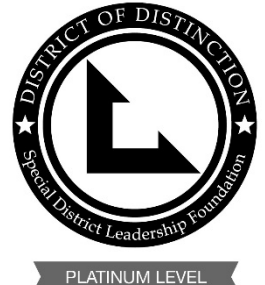




# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



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

**NOTICE OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY  
Wednesday June 4, 2025 7:00 P.M.**

**TO ATTEND IN PERSON:** The meeting will be held at the Community Center located at 1601 Discovery Bay Boulevard.

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/85454370841>

**TO ATTEND BY PHONE:** +1 (669) 444 9171 or +1 (719) 359 4580 **WEBINAR ID:** 854 5437 0841

Download Agenda Packet and Materials at <http://www.todb.ca.gov/>

**REGULAR MEETING 7:00 P.M.**

**A. ROLL CALL AND PLEDGE OF ALLEGIANCE**

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

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

During Public Comments, the public may address the Board 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 Board for consideration. Any person wishing to speak will have 3 minutes to make their comment. There will be no dialog between the Board and the commenter as the law strictly limits the ability of Board 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 Board only. Any clarifying questions from the Board must go through the President. Comments from the public do not necessarily reflect the viewpoint of the Directors.

**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.

1. Approve Regular Board of Directors DRAFT Meeting Minutes from May 21, 2025.
2. Authorize Board Member Attendance and Activity Participation at the 2025 CSDA Conference in Monterey, CA August 25-28, 2025.
3. Approve the Scope of Work for District Engineering Support Services for the Wastewater Division (not to exceed \$75,000) and Authorize the General Manager to Execute a Consulting Agreement with HERWIT Engineering.

**D. AREA AGENCIES AND LIAISON REPORTS / PRESENTATIONS**

1. Supervisor Diane Burgis, District III Report.
2. Sheriff's Office Report.
3. Contra Costa County Fire Protection District Report.
4. Contra Costa County Code Enforcement.

**E. MUNICIPAL ADVISORY COUNCIL**

1. Special Planning Committee Formation.
2. Two Letters of Support and Concern for Construction of Contra Costa Fire Station 94 in Downtown Brentwood, CA.

**F. PRESENTATIONS**

**G. DISCUSSION AND POSSIBLE ACTION**

1. Discussion and Possible Action to Approve Contract with HydroCorp to Provide State Mandated Cross-Connection Services in the Amount of \$406,222.
2. Discussion and Possible Action to Set Public Hearing to Adopt the Operating and Capital Improvement Budgets for Fiscal Year 2025-2026.
3. Discussion and Possible Action to Adopt Resolution No. 2025-04 - Notice of Intent to Levy and Collect an Annual Assessment for the Ravenswood Improvement District - DB Lighting and Landscape Zone 9 for Fiscal Year 2025-2026 and Set Public Hearing.

**H. MANAGER'S REPORT**

**I. GENERAL MANAGER'S REPORT**

**J. DIRECTOR REPORTS**

1. Standing Committee Reports.
  - a. Finance Committee Meeting (Committee Members Ashley Porter and Kevin Graves ) June 4, 2025.
  - b. Water and Wastewater Committee Meeting (Committee Members Kevin Graves and Carolyn Graham) June 4, 2025.

**K. DIRECTORS REGIONAL MEETING AND TRAINING REPORTS**

**L. CORRESPONDENCE**

**M. LEGAL REPORT**

**N. FUTURE AGENDA ITEMS**

**O. ADJOURNMENT**

1. Adjourn to the next Regular Meeting of the Board of Directors on June 18, 2025 beginning at 7:00 p.m. 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."



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



PLATINUM LEVEL

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

## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY Wednesday, May 21, 2025 7:00 P.M.

### REGULAR MEETING 7:00 P.M.

#### A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 7:00 p.m.
2. Vice President Gutow led the Pledge of Allegiance.
3. Roll Call was taken, and all members were present with the exception of President Graham who was absent.

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

None.

#### 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.

1. Approve Regular Board of Directors DRAFT Meeting Minutes from May 7, 2025.
2. Approve Special Board of Directors DRAFT Meeting Minutes from April 30, 2025.
3. Monthly Disbursement Report – April 2025.

Director Graves made a motion to approve the Consent Calendar.

Director Porter seconded.

Vote: Motion carried – AYES: 4 – Gutow, Graves, Porter, Belcher NOES: 0, ABSTAINED: 0, ABSENT: 1 - Graham.

#### D. PRESENTATIONS

1. Veolia.

Presented by Anthony Harper, Project Manager for Veolia.

- 660 safe working days.
- Safety training included ladder safety and excavation and trenching training.
- Decommissioning of Well 5 is waiting for PG&E to disconnect power.
- Hydrant flushing is in progress.
- There were zero water quality complaints in April.
- All lift stations are active. New Lift Station "P" will be added soon in the Pantages development.

#### E. DISCUSSION AND POSSIBLE ACTION

1. Discussion and Possible Action to Approve Contract with HydroPoint Data Systems, Inc. for Irrigation Upgrades at Cornell Park in the Amount of \$24,037.86.

Presented by Landscape Manager Monica Gallo.

- At the November 20, 2024 Board of Directors meeting, staff was authorized to move forward with a 90-day risk free trial.
- Board had requested to know what the return on investment would be after the trial. There is an estimated 18% savings which does not include staff time.
- Goals include water conservation, water management, time management for staff, 24/7 leak detection and conversion of irrigation controllers to cloud-based system.

Noe Cruz from HydroPoint Data Systems answered clarifying questions.

- System will sense a main line leak, close valve, and alert staff of issue.
- Life expectancy of unit is 15-20 years.
- HydroPoint offers a 10-year warranty.

Director Porter made a motion to approve the agreement with HydroPoint Data Systems, Inc. to upgrade the irrigation controllers at Cornell Park for an amount of \$24,037.86, authorize the General Manager to execute a contract with HydroPoint Data Systems, Inc. for the upgrade of the irrigation controllers at Cornell Park, and authorize the General Manager to execute any additional change orders to HydroPoint Data Systems, Inc. up to 15% of the contract value.

Director Graves seconded.

Vote: Motion carried – AYES: 4 – Gutow, Graves, Porter, Belcher, NOES: 0, ABSTAINED: 0, ABSENT: 1 - Graham.

2. Discussion and Possible Action Authorizing Luhdorff & Scalmanini to Provide Design and Construction Engineering Services for the Sand Point Pipeline Replacement Project.

Presented by Project Manager Mike Yeraka and Jason Coleman with Luhdorff and Scalmanini.

- The existing 8-inch underwater pipeline between Sand Point Court and Newport Lane is undersized, creating a hydraulic bottleneck when either the Willow Water Treatment Plant (WTP) or Newport WTP is offline.
- The existing pipeline under Newport Bay is proposed to be replaced with a 12-inch High Density Polyethylene (HDPE) pipeline section installed via horizontal directional drilling (HDD).
- TODB will need to secure a new easement from Reclamation District 800 and the landowner on the Sand Point Court side of the project in this small area.
- Project is expected to last approximately 18 months.
- There will not be an impact to water travel for residents during the project.

