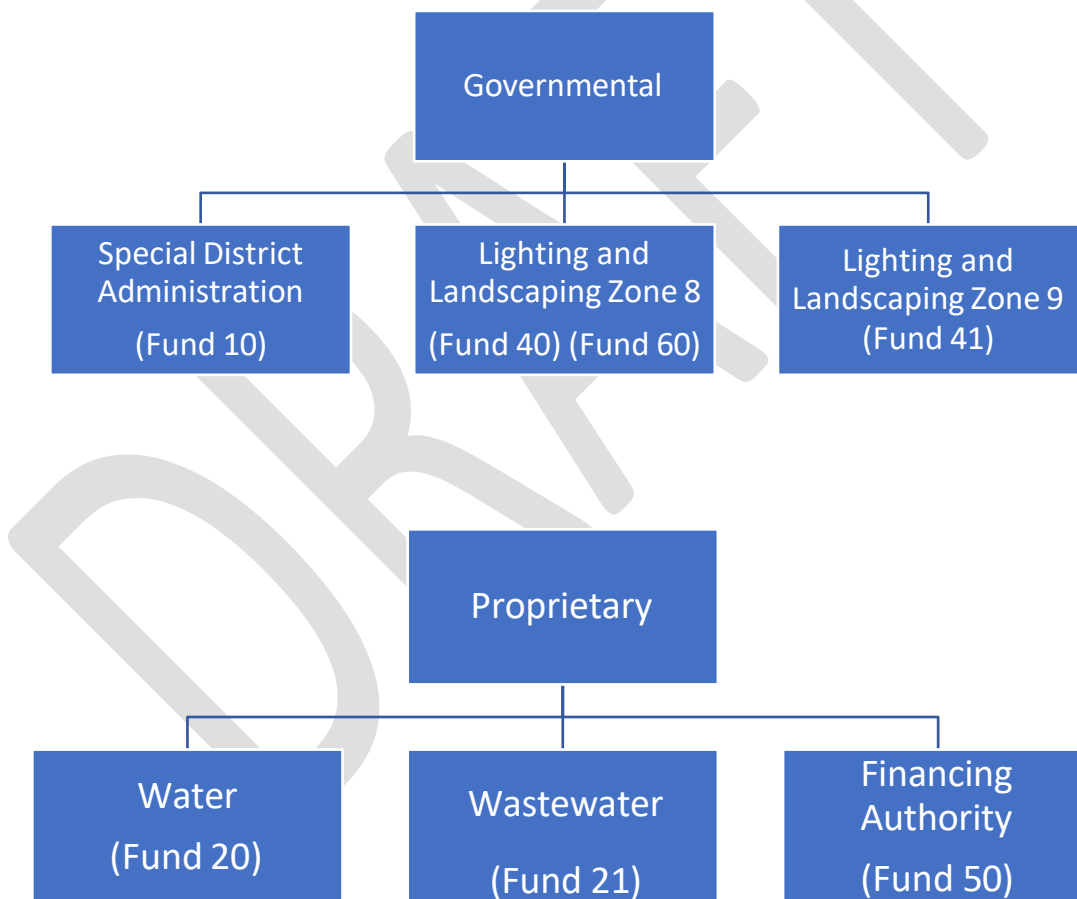
Section 3: Financial Overview & Summary



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 2026-2027. 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	\$ 19,833,476	\$ 18,335,008
Description	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projected	FY 2027 Budget
Assessment Income	150,634	158,161	164,791	170,999	173,171	179,750
County Reimbursement	162,877	145,869	230,020	387,102	118,500	329,500
Program Fees	30,218	79,332	76,180	79,736	53,500	53,000
Interest Income	-	184,388	905,025	1,067,931	355,000	283,000
Meter Charge - Commercial	88,288	89,455	89,286	90,854	62,000	119,000
Meter Installation	336,196	335,409	334,650	335,977	336,000	336,000
External Funding/Construction Proceeds	-	-	-	-	-	9,382,400
Other	288,208	455,600	1,086,268	1,946,638	623,584	190,000
Rentals	40,028	43,965	44,210	59,372	40,000	45,000
Secured Property Tax	763,243	828,881	856,834	890,529	905,354	946,680
Sewer Charge - Commercial	114,535	116,124	163,999	204,201	212,000	118,000
Wastewater Account Charge	6,087,297	6,182,320	6,278,074	6,472,872	6,920,580	7,270,000
Water Charges	2,808,584	2,814,278	2,495,806	3,157,493	3,040,000	3,250,000
Water Account Charge	1,574,060	1,604,898	1,632,676	1,717,193	2,601,924	2,925,000
Total Town Revenues	\$ 12,444,168	\$ 13,038,680	\$ 14,357,819	\$ 16,580,897	\$ 15,441,613	\$ 25,427,330
Description	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projected	FY 2027 Budget
Administrative Costs	898,733	1,041,767	1,151,080	1,542,380	1,209,615	1,414,800
Chemicals	36,586	59,125	106,146	61,789	180,000	150,000
Capital Outlay	6,856,450	2,195,673	1,814,175	5,684,025	3,773,566	19,999,550
Consulting	460,988	347,396	341,985	714,361	537,000	660,800
Contract Operations	2,732,969	2,583,042	2,698,308	2,813,058	2,305,000	2,532,100
Debt Service	1,348,517	2,326,897	2,335,428	2,334,961	2,335,000	2,340,100
Program and Maintenance Costs	260,691	200,124	326,565	401,945	202,300	234,400
Permits	105,406	214,024	275,544	128,874	205,000	145,000
Salary and Benefits	1,688,551	1,962,826	1,881,850	1,819,006	2,478,400	3,123,150
System Maintenance	1,160,341	1,486,365	1,258,379	1,963,998	2,003,200	2,276,800
Utilities	1,295,776	1,574,877	1,548,168	1,995,766	1,711,000	1,884,450
Total Town Expenses	\$ 16,845,008	\$ 13,992,116	\$ 13,737,628	\$ 19,460,163	\$ 16,940,081	\$ 34,761,150
Net Revenues	\$ (4,400,840)	\$ (953,436)	\$ 620,191	\$ (2,879,266)	\$ (1,498,468)	\$ (9,333,820)
Fund Balance, June 30	\$ 23,045,987	\$ 22,092,551	\$ 22,712,742	\$ 19,833,476	\$ 18,335,008	\$ 9,001,188
Fund Balance Reconciliation by Fund (Cash Basis)						
Beginning Fund Balance, July 1	27,446,827	\$ 23,045,987	\$ 22,092,551	\$ 22,712,742	\$ 19,833,476	\$ 18,335,008
Sources of Revenues by Fund	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projected	FY 2027 Budget
General Administration	76,060	88,808	150,056	320,796	278,500	219,500
Water	4,928,379	5,163,112	5,356,003	6,411,858	7,620,509	16,040,400
Wastewater	6,286,061	6,552,967	7,249,069	7,877,185	7,477,976	7,550,000
Zone 8	982,346	1,061,641	1,410,477	1,768,836	1,460,614	1,406,680
Zone 9	171,322	172,152	192,214	202,223	202,171	210,750
Total Revenues	12,444,168	13,038,680	14,357,819	16,580,898	17,039,770	25,427,330
Uses by Fund	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projected	FY 2027 Budget
General Administration	65,928	78,676	209,602	225,601	272,500	217,500
Water	6,673,040	5,587,817	5,792,984	9,468,075	8,312,836	17,846,750
Wastewater	8,840,422	7,025,391	5,985,369	7,459,550	8,424,886	15,068,150
Zone 8	1,158,748	1,159,044	1,604,221	1,922,957	1,332,575	1,426,750
Zone 9	106,870	141,188	145,452	383,981	195,440	202,000
Total Expenditures/Expenses	16,845,008	13,992,116	13,737,628	19,460,164	18,538,238	34,761,150
Net Revenues	\$ (4,400,840)	\$ (953,436)	\$ 620,191	\$ (2,879,266)	\$ (1,498,468)	\$ (9,333,820)
Fund Balance, June 30	\$ 23,045,987	\$ 22,092,551	\$ 22,712,742	\$ 19,833,476	\$ 18,335,008	\$ 9,001,188

Overall, the total Fiscal Year 2026-2027 revenues and expenditures/expenses are shown below

Description	2026 Revenues	2027 Revenues	% of Total
Assessment Income	173,100	179,750	1%
County Reimbursement	362,500	329,500	2%
Program Fees	75,000	53,000	0%
Interest Income	570,000	283,000	2%
Meter Charge - Commercial	107,000	119,000	1%
Meter Installation	336,000	336,000	2%
Grants	-	95,000	1%
Other	75,500	190,000	1%
Rentals	40,000	45,000	0%
Secured Property Tax	906,400	946,680	6%
Sewer Charge - Commercial	110,000	118,000	1%
Wastewater Account Charge	6,760,000	7,270,000	45%
Water Charges	3,035,000	3,250,000	20%
Water Account Charge	2,600,300	2,925,000	18%
Total Town Revenues	\$ 15,150,800	\$ 16,139,930	100%

Description	2026 Expenses	2027 Expenses	% of Total
Administrative Costs	1,281,900	1,414,800	9%
Chemicals	145,000	150,000	1%
Consulting	704,000	660,800	4%
Contract Operations	2,285,000	2,532,100	17%
Debt Service	2,335,000	2,340,100	16%
Program and Maintenance Costs	299,200	234,400	2%
Permits	200,000	145,000	1%
Salary and Benefits	3,044,700	3,123,150	21%
System Maintenance	2,032,000	2,276,800	15%
Utilities	2,071,600	1,884,450	13%
Capital Outlay	495,000	221,000	1%
Total Town Expenses	\$ 14,893,400	\$ 14,982,600	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
Effective Governance & Fiscal Responsibility	<ul style="list-style-type: none"> • Ensure transparent, ethical, and accountable governance practices. • Maintain balanced budgets and responsible financial management. • Align financial decisions with strategic priorities. 	<ul style="list-style-type: none"> • Deliver budgets that are clear, accurate, and aligned with goals. • Review expenditure vs. budget reports monthly. • Review policies and procedures for compliance and effectiveness.
Customer Satisfaction & Community Engagement	<ul style="list-style-type: none"> • Enhance communication and responsiveness to community. • Increase public participation in district programs and decision-making. • Strengthen relationships with community partners and stakeholders. 	<ul style="list-style-type: none"> • Track and respond to customer inquiries and service requests in a timely manner. • Implement and monitor the District’s Communication Strategic Plan. • Increase participation in public meetings, workshops, and community programs.
Infrastructure Reliability & Safety	<ul style="list-style-type: none"> • Prioritize and evaluate needed capital investments. • Ensure compliance with all safety standards and regulations. • Minimize service disruptions through proactive planning. 	<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.
Workforce Development & Organizational Planning	<ul style="list-style-type: none"> • Recruit, retain, and develop a skilled and diverse workforce. • Provide ongoing training and professional development opportunities. • Plan for succession and long-term staffing needs. 	<ul style="list-style-type: none"> • Monitor employee retention, recruitment, and vacancy rates. • Evaluate district total compensation package annually. • Conduct regular performance evaluations and feedback sessions. • Update and implement succession and workforce plans
Long-term Planning for Future Sustainability	<ul style="list-style-type: none"> • Develop and maintain a comprehensive long-term strategic plan. • Align long-term planning efforts with community needs and growth trends. • Advance policies and programs that support sustainable resource use and long-term resiliency. 	<ul style="list-style-type: none"> • Update and track progress on the District’s strategic plan on an annual basis. • Monitor key growth, demand, and development trends to inform long-term planning decisions.

FINANCIAL POLICIES SUMMARY

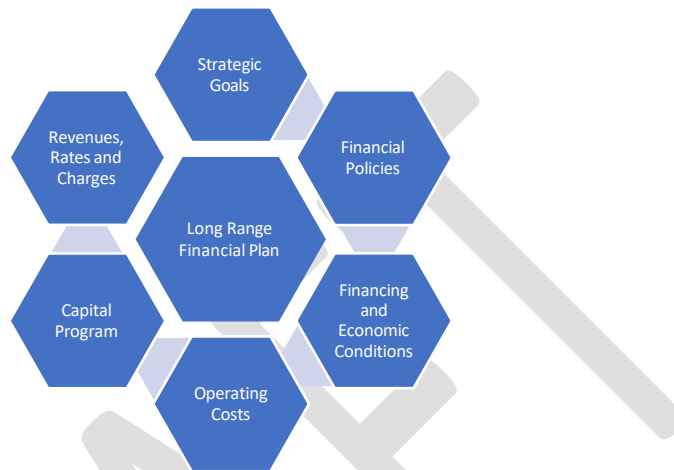
The District maintains certain financial policies to manage its investments, debt, and reserves. Those policies can be found on the [website](#) and are highlighted below. The District staff will periodically review and ensure that best practices are followed and updated, as appropriate, for changes in market conditions. Any changes to the policies require Board approval which are handled through a resolution. For the upcoming fiscal year, staff plan 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 have begun 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 period. 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 2027	FY 2028	FY 2029	FY 2030	FY 2031
	Budget	Projected	Projected	Projected	Projected
Water Account Charge (a)	2,925,000	3,276,000	3,669,120	4,109,414	4,602,544
Meter Installation (a)	336,000	-	-	-	-
Interest Income (b)	80,000	82,400	84,872	87,418	90,041
Water Charges (a)	3,250,000	3,640,000	4,076,800	4,566,016	5,113,938
Meter Charge - Commercial (a)	119,000	133,280	149,274	167,186	187,249
Other	43,000	50,000	50,000	50,000	50,000
Total Revenues	6,753,000	7,181,680	8,030,066	8,980,035	10,043,772
Salary and Benefits (c)	1,195,700	1,231,571	1,268,518	1,306,574	1,345,771
Consulting	488,800	503,464	518,568	534,125	550,149
Contract Operations	1,048,300	1,079,749	1,112,141	1,145,506	1,179,871
Utilities (d)	755,000	815,400	880,632	951,083	1,027,169
Chemicals	150,000	154,500	159,135	163,909	168,826
System Maintenance (e)	1,788,800	1,914,016	2,047,997	2,191,357	2,344,752
Administrative Costs	585,250	602,808	620,892	639,518	658,704
Debt Service (f)	538,500	543,000	909,600	1,509,100	1,910,600
Permits	75,000	77,250	79,568	81,955	84,413
Total Expenses	6,625,350	6,921,758	7,597,051	8,523,126	9,270,255
Changes in Net Position / Available for					
Future Investment	127,650	259,922	433,015	456,909	773,516
Operating Income (Loss), before Debt Service	666,150	802,922	1,342,615	1,966,009	2,684,116
Debt Coverage Ratio	1.24	1.48	1.48	1.30	1.40
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 3%					
(d) Utility expenses are expected to increase 8% to reflect a long term trend					
(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 2027	FY 2028	FY 2029	FY 2030	FY 2031
	Budget	Projected	Projected	Projected	Projected
Wastewater Fixed Charge (a)	7,270,000	7,706,200	8,168,572	8,658,686	9,178,207
Sewer Charge - Commercial (a)	118,000	125,080	132,585	140,540	148,972
Interest Income (b)	150,000	154,500	159,135	163,909	168,826
Other	12,000	12,000	12,000	12,000	12,000
Total Revenues	7,550,000	7,997,780	8,472,292	8,975,135	9,508,006
Salary and Benefits (c)	957,550	986,277	1,015,865	1,046,341	1,077,731
Consulting	172,000	177,160	182,475	187,949	193,588
Contract Operations	1,483,800	1,528,314	1,574,163	1,621,388	1,670,030
Utilities (d)	875,000	945,000	1,020,600	1,102,248	1,190,428
System Maintenance (e)	488,000	522,160	558,711	597,821	639,668
Administrative Costs	663,050	682,942	703,430	724,533	746,269
Debt Service (f)	1,801,600	1,810,000	1,809,000	1,809,000	1,809,000
Permits	70,000	72,100	74,263	76,491	78,786
Total Expenses	6,511,000	6,723,952	6,938,507	7,165,771	7,405,499
Changes in Net Position / Available for Future Investment					
Investment	1,039,000	1,273,828	1,533,784	1,809,364	2,102,507
Operating Income (Loss), before Debt Service	2,840,600	3,083,828	3,342,784	3,618,364	3,911,507
Debt Coverage Ratio	1.58	1.70	1.85	2.00	2.16
Assumptions					
(a) Wastewater revenues are anticipated to increase by 6% 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 3%					
(d) Utility expenses are expected to increase 8% to reflect a long term trend					
(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 2027 Budget	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Secured Property Tax	946,680	975,080	1,004,333	1,034,463	1,065,497
Community Center Program Fees	53,000	54,590	56,228	57,915	59,652
Grant Funding	95,000	-	-	-	-
County Reimbursement	90,000	92,700	95,481	98,345	101,296
Rentals	45,000	46,350	47,741	49,173	50,648
Interest	42,000	43,260	44,558	45,895	47,271
Other/Reserves	135,000	15,500	15,501	15,502	15,503
Total Revenues (a)	1,406,680	1,227,480	1,263,841	1,301,292	1,339,867
Salary and Benefits (b)	704,600	725,738	747,510	769,935	793,034
Administrative Costs	138,350	142,501	146,776	151,179	155,714
Maintenance	133,300	137,299	141,418	145,661	150,030
Utilities (b)	229,500	236,385	243,477	250,781	258,304
Capital Outlay	221,000	-	-	-	-
Total Expenditures	1,426,750	1,241,923	1,279,180	1,317,556	1,357,082
Net Income (Loss)	(20,070)	(14,442)	(15,339)	(16,264)	(17,216)
Assumptions					
(a) Revenues are assumed to increase on average 3% per annum					
(b) Expense are anticipated to increase 3% per annum					

ZONE 9 – 5 YEAR FORECAST

Financial Forecast					
	FY 2027 Budget	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Assessment Income	179,750	185,143	190,697	196,418	202,310
Interest	9,000	9,270	9,548	9,835	10,130
Other	22,000	22,660	23,340	24,040	24,761
Total Revenues (a)	210,750	217,073	223,585	230,292	237,201
Salary and Benefits	88,800	91,464	94,208	97,035	99,946
Administrative Costs	28,150	28,995	29,864	30,760	31,683
Facility Maintenance	60,100	61,903	63,760	65,673	67,643
Utilities	24,950	25,699	26,469	27,264	28,081
Capital Outlay	-	-	-	-	-
Total Expenditures (b)	202,000	208,060	214,302	220,731	227,353
Net Income (Loss)	8,750	9,012	9,283	9,561	9,848
Assumptions					
(a) Revenues are assumed to increase on average 3% per annum					
(b) Expense are anticipated to increase 3% per annum					

Section 4: Budget Process & 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.

Challenge	Response
Public awareness on District Funding /Programs	Increased communications of District activities through presentations and social media
Operational costs outpacing cost of living increases	Identified projects to reduce operational costs
Address capital investment and asset renewal	Evaluated and prioritized capital project timing
Limited revenue increases necessary to support program and capital investment	Address funding requirements for identified projects Defer projects until funding source is identified
Address of Retention of Staff	Completed Classification & Compensation Study Updated Personnel Policy

In preparation of this budget, District staff are utilizing tools for enhanced data-driven decisions such as GIS, WeatherTrak and Tyler financial software. In addition, the District has created a communications plan that will help guide how important information is conveyed to residents, businesses, and other important stakeholders.

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, 2026	Develop budget calendar, budget worksheets, and prepare mid-year Fiscal Year 2025-2026 financial results	Finance Manager
February 2, 2026	Finalize staffing requirements, and review labor and benefit worksheet with General Manager	General Manager Finance Manager
February 10, 2026	Develop capital outlay for landscaping and community center and review with General Manager and Department Manager	General Manager Finance Manager Department Managers
February 18, 2026	Provide preliminary Capital budget status	General Manager Finance Manager Department Managers
March 31, 2026	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 2025-2026.	General Manager Board of Directors
April 17, 2026	Finalize Capital budget for Water and Wastewater and forward to rate consultant to incorporate into final rate recommendation	General Manager Finance Manager Department Managers
April 22, 2026	Preliminary Landscape and Community Center Budget document presented to General Manager	General Manager Finance Manager Department Managers
April 22, 2026	Preliminary Water and Wastewater Budget document presented to General Manager	General Manager Finance Manager Department Managers
May 5, 2026	Budget workshop is presented to the Board of Directors	General Manager Finance Manager
June 3, 2026	Set public hearing for June 18 at June 4 Board meeting	General Manager Finance Manager
June 17, 2026	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 & Expenses



OVERVIEW OF FISCAL YEAR 2025-2026 OPERATING REVENUES AND EXPENSES

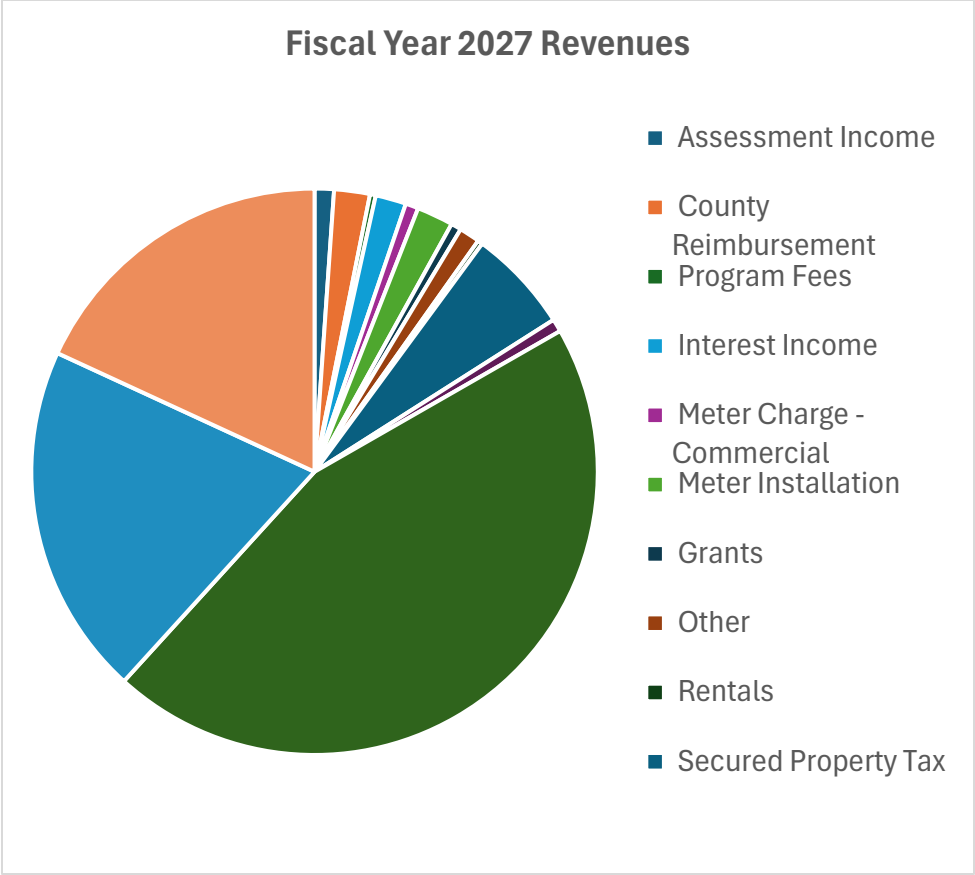
As a community services district CSD, the District can provide a variety of services to its constituents. Through the Contra Costa LAFCO process, it was determined the District will provide water and sewer service, landscaping services, and recreational activities. Each of these services may have similar 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 2026-2027 OPERATING REVENUES

Fiscal Year 2026-2027 by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Assessment Income					179,750	\$ 179,750
County Reimbursement	217,500			90,000	22,000	\$ 329,500
Program Revenues				53,000		\$ 53,000
Interest Income	2,000	80,000	150,000	42,000	9,000	\$ 283,000
Commercial Revenues		119,000				\$ 119,000
Meter Installation		336,000				\$ 336,000
Grants				95,000		\$ 95,000
Other		43,000	12,000	135,000		\$ 190,000
Rentals				45,000		\$ 45,000
Secured Property Tax				946,680		\$ 946,680
Commercial Sewer Revenues			118,000			\$ 118,000
Wastewater Account Charge			7,270,000			\$ 7,270,000
Water Charges		3,250,000				\$ 3,250,000
Water Account Charge		2,925,000		-	-	\$ 2,925,000
Total	\$ 219,500	\$ 6,753,000	\$ 7,550,000	\$ 1,406,680	\$ 210,750	\$ 16,139,930

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

More detailed explanation of variances provided under Section 6



Description	2026 Revenues	2027 Revenues	% of Total
Assessment Income	173,100	179,750	1%
County Reimbursement	362,500	329,500	2%
Program Fees	75,000	53,000	0%
Interest Income	570,000	283,000	2%
Meter Charge - Commercial	107,000	119,000	1%
Meter Installation	336,000	336,000	2%
Grants	-	95,000	1%
Other	75,500	190,000	1%
Rentals	40,000	45,000	0%
Secured Property Tax	906,400	946,680	6%
Sewer Charge - Commercial	110,000	118,000	1%
Wastewater Account Charge	6,760,000	7,270,000	45%
Water Charges	3,035,000	3,250,000	20%
Water Account Charge	2,600,300	2,925,000	18%
Total Town Revenues	\$ 15,150,800	\$ 16,139,930	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 2030-2031. 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 2026-2027 it is estimated to represent \$10,195,000 water and wastewater account charge and approximately \$3,250,000. There are other charges, approximately \$573,000, 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	APPROVED				
		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) receive 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 2026-2027 it is estimated to bring \$952,000.

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	\$ 904,291.51	6.44	1.0644	(0.20)	0.998	1.06227120
Year 26/27	\$ 946,681.30	4.95	1.0495	(0.25)	0.9975	1.04687625

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 2026- 2027, it is estimated that a small CPI increase to \$179,750.

Year	Number of Lots	Engineers Rate	
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%
FY2027	203	885.46	3.80%

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 \$53,000

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 of 3%, the District anticipates approximately \$283,000 in interest earnings. There is an overall reduction in interest earnings based on the anticipated use of funds and lower yield.

Those amounts are estimated to be allocated as follows:

Fund	Estimated Budget
10 Administration	\$2,000
20 Water	\$80,000
21 Wastewater	\$150,000
40 Zone 9	\$42,000
41 Zone 9	\$9,000
Total Interest Earnings	\$283,000

Miscellaneous

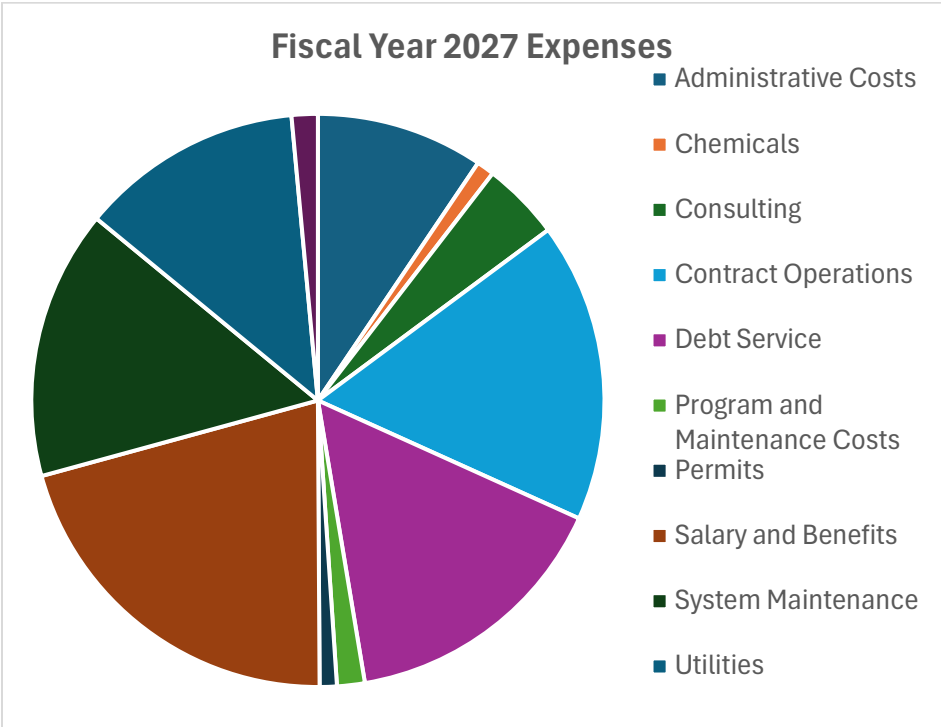
The District also receives miscellaneous other revenues during the year that represent developer reimbursement costs, county reimbursements for the special zones, rentals, administrative fees pertaining to new connections, and other minor amounts. These amounts total about \$659,500.

FISCAL YEAR 2026-2027 OPERATING EXPENDITURES/EXPENSES

Fiscal Year 2026-2027 by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Administrative Costs		585,250	663,050	138,350	28,150	\$ 1,414,800
Chemicals		150,000				\$ 150,000
Consulting		488,800	172,000			\$ 660,800
Contract Operations		1,048,300	1,483,800			\$ 2,532,100
Debt Service		538,500	1,801,600			\$ 2,340,100
Program and Maintenance Costs	41,000	-		133,300	60,100	\$ 234,400
Permits		75,000	70,000			\$ 145,000
Salary and Benefits	176,500	1,195,700	957,550	704,600	88,800	\$ 3,123,150
System Maintenance		1,788,800	488,000			\$ 2,276,800
Utilities		755,000	875,000	229,500	24,950	\$ 1,884,450
Capital Outlay	-	-	-	221,000	-	\$ 221,000
Total	\$ 217,500	\$ 6,625,350	\$ 6,511,000	\$ 1,426,750	\$ 202,000	\$ 14,982,600
Net Change	\$ 2,000	\$ 127,650	\$ 1,039,000	\$ (20,070)	\$ 8,750	\$ 1,157,330

Fiscal Year 2025-2026 by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Administrative Costs		518,000	600,100	140,300	23,500	\$ 1,281,900
Chemicals		145,000				\$ 145,000
Consulting		484,500	219,500			\$ 704,000
Contract Operations		915,000	1,370,000			\$ 2,285,000
Debt Service		534,500	1,800,500			\$ 2,335,000
Program and Maintenance Costs	72,500			165,500	61,200	\$ 299,200
Permits		60,000	140,000			\$ 200,000
Salary and Benefits	200,000	1,223,600	884,300	673,800	63,000	\$ 3,044,700
System Maintenance		1,372,000	660,000			\$ 2,032,000
Utilities		900,000	940,400	207,000	24,200	\$ 2,071,600
Total	\$ 272,500	\$ 6,152,600	\$ 6,614,800	\$ 1,186,600	\$ 171,900	\$ 14,398,400
Net Change	\$ 6,000	\$ 230,700	\$ 512,200	\$ (26,700)	\$ 30,200	\$ 752,400

More detailed explanation of variances provided under Section 6



Description	2026 Expenses	2027 Expenses	% of Total
Administrative Costs	1,281,900	1,414,800	9%
Chemicals	145,000	150,000	1%
Consulting	704,000	660,800	4%
Contract Operations	2,285,000	2,532,100	17%
Debt Service	2,335,000	2,340,100	16%
Program and Maintenance Costs	299,200	234,400	2%
Permits	200,000	145,000	1%
Salary and Benefits	3,044,700	3,123,150	21%
System Maintenance	2,032,000	2,276,800	15%
Utilities	2,071,600	1,884,450	13%
Capital Outlay	495,000	221,000	1%
Total Town Expenses	\$ 14,893,400	\$ 14,982,600	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 on Water and Sewer funds and the balance is shared amongst Zone 8 which has both landscape and community center and Zone 9.

The Fiscal Year 2026-2027 budget incorporates the results of the 2025 Classification and Compensation study which included the update of position titles and reclassifications of certain positions to better align with the job functions. The information gained from the study informed us where the employees are to be properly classified and competitive in the marketplace. The General Manager compensation is determined by the Board of Directors.

For Fiscal Year 2025-2026, the District filled one landscape position that had previously been contracted through the conservation corps. In review of externally contracted services and price consideration, the District is recommending the addition of one staff (General Maintenance & Custodial Worker) to support the maintenance efforts of the District including janitorial and other maintenance support for all departments. This will reduce the costs paid to an external contractor. 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. 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.

For field staff whose time may vary each pay period, staff does record their time of their level of effort across the different District activities. The budget reflects the best estimate based on past work experience and anticipated workload. For Administrative and financial (indirect) support, their time is allocated based on their estimated time to support the field staff.