Director Graves made a motion to approve the scope and budget contained in the Luhdorff & Scalmanini (LSCE) proposal dated April 21, 2025, to provide design and construction engineering services for the Sand Point Pipeline Replacement Project and authorize the General Manager to execute the Town's standard form of professional services agreement with LSCE to provide design and construction engineering services in an amount not to exceed \$427,362.

Director Porter seconded.

Vote: Motion carried – AYES: 3 – Gutow, Graves, Porter, NOES: 0, ABSTAINED: 1 - Belcher, ABSENT: 1 - Graham.

3. Discussion and Possible Action to Approve Contract with HydroCorp to Provide State Mandated Cross-Connection Services in the Amount of \$406,222.

Water and Wastewater Manager Aaron Goldsworthy introduced Kyle Morrison with HydroCorp.

- The CCCPH requires all California water systems to submit a cross-connection control plan to the State Water Resource Control Board for review and approval by July 1, 2025. In this plan, water system utilities should outline all key elements of your program, including:



- Hazard assessment and reassessment processes
- Backflow preventer assembly requirements and test tracking
- Enforcement and corrective actions
- Public awareness campaigns
- Record keeping and tracking

HydroCorp offers:

- Complete inventory of residential and commercial backflow assemblies and known cross connections
- Support conducting boots on the ground physical surveys
- Streamlined administrative relief with their managed software
- Dedicated customer account representative for the Town and ASSE trained customer service team for Town customers
- Guaranteed compliance, reduced risk, financial efficiency

HydroCorp Turn-Key Program includes existing plan assessment, public awareness, on-site inspections, enforcement and project management.

Commercial hazard assessments are completed over a three-year period. Cost is \$34,658.04. Residential hazard assessments are completed over a ten-year period. A five-year contract cost is \$334,634.48.

The Board asked Water Manager Goldsworthy and HydroCorp's Kyle Morrison clarifying questions.

The Board discussed and debated various elements of the plan.

Director Graves made a motion to approve staff recommendation.

Director Porter seconded.

Vote: Motion failed – AYES: 2 – Graves, Porter, NOES: 1 – Gutow, ABSTAINED: 1 - Belcher, ABSENT: 1 - Graham.

4. Discussion and Possible Action to Approve an Amendment to the Scope of Work for the Water and Wastewater Rate Study with Lechowicz & Tseng Municipal Consultants.

Presented by Finance Manager Margaret Moggia.

- In July 2023, the Board approved an agreement with Lechowicz & Tseng Municipal Consultants (L&T) in the amount of \$42,470 to conduct the water and wastewater rate study.
- Staff received a request from L&T who outlined additional costs necessary to complete the rate study and Prop 218 process and are requesting a proposed budget amendment of \$7,898.08.
- Staff has reviewed the proposal and recommends the Board's approval.

Director Graves made a motion to approve staff recommendation to authorize the General Manager to amend the contract with Lechowicz & Tseng Municipal Consultants who conducted the Water and Wastewater Rate Studies in the amount of \$7,895.08 for a total not-to-exceed of \$50,365.08

Director Gutow seconded.

Vote: Motion passed – AYES: 4 – Gutow, Graves, Porter, Belcher, NOES: 0, ABSTAINED: 0 ABSENT: 1 - Graham.

## F. **MANAGER'S REPORT**

1. Parks, Landscape and Recreation Updates.

Presented by Landscape Manager Monica Gallo.

- New Cornell playground structure is complete.
- Ravenswood Splash Pad is open daily 11am-7pm.
- Recreation programs are ongoing.

- Adult lap swim is continuing.
- Season passes for the pool are available for \$45 for an individual.

**G. GENERAL MANAGER'S REPORT**

None.

**H. DIRECTOR REPORTS**

Director Graves apologized to the Board for his harshness while speaking on item E-3.

**I. DIRECTORS REGIONAL MEETING AND TRAINING REPORTS**

- Director Graves provided a report of the CSDA Legislative Days that he attended in Sacramento.

**J. CORRESPONDENCE**

None.

**K. LEGAL REPORT**

None.

**L. FUTURE AGENDA ITEMS**

Director Belcher made a motion to reconsider approving staff recommendation of item E3 at the next Board of Directors meeting held on June 4, 2025.

Director Gutow seconded the motion.

Vote: Motion passed – AYES: 4 – Gutow, Graves, Porter, Belcher, NOES: 0, ABSTAINED: 0  
ABSENT: 1 - Graham.

**M. ADJOURNMENT**

1. Adjourned at 9:22p.m. to the next Regular Meeting of the Board of Directors on June 4, 2025 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.



# Town of Discovery Bay

## *"A Community Services District"*

### STAFF REPORT

**AGENDA ITEM:**  
**C2**

**Agenda Title:** Authorize Board Member Attendance and Activity Participation at the 2025 CSDA Conference in Monterey, CA August 25-28, 2025.

**Meeting Date:** June 4, 2025

**Prepared By:** Dina Breitstein, General Manager

**Submitted By:** Dina Breitstein, General Manager

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#### RECOMMENDED ACTION:

Authorize Members of the Board of Directors attendance and activity participation at the Annual California Special District Association (CSDA) Conference located in Monterey, CA from August 25-28, 2025.

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#### EXECUTIVE SUMMARY:

This year's Annual CSDA Conference is taking place in Monterey, CA August 25-28, 2025. The Annual CSDA Conference brings exhibitors, Board Members and General Managers from across California together in a collaborative and educational environment intended to become better informed on issues and trends facing Special Districts.

Pursuant to Government Code §61047(e) (5), the Board must previously authorize a Board member's presence at a training program. The Board Member must also deliver a written report at the next available meeting concerning the training session(s) attended. Pursuant to this section, Board Members are permitted a stipend to attend this conference.

Costs for registration, activities, hotel and mileage are listed below:

- Registration – Early Bird (on/before July 25, 2025) - \$890.00
- Registration – Regular (after July 25, 2025) - \$990.00
- SDLF Scramble for Scholarships Golf Tournament August 25, 2025 - \$130.00 (includes lunch)
- Moss Landing Harbor District Tour, Lunch & Elkhorn Slough Boat Tour - \$95.00
- Young Professionals Pre-Conference Activity: Monterey Bay Kayak Tour - \$95.00

(CSDA Conference Rate) Hotel: Per night, taxes, fees, and parking – starting at \$249.00/day plus Daily Tax plus Travel Expense and Per Diem (when meals are not otherwise provided).

This action authorizes members of the Board of Directors attendance at the CSDA Annual Conference.

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#### FISCAL IMPACT:

Noted above.

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**PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:**

July 5, 2023 – Board Approval to Attend 2023 CSDA Conference.  
June 19, 2024 - Board Approval to Attend 2024 CSDA Conference.

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**ATTACHMENTS:**

1. 2025 CSDA Conference Brochure.



**California Special  
Districts Association**  
*Districts Stronger Together*

# 2025

## CSDA ANNUAL CONFERENCE & EXHIBITOR SHOWCASE

**The Leadership Conference for Special Districts**

📍 Monterey, CA | 📅 August 25 – 28, 2025



The CSDA Annual Conference & Exhibitor Showcase is the must-attend event for special district leaders across California! With a densely packed agenda, this conference offers unparalleled opportunities to connect with peers and experts and learn about new tools and trends.