Position Headcount (budgeted)

Position Title	FY2025	FY2026	FY2027
Office Assistant	2	2	0
Administrative Assistant	2	2	2
Executive Assistant	1	1	1
Board Secretary	0	0	1
Project Accountant	1	1	0
Accountant	0	0	1
Accounting Technician I	1	1	2
Water Services Technician I	2	2	2
Water Services Technician II	1	1	1
General Maintenance & Custodial Worker	0	0	1
Maintenance Worker II	0	0	1
Parks & Maintenance Worker I	1	3	3
Parks & Maintenance Worker II	1	0	1
Parks & Maintenance Worker III	2	2	0
Landscape Coordinator	1	1	1
Recreation Programs Coordinator	1	1	1
Parks & Landscape Manager	1	1	1
Water & Wastewater Manager	1	1	1
Director of Finance	1	1	1
Projects Manager	1	1	1
Assistant General Manager	1	1	1
General Manager	1	1	1
Total	22	23	24

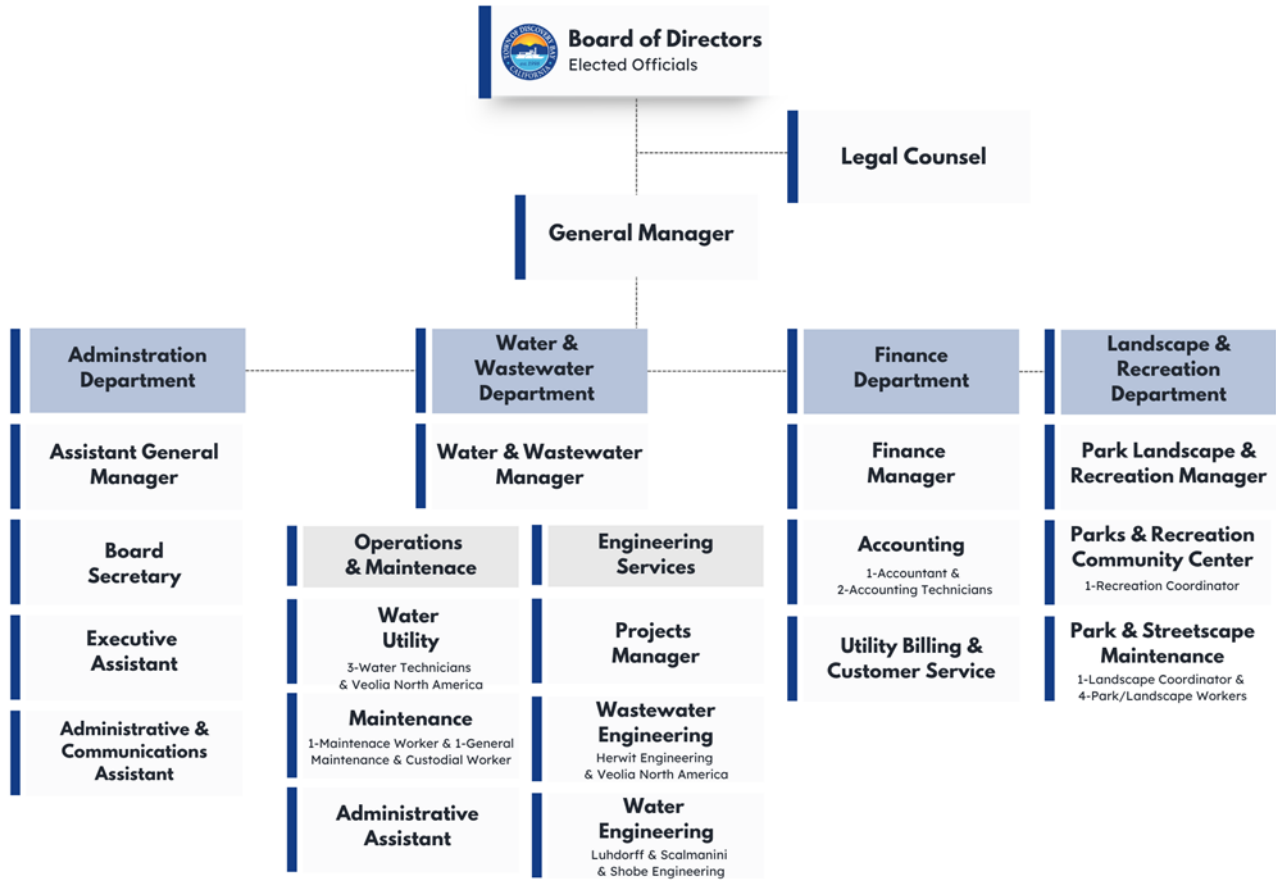
The breakdown of the staff's efforts by fiscal impact are as follows:

Special Administration	6%
Water	39%
Wastewater	31%
Zone 8 / Community Center	21%
Zone 9	3%
Total Payroll Budget	100%

Staff allocation to Funds – based on budgeted dollars

	Special Zones	Water	Wastewater	Zone 8 Landscape	Zone 8 Community Center	Zone 9	Total
Indirect Labor	0.11	5.06	5.06	0.39	0.40	0.25	11.26
Direct Labor	1.33	4.26	2.34	2.82	1.51	0.47	12.74
Total Headcount	1.45	9.32	7.40	3.21	1.91	0.72	24.00

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



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 on 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 number of people. More information about the employees' benefits can be found in the [Personnel Manual](#) (Policy 005). Early in 2026, the Board approved an updated policy that reflected changes to several components of the personnel manual including an update to floating holidays and vacation accrual. These changes have been reflected in the budget. The changes reflect the District's position to be a more competitive employer.

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 and Shobe Engineering (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.

Water Consulting Engineers The District hires multi-disciplinary staff of engineers, geologists, hydrologists, and hydrogeologists who apply scientific methods and develop forward-thinking engineering solutions to today's complex water resource problems. The District has two on-call engineering firms to support the needs for managing the District's water facilities and lines. They work in conjunction with staff and the contract operator to make recommendations. In addition, the District has hired a firm to assist with the state requirement on cross connection.

Wastewater Consulting Engineering The District has hired a firm to help plan and designs wastewater treatment plants and pump stations of all sizes. 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, 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.

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	\$ 538,500
Fund 21	Wastewater	\$1,801,600

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

- ✓ Work with surplus management company to offload assets no longer in use
- ✓ Update of Personnel Manual (Policy #005) to reflect best practices and updates based on new legal requirements
- ✓ Implement eScribe (board agenda preparation)
- ✓ Development of Communications Plan

Outlook

- Implement recommended improvements for human resources and risk management
- 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

- ✓ Implement new financial software including core financials, applicant tracking, utility billing, and human resources
- ✓ Receive Excellence Award for Budget from California Society of Municipal Finance Officers
- ✓ Finalized the 2025 Classification and Compensation study
- ✓ Timely completion of Fiscal Year 2024-2025 audit and financial reporting

Outlook

- Preparing its first Annual Comprehensive Financial Report (ACFR)
- Enhance financial forecasting model
- Evaluate debt financing needs to support capital investment
- Compliance review of utility billing accounts
- Review of financial policies

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 construction of Well 8 project
- ✓ Complete design of the Newport and Sandpoint underwater crossing
- ✓ Complete initial phasing of cathodic protection system improvements
- ✓ Water technicians achieved certification in backflow and distribution
- ✓ Implement cross connection control program
- ✓ Rehabilitation of Village 2 and 4 lift station
- ✓ Implementation of districtwide GIS system
- ✓ Completion of the 2025 Urban Water Management Plan

Water and Wastewater Outlook

- Completion of solar projects to produce energy savings
- Completion of Town Administration Building
- Completion of Wastewater miscellaneous projects
- Replacement of Newport Filter and Well 6 VFD upgrade

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 drip irrigation at various locations throughout Town.
- ✓ Complete pickleball conversion at Community Center
- ✓ Expand use of WeatherTRAK smart irrigation system at Cornell Park
- ✓ Landscape cleanup and weed abatement throughout the District

Outlook

- Identification of landscape projects to drive engagement with County and other funding agencies to fund projects

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 including dance classes
- ✓ Complete pickleball conversion at Community Center

Outlook

- Community Center improvements using funds from the County

Section 6: Fund Budgets & 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 2026-2027
Revenues - Interest Income	2,000
Revenues - County Reimbursement	217,500
Expense - Landscape - Staff	(176,500)
Expense - Landscape Services	(41,000)
Net	2,000

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.

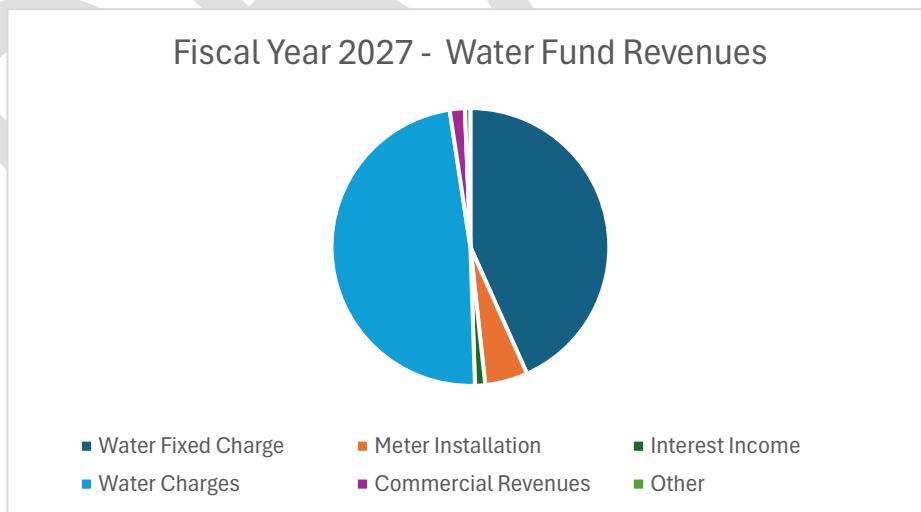
FUND 20

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 engineering consultant. 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 Revenues

Fiscal Year Trend - Fund 20 Revenues								
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2026	FY 2027
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Projected</i>	Budget	Budget
Water Account Charge	1,549,250	1,574,060	1,604,898	1,632,676	1,717,193	2,601,924	2,600,300	2,925,000
Meter Installation	333,823	336,196	335,409	334,650	335,977	336,000	336,000	336,000
Interest Income	-	-	85,944	426,183	451,914	150,000	257,000	80,000
Water Charges	2,960,014	2,809,584	2,814,276	2,495,806	3,130,191	3,040,000	3,035,000	3,250,000
Meter Charge - Commercial	87,416	88,288	89,455	89,286	90,854	62,000	107,000	119,000
Other	124,564	120,251	233,130	377,402	685,727	104,928	48,000	43,000
Total Revenues	\$ 5,055,067	\$ 4,928,379	\$ 5,163,112	\$ 5,356,004	\$ 6,411,856	\$ 6,294,852	\$ 6,383,300	\$ 6,753,000

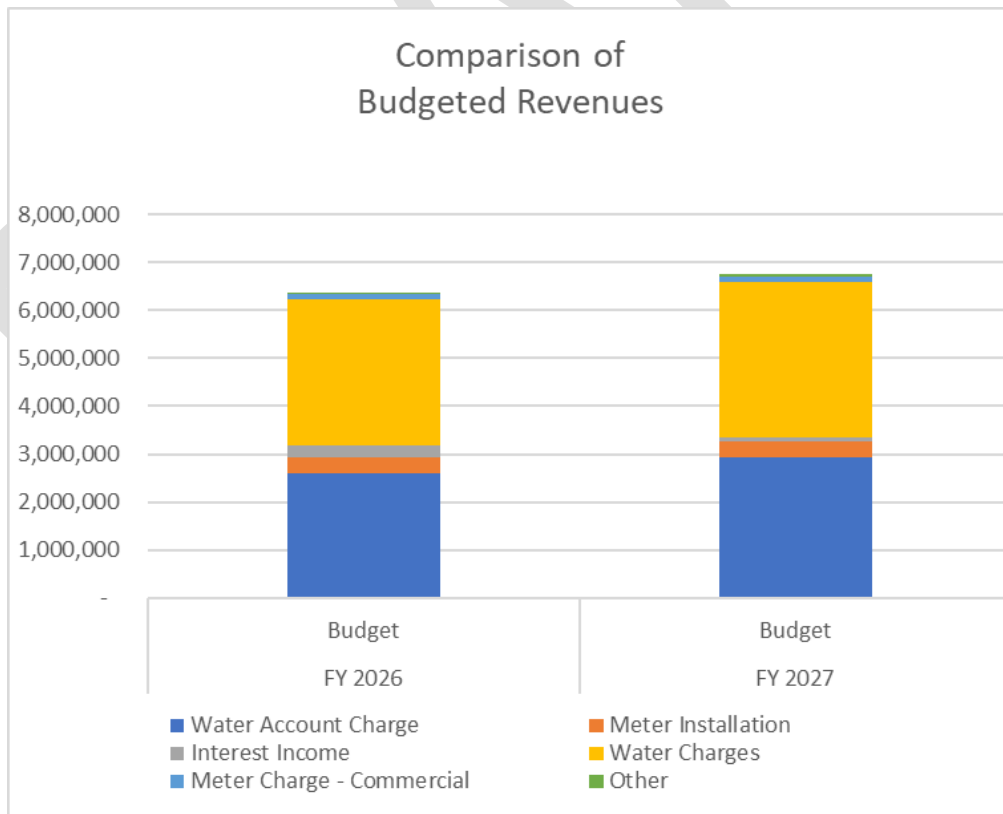


As the five-year trend shows, the revenues are steady during the period. The main change in previous years is the District’s decision to invest its reserves into Money Market

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.

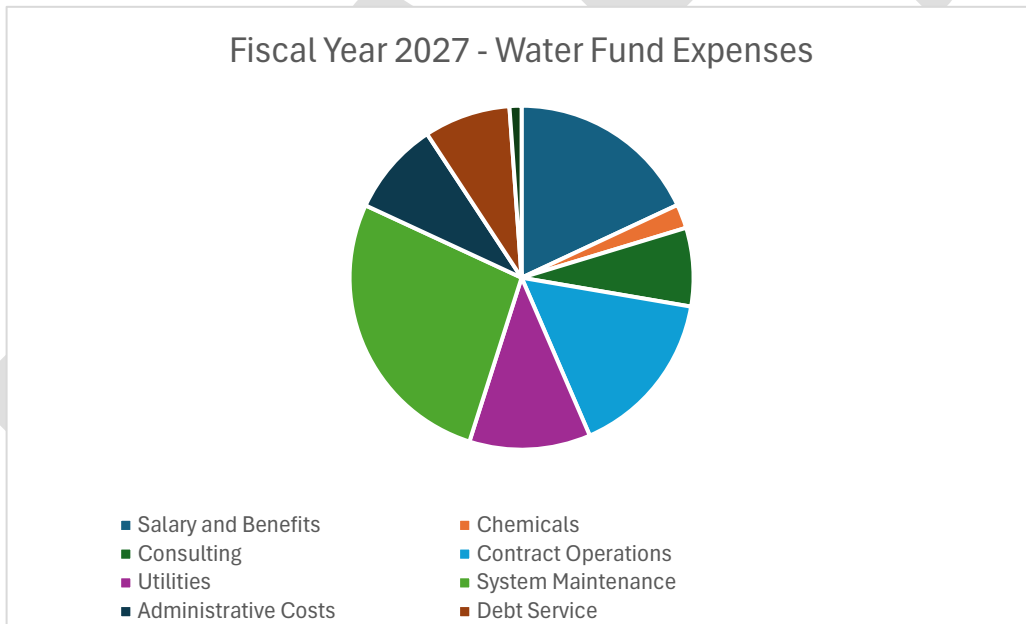
Approximately 40% of the funding is a fixed amount from an account charge that is generated for the portion of the revenue requirement that is placed on the property tax roll. This funding supports the ongoing capital infrastructure necessary to support the system expansion and asset renewal as determined 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	FY 2026	FY 2027
	Actual	Actual	Actual	Actual	Actual	Projected	Budget	Budget
Salary and Benefits	571,236	592,219	642,690	690,159	792,636	994,200	1,223,600	1,195,700
Consulting	383,652	302,078	252,641	234,476	267,391	399,500	484,500	488,800
Contract Operations	857,187	1,110,394	817,720	860,804	878,628	923,000	915,000	1,048,300
Utilities	525,090	524,284	644,125	624,667	866,521	695,000	900,000	755,000
Chemicals	5,938	36,586	59,125	106,146	61,789	180,000	145,000	150,000
System Maintenance	724,387	982,866	1,166,155	1,029,081	1,838,127	1,565,800	1,372,000	1,788,800
Administrative Costs	308,356	380,716	485,839	497,801	849,796	521,150	518,000	585,250
Debt Service	143,608	255,843	540,562	538,351	538,364	534,500	534,500	538,500
Permits	39,645	53,982	57,636	43,148	57,243	65,000	60,000	75,000
Total Expenses	\$ 3,559,099	\$ 4,238,968	\$ 4,666,493	\$ 4,624,633	\$ 6,150,496	\$ 5,878,150	\$ 6,152,600	\$ 6,625,350
Net Revenues (Expenses)	\$ 1,495,968	\$ 689,411	\$ 496,619	\$ 731,371	\$ 261,360	\$ 416,702	\$ 230,700	\$ 127,650
Debt Coverage	11.42	3.69	1.92	2.36	1.49	1.78	1.43	1.24