Network with fellow special district professionals, explore the latest innovations and services in our extensive exhibitors' hall, and choose from over 30 targeted breakout sessions tailored to address today's relevant trends and topics for special districts.

This essential event will sharpen your skills, broaden your knowledge, infuse you with enthusiasm, and forge new connections. Join us in 2025!



## SDRMA Credit Incentive Points

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points (CIPs) can be earned based on an agency's full conference attendance at the CSDA Annual Conference & Exhibitor Showcase, reducing SDRMA members' annual contribution amounts.



## IT'S GAME TIME IN MONTEREY!

CSDA's 2025 Annual Conference & Exhibitor Showcase is back in Monterey! Attendees can take a stroll down historic Cannery Row and Monterey's Old Fisherman's Wharf, where you can savor a steaming bread bowl of creamy clam chowder. Visit the world-renowned Monterey Bay Aquarium to watch playful sea otters and penguins up close or set sail on an unforgettable boat tour. In your free time outside of the conference, soak in the breathtaking coastal beauty and vibrant culture that make Monterey truly unforgettable!



Monterey Conference Center  
One Portola Plaza, Monterey, CA 93940

*CSDA room reservations at the Marriott and Portola Hotel & Spa in the CSDA block are available starting at the rate of \$249 plus tax. The room reservation cut-off is August 4, 2025; however, space is limited and may sell out before this date. One night's non-refundable room and tax will be charged on August 4, 2025 for rooms reserved in the CSDA room block.*

*Information about hotel reservations and links to book in the CSDA room block will be emailed to you within 24 hours of registration.*



# PRE-CONFERENCE Monday, August 25, 2025

9:00 a.m. – 3:30 p.m.

Pre-Conference Workshop:

## Special District Leadership Academy Module 1: Governance Foundations

*Hilary Straus, Citrus Heights Water District*

SDRMA CIP ELIGIBLE

As the core curriculum of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts. It is specifically designed for special district board members and meets the requirement for six hours of governance training for Special District Leadership Foundation programs.

**\$325 CSDA Member / \$650 Non-member\***

*\*Price includes continental breakfast and lunch.*

Pre-Conference Workshop:

## So, You Want to Be a General Manager?

*Scott Carroll, CSDM, Costa Mesa Sanitary District  
Melissa Asher, CPS HR Consulting*

*\*Qualifies toward the completion of the Essential Leadership Skills Certificate*

Sponsored by:  **SPECIAL DISTRICT  
LEADERSHIP FOUNDATION**

This is a practical career development workshop for senior executives and emerging leaders in special districts. This action-oriented workshop includes group and panel discussions on the journey, roles, and skillsets of a general manager; identifying general manager opportunities; developing positive relations with the board, staff, and peer agency executives; and leadership best practices.

**\$130 CSDA Member and Non-member\***

*\*Price includes continental breakfast and lunch.*

9:00 a.m. Shotgun Start



Pre-Conference Activity  
**SDLF Scramble for  
Scholarships Golf  
Tournament**  
*Del Monte Golf Course*

Join special district elected officials, staff, and business affiliates at this optional fun event. Great golf skills are not necessary! Proceeds

benefit the Special District Leadership Foundation scholarship fund.

**\$130 includes golf with cart, lunch, and prizes!**

*Hurry, space is limited and is on a first-come, first-served basis.*

10:15 a.m. – 2:00 p.m.

Pre-Conference Tour:

## Moss Landing Harbor District Tour, Lunch & Elkhorn Slough Boat Tour

Playful sea otters, curious harbor seals, boisterous sea lions, and hundreds of bird species abound as you explore one of California's most spectacular wetlands aboard a stable, 27-foot, U.S. Coast Guard inspected pontoon boat in a tour of Elkhorn Slough. Enjoy a tour of the district, eat lunch, and then board the boat for a view of the slough.

**\$95 per person, includes transportation to/from the Conference Center and tour (lunch is included).**

*Early registration is encouraged. Limited to 24 attendees.*

10:30 a.m. – 3:00 p.m.



Young Professionals  
Pre-Conference Activity:  
**Monterey Bay Kayak Tour**

Join your fellow YPs (Young Professional district staff under the age of 40) for the best way to experience the wildlife and nature of Monterey Bay, via kayak. The 1.5-hour kayaking tour will take you to visit sea otters, harbor seals and birds up close. End your pre-conference day networking with your fellow YPs over drinks.

**\$90 per person, including kayak excursion and post-tour happy hour.**

*Early registration is encouraged. Due to safety, the maximum weight is 250 lbs.*

1:00 – 3:00 p.m.

Pre-Conference Breakout:

## Sexual Harassment Prevention Training\*

*Jennifer Martinez, Hanson Bridgett, LLP*

State law requires most local officials and employees to receive sexual harassment prevention training and education for at least two hours within six months of taking office or commencing employment and every two years

thereafter. Presented by an attorney with deep experience in public and employment law, this session provides an interactive presentation meeting the requirements of state law.

*\*Optional - Free to CSDA Members and Non-members who are already attending the full conference.*

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**1:00 – 3:00 p.m.**

Pre-Conference:

**Certified Special District Manager (CSDM) Exam, Special District Leadership Foundation\***

*\*Optional - Must be scheduled prior to the conference.*

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**3:00 – 5:00 p.m.**

Pre-Conference Breakout:

**Ethics AB 1234 Compliance Training\***

*Richard Pio Roda, Redwood Public Law, LLP*

California Government Code Section 53235(a) provides that if a local agency provides any type of compensation, salary, or stipend to a member of a legislative body, or provides reimbursement for actual and necessary expenses incurred by a member of a legislative body in the performance of official duties, then all local agency officials shall receive training in ethics. Subdivision (b) of Section 53235 further provides that each

local agency official shall receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service every two years. This training satisfies these requirements by covering several topics on ethics, including the Political Reform Act and Government Code Section 1090 conflicts of interest, the Levine Act, the Ralph M. Brown Act, and the California Public Records Act. Attendees will receive a certificate that they attended the mandatory training that will satisfy this training requirement for the next two years of their public service.

*\*Optional - Free to CSDA Members and Non-members who are already attending the full conference.*

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**3:30 – 5:00 p.m.**

**Chapter Leaders Meeting\***

Join CSDA board members and local chapter leaders from across the state to share best practices and discuss issues and opportunities. The meeting will begin with networking and refreshments with CSDA Diamond and Platinum Business Affiliate Members, including information on how they can help support your chapter's efforts!

*\*Optional - No fee, but must be attending the conference to participate.*

## CONFERENCE OFFICIALLY BEGINS!

**5:15 – 7:30 p.m.**

**President's Reception with the Exhibitors – Tailgate Party – Conference Officially Begins!**

Throw on your favorite team jersey and join us in the exhibit hall for the ultimate tailgate-style KICKOFF to the 2025 CSDA Annual Conference! Network with fellow attendees and business professionals who provide all types of goods and services to special districts. Appetizers, refreshments, and entertainment will be provided.

*Reception is included in the conference registration.*

**7:30 – 9:00 p.m.**

**SDRMA Member Reception – Invitation only**

Join us in the SDRMA Dessert Dugout for a sweet treat immediately following the opening reception. Network with your fellow SDRMA members and meet your friendly SDRMA staff.