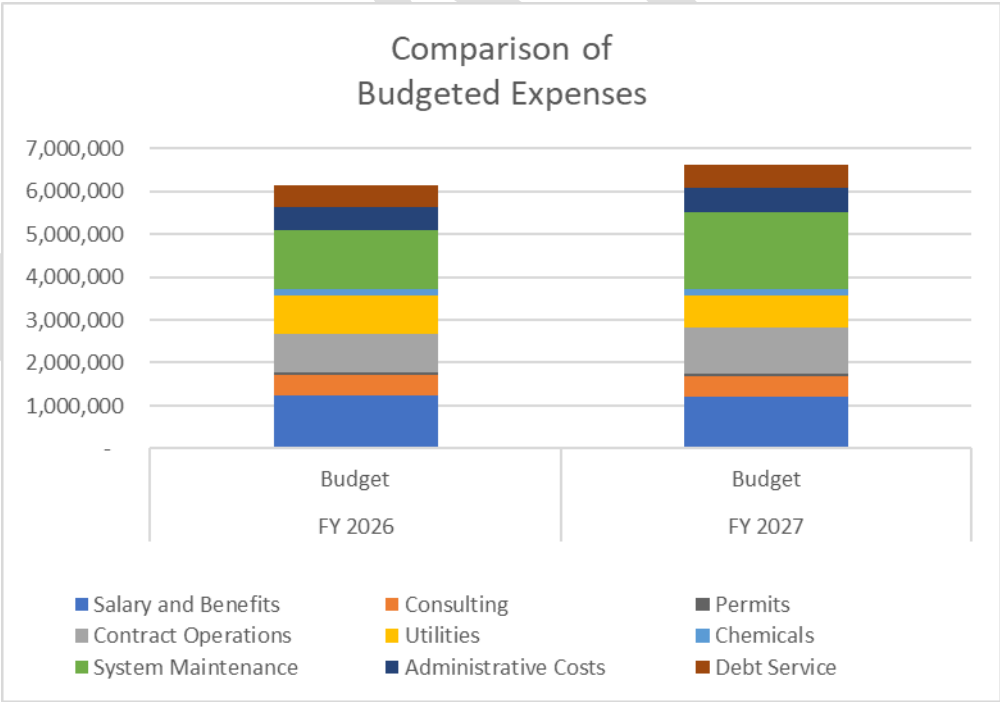


The cost of producing potable water has increased over the five-year period. The increase in Contract Operations is based on the completion of Well 8 that will require additional contractor support to manage these facilities. Consulting costs represent the fiscal and operational costs necessary to support the water system from debt compliance and regulatory compliance and remain consistent on an annual basis with more time dedicated to the consulting firms to assist with requirements of managing the various requests for state compliance and planning for future facility investment.

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 10% 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.

One of the major drivers of the cost increase is the anticipated costs to maintain the aging infrastructure, most notably from the distribution lines. This past year the District had approximately 40 repairs to the lines and anticipates that the upcoming year will see similar numbers.

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		Fiscal Year 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Budget
SEC Collections Account Charge	1,603,797	1,598,310	1,632,676	1,627,047	1,717,193	1,758,000	2,601,924	2,600,300	2,925,000
Meter Installation	335,409	335,218	334,650	335,218	335,977	336,000	336,000	336,000	336,000
Developer Deposit			82,538	-	299,866	25,000	8,000	-	-
Grants	2,970	-	28,172	-	-	-	-	-	-
Misc. Water Service Fees	36,594	10,000	28,648	25,000	25,950	27,000	25,400	30,000	32,000
Interest Income	85,994	-	426,183	137,500	451,914	425,000	150,000	257,000	80,000
Water Meter Rental	1,100	500	1,125	500	1,352	1,000	2,000	1,000	2,000
Other	133,679	10,000	53,047	25,000	61,639	15,000	3,000	15,000	5,000
Water Charges	2,814,276	2,901,000	2,495,806	2,901,000	3,130,191	2,901,000	3,040,000	3,035,000	3,250,000
Connection Fees CIP	1,500	6,000	3,400	200	5,500	-	1,200	-	-
Capacity Fee CIP	55,528	15,000	171,632	7,500	277,640	-	61,688	-	-
Permit Fee	1,100	5,000	3,400	200	5,300	1,000	1,400	1,000	2,000
Inspection Fee	1,760	5,000	5,440	200	8,480	1,000	2,240	1,000	2,000
Meter Charge Commercial	89,455	85,000	89,286	85,000	90,854	90,000	62,000	107,000	119,000
Subtotal - Revenues	5,163,162	4,971,028	5,356,004	5,144,365	6,411,856	5,580,000	6,294,852	6,383,300	6,753,000

Fund 20- Water	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Fiscal Year 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Budget
Salary and Wages	536,815	592,103	528,471	690,013	563,531	905,932	700,700	933,000	932,000
Overtime	1,452	2,000	-	2,000	-	-	-	-	-
ER Taxes	39,828	59,210	40,778	69,001	48,232	80,175	81,800	82,600	82,500
Group Insurance	81,900	110,000	83,143	100,000	109,412	140,000	160,000	150,000	107,000
Workers Comp	18,475	19,200	20,294	19,320	25,698	38,000	31,500	28,000	31,000
457 Plan	25,788	30,000	17,474	30,000	17,710	22,000	20,200	30,000	43,200
Reimbursement of Wages	(6,000)	-	-	-	-	-	-	-	-
Reimbursement of Insurance	-	(40,000)	-	(40,000)	-	-	-	-	-
Vacation	4,832	-	-	-	28,054	-	-	-	-
Temporary Employees	39,977	3,000	-	3,000	6,294	3,000	7,500	3,000	3,000
BOD Compensation	11,960	22,500	11,656	22,500	11,989	15,000	10,500	15,000	13,500
Training Conferences Travel	11,950	31,000	15,765	30,000	30,233	20,000	12,900	15,000	24,000
Travel & Meetings - BOD	-	-	984	-	5,170	5,000	6,700	3,000	6,200
Memberships	10,160	9,000	11,126	15,000	11,326	8,000	8,000	8,000	12,100
TODB Sponsored Events	-	10,000	1,580	10,000	414	1,000	500	1,000	1,000
Consulting Services	202,349	285,700	184,662	261,124	212,451	420,000	360,000	430,000	441,800
Water Service Contract	722,976	720,000	860,804	745,000	878,628	840,000	923,000	915,000	1,048,300
Contract Mailing	45,209	47,000	48,597	47,000	49,460	47,000	46,000	47,000	48,000
Veolia Pass Through Expenses	94,744	132,500	146,358	100,000	193,136	186,000	-	180,000	-
Legal - General	36,282	70,000	34,591	50,000	33,475	40,000	20,000	35,000	23,000
Legal - Litigation	-	10,000	-	10,000	-	5,000	-	-	-
Annual Audit Service	14,010	15,000	15,223	18,000	21,465	20,000	19,500	19,500	24,000
Election Expense	5,363	6,000	-	6,000	12,649	7,900	-	-	14,000
Advertising	168	2,000	278	2,000	571	1,000	500	1,000	7,500
Public Relations	421	1,000	838	1,000	-	-	-	-	-
Internet Website	2,304	4,800	2,707	4,800	-	-	-	-	-
Water Conservation	-	-	-	10,000	-	4,000	-	4,000	4,000
Communications and Notice	141	2,400	695	2,400	-	-	-	-	-
Telephone - General	4,544	5,750	7,768	5,750	9,834	14,000	8,000	10,000	4,000
Telecom - Networking	8,021	5,600	8,340	10,000	8,554	7,000	6,000	7,000	3,300
Telephone - cellular	4,709	6,000	4,321	6,000	2,563	-	-	4,000	6,800

Fund 20- Water	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Fiscal Year 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Budget
Construction Material Repair	67,577	137,500	29,186	137,500	70,669	80,000	-	102,000	-
Vehicle & Equipment - Fuel	12,783	15,000	9,491	15,000	9,361	12,000	6,800	8,000	8,000
Vehicle & Equipment - Sup & Rep	6,636	6,000	2,493	7,000	14,054	7,000	4,000	10,000	1,000
Water Meter and Registers	138,659	70,000	206,906	80,000	182,378	120,000	205,000	232,000	379,800
General Repairs	869,500	450,000	634,647	750,000	1,368,529	650,000	1,350,000	840,000	1,400,000
Info System - Maintenance	20,884	23,000	32,981	23,000	60,445	85,000	4,300	40,000	65,000
Equipment Maintenance	2,459	3,600	2,504	3,600	10,777	2,000	8,000	4,000	6,000
Software Hosting	37,516	40,000	22,383	40,000	43,946	-	60,000	55,000	50,000
Computer Equipment & Supplies	2,478	3,500	5,052	3,500	-	-	-	-	-
Miscellaneous Small Tools	10,602	4,000	3,128	4,000	19,331	4,000	4,000	8,000	6,000
Equipment Repair	376	400	2,271	400	-	-	-	-	-
Computer Software	3,019	4,000	761	4,000	-	-	-	-	-
Minor Equipment/Furniture	-	2,000	-	2,000	3,320	5,000	-	5,000	2,000
Office Furniture	-	3,000	-	3,000	-	-	1,000	-	-
Postage	160	1,000	1,871	1,000	1,755	1,000	-	1,600	1,750
Office Supplies	12,003	10,000	832	10,000	14,374	10,000	1,200	8,500	6,600
Rent - Public Meetings	839	200	8,430	200	-	-	10,000	-	-
Building - Rent	13,200	13,200	15,510	13,200	16,500	13,200	16,500	16,500	18,000
Equipment Rental/Leasing	1,653	3,000	6,621	3,000	7,973	2,000	4,000	1,000	5,000
Landscape Maintenance	27	5,000	11,676	2,000	15,417	20,000	33,000	20,000	28,000
Building Maintenance	9,738	12,000	16,350	15,000	39,141	12,000	30,000	7,000	15,000
Insurance Liability & Property	123,334	128,068	145,409	151,273	177,714	180,000	149,000	160,000	160,000
Permits & Fees	57,636	45,000	43,148	50,000	57,243	50,000	65,000	60,000	75,000
Personal Protective Equipment	1,721	3,000	1,975	3,000	3,790	3,000	5,000	3,000	5,000
Safety Equipment and Supplies	136	1,400	-	1,400	-	-	-	-	-
Utilities/Electrical Cost	636,494	575,424	604,260	628,762	846,519	640,000	675,000	882,000	750,000
Utilities/Waste Cost	7,631	12,000	20,406	12,000	20,002	12,000	20,000	18,000	5,000
Chemicals	59,125	50,000	106,146	120,000	61,789	100,000	180,000	145,000	150,000
Freight	-	800	-	800	-	-	-	-	-
UPS/Courier	-	320	-	320	-	-	-	-	-
Miscellaneous Bank Charges	25,557	25,000	27,906	27,000	37,351	30,000	72,000	60,000	60,000
Miscellaneous Services & Supplies	1,516	1,500	1,258	1,500	6,180	2,500	6,000	5,000	6,000
Miscellaneous	5,942	2,000	(2,088)	2,000	498	-	-	-	-
Bad Debt	-	5,000	2,201	5,000	(40,909)	2,500	-	-	-
Special Expense	2,838	-	2,105	-	1,345	2,000	1,500	2,000	1,500
Debt Service	540,562	548,940	538,351	539,223	538,364	539,912	534,500	534,500	538,500
Revenue Collection	2,166	2,400	-	2,400	1,182	2,400	-	2,400	1,500
Payroll Wire Transfer Fee	292	500	1,117	500	-	-	1,500	-	-
Public Works - Permits	-	20,000	-	20,000	-	-	-	-	-
Property Taxes	161	1,200	2,382	1,200	897	2,500	500	1,000	500
Developer Deposit Reimbursement	72,896	10,000	70,511	25,000	279,724	25,000	7,050	-	-
Subtotal - Expenses	4,666,493	4,400,715	4,624,633	4,938,687	6,150,508	5,445,019	5,878,150	6,152,600	6,625,350
Net Revenues (Loss)	\$ 496,669	\$ 570,313	\$ 573,060	\$ 205,678	\$ 205,678	\$ 134,982	\$ 416,702	\$ 230,700	\$ 127,650
Net Revenues, before Debt Service	\$ 1,037,230	\$ 1,119,253	\$ 967,397	\$ 744,902	\$ 744,902	674,893	951,202	765,200	666,150
Debt Coverage	1.92	2.04	2.45	1.38	1.38	1.25	1.78	1.43	1.24

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.

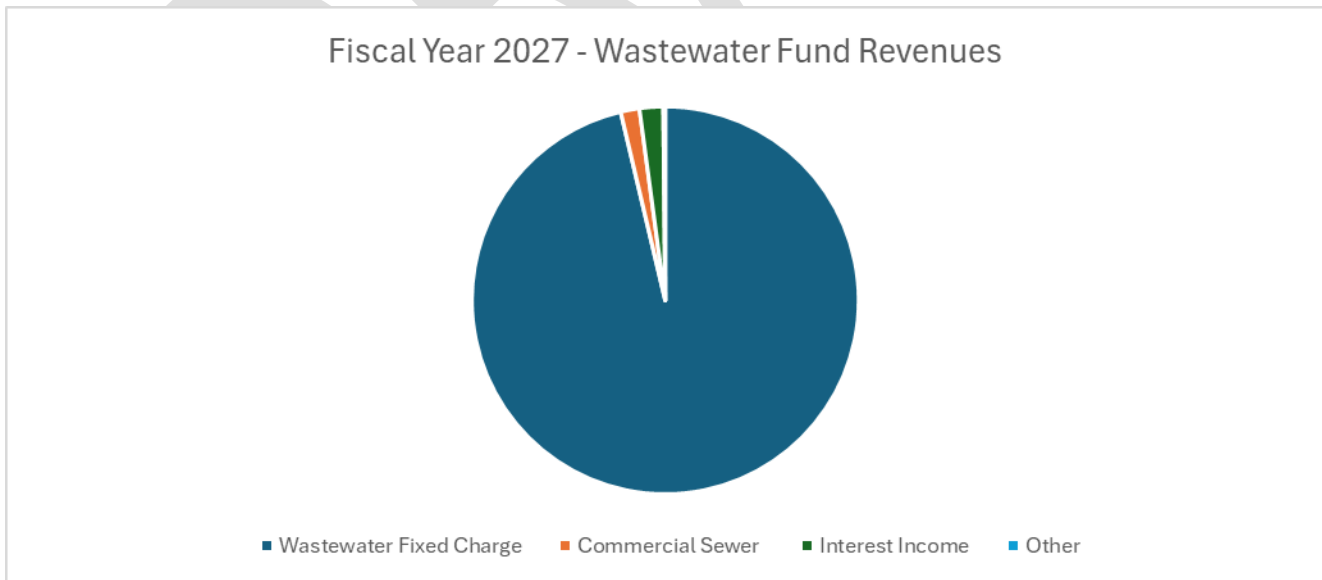
FUND 21

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 2026	FY 2026	FY 2027
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Projected</i>	Budget	Budget
Wastewater Account Charge	5,991,417	6,087,297	6,182,320	6,278,074	6,228,622	6,920,580	6,760,000	7,270,000
Sewer Charge - Commercial	110,517	114,535	116,124	163,999	157,000	212,000	110,000	118,000
Interest Income	-	-	78,415	395,523	247,500	150,000	245,000	150,000
Other	108,186	84,229	176,108	411,473	34,400	195,396	12,000	12,000
Total Revenues	\$ 6,210,120	\$ 6,286,061	\$ 6,552,967	\$ 7,249,069	\$ 6,667,522	\$ 7,477,976	\$ 7,127,000	\$ 7,550,000



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 96% 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.