*Electronic invitation to follow in early August.*



# SCHEDULE Tuesday, August 26, 2025

7:00 a.m. – 6:00 p.m.

## Registration Open

7:30 – 8:30 a.m.

## CSDA Board Meeting

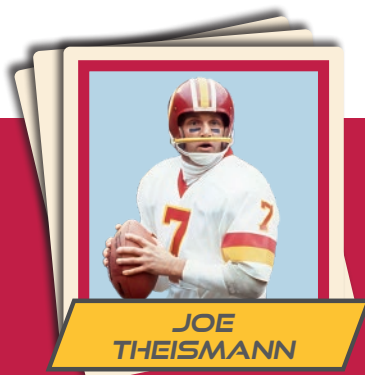
7:30 a.m. – 6:30 p.m.

## Exhibitor Showcase Open

7:30 – 8:30 a.m.

## Continental Breakfast in the Exhibit Hall (Raffle)

Breakfast is included in conference registration.



8:45 – 10:45 a.m.

## Opening General Session and Keynote

### “Game Plan for Success”

Joe Theismann, Former Star Quarterback, Emmy Award-Winning NFL Analyst, Entrepreneur & Author

Sponsored by: California CLASS

This dynamic presentation outlines the game plan that brought Joe Theismann success both on and off the football field. Former NFL MVP quarterback and Super Bowl Champion, he reveals his Game Plan for Success by drawing parallels between winning in football and in business. Joe focuses on how to succeed under pressure – when it is “4th and 1,” and how to adapt quickly to unexpected situations when you are faced with a “blitz” instead of a zone. He urges individuals and organizations to set goals and correct errors each step of the way—an approach that builds unstoppable momentum, making even the strongest opposition struggle to keep up.



### Awards Presented:

- ▶ General Manager of the Year
- ▶ Board Member of the Year
- ▶ Staff Member of the Year
- ▶ SDLF Certificate in Special District Governance
- ▶ SDLF Certified Special District Manager
- ▶ SDLF Essential Leadership Skills Certificate

*All registered conference attendees are welcome.*

11:00 a.m. – 12:00 p.m.

## Breakout Sessions

### How to Navigate the Planning & Building Permitting Processes of Cities and Counties

*Gary Bell and Aleks Giragosian,  
Colantuono Highsmith & Whatley, PC*

Many special districts play a role in reviewing, conditioning, and approving land use decisions made by cities and counties. This session reviews that process and shares case studies.

### Power in Community-Based Social Marketing: Organics Recycling in Multi-Family Communities

*Rob Hilton and Sara Parral,  
West Valley Solid Waste Management Authority*

Learn how our District used Community-Based Social Marketing to increase participation and engagement in a challenging program. If we can

make multi-family composting work, you can make any program work!

### Innovating Wildfire Prevention: Strategies, Funding, and Tools for Special Districts

*Dan Turner, San Luis Obispo Fire Safe Council  
Hannah Newby, Andy Johnson and Lexi Journey,  
Rincon Consultants, Inc.*

As wildfire threats continue to escalate across California, special districts play a critical role in driving effective wildfire prevention projects. This session will explore cutting-edge innovations in wildfire planning, from developing firesheds and leveraging data-driven dashboards to streamlining CEQA compliance for fuel mitigation efforts. Attendees will also gain insights into the latest funding opportunities designed to support proactive wildfire resilience.





# **SCHEDULE** Tuesday, August 26, 2025

## **Unlocking the Magic: HR Best Practices for Special Districts**

*Melissa Asher and Tiffany Bose, CPS HR Consulting*

Discover HR insights by delving into impactful practices across administration, training, and policies. Learn how to leverage essential information to increase effectiveness and empower your district to lead with confidence.

## **Bridging the Governance Gap: Addressing Turnover and Board Team**

*Karin Freese, PHD, MBA, Del Puerto Health Care District*

Discover how to transform high-turnover chaos into resilient leadership. Learn the power of communication, structured onboarding, and role clarity to revolutionize governance and inspire thriving districts.

## **The Most Common Legal Questions Special Districts Ask:**

### **A General Counsel's Perspective**

*Derek Cole, Cole Huber, LLP*

What are the most common questions special districts ask their general counsels? Municipal attorneys handle a wide range of legal practice areas, but there are certain questions that commonly come up more than others.

This presentation will identify and provide general answers to these questions. Topics include closed sessions, conflicts of interest, public records requests, and others.

### **My District Needs to Borrow Money... Now What?**

*Andrea Salazar, South Tahoe Public Utility District*

*Rick Brandis, Oppenheimer & Co. Inc.*

*Dmitry Semenov, Ridgeline Municipal Strategies*

This session discusses key considerations for obtaining financing (bonds, private placements, financing leases, and government loans - USDA, SRF, WIFIA, etc.) and how market changes are impacting your agency's ability to borrow money.



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**12:15 – 1:30 p.m.**

## **Lunch with the Exhibitors**

All attendees are welcome to attend lunch in the exhibit hall. Enjoy your lunch while taking time to learn more about our exhibitors and the valuable services they provide. From risk management to accounting, HR, legal, banking services, and more – our exhibitors have some of the best of what you're looking for!

*Lunch is included in the conference registration.*

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1:30 – 3:00 p.m.

## Breakout Sessions

### **Demystifying Public Service: What Being an Effective Special District Board Member Means to You, Your Organization, and Your Community**

*Tom Scaglione, Grossmont Healthcare District*

You have been elected or appointed to a special district board by your community. This is a tremendous honor that comes with much responsibility. As a board member for a special district, you have committed to representing the best interests of your community, ensuring the delivery of essential local services and infrastructure, and faithfully serving the public good while upholding the law. Attendees at this program will learn how to be an effective board member and serve their constituents' best interests.

### **Finance Policies Power Play: Navigating the Rules of the Game**

*Josh Byerrum and Samantha Prall,  
Platinum Strategies Inc.*

Join us for an in-depth review of financial policies and best practices that will shape your organization's fiscal health. This session will explore key policies and their practical applications, focusing on how these guidelines trickle down to impact your budget and financial statements. We will uncover the strategies behind successful financial management, ensuring you're equipped to tackle challenges and seize opportunities with confidence. Whether you are fine-tuning your current approach or implementing new policies, this session provides the insights you need to stay ahead of the game.

### **With Arms Wide Open - Managing Conflict and Public Protest When Increasing Rates**

*Dean Atyia, Best Best & Krieger LLP  
Jessica Self, Union Public Utility District*

Both an attorney and special district representative will present strategies and share stories for managing public perception during the Proposition 218 rate setting process. There will be particular emphasis on reducing litigation risk and facilitating public acceptance of increased rates.

### **Evolution of LAFCO and Why it Matters to You**

*Jason Fried, Marin LAFCO  
Joe Serrano, LAFCO of Santa Cruz County*

This session focuses on two primary areas: the more relevant one is to talk about how special districts can work with their LAFCO effectively, not to look at LAFCO as the bogeyman but as an ally there to help. The other is to encourage those special districts in counties that are not seated on LAFCO to seriously learn the benefits of being on the commission and consider joining.