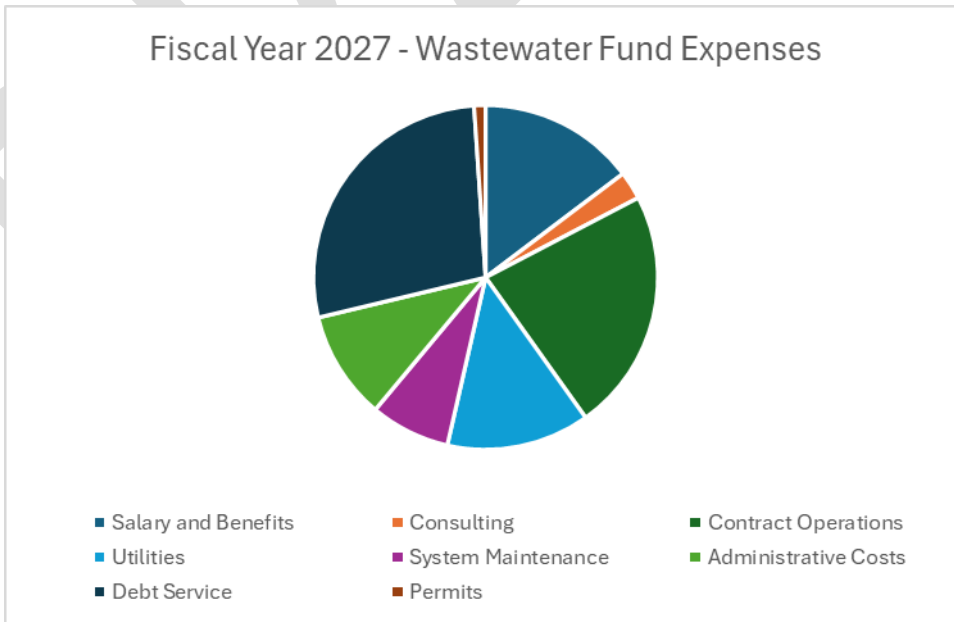
As the five-year trend shows, the revenues are steady during the period. The main change is the District's decision to invest its reserves in the Money Market and local government investment pool called California CLASS. However, the anticipated interest income is expected to decline as the District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

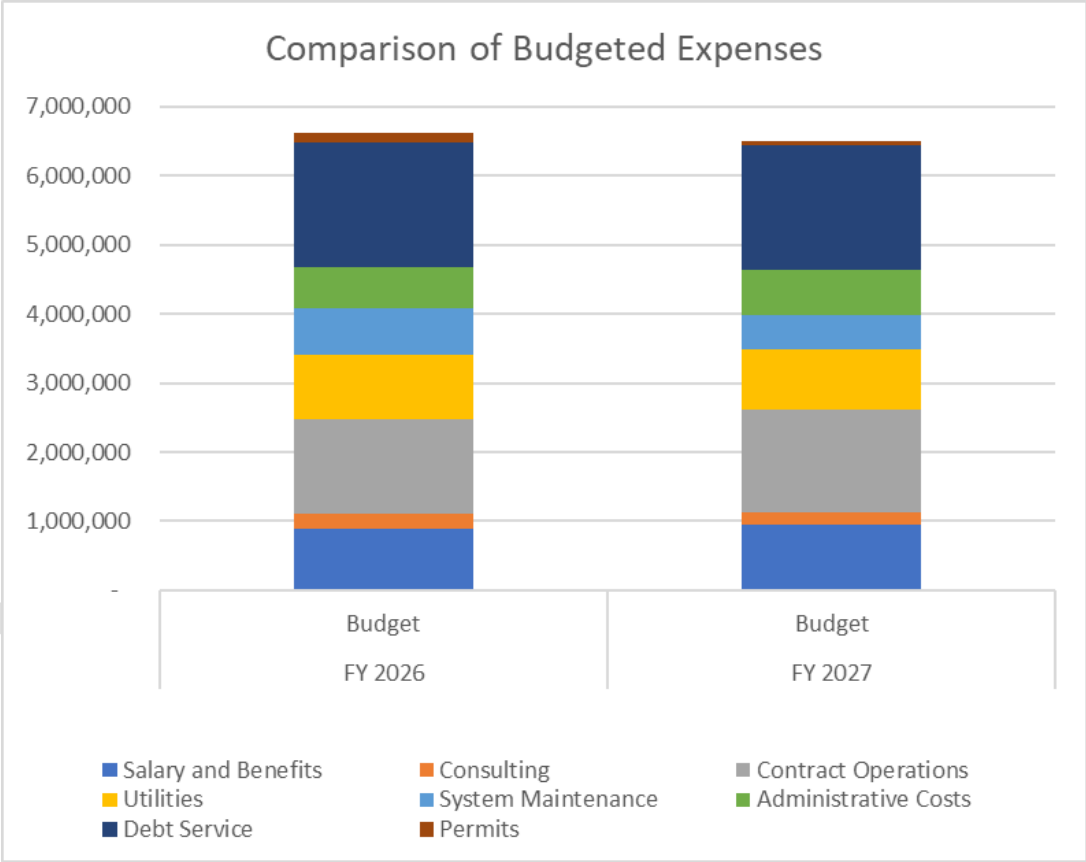
Over the five-year period, the cost of wastewater operations increased in contract operations and utilities although stabilizing in the more recent years. The contract operations line item represents the estimated increase from Veolia’s new agreement for their staff to manage the wastewater facility. In addition, the agreement 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	FY 2026	FY 2027
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Projected</i>	Budget	Budget
Salary and Benefits	604,364	738,791	824,992	803,134	1,061,377	779,800	884,300	957,550
Consulting	211,027	158,910	94,755	107,509	288,300	137,500	219,500	172,000
Contract Operations	1,269,832	1,622,575	1,765,322	1,691,145	1,451,000	1,382,000	1,370,000	1,483,800
Utilities	505,558	563,929	713,172	711,157	712,538	780,000	940,400	875,000
System Maintenance	62,689	177,475	320,210	375,656	92,000	437,400	660,000	488,000
Administrative Costs	320,035	388,984	399,457	476,897	571,414	533,000	600,100	663,050
Debt Service	1,206,089	1,092,674	1,786,335	1,797,077	1,799,100	1,800,500	1,800,500	1,801,600
Permits	55,524	51,424	77,712	22,794	55,000	140,000	140,000	70,000
Total Expenses	\$ 4,235,118	\$ 4,794,762	\$ 5,981,955	\$ 5,985,368	\$ 6,030,729	\$ 5,990,200	\$ 6,614,800	\$ 6,511,000
Net Revenues	\$ 1,975,002	\$ 1,491,299	\$ 571,012	\$ 1,263,701	\$ 636,794	\$ 1,487,776	\$ 512,200	\$ 1,039,000
Debt Coverage	2.64	2.36	1.32	1.70	1.35	1.83	1.28	1.58



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 10% although recent years have seen twice the long-term average. As a result of added facilities in recent years, the District identified more resources will be needed to support the wastewater system both from staff and contract operations including lift station P.

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



FUND DETAIL

	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Proposed FY 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Budget
Wastewater Account Charge	6,182,320	6,134,148	6,278,074	6,228,622	6,472,872	6,486,500	6,920,580	6,760,000	7,270,000
Developer Reimbursements/Deposits	-	-	-	-	-	10,000	-	-	-
Grant	-	-	-	-	-	-	-	-	-
Interest Income	78,415	-	395,523	247,500	526,428	400,000	150,000	245,000	150,000
Other	32,804	10,000	58,745	10,000	7,101	10,000	10,000	10,000	10,000
Sewer Charge - Commercial	116,124	157,000	163,999	157,000	204,201	120,000	212,000	110,000	118,000
Connection Fees CIP	700	10,000	2,700	200	5,100	-	1,400	-	-
Capacity Fee CIP	140,844	65,000	345,708	24,000	653,004	-	182,076	-	-
Permit Fee	-	5,000	-	200	-	1,000	-	1,000	-
Inspection Fee	1,760	5,000	4,320	200	8,480	1,000	1,920	1,000	2,000
Subtotal - Revenues	6,552,967	6,386,148	7,249,069	6,667,722	7,877,185	7,028,500	7,477,976	7,127,000	7,550,000
	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Proposed FY 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Budget
Salary and Wages	649,375	720,553	667,925	761,451	548,853	687,008	576,600	704,000	741,400
ER Taxes	87,981	71,855	51,780	75,945	40,376	60,800	47,000	62,300	65,600
Group Insurance	122,583	180,000	104,889	150,000	109,268	140,000	160,000	150,000	85,200
Workers Comp	27,712	28,800	30,440	28,980	25,698	38,000	31,500	28,000	31,000
457 Plan	36,670	45,000	30,374	45,000	30,290	22,000	20,200	30,000	34,350
Reimbursement of Insurance	(106,452)	(50,000)	(85,733)	(50,000)	(9,368)	(75,000)	(55,500)	(90,000)	-
Temporary Employees	59,966	5,000	-	5,000	6,746	3,000	7,500	3,000	3,000
BOD Compensation	17,940	22,500	13,989	22,500	11,879	15,000	10,500	15,000	13,500
Training Conferences Travel	15,596	30,000	14,674	30,000	15,966	20,000	9,000	15,000	21,400
Travel & Meetings - BOD	-	-	1,342	-	4,421	5,000	6,700	3,000	6,200
Memberships	7,353	14,600	8,353	13,000	9,079	8,000	15,000	8,000	26,000
TODB Sponsored Events	-	10,000	2,369	10,000	414	1,000	500	1,000	1,000
Consulting Services	45,521	156,300	46,157	186,300	376,797	140,000	102,000	165,000	125,000
Water Service Contract	1,084,463	1,079,000	1,108,639	1,111,000	1,317,942	1,260,000	1,382,000	1,370,000	1,483,800
Veolia Pass Through Expenses	680,859	240,000	582,506	340,000	423,352	585,000	-	568,000	-
Legal - General	28,220	110,000	38,517	85,000	33,153	60,000	16,000	35,000	23,000
Annual Audit Service	21,015	22,000	22,834	27,000	21,465	30,000	19,500	19,500	24,000
Election Expense	7,958	10,000	-	10,000	12,649	7,900	-	-	14,000
Advertising	4,146	6,600	6,765	10,200	710	2,000	500	1,000	7,500
Telephone - General	10,165	15,000	19,804	15,000	14,731	11,000	10,200	18,000	4,300
Telecom - Networking	14,930	15,000	13,273	18,000	11,407	11,000	9,000	11,000	7,500
Telephone - cellular	5,016	6,000	4,806	6,000	2,185	11,000	-	4,000	6,800
Vehicle & Equipment - Fuel	4,298	7,500	5,711	7,000	5,666	5,000	10,400	7,000	13,000
Vehicle & Equipment - Sup & Rep	3,390	30,000	395	10,000	7,541	10,000	17,000	10,000	10,000
General Repairs	204,543	91,000	369,550	91,000	9,591	75,000	420,000	75,000	450,000

	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Proposed FY 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Budget
Info System - Maintenance	47,989	47,500	42,817	54,000	57,315	51,000	44,000	40,000	65,000
Equipment Maintenance	6,266	5,400	3,269	5,400	5,039	2,000	20,000	4,000	4,000
Software Hosting	19,618	17,400	10,313	14,000	18,184	-	56,400	55,000	50,000
Miscellaneous Small Tools	6,875	3,000	2,972	2,000	42,608	3,000	5,000	3,000	4,500
Equipment Repair	3,954	600	3,269	2,000	2,966	-	-	-	-
Postage	11,669	10,000	947	1,500	1,765	1,000	1,100	1,600	1,750
Office Supplies	1,433	1,500	7,041	10,000	8,379	10,000	6,000	8,500	6,600
Rent - Public Meetings	22,903	23,800	17,490	19,800	16,500	19,800	16,500	16,500	18,000
Equipment Rental/Leasing	1,586	2,400	7,727	4,000	1,574	2,000	1,500	1,000	1,000
Landscape Maintenance	35,186	12,000	18,075	2,400	3,136	10,000	12,500	10,000	28,000
Building Maintenance	-	-	31,223	14,000	43,575	16,000	50,000	11,500	15,000
Insurance Liability & Property	183,526	184,012	217,693	226,800	270,739	270,000	225,500	336,000	336,000
Permits & Fees	77,712	128,500	23,919	128,500	71,631	125,000	140,000	140,000	70,000
Personal Protective Equipment	2,407	4,000	1,415	5,000	2,467	2,500	6,000	3,000	4,000
Utilities/Electrical Cost	698,780	550,424	688,545	700,538	849,807	780,000	760,000	914,000	850,000
Utilities/Waste Cost	14,392	2,000	22,612	12,000	24,754	18,000	20,000	26,400	25,000
Chemicals							15,000	-	15,000
Miscellaneous Services & Supplies	1,692	5,500	1,921	5,500	5,869	2,500	5,900	5,000	6,000
Miscellaneous	8,480	-	1,060	-	-	-	-	-	-
Special Expense	4,180	3,000	2,539	3,000	1,345	2,000	1,000	2,000	1,500
Debt Service/Operating Transfer Out	1,786,335	1,848,491	1,797,077	1,799,100	1,796,597	1,799,908	1,800,500	1,800,501	1,801,600
Revenue Collection	3,248	7,000	4,296	7,000	4,456	4,000	4,200	4,000	4,500
Payroll Wire Transfer Fee	402	1,500	8,844	750	7,553	10,000	3,500	10,000	-
Property Taxes	11,874	2,000	3,318	2,000	5,531	10,000	5,000	10,000	6,000
Developer Deposit Reimbursement	(1,800)	10,000	3,150	10,000	-	10,000	-	-	-
Subtotal - Expenses	5,981,957	5,736,735	5,980,892	6,037,665	6,272,601	6,281,416	6,015,200	6,614,801	6,511,000
Net Revenues (Loss)	571,009	649,413	1,268,177	630,058	1,604,584	747,084	1,462,776	512,200	1,039,000
Net Revenues, before Debt Service	2,357,344	2,497,904	3,065,254	2,429,158	3,401,180	2,546,992	3,263,276	2,312,700	2,840,601
Debt Coverage	1.32	1.35	1.71	1.35	1.89	1.42	1.81	1.28	1.58

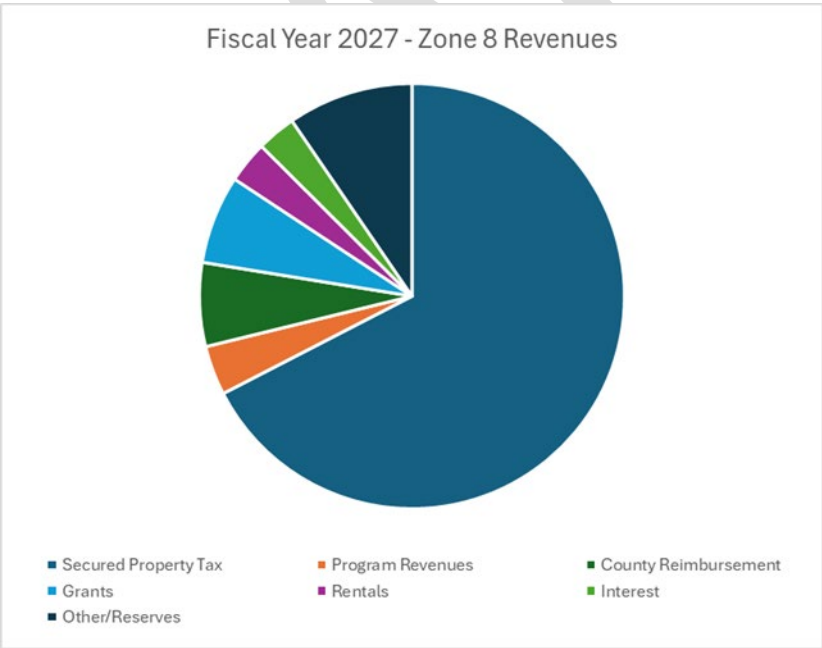
Based on bond documents, the District needs to maintain debt coverage of at least 1.25. As part of the current rate study, the report evaluated the necessary rates to pay for operations and capital projects, maintain cash levels and support annual contribution targets for the District's revolving funds. 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	FY 2026	FY 2027
	Actual	Actual	Actual	Actual	Actual	Projected	Budget	Budget
Secured Property Tax	729,578	763,243	828,881	856,834	851,451	905,354	906,400	946,680
Community Center Program Fees	1,825	30,218	79,332	76,180	75,000	53,500	75,000	53,000
County Reimbursement	61,997	66,129	45,809	63,971	67,000	96,500	72,000	90,000
Rentals	34,257	39,028	43,767	44,210	40,000	40,000	40,000	45,000
Interest	26,848	-	17,490	71,889	75,000	42,000	51,000	42,000
Other/Grants	45,029	83,728	46,362	297,393	28,000	323,260	510,500	230,000
Total Revenues	\$ 899,534	\$ 982,346	\$ 1,061,641	\$ 1,410,476	\$ 1,136,451	\$ 1,460,614	\$ 1,654,900	\$ 1,406,680



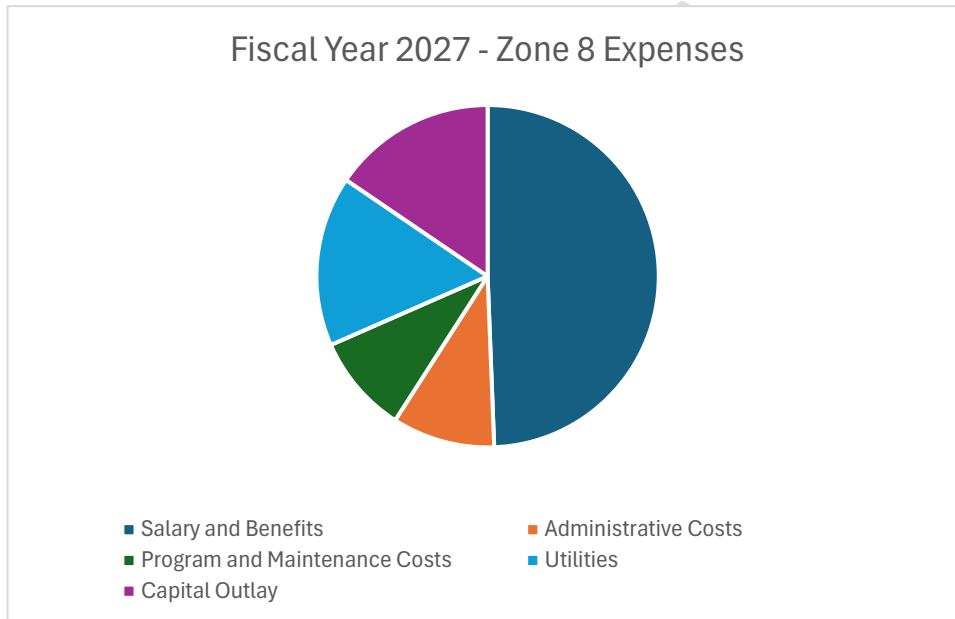
The revenue source for Fund 40 is from property tax (75%) which provides stability in the revenue needed to support Zone 8. This revenue is calculated according to the GANN limit and is based on the change in capital personal income and population. This information is provided to the District by the State of California Department of Finance. The amount is estimated at \$946,680 until the information is available.

To complement the major source of revenue from secured property tax, 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. The District does anticipate lower program fees with a reduced schedule for the pool use and lessons. Rental income includes about \$33,000 expected from the Water and Wastewater operations for the community center to conduct District board and committee meetings. For the upcoming fiscal year, the District will be using grant funding from the County towards the Community Center. In addition, staff intends to resurface the tennis courts since they were last updated in 2014.



Fiscal Year Trend - Fund 40 Expenses								
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2026	FY 2027
	Actual	Actual	Actual	Actual	Actual	Projected	Budget	Budget
Salary and Benefits	313,300	329,514	457,534	355,126	486,104	623,800	673,800	704,600
Administrative Costs	73,547	103,526	131,230	159,374	130,087	130,225	148,301	138,350
Maintenance	144,780	166,329	144,033	268,442	163,116	139,800	157,500	133,300
Utilities	162,146	182,661	195,334	192,387	235,553	208,900	199,599	229,500
Capital Outlay	269,897	376,718	230,913	628,893	908,098	229,850	495,000	221,000
Total Expenditures	\$ 963,670	\$ 1,158,748	\$ 1,159,044	\$ 1,604,222	\$ 1,922,958	\$ 1,332,575	\$ 1,674,200	\$ 1,426,750
Net Revenues (Expenses)	\$ (64,136)	\$ (176,402)	\$ (97,403)	\$ (193,745)	\$ (786,507)	\$ 128,038	\$ (19,300)	\$ (20,070)



During the five-year period, costs increased with the increased efforts to support landscape needs and programming for Zone 8. Past years, the District has adjusted the staff levels to bring the needed resources in-house including the replacement of the Conservation Corps last year, and this year bringing external contracts in-house to provide year-round support in the special zones and within the water and wastewater programs. The increase in the minimum wage has impacted on the seasonal staff wages over this period but has been adjusted to reflect potentially lower available staff during the duration of the swimming season. 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. The District is re-evaluating its capital investment in landscape and the community center to better align with potential external funding from grants or other ways to bring revenues into the zone to reduce the fiscal impact of deferred landscape projects.

Fund Detail

	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Fiscal Year 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Projected
Current Secured Property Tax	828,881	704,657	856,834	820,310	890,529	851,281	905,354	906,400	946,680
Advertising Income	700	500	1,166	500	50	2,000	-	500	500
Community Center Program Fees	37,488	40,000	60,263	45,000	64,123	65,000	50,000	65,000	47,000
Grant Income	-	1,000	173,789	-	-	-	-	-	95,000
Community Center Events	-	-	1,500	1,000	-	4,000	-	2,000	1,000
Borrowed reserves	-	-	-	18,000	-	14,000	-	500,000	131,000
Interest Income	14,045	-	71,889	-	69,544	75,000	40,000	51,000	42,000
County Reimbursement	50,889	75,000	63,971	60,000	63,865	67,000	96,500	72,000	90,000
Other	6,000	6,000	2,507	6,000	5,689	2,000	1,000	2,000	2,500
Recreation Revenue	74,844	-	-	-	-	-	-	-	-
Gifts & Contributions (Donations)	7,195	4,000	6,501	-	6,000	6,000	181,000	6,000	-
Community Center Fee	25,000	-	111,930	-	182,245	-	48,635	-	-
Rentals	10,767	39,000	44,210	39,000	59,372	40,000	40,000	40,000	45,000
Community Center Pool Fee	7,467	7,500	15,917	8,000	15,543	10,000	5,000	10,000	6,000
Subtotal - Revenues	1,063,275	877,657	1,410,476	997,810	1,356,960	1,136,281	1,367,489	1,654,900	1,406,680

	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Fiscal Year 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Projected
Salary and Wages	261,457	171,000	130,610	150,879	181,914	216,531	295,700	285,000	319,800
ER Taxes	-	-	10,524	-	16,451	19,163	15,600	25,000	28,300
Reimbursement of Insurance	-	-	18,408	-	27,039	31,395	28,000	42,300	51,500
Directors Compensation	-	-	-	-	-	-	-	-	700
Training Conferences Travel	3,428	2,000	393	2,500	897	1,500	1,000	1,500	1,800
Memberships	345	600	462	600	145	500	-	-	1,200
Consulting	-	-	-	-	1,041	-	2,000	-	-
Legal - General	64	1,000	1,204	1,000	838	1,000	2,500	1,000	3,500
Annual Audit Service	2,200	2,200	2,200	2,200	3,756	2,500	4,000	4,000	4,200
Advertising	-	50	136	50	-	-	60	-	100
Telephone - General	-	600	-	480	2,146	1,200	1,500	500	450
Telephone - cellular	1,504	2,000	1,161	1,800	839	-	1,200	1,200	700
Vehicle & Equipment - Fuel	7,849	10,000	8,101	10,200	6,304	8,500	6,000	8,500	8,500
Vehicle & Equipment - Sup & Rep	4,866	4,000	4,067	6,500	3,608	6,500	7,500	6,500	6,500
Info System - Maintenance	1,763	950	2,218	1,862	5,571	4,500	5,100	3,500	5,000
Equipment Maintenance	2,508	4,000	6,654	4,500	1,106	4,500	1,000	2,500	1,000
Software Hosting	-	-	-	-	-	-	5,800	5,500	5,400
Miscellaneous Small Tools	10,623	2,000	2,499	2,500	2,752	2,500	1,500	3,000	3,000
Office Supplies	985	1,650	2,440	1,600	1,202	1,000	1,300	1,500	1,500
Equipment Rental/Leasing	2,139	2,460	959	2,500	1,079	2,000	1,000	2,000	1,000
Landscape Maintenance	66,563	45,000	176,854	55,000	82,645	55,000	72,000	55,000	55,000
Building Maintenance	8,900	6,500	10,454	11,700	11,669	12,000	9,000	12,000	6,000
Insurance Liability & Property	5,000	5,000	6,250	6,250	7,002	7,500	7,900	12,000	9,000
Personal Protective Equipment	2,696	3,000	4,354	3,000	1,894	3,000	4,200	3,000	3,500
Utilities/Electrical Cost	81,744	93,840	93,128	90,000	112,589	90,000	96,000	98,600	103,000
Utilities/Water Cost	49,282	51,000	43,543	55,000	60,581	55,000	60,000	38,000	56,000
Utilities/Waste Cost	4,908	5,000	4,622	5,000	4,417	5,000	4,200	5,000	19,750
Miscellaneous Services & Supplies	100	1,600	2,342	1,102	787	500	1,000	500	500
Revenue Collection	4,941	5,700	5,609	10,800	6,016	5,100	5,000	5,000	5,000
Property Taxes	911	2,000	911	1,000	911	1,000	1,300	1,000	1,300
CCC DB Sign Replacement	388	2,000	135	2,000	217	1,000	-	1,000	500

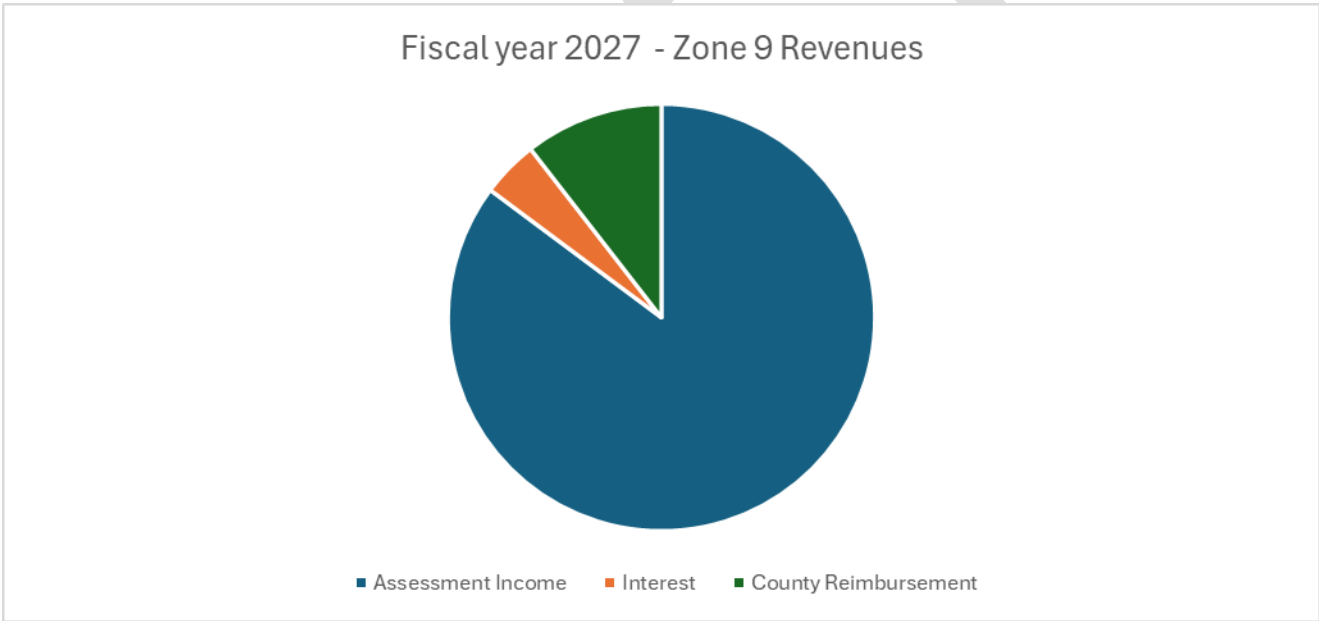
	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Fiscal Year 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Projected
Salary and Wages	196,077	278,882	183,969	302,899	219,029	330,539	258,500	290,000	253,700
ER Taxes	-	-	11,616	-	18,720	29,253	21,800	26,000	22,500
Reimbursement of Insurance					22,951	9,507	4,200	5,500	28,800
Directors Compensation									350
Training Conferences Travel	226	1,500	1,525	2,000	661	1,500	1,000	1,500	1,500
Memberships	1,115	1,020	1,539	1,400	7,645	1,500	1,500	2,000	1,300
Donation Expenditures	3,786	41,000	28,802	18,000	3,006	14,000	3,500	5,000	5,000
Events	999	6,530	4,155	6,500	201	1,500	-	1,000	500
Consulting					1,041	-	2,000	-	-
Legal - General	2,335	3,500	3,303	3,000	710	3,000	3,000	1,500	3,500
Annual Audit Service	1,000	1,000	1,000	1,000	3,756	1,500	4,000	4,000	4,200
Advertising	5,677	5,355	4,176	5,750	-	-	-	-	-
Telephone - General	2,764	3,560	4,391	3,360	4,632	6,500	4,000	4,000	450
Telecom - Networking	3,023	3,000	4,063	3,200	4,855	4,400	4,200	4,400	5,300
Telephone - cellular	831	720	709	850	634	-	-	1,200	400
Info System - Maintenance	2,993	3,500	2,129	4,250	7,587	10,000	3,000	4,500	3,000
Equipment Maintenance	580	800	-	800	320	500	500	500	500
Software Hosting	4,385	5,000	11,550	5,000	203	-	9,000	9,000	10,000
Community Center/Pool Equipment	2,305	-	1,699	4,000	614	2,500	2,500	12,500	2,500
Office Supplies	4,528	4,330	5,242	4,250	5,010	4,500	4,000	5,000	5,000
Landscape Maintenance	23,524	17,040	12,294	15,300	15,681	20,000	12,200	18,000	18,000
Building Maintenance	15,739	15,000	24,218	17,000	8,416	14,000	9,000	16,000	7,800
Pool Maintenance	11,944	3,060	13,033	15,000	18,969	14,000	10,400	12,000	12,000
Insurance Liability & Property	6,000	6,000	6,120	6,120	6,975	7,300	7,900	11,000	9,000
Permits & Fees	1,167	2,000	730	2,000	1,846	1,000	1,355	1,000	2,000
Personal Protective Equipment	1,584	2,020	2,596	2,000	1,695	1,500	500	1,500	1,500
Utilities/Electrical Cost	41,112	26,000	32,325	31,500	42,729	40,000	33,000	40,000	36,000
Utilities/Water Cost	11,791	14,000	12,313	13,000	11,599	13,000	11,700	12,000	12,000
Utilities/Waste Cost	6,496	6,000	6,455	6,000	3,638	6,000	4,000	6,000	2,750
Chemicals	8,458	10,000	17,721	12,000	18,055	15,000	11,200	17,000	17,000
Miscellaneous Bank Charges	8,286	3,500	2,984	3,800	2,063	3,300	-	-	-
Miscellaneous Services & Supplies	4,440	510	5,700	2,000	5,630	4,000	5,000	6,000	3,000
Program Fees	29,677	30,000	28,261	33,750	30,103	36,000	28,000	36,000	32,000
Property Taxes	470	500	470	510	470	500	470	500	500
Capital Outlay	230,913	470,000	628,893	1,741,000	908,098	1,110,000	213,300	495,000	221,000
Subtotal - Expenses	1,159,388	1,390,477	1,604,222	2,697,262	1,922,958	2,244,688	1,316,084	1,674,200	1,426,750
Net Revenues (Loss)	\$ (96,113)	\$ (512,820)	\$ (193,745)	\$ (1,699,452)	\$ (565,998)	\$ (1,108,406)	\$ 51,404	\$ (19,300)	\$ (20,070)

FUND 41

ZONE 9 (Ravenswood)

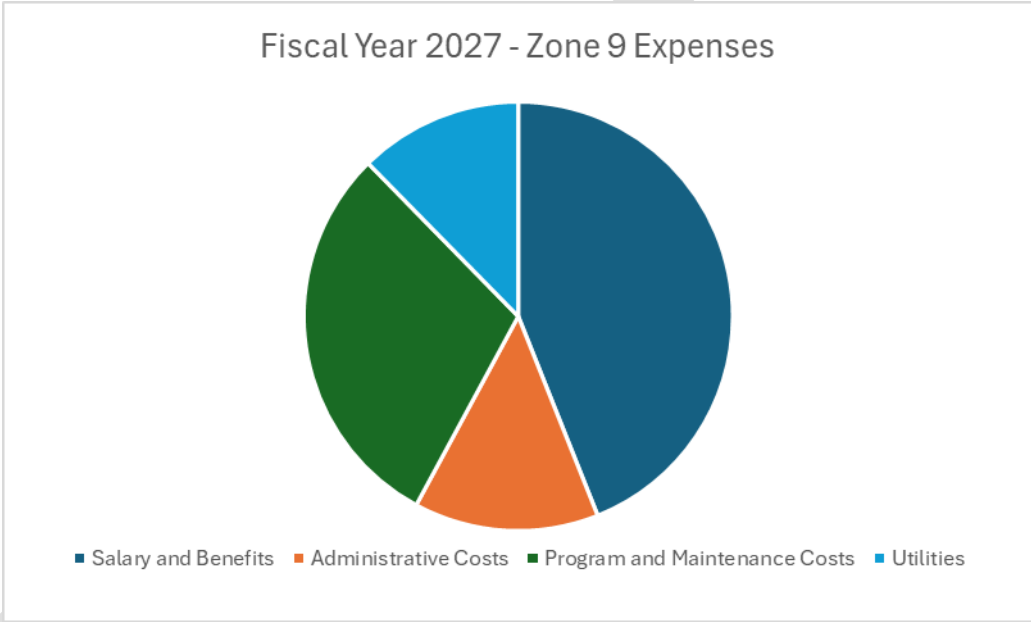
Zone 9 is owned and maintained by the Town of Discovery Bay CSD. This zone includes landscape streetscape frontages along Wilde Drive and Poe Drive. Ravenswood Park is also included in this zone.