### **Huddle Up! New and Future GM Meet Up**

*Scott Carroll, CSDM, Costa Mesa Sanitary District  
Justin Scott-Coe, CSDM, Monte Vista Water District*

Join us for an engaging and interactive breakout session designed exclusively for new and aspiring General Managers. "Huddle Up!" is your opportunity to connect with peers, share experiences, and gain valuable insights into the dynamic role of a GM. Whether you are new to the position or preparing for the next step in your career, this session will provide you with practical strategies, leadership tips, and industry best practices to navigate the challenges and seize the opportunities ahead. Don't miss this chance to build your professional network and walk away with actionable ideas to excel in your role.

### **Navigating the AI Tide: Legal and Ethical Implications for Special Districts**

*Nick Clair, Lozano Smith, Attorneys at Law*

Explore AI's transformative role in special districts, focusing on legal risks, ethical considerations, and strategies for navigating the AI tide in public agency law and operations.

### **Playing by the Rules: The Brown Act**

*Nicolle Falcis and Jeff Hoskinson,  
Atkinson, Andelson, Loya, Ruud & Romo*

Join us for this breakdown of the Brown Act—California's open meeting law for local government bodies. This action-packed session will provide the playbook for transparency, tackle key rules for meetings, and strategies to avoid penalties like serial meetings and closed session fouls. Whether you are a rookie board member or a seasoned MVP, you will leave this session ready to keep your team compliant with the rules and your meetings open to the public.

# SCHEDULE Tuesday, August 26, 2025

3:30 – 4:45 p.m.

## Breakout Sessions

### Impact Fee Playbook:

#### Best Practices and Local Challenges

*Miasha Rivas and Willie Sapeta,  
Lake County Fire Protection District  
Dmitry Semenov, Ridgeline Municipal Strategies*

Impact fees fund essential facilities but implementing them is anything but straightforward. Here is a practical guide to designing effective fee programs, navigating local approval processes, and managing regulatory challenges.

#### Cash Flow Analysis and Forecasting: Implementing the Right Approach for Your Entity

*Tom Tight, California CLASS*

This session will provide an overview of cash flow forecasting activities, discuss details of what is included in a cash flow analysis (including how to conduct one), and outline the type of information governments should be tracking for accurate analysis. Finally, we will perform a live case study on a government using our new, proprietary cash flow modeling tool (CFMAX).

#### Game Plan for Hosting More Positive, Productive, and Fun Public Workshops

*Institute for Local Government*

Based on ILG's popular Meeting Mastery training, this session will provide California's special district leaders with practical, actionable tips for transforming their public workshops into dynamic, inclusive, and engaging experiences. From preparing for the workshop to managing diverse opinions and creating an atmosphere of fun and openness, this session will equip leaders with the tools to not only host more effective workshops but also create lasting relationships with the communities they serve.

#### Got Surplus Land? New Changes in the Surplus Land Act

*Laura Ratcliffe, Hanson Bridgett, LLP  
Christine Compton, Irvine Ranch Water District*

Regulations regarding the disposal of "Surplus Land" (which may include both selling and leasing agency property) have changed in recent years. We will cover the key aspects of the Surplus Land

Act (SLA), practical implementation advice, and pitfalls to avoid. We will also provide updates on recent developments in interpretation of and amendment to the SLA.

#### Culturally Relevant Community Engagement: Waterwise Loteria

*Elizabeth Willis and Monica Curiel,  
Chino Basin Water Conservation District*

How to empower your team to create culturally appropriate, place-based programming to engage your constituents and become a valued part of the community you serve.

#### Lessons Learned After the 2018 Camp Fire - And How Your District Can Prepare for Natural Disasters

*Mickey Rich and Kevin Phillips,  
Paradise Irrigation District*

The session will cover wildfires' impacts on municipal water systems, including contamination risks and restoration challenges. It will also highlight innovative recovery strategies, mitigation, and community engagement.

#### General Manager Performance Evaluations: A Strategic Approach That Works

*Martin Rauch, Rauch Communication Consultants, Inc.*

A well-executed General Manager Performance Evaluation is vital for both the manager's success and the Board's effectiveness. But many Boards struggle with this critical task. Learn a proven process that enhances communication and understanding between the manager and board; incorporates both subjective and objective criteria for a comprehensive assessment; aligns the evaluation with clear policy directions and connects it to the broader strategic plan and the manager's annual goals.





*Tuesday, August 26, 2025 (contd.)*



**5:00 – 6:30 p.m.**

### **Mix and Mingle in the Exhibit Hall**

Stop by the exhibit hall for one final chance to chat with the exhibitors, enjoy a drink and hors d'oeuvres, and enter for one more chance to win one of our fabulous prizes!

*The exhibit hall closes on Tuesday, August 26 at 6:30 p.m.*

*Reception is included in full conference registration*



## **SCHEDULE** *Wednesday, August 27, 2025*

**7:00 a.m. – 6:00 p.m.**

### **Registration Open**

**8:00 – 8:30 a.m.**

### **SDRMA Sponsored Full Plated Breakfast**

*Breakfast is included in the full conference registration.*

**8:30 – 10:30 a.m.**

### **General Session Keynote and Awards**

#### **The Undeniable, Jaw-Dropping Power of Encouragement**

Brad Montgomery, Keynote Speaker, Entrepreneur, Author & Podcaster

Sponsored by: **SDRMA**

The business strategy you cannot afford to ignore. How do we get more out of ourselves and those people around us? The key to investing in your people is to strategically deploy the power of encouragement. It's free, easy, massively underutilized. Encouragement nurtures loyalty, trust, and job satisfaction. With Brad Montgomery's authentic and innate humor, this program brings encouragement to life, illustrating its transformative potential for personal and organizational growth.



#### **Awards Presented:**

- ▶ SDRMA Safety Awards
- ▶ Transparency Certificate of Excellence
- ▶ District of Distinction

*All registered conference attendees welcome.*



10:45 a.m. – 12:00 p.m.

## Breakout Sessions

### Hoops They Did It Again: The California Legislature Workers' Compensation (WC) Law & Court Updates

*Danny Peña,*

*Special District Risk Management Authority  
Boone White, Esq., MacIntyre & White, LLP*

During this session, attendees will learn how recent WC laws affect the current WC system and provide practical ways to not only be compliant with new case law but also look at various options to improve or reduce WC costs.

### Building Big Projects:

#### Slicing Through Community Concerns

*Ryder Todd Smith, Tripepi Smith*

Big projects are hard to do in California. Community sentiment can derail major infrastructure. Let's talk about communicating about your capital initiatives before, during and after completion.

### Staying in Bounds: A Play-by-Play Update on Labor & Employment Laws

*Andrew Aller, Atkinson, Andelson, Loya, Ruud & Romo*

Get ready to hit the field with the latest developments in California and federal labor and employment law impacting special districts.

This session will coach you through key plays involving discrimination and harassment policies, leave laws, recent court rulings, wage and hour rules, and more. Learn how to avoid compliance penalties, build an all-star HR strategy, and keep your organization in the legal end zone.

### Procurement and Public Contracting: To Bid or Not To Bid

*Steven Flower, Richards Watson and Gershon*

This session will be an introduction to procurement and public contracting. It will cover the fundamentals of district purchasing processes; from purchase orders and consulting contracts to formal bidding for public works projects, and everything in between. We will discuss when to bid and when not to bid to ensure that your district is compliant with the Government Code, Labor Code, and your local district policies.