Fiscal Year Trend - Fund 41 Revenues								
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2026	FY 2027
	Actual	Actual	Actual	Actual	Actual	Projected	Budget	Budget
Assessment Income	145,113	150,634	158,161	164,791	170,999	173,171	173,100	179,750
Interest	-	-	2,539	11,430	14,768	7,000	11,000	9,000
Other	15,499	20,688	11,452	15,993	15,966	22,000	18,000	22,000
Total Revenues	\$ 160,612	\$ 171,322	\$ 172,152	\$ 192,214	\$ 201,733	\$ 202,171	\$ 202,100	\$ 210,750



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	FY 2026	FY 2027
	Actual	Actual	Actual	Actual	Actual	Projected	Budget	Budget
Salary and Benefits	42,553	28,027	37,777	33,430	52,184	80,600	63,000	88,800
Administrative Costs	23,708	25,507	25,242	17,009	18,929	25,240	27,300	28,150
Maintenance	29,739	28,434	56,091	58,124	22,319	62,500	61,000	60,100
Utilities	20,787	24,902	22,246	19,957	19,131	27,100	24,200	24,950
Capital Outlay	162,931	-	-	16,932	271,419	-	-	-
Total Expenditures	\$ 279,718	\$ 106,870	\$ 141,356	\$ 145,452	\$ 383,982	\$ 195,440	\$ 175,500	\$ 202,000
Net Revenues (Expenses)	\$ (119,106)	\$ 64,452	\$ 30,796	\$ 46,762	\$ (182,249)	\$ 6,731	\$ 26,600	\$ 8,750



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

	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Fiscal Year 2027
	Actual	Budget	Actual	Budget	Actual	Budget	Projected	Budget	Budget
Assessment Income	158,161	153,647	164,791	156,720	170,999	170,999	173,171	173,100	179,750
Interest Income	2,539		11,430	4,200	14,768	10,000	7,000	11,000	9,000
County Reimbursement	12,722	13,000	15,993	13,000	15,966	17,000	22,000	18,000	22,000
Subtotal - Revenues	173,423	166,647	192,214	173,920	201,733	197,999	202,171	202,100	210,750

	Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025		Fiscal Year 2026		Fiscal Year 2027
	Actual	Budget	Actual	Budget	Projected	Budget	Projected	Budget	Budget
Salary and Wages	37,777	47,299	26,186	60,045	41,894	53,845	68,100	52,000	71,100
ER Taxes	-	-	2,076	-	3,880	4,765	2,700	4,500	6,300
Reimbursement of Insurance	-	-	5,168	-	6,410	6,600	9,800	6,500	11,400
Directors Compensation									350
Training Conferences Travel	1,093	1,450	98	1,450	818	1,000	1,000	1,000	1,800
Memberships									700
Consulting Services	1,680	2,000	2,025	2,500	892	2,200	3,750	2,200	2,200
Legal - General	688	1,000	-	1,000	301	1,000	2,500	500	1,000
Annual Audit Service	2,000	2,000	2,000	2,000	3,220	2,500	3,000	3,000	3,600
Advertising	-	100	55	100	57	-	100	100	100
Telephone - General	258	1,200	521	1,200	1,375	2,000	1,800	800	200
Telephone - cellular	1,449	1,200	1,123	1,200	752	-	-	1,200	300
Vehicle & Equipment - Fuel	6,639	6,000	6,370	7,500	6,606	7,500	6,500	7,500	7,500
Vehicle & Equipment - Sup & Rep	374	2,200	4,628	3,450	2,622	6,000	2,000	2,500	2,500
General Repairs		100		100	-	-	2,650	-	-
Info System - Maintenance	766	1,750	250	1,750	1,977	2,000	500	1,500	2,000
Equipment Maintenance	2,713	2,750	1,951	1,500	451	1,500	500	1,000	1,000
Miscellaneous Small Tools	3,493	2,500	741	2,500	1,925	2,500	-	2,000	2,100
Software Hosting	163		390	-	135	-	500	2,200	2,000
Minor equipment/furniture		500	386	500	-	500	100	500	-
Office Supplies	430	1,050	397	1,050	74	500	-	300	100
Equipment Rental/Leasing	1,428	1,000	243	1,000	277	1,000	-	1,000	200
Landscape Maintenance	52,194	21,000	46,771	30,000	11,728	50,000	53,000	50,000	50,000
Building Maintenance	700	1,000	355	1,000	1,363	1,000	1,000	1,000	100
Insurance Liability & Property	3,000	3,000	3,300	3,300	4,677	5,000	3,920	7,000	7,000
Personal Protective Equipment	1,841	3,000	2,720	3,000	1,257	3,000	3,500	2,000	2,500
Utilities/Electrical Cost	635	1,600	712	1,600	891	1,200	400	1,700	450
Utilities/Water Cost	20,019	25,500	19,245	26,000	15,144	22,000	23,800	20,000	22,000
Utilities/Waste Cost	1,592	3,000		1,000	3,096	2,000	2,900	2,500	2,500
Miscellaneous Services & Supplies	2	1,500	387	1,500	318	600	1,000	500	500
Revenue Collection	423	600	423	600	423	500	423	500	500
Capital Outlay	-	25,000	16,932	50,000	271,419	250,000	-	-	-
Subtotal - Expenses	141,356	159,299	145,453	206,845	112,563	430,710	195,444	175,500	202,000
Net Revenues (Loss)	\$ 32,067	\$ 7,348	\$ 46,761	\$ (32,925)	\$ 89,170	\$ (232,711)	\$ 6,727	\$ 26,600	\$ 8,750

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 & Funding Source



CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE

The Capital Improvement Projects for Fiscal Year 2026-2027 are valued at \$20 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 2026-2027 Forecast of Capital Projects

Capital Projects / Expenditures	FY 26/27	FY 27/28	FY 28/29	FY29/30	FY30/31
Water	11,221,400	4,025,000	4,100,000	8,500,000	4,091,000
Wastewater	8,557,150	775,000	425,000	1,425,000	425,000
Zone 8	221,000	35,000	35,000	113,000	35,000
Zone 9	-	-	10,000	12,000	-
Total Costs	19,999,550	4,835,000	4,570,000	10,050,000	4,551,000
Funding Source	FY 26/27	FY 27/28	FY 28/29	FY29/30	FY30/31
Reserves	10,617,150	1,085,000	470,000	1,550,000	1,051,000
Grants	95,000				
California Energy Commission Loan	2,845,000	-	-	-	-
Future debt	6,442,400	3,750,000	4,100,000	8,500,000	3,500,000
Total Costs	19,999,550	4,835,000	4,570,000	10,050,000	4,551,000

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 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	Total
CIP for Water Supply Capacity (Source, Treatment and Storage)						
Well Replacement	-	250,000	250,000	2,000,000	-	2,500,000
TOTAL	-	250,000	250,000	2,000,000	-	2,500,000
Replacements and Rehabilitation for Existing Water Supply Facilities						
Filter Replacement (Newport Filter A)	390,000	-	-	-	-	390,000
Stabilization Soils- Willow Lake Water Treatment Plant	-	-	-	-	176,000	176,000
Well 2 Upgrade Electrical Panel	-	275,000	-	-	-	275,000
Install Filter 2	-	-	350,000	3,000,000	-	3,350,000
Newport WTP Valve Replacment	112,000	-	-	-	-	112,000
Well 6 Upgrade from SSRV to VFD to Improve Operational Flexibility	400,000	-	-	-	-	400,000
TOTAL	902,000	275,000	350,000	3,000,000	176,000	4,703,000
Water Distribution System/Pipeline Replacements						
Mainline Pipeline	500,000	3,500,000	3,500,000	3,500,000	3,500,000	14,500,000
Newport & Sandpoint Underwater Crossing	3,599,400	-	-	-	-	3,599,400
TOTAL	4,099,400	3,500,000	3,500,000	3,500,000	3,500,000	18,099,400
Capital Improvements - Water Distribution System						
Willow Lake WTP SCADA Improvements	-	-	-	-	415,000	415,000
Cathodic Protection System Improvements	-	-	-	-	-	-
TOTAL	-	-	-	-	415,000	415,000
Other Projects						
Solar System at WTP	2,845,000	-	-	-	-	2,845,000
Town Administration Building	3,375,000	-	-	-	-	3,375,000
TOTAL	6,220,000	-	-	-	-	6,220,000
Annual Total	11,221,400	4,025,000	4,100,000	8,500,000	4,091,000	31,937,400

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 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 is also a solar project underway and pending permit approval that will be funded through the California Energy Commission.

FUND BALANCE

	Annual Target	Balance 06/30/2026 (estimated)	Net Revenues	External funding or Debt proceeds	Uses	Balance 06/30/2027
Revolving Funds						
Water Infrastructure Replacement Fund	200,000	337,625	127,650		(86,073)	379,202
Booster Pump Replacement Fund	20,000	276,700				276,700
Generators Replacement Fund	10,000	140,000				140,000
Facility Replacement Fund	10,000	128,073			(36,725)	91,348
Vehicle Replacement Fund	10,000	79,092				79,092
Total Revolving Funds	250,000	961,490	127,650		(122,798)	966,342
Reserves						
Emergency Reserves	30% of Revenues	2,025,900				2,025,900
Capital and Connection Fee		779,202			(779,202)	0
Water Distribution Line Replacement		1,032,000		9,287,400	(10,319,400)	0
Capital Reserve		-				0
Undesignated		-				0
Total Reserves		3,837,102	-	9,287,400	(11,098,602)	2,025,900
Total Water Funds	\$ 250,000	\$ 4,798,592	\$ 127,650	\$ 9,287,400	\$ (11,221,400)	\$ 2,992,242

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 2026-2027, the net revenues fell short of the annual contribution target of \$250,000. As more refinement of the timing of some of the larger capital improvements, staff will begin working with the District's finance team to prepare bond documents to obtain construction proceeds to pay for distribution systems. Currently, the Newport and Sandpoint underwater crossing is in final design, and it is anticipated that bidding and construction will occur in Fiscal year 2026-2027.

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.

With the work in updating the District's GIS, 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 26/27	FY 27/28	FY 28/29	FY29/30	FY30/31	Total
Annual Wastewater Lift Station Improvements						
Lift Station Control Panel Upgrades	250,000	250,000	250,000	250,000	250,000	1,250,000
<i>TOTAL</i>	<i>250,000</i>	<i>250,000</i>	<i>250,000</i>	<i>250,000</i>	<i>250,000</i>	<i>1,250,000</i>
Capital Improvements - Wastewater System						
Wastewater Facility Improvements	4,757,150	-	-	-	-	4,757,150
Lift Station Replacement	-	-	-	1,000,000	-	1,000,000
	4,757,150	-	-	1,000,000	-	5,757,150
Other Projects						
Town Administration Building	3,375,000	-	-	-	-	3,375,000
<i>TOTAL</i>	<i>3,375,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3,375,000</i>
Equipment						
Facility Equipment	175,000	175,000	175,000	175,000	175,000	875,000
Stationary Liftstation Generators (Newport & Lakeshore)	0	350,000	-	-	-	350,000
<i>Total</i>	<i>175,000</i>	<i>525,000</i>	<i>175,000</i>	<i>175,000</i>	<i>175,000</i>	<i>1,225,000</i>
Annual Total	8,557,150	775,000	425,000	1,425,000	425,000	11,607,150

Like the water CIP, the wastewater projects were 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 or the District's revolving funds.

The Miscellaneous Wastewater Facility Projects is a collection of several projects throughout the site being addressed together that include the following:

Dewatering pipe	\$ 358,400
Belt Press	\$1,680,000
Vac Truck Dump Station and Pumps / Garage	\$ 952,000
Solar Dryer Panel and Tray Replacement	\$ 760,000
Solar Circulators rehabilitation	\$ 134,400
Other minor projects	\$ 44,800
Engineering Services and Contingency	\$ 827,550

Fund Balance

Fund 21 - Wastewater	Annual Target	Balance 06/30/2026 (estimated)	Net Revenues	External funding/loans	Uses	Balance 06/30/2027
Revolving Funds						
Wastewater Infrastructure Replacement Fund	200,000	1,267,920	200,000		(1,467,920)	0
Collection Pumps & Motors Replacement Fund	30,000	155,764	30,000		(175,000)	10,764
Generators Replacement Fund	15,000	195,000	15,000		-	210,000
Facility Replacement Fund	15,000	81,488	15,000		(96,488)	0
Vehicle Replacement Fund	15,000	115,226	15,000		-	130,226
Manhole Replacement Fund	100,000	200,000	100,000		-	300,000
Total Revolving Funds	\$ 375,000	\$ 2,015,398	\$ 375,000	\$ -	\$ (1,739,408)	\$ 650,990
Reserves						
Emergency Reserves	30% of Revenues	2,265,000				2,265,000
Capital and Connecton Fee		1,590,103			(335,108)	1,254,996
Capital Reserves		4,693,729			(4,693,729)	0
Undesignated		1,124,906	664,000		(1,788,906)	(0)
Total Reserves		\$ 9,673,738	\$ 664,000	\$ -	\$ (6,817,743)	\$ 3,519,995
Total Wastewater Funds	\$ 375,000	\$ 11,689,136	\$ 1,039,000	\$ -	\$ (8,557,150)	\$ 4,170,986

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 2026-2027, 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 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Landscaping - Streetscape and Parks					
Front Entrance /Wall	-	-	-	-	-
Willow Lake	-	-	-	-	-
Newport Drive	-	-	-	-	-
Total Landscaping	\$ -	\$ -	\$ -	\$ -	\$ -
Community Center					
Building Improvements	95,000	25,000	25,000	25,000	25,000
Pool Equipment	-	10,000	10,000	10,000	10,000
Tennis courts	126,000	-	-	-	-
Pickleball courts	-	-	-	30,000	-
Total Community Center	\$ 221,000	\$ 35,000	\$ 35,000	\$ 65,000	\$ 35,000
Vehicles					
Tractor	-	-	-	48,000	-
Total Vehicles	\$ -	\$ -	\$ -	\$ 48,000	\$ -
Total Zone 8	\$ 221,000	\$ 35,000	\$ 35,000	\$ 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.

For Fiscal Year 2026-2027, the District has scaled back on capital investment due to the lack of funding from annual operations. District staff will identify a complete list of deferred projects, determine pricing, and evaluate options for funding from own source revenues, external funding (grants), or consideration of new generated revenues.

Fund Balance

	Annual Target	Balance 06/30/2026 (estimated)	Net Revenues	Uses	Balance 06/30/2027
Revolving Funds					
Community Center	45,000	25,830			25,830
Streetscapes/Parks	40,000	-			-
Vehicle Replacement	10,000	50,000			50,000
Total Revolving	\$ 95,000	\$ 75,830	\$ -	\$ -	\$ 75,830
Reserves					
Undesignated	-		(20,070)		(20,070)
Designated Fund		582,869	-	(95,000)	487,869
Park Enhancement Fee	-	45,125	-		45,125
Community Center Fee	-	162,793	-	(126,000)	36,793
Emergency Reserves	50% of Annual Operating Revenue	595,500	-	-	595,500
Total Reserves	\$ -	\$ 1,386,287	\$ (20,070)	\$ (221,000)	\$ 1,145,217
Total Zone 8	\$ 95,000	\$ 1,462,117	\$ (20,070)	\$ (221,000)	\$ 1,221,047

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 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Landscaping - Streetscape and Parks					
Ravenswood Park - Solar Lighting			10,000		
Poe Road (Future Year)					-
Total Landscaping	\$ -	\$ -	\$ 10,000	\$ -	\$ -
Vehicles / Equipment					
Tractor	-	-		12,000	
Total Vehicles	\$ -	\$ -	\$ -	\$ 12,000	\$ -
Total Zone 9	\$ -	\$ -	\$ 10,000	\$ 12,000	\$ -

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 06/30/2026 (estimated)	Net Revenues	Uses	Balance 06/30/2027
Revolving Funds					
Park Structures	25,000	25,000			25,000
Streetscapes/Parks	15,000	20,000	8,750	-	28,750
Vehicle/Equipment Replacement	5,000	35,000		-	35,000
Total Revolving	\$ 45,000	\$ 80,000	\$ 8,750	\$ -	\$ 88,750
Reserves					
Undesignated	-	-	-		-
Capital Reserves	-	23,077	-		23,077
Emergency Reserves	50% of Annual Operating Revenue	105,375	-	-	105,375
Total Reserves	\$ -	\$ 128,452	\$ -	\$ -	\$ 128,452
Total Zone 9	\$ 45,000	\$ 208,452	\$ 8,750	\$ -	\$ 217,202

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 2026-2027 balance should not exceed \$418,600.