### The Latest CalPERS Developments - What You Need to Know Now

*Michael D. Youril, Liebert Cassidy Whitmore*

CalPERS rules and regulations continue to evolve, creating complex challenges for California's special districts. With rising employer contribution costs, stricter reporting requirements, and compliance pitfalls, staying ahead of the latest developments is important to avoid costly mistakes. This session will break down key updates impacting special districts, including reporting errors that trigger penalties, new and evolving interpretations, disability retirements and common mistakes.

### Red Flag! Handling the Rogue Board Member

*Brent Ives, BHI Management Consulting*

Agencies often face challenging Board members who act out—both in and outside of meetings. While their message may have merit, their behavior often does not. Addressing these situations is not always straightforward. Join this compelling session to hear real cases—some resolved effectively, others not.

### Local Elections:

#### Combating Misinformation and Deceptive AI

*Mac Clemmens, Streamline*

As AI technology evolves, the risk of misinformation and disinformation becomes more pronounced. This presentation will provide insights into the challenges of the political season, offer strategic recommendations for districts, and introduce tools and platforms for maintaining the integrity of information within your community.



11:00 a.m. – 12:00 p.m.

## SDLF Board and Annual Meeting

12:15 – 2:30 p.m.

### Legislative Update Luncheon

*CSDA Advocacy Legal Affairs Team*

Trying to keep up with the relentless action in Sacramento and Washington D.C. and what it means for your special district? CSDA's advocacy and legal affairs team, in partnership with the National Special Districts Association, will present attendees with the most up-to-date information on the biggest state and federal legislative, budgetary, and legal issues impacting special districts in 2025. This session will cut through the noise and provide a high-level overview of the key public policy matters that truly do matter most to our membership.

#### Awards Presented:

- ▶ Innovative Project/Program of the Year Award (large district)
- ▶ Innovative Project/Program of the Year Award (small district)
- ▶ Exceptional Public Outreach & Advocacy Award (large district)
- ▶ Exceptional Public Outreach & Advocacy Award (small district)
- ▶ Ralph Heim Exceptional Outreach & Advocacy Award

*Lunch is included in the conference registration.*

2:45 – 3:45 p.m.

## Breakout Sessions

### Back to Basics – Strengthening Your Game with an Injury & Illness Prevention Playbook

*Enriqueta Castro, CSP,*

*Special District Risk Management Authority*

While the IIPP seems like a basic Cal/OSHA standard, it is actually the essential foundation of an effective safety program. Participants will gain a fresh perspective on how an effectively implemented IIPP produces a powerful safety program.

### Vacancies in Your Governing Board: When do They Occur and How do You Handle Them?

*Derek Cole, Cole Huber, LLP*

This presentation will address when and how vacancies occur in the governing board of special districts. It will cover all grounds for vacancies, including resignations, prolonged failure to attend board meetings, and failure to discharge the duties of office. The presentation will cover how to fill vacant offices through appointments or special elections, the timing for responding to vacancies, and what happens if deadlines are not met.

### Take Your Audit from a Penalty to a Touchdown

*Scott German, CPA,*

*Fechter & Company, Certified Public Accountants*

We will explain what district management's responsibility is for the audit and how to make your financial reporting ready for audit.

### Compliance Without the Snooze: Making Your Website Work for You

*Mac Clemmens and Maria Lara, Streamline*

Website compliance does not have to be a legal labyrinth or a total snoozefest. In this interactive session, we will wake you up with 16 key checkpoints to keep your district's website compliant, accessible and up to date, plus you'll walk away with easy-to-use tools and a simple, stress-free "checklist" to make compliance painless (and maybe even fun!). If "website compliance" makes your eyes glaze over, this session is for you!

### Beyond the Legislative Update Lunch: Additional Insights

*CSDA Advocacy and Legal Affairs Team*

Did you leave the Legislative Update Luncheon still hungry for more? That's what the Post Script breakout session is for. Here's your chance to meet with the legislative and legal affairs presenters from CSDA and the National Special Districts Association in a smaller setting designed to address your questions related to the topics presented earlier at the luncheon. Join us for a deeper dive into the biggest bills and hottest legislative and legal topics impacting special districts. So, take notes at the luncheon and bring your questions to the Post Script.





# **SCHEDULE** *Wednesday, August 27, 2025*

## **Game Plan for Transparency: Understanding the California Public Records Act**

*Darren Ziegler, Best Best & Krieger, LLP*

Are you ready to tackle transparency head-on? In this training session, we will break down the CPRA like a winning playbook. Just like in sports, understanding the rules of the game is the key to success. This session will examine tools to navigate the CPRA with confidence. Whether you're a seasoned professional or a newcomer to public records, we'll walk you through every step of the CPRA, from identifying the playbook of public records requests to making sure you're following the game rules for disclosure and exemptions.

## **Proposition 218 Demystified: Clear and Transparent Processes**

*Josh Byerrum and Habib Isaac, Platinum Strategies Inc.*

How we proposed a 13% annual rate increase over five years, anchored in community engagement and transparent communication, with minimal opposition from a 27,000-strong service area.

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**2:45 – 3:45 p.m.**

## **CSDA Finance Corporation Board and Annual Meeting**

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**4:00 – 5:00 p.m.**

## **Breakout Sessions**

### **CEQA for the Brave: Advanced CEQA Topics**

*Ann Danforth, Andrew Shen and Rubin Cruse, Renne Public Law Group, LLP*

Explore advanced CEQA topics, including recent case law, new legislation, policy trends, and strategies to streamline compliance and adapt to evolving requirements. Gain insights to navigate CEQA's complexities effectively.

## **Caught in the Feed: Managing Employee Social Media Without Crossing the Line**

*Phil Bui, Liebert Cassidy Whitmore*

In this eye-opening session, we will examine how special districts can proactively address social media risks while respecting legal boundaries. Through recent case examples, we'll unpack where employee speech is protected, when discipline is appropriate, and how to build enforceable, up-to-date policies that won't land your agency in court. Whether you are revisiting your social media policy or dealing with a current issue, this session offers clear guidance, common pitfalls to avoid, and practical tools to protect your agency in a fast-moving digital world.

## **Better Boards Equals Better Districts: Best Practice for Boards**

*Martin Rauch, Rauch Communication Consultants, Inc.*

This session offers practical, proven strategies to help you master good governance, streamline your board and manager roles, and build a cohesive team as the foundation for maintaining an effective special district. Learn how to foster board teamwork; carry out the director's role with excellence; build a productive relationship with your manager; ensure your Board is focusing on the right information and issues; deal with difficult directors; improve deliberation; provide clear policy direction to the Manager; implement a productive general manager performance evaluation; and more. Join this interactive session filled with real-world examples and actionable ideas to drive change and improvement in your district.

## **From Chaos to Calm: How to Avoid Disruptive Public Meetings and How to Handle Them if They Occur**

*Craig Steele, Richards Watson and Gershon*

Public meetings have an outsized impact on the "brand" of a public agency. Most constituents want calm, well-organized, and respectful interactions with their local government officials. This presentation will focus on the rules regarding public participation, and techniques that can help minimize the kinds of disruptions that can create negative impressions of your agency. Districts can promote open, courteous discussions of important local issues while still protecting free speech rights. In this session, we will provide tips for doing just that.