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 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. 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.

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 repairing 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

Miscellaneous Wastewater Projects:

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 designed 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.

Zone 8 Landscape and Community Center Projects

Streetscapes – placeholder for 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.

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

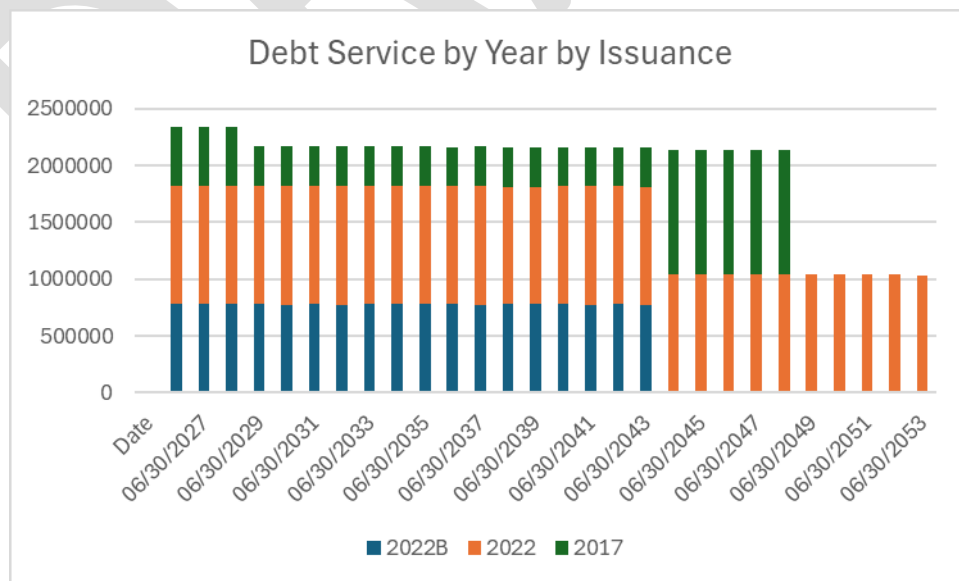
Trustee	Bond	Total Balance (Est)
US Bank	2022B (2012)	\$9,261,000
US Bank	2017	\$6,965,000
US Bank	2022	\$11,655,000
Total		\$27,881,000

Debt Service Payments

December 1 - Principal and Interest

June 1 – Interest Only

Date	2022B Enterprise Revenue Refunding Bonds Enterprise (Revenue)			2022 Enterprise Revenue Bonds Enterprise (Revenue)			2017 Enterprise Revenue Bonds Enterprise (Revenue)		
	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 & 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.



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Agenda Title: Discussion and Possible Recommendation to Adopt Resolution No. 2026-04 - Notice of Intent to Levy and Collect an Annual Assessment for the Ravenswood Improvement District - Discovery Bay Lighting and Landscape Zone 9 for Fiscal Year 2026-2027 and Set the Public Hearing.

Meeting Date: June 3, 2026

Prepared By: Margaret Moggia, Finance Manager

Submitted By: Dina Breitstein, General Manager

RECOMMENDED ACTION:

Staff recommends that the Committee take the following action:

Recommend the Board Adopt Resolution No. 2026-04 to set Notice of Intent to Levy and Collect an Annual Assessment for the Ravenswood Improvement District – Discovery Bay Lighting and Landscape Zone 9 for Fiscal Year 2026-2027, and set the Public Hearing for June 17, 2026, at 7:00pm located at 1601 Discovery Bay Boulevard.

EXECUTIVE SUMMARY:

As part of the annual assessment process for the Ravenswood Improvement District – Discovery Bay Lighting and Landscape Zone 9, the Town of Discovery Bay Board of Directors adopted Resolution 2026-03, which directed Herwit Engineering to prepare the assessment report. Herwit provided the Draft Assessment Engineer's Report to District Staff on May 26, 2026. In that report, Herwit determined that based on operating costs (as shown on the proposed Operating and Capital Budget for Discovery Bay Lighting and Landscape Zone 9) the per parcel assessment should be set at \$885.46, which is the allowable maximum assessment for Zone 9.

Factors leading to the assessment of \$885.46 include maintaining our emergency reserves, adequate funds for operations, and replenishing the reserves to fund future capital projects. The reserves protect Lighting and Landscape Zone 9 from any expensive repairs and maintenance regarding the assets of the zone such as the landscaping, park structures and the splash pad. The recommended assessment upholds the Fiscal Year 2026-2027 budget and prudently maintains the reserve balance and makes funds available for future planned capital projects.

Staff requests direction from the Board of Directors regarding the increase of the Discovery Bay Lighting and Landscape Zone 9 Assessment. If no change to the report is required, then staff requests that the attached Resolution, which approves Herwit's report and proposed assessments, be approved provides Notice of Intent to Levy and Collect an annual assessment. The Public Hearing approving the levy of the annual assessment will be held on June 17, 2026 at the regularly scheduled Board meeting.

FISCAL IMPACT:

Approval of resolution provides funding towards Zone 9 in the amount of \$179,748.38. Previous year's calculation generated \$172,748.63.

PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

April 1, 2026 Regular Board Meeting – Direct Herwit to Prepare Engineer's Report

ATTACHMENTS:

1. Resolution 2026-04
2. Resolution 2026-04 Attachment A: Engineer's Report



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2026-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY,
A CALIFORNIA COMMUNITY SERVICES DISTRICT
INTENT TO LEVY AND COLLECT AN ANNUAL ASSESSMENT
FOR THE RAVENSWOOD IMPROVEMENT DISTRICT – DB L&L ZONE #9
FOR THE FISCAL YEAR 2026-2027**

WHEREAS, the Board of Directors of the Town of Discovery Bay Community Services District (CSD), pursuant to a development agreement with the developer of that subdivision known as Ravenswood formed a landscaping, park, lighting, and open space district, for the purpose of providing for the operation and maintenance of landscaping, park, lighting, and open space installed in said subdivision by developer; and

WHEREAS, said subdivision is generally located along Blake Court, Coleridge Way, Wilde Drive, Shakespeare Court, Slifer Court and Seuss Court, and

WHEREAS, the Board of Directors now desires to declare its intention to levy an annual assessment within such district.

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

SECTION 1. The Board of Directors of the Town of Discovery Bay CSD, to deter crime, provide traffic safety, aid law enforcement, and provide a better neighborhood environment has formed an assessment district pursuant to California Streets & Highway Code, Division 15, Part 2, sections 22500 and following, and to levy and collect assessments there under, pursuant to Resolution 2005-03.

SECTION 2. The improvements, the operation and maintenance of which are intended to be funded by the assessments levied by the proposed assessment district, include all expenses associated with the maintenance and operation of non-privately owned landscaping, park, lighting, and open space in the subdivision known as Ravenswood.

SECTION 3. The assessment district consists of that property generally described as Subdivision 8710- Ravenswood being a subdivision of a portion of the Northwest quarter of Section 26, Township 1 North, Range 3 East, Mount Diablo Meridian as recorded in Book 458 of Maps, Pages 1-15, Contra Costa County Records.

SECTION 4. The designation for the assessment district is "Ravenswood Improvement District" –DB L&L Zone #9.

SECTION 5. HERWIT Engineering has prepared and filed with the Secretary of the Board of Directors a report detailing the full and detailed designation of the improvements, and the boundaries of, and the proposed assessments upon assessable lots and parcels of land within, the Ravenswood Improvement District, and the Board of Directors hereby adopts and approves said report.

SECTION 6. A hearing by the Board of Directors on the question of levy of annual assessments of the Ravenswood Improvement District –DB L&L Zone #9 for the fiscal year 2026-2027 year will be held at 7:00 p.m., on June 3, 2026, at the Community Center located at 1601 Discovery Bay Boulevard, Discovery Bay, CA 94505.

PASSED, APPROVED AND ADOPTED THIS 3rd day of June 2026.

Bryon Gutow
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regular meeting, held on June 3, 2026, by the following vote of the Board:

AYES:
NOES:
ABSENT:
ABSTAIN:

Dina Breitstein
Board Secretary

**FINAL ASSESSMENT ENGINEER'S
REPORT**

Prepared for the

**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

**Landscaping, Park, Lighting and Open-Space
Improvements District DB L&L #9**

For Fiscal Year 2026-2027

**Prepared by
HERWIT Engineering**

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

JULY 2026

Town of Discovery Bay Community Services District

Director and President

Bryon Gutow

Director and Vice President

Kevin Graves

Director

Carolyn Graham

Director

Ashley Porter

Director

Lesley Belcher

General Manager

Dina Breitstein

Assistant General Manager

Stephen Griswold III

Finance Manager

Margaret Moggia

Parks & Landscape Manager

Monica Gallo

District's Attorney

Neumiller & Beardslee

Assessment Engineer

HERWIT Engineering

Date: June 2026

**Assessment Engineers Report
For
Landscape, Park, Lighting and Open-Space District DB L&L #9, Zone #1
Subdivision 8710 (Ravenswood)**

Pursuant to Governmental Code 61710 and procedures of the Landscaping and Lighting District Act of 1972, the Town of Discovery Bay Community Services District (CSD) is responsible for the Landscape, Park, Lighting and Open-Space District DB L&L #9 submits this "Assessment Engineers Report" for the 2026-2027 year, which consists of five (5) parts as follows.

PART A. Plans and Specifications

This part describes the improvements in this District. The plans, drawings and specifications are on file in the Town of Discovery Bay CSD District Office. A listing of these documents and drawings are outlined in the original Assessment Engineers Report approved in 2006.

PART B. Estimate of Cost

This part contains an estimate of the cost of proposed improvements, including incidental costs and expenses in connection therewith, is as forth on the lists, which are on file in the Town of Discovery Bay CSD District office.

PART C. Method of Apportionment of Assessment

This part contains the method by which the undersigned engineering firm has determined the amount proposed to be assigned against each parcel, based upon parcel classification of land within this District, in proportion to the estimated benefits to be received. This listing is also on file in the Town of Discovery Bay CSD District office.

PART D. District Diagram of Assessment

This part by reference of a diagram shows the parcel lot numbers that are within this District.

PART E. Property Owner List & Assessment Roll

The listing of Assessed parcels and their owners are on file in the Town of Discovery Bay CSD District office.

Engineers Assessment Report for 2025-2026 year

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

\$ 202,171	Annual assessments & investment revenue was received
\$ 195,443	Annual expenses grounds maintenance, capital improvements, and administrative expenses.
<u>\$ 208,449</u>	Fund total after 2025-2026 annual expenses.

Current Assessment

The 2025-2026 fiscal year assessment per parcel based on the engineer's formula defined in the Assessment Engineers Report adopted in 2006 is \$ 853.06 per parcel. This is greater than the initial year assessment as defined in the Assessment Engineers Report due to increases in maintenance and utility costs, and to maintain the reserve account balance.

Inflation Adjustment to Maximum Assessment

The maximum assessment defined in the Assessment Engineers Report adopted in 2006 is \$501 per parcel based upon build out of the facilities and maintenance of the storm water basins. As specified in the Assessment Engineers Report, the maximum assessment is escalated annually by the consumer price index for San Francisco-Oakland-San Jose. At the time of preparation and adoption of the Assessment Engineers Report, the CPI index as published by the Bureau of Labor Statistics (BLS) for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco – Oakland – San Jose reported for April 2006 was 208.9. The base year for the index is an average of 1982, 1983, and 1984 (hence 1982-1984=100). On April 2026, the same CPI index is reported as 369.21. Based upon the change in the CPI, the new maximum assessment allowed for the 2026-2027 fiscal year is \$ 885.46.

Calculation of Maximum Reserve Account Balance

As stated in the adopted Assessment Engineers Report, the total funds in the reserve account are limited to 200% of the total funds collected by the District's not to exceed annual assessment. The new maximum not to exceed annual assessment allowable for the 2026-2027 fiscal year is \$ 885.46. This assessment is equally assessed to 203 parcels for an annual total of \$ 179,748.38. Therefore, the maximum Reserve Account Balance is \$ 359,496.76. After the reserve account has accrued to the maximum amount, any money received by the District in excess of annual maintenance and administrative costs will be returned to the property owner in the form of a reduced assessment in the following fiscal year.

New Assessment for 2026-2027 Fiscal Year

The District will incur normal expenses for the maintenance of the landscape District this year. The District anticipates minimal charges for capital improvements to rehabilitate existing streetscapes and parks this fiscal year. The estimated budget for 2026-2027 is \$ 195,443. This equates to \$ 962.77 per parcel for all 203 parcels, which is more than the maximum allowable assessment of \$ 885.46 per parcel, or \$ 179,748.38 maximum assessment.

Based on this report, the assessment for 2026-2027 tax year should be \$ 885.46 to minimize the decrease in the reserve fund balance. The assessment for the 2026-2027 fiscal year is then \$ 885.46 per parcel applied equally to all 203 parcels as defined in the adopted Assessment Engineers Report.



Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Agenda Title: Discussion and Possible Recommendation to Approve Audit Fee Increase.

Meeting Date: June 3, 2026

Prepared By: Margaret Moggia, Finance Manager

Submitted By: Dina Breitstein, General Manager

RECOMMENDED ACTION:

Staff recommends that the Finance Committee make the following recommendation to the Board of Directors:

- Approve and Authorize the General Manager to amend the Town's Service Contract Agreement with CLA for \$6,500 for a total not-to-exceed amount of \$152,785 to perform the additional work associated with the Fiscal Year ending June 30, 2026 annual independent financial audit and submission of financial reports to the California State Controller's Office

EXECUTIVE SUMMARY:

In June 2024, the Board approved a 3-year agreement with CliftonLarsonAllen LLP (CLA) to provide the following services and deliverables:

- Perform financial audit;
- Examine internal accounting controls and accounting procedures;
- Report all irregularities and illegal acts to General Manager or Finance Manager;
- Submit management letter on recommendations to improvement systems of internal control, or accounting system;
- Draft financial statements and notes to the financial statements; and
- Complete the annual State Controller's Office Financial Transactions report*
 - *Government Code 53891. (a) States that the officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles if this data is available. The report shall be furnished within seven months after the close of each fiscal year and shall be in the form required by the Controller.

Subsequent to the approval of CLA to perform these services, the District undertook the implementation of a new accounting software, Tyler ERP. With the introduction of a new software, the auditors will need additional hours to evaluate information across multiple platforms which was not originally accounted for.

Therefore, due to the implementation of your new ERP system, CLA anticipates an increase in the number of audit hours required for this year's engagement as the transition to a new ERP often necessitates additional procedures to ensure that data migration and system controls are functioning as intended. CLA has estimated approximately 40 hours or \$6,500.

FISCAL IMPACT:

The additional \$6,500 will be funded from the Finance Department's Consulting Budget.

PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

June 16, 2024 – Regular Board Meeting - Financial Auditor Selection

ATTACHMENTS:

1. N/A



CliftonLarsonAllen LLP
2875 Michelle Drive, Suite 300
Irvine, CA 92606

phone 714-795-5370 fax 714-978-7893
claconnect.com

May 8, 2026

Margaret Moggia
Town of Discovery Bay
1601 Discover Bay Boulevard
Discovery Bay, California 94505

Dear Margaret,

As we previously discussed, due to the implementation of your new ERP system, we anticipate an increase in the number of audit hours required for this year's engagement. The transition to a new ERP often necessitates additional procedures to ensure that data migration and system controls are functioning as intended. In addition, the new chart of accounts will require the mapping of accounts for financial statements to be regrouped.

Consequently, we anticipate needing more audit work, resulting in higher audit fees. We estimate that the extra hours required will be between 30 and 40, leading to increased fees ranging from \$5,500 to \$6,500. A detailed breakdown of both the additional hours and costs will be included in our invoices. If you have any questions or would like to discuss these adjustments, please let us know.

Thank you for your continued partnership. We look forward to working with you to ensure a smooth audit process.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in cursive script that reads "Daphnie Munoz".

Daphnie Munoz
Principal
714-795-5474
daphnie.munoz@claconnect.com