# **SCHEDULE** *Wednesday, August 27, 2025*

## **Unlocking New Funding Sources Through Contamination Cost Recovery**

*Ken Sansone, SL Environmental Law Group, PC*

Identify the potential legal claims your special district may have against manufacturers over contamination issues and learn how to minimize the financial impact of contamination on utilities and ratepayers.

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**6:00 – 9:00 p.m.**

## **Taste of the City – Sail Away Soirée**

Sample the food and beverage flavors of Monterey while enjoying all your Yacht Rock favorites from the Alison Sharino Band and a lively silent auction, benefiting SDLF.

*Reception is included with full conference registration.*





# SCHEDULE *Thursday, August 28, 2025*

8:00 – 10:00 a.m.

## Closing Breakfast: Connect and Collaborate

We are in the final quarter—let's finish strong! Join your special district teammates for an energizing session where we tackle challenges unique to each district type, strategize winning plays with best practices, and share inspiring stories from the field. This is your chance to huddle up, trade ideas, and build connections that will help you score big in the future. Fuel up with a continental breakfast, and let's bring this Annual Conference to a close together!



### Awards Presented:

- ▶ Excellence in Technology
- ▶ Chapter of the Year
- ▶ Beacon Awards
- ▶ Recognition of Previous and Outgoing Board Members

*Breakfast is included in full conference registration.*

10:00 a.m.

## Conference Adjourns



# REGISTRATION FEES

Save \$\$\$ by registering now!

### Early Bird (on or before July 25, 2025)

- Member (Full Conference) \$890
- Non-member (Full Conference) \$1,780
- Guest of a CSDA Member\* (Full Conference, cannot be from a district/company) \$460
- Guest of a CSDA Non-member \* (Full Conference, cannot be from a district/company) \$920
- Member (One-day Registration) \$495
- Non-member (One-day Registration) \$990

### Regular Registration (After July 25, 2025)

- Member (Full Conference) \$990
- Non-member (Full Conference) \$1,980
- Guest of a CSDA Member\* (Full Conference, cannot be from a district/company) \$565
- Guest of a CSDA Non-member \* (Full Conference, cannot be from a district/company) \$1,130
- Member (One-day Registration) \$530
- Non-member (One-day Registration) \$1,060

\*Guest registration includes all meal functions, receptions (including Taste of the City), and Keynote sessions. We also offer a Taste of the City-only guest registration, as well as a Party Pack guest registration, which includes all three evening receptions.

**Not sure if you are a member?** Contact the CSDA office at 877-924-2732 to find out if your agency or company is already a member. To learn more about the many benefits of CSDA membership contact Member Services at [membership@csda.net](mailto:membership@csda.net) or 877-924-2732.





# Attendee Registration Form

## Hotel Reservations *Marriott and Portola Hotel & Spa*

CSDA room reservations at the Marriott and Portola Hotel & Spa in the CSDA block are available starting at the rate of \$249 plus tax. The room reservation cut-off is August 4, 2025; however, space is limited and may sell out before this date.

One night's non-refundable room and tax will be charged on 8/4/25 for rooms reserved in the CSDA room block.

## Full Conference Registration Fees Include:

- President's Reception with the Exhibitors on Monday
- Keynote Sessions
- Continental Breakfast with the Exhibitors on Tuesday
- Lunch with the Exhibitors on Tuesday
- Mix and Mingle in the Exhibit Hall on Tuesday
- SDRMA Full Plated Breakfast on Wednesday
- Legislative Update Luncheon on Wednesday
- All Breakout Sessions on Tuesday and Wednesday
- Taste of the City Reception on Wednesday
- Closing Breakfast on Thursday

## Three Ways to Register

- 1** **ONLINE** by visiting the CSDA Annual Conference website at **conference.csdanet**.
- 2** **FAX** your registration form to 916-520-2465. (All faxed forms must include payment)
- 3** **MAIL** to CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. (Please include registration form along with payment. Check should be made payable to: California Special Districts Association).

Name:		Title:	
District:			
Address:			
City:		State:	Zip:
Phone:		Fax:	
Email:		Website:	
Special Needs (including dietary)		First time attending the CSDA Annual Conference & Exhibitor Showcase? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Emergency Contact:			
<b>Conference Registration Fees</b>		<b>Early Bird (on/before July 25, 2025)</b>	<b>Regular (after July 25, 2025)</b>
<input type="checkbox"/> CSDA Member - Full Conference		\$890.00	\$990.00
<input type="checkbox"/> Non-member - Full Conference		\$1,780.00	\$1,980.00
<input type="checkbox"/> Guest of a Member - Full Conference* (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$460.00	\$565.00
<input type="checkbox"/> Guest of a Non-member - Full Conference* (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$920.00	\$1,130.00
<input type="checkbox"/> CSDA Member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$495.00 each day	\$530.00 each day
<input type="checkbox"/> Non-member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$990.00 each day	\$1,060.00 each day
*Guest registration includes all meal functions, receptions (including Taste of the City), and Keynote sessions. We also offer a reception only (Party Pack) and Taste of the City only guest registration.			
<b>Separate Registration Fees</b>		<b>Member</b>	<b>Non-member</b>
<input type="checkbox"/> Pre-Conference Workshop: <b>SDLA Module 1: Governance Foundations</b> - Aug. 25		\$325.00	\$650.00
<input type="checkbox"/> Pre-Conference Workshop: <b>So, You Want to Be a General Manager?</b> - Aug. 25		\$130.00 CSDA Member/Non-member	
<input type="checkbox"/> <b>SDLF Scramble for Scholarships Golf Tournament</b> - Aug. 25		\$130.00 (includes lunch)	
<input type="checkbox"/> Pre-Conference Tour: <b>Moss Landing Harbor District Tour, Lunch &amp; Elkhorn Slough Boat Tour</b> - Aug. 25		\$95.00 (includes lunch)	
<input type="checkbox"/> Pre-Conference Activity: <b>Young Professionals: Monterey Bay Kayak Tour</b> - Aug. 25		\$95.00	
<input type="checkbox"/> <b>"Taste of the City" Reception</b> (Guests only) - Aug. 27		\$105.00	\$210.00
<input type="checkbox"/> <b>Guest Party Pack</b> (admission to President's Reception, Mix & Mingle, and Taste of the City)		\$250.00	\$500.00
		<b>TOTAL</b>	
<b>Payment Information</b>			
Payment type: <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover			
Account name:		Account Number:	
Expiration date:	Zip Code:	CVC:	Authorized Signature:

**Cancellations/Substitution Policy:** Cancellations must be in writing and received by CSDA no later than July 25, 2025. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after July 25, 2025. Substitutions are acceptable and must be made in writing no later than August 20, 2025. Please submit any cancellation notice or substitution request to meganh@csda.net or fax to 916-520-2465.

**Consent to Use Photographic Images:** Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

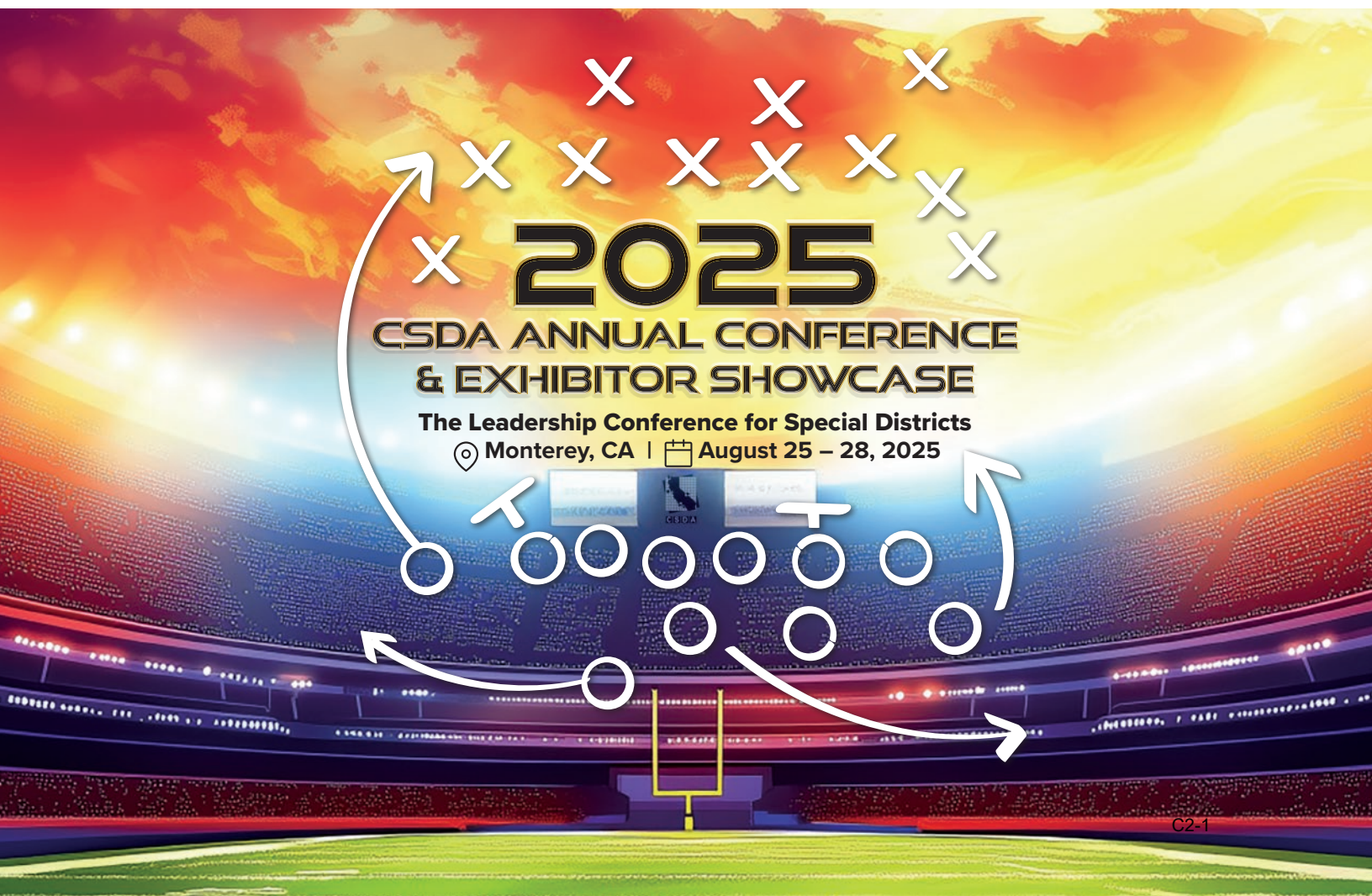
**Anti-Discrimination and Harassment Policy:** CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under "CSDA Transparency" at [www.csdanet/about-csda/who-we-are](http://www.csdanet/about-csda/who-we-are).



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# Town of Discovery Bay

## *"A Community Services District"*

### STAFF REPORT

**Agenda Title:** Approve the Scope of Work for District Engineering Support Services for the Wastewater Division (not to exceed \$75,000) and Authorize the General Manager to Execute a Consulting Agreement with HERWIT Engineering.

**Meeting Date:** June 4, 2025

**Prepared By:** Aaron Goldsworthy, Water & Wastewater Manager

**Submitted By:** Dina Breitstein, General Manager

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#### RECOMMENDED ACTION:

Approve the attached HERWIT Engineering Scope of Work for District Engineering Support Services for the Wastewater Division of the Town of Discovery Bay and authorize the General Manager to execute the Town's standard form of Consulting Agreement to perform these services.

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#### EXECUTIVE SUMMARY:

The Town of Discovery Bay requires ongoing engineering support for its Wastewater Division to ensure the continued safe, compliant, and efficient operation of wastewater facilities and infrastructure. The attached Scope of Work outlines a comprehensive suite of services to be provided by the District Engineer on an as-needed consulting basis. These services are essential for plan review, project design, construction oversight, regulatory compliance, and general engineering support.

The Herwit Engineering Consultant, Inc. scope of work includes plan checking for subdivision and construction documents, field inspections, witnessing of testing procedures, attendance at project and board meetings, general administrative support, project design, process assistance, and permitting support. This approach allows the District to maintain high standards for public health, safety, and regulatory compliance while supporting ongoing and future capital improvement projects.

#### Scope of Work Overview

The District Engineer will provide the following services as detailed in the attached Exhibit A1:

- **Plan Checking:** Review subdivision plans and construction documents for wastewater facilities to ensure compliance with District standards. Provide timely feedback and maintain project documentation.
- **Field Inspections:** Inspect construction of wastewater facilities, including sewers, pipelines, pump stations, and treatment plants. Participate in final project walk-throughs and punch-list development.
- **Testing, Review, and Witnessing:** Witness and review testing of mechanical and electrical equipment for wastewater facilities as requested.
- **Meeting Attendance:** Attend and participate in construction meetings, special meetings to resolve construction issues, and provide updates at District Board meetings as needed.

- **General Administrative Services:** Maintain organized project files, route project correspondence, and provide monthly progress reports on work performed and budget status.
- **Project Design:** Prepare plans and specifications for the construction of wastewater facilities, including civil, mechanical, structural, and electrical design deliverables. Provide bid period assistance and cost estimates at key project milestones.
- **Process Assistance:** Inspect and recommend improvements to wastewater collection and treatment systems.
- **Permit and Public Agency Assistance:** Support the District in negotiations and permitting with other agencies, including EIR review, permit applications, and interagency meetings.
- **Additional Support:** Assist with water facilities or other District infrastructure as requested.

All services will be performed in accordance with industry standards and within the timelines specified in the scope.

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#### **FISCAL IMPACT:**

FISCAL YEAR 2025-2026: Services will be provided on a time-and-materials basis per the consultant's current fee schedule. A not-to-exceed amount will be established in the consulting agreement (not to exceed \$75,000), with any additional services or budget increases requiring prior Board approval.

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#### **PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:**

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#### **ATTACHMENTS:**

1. Exhibit A – Scope of Work: District Engineer Engineering Support Services.
2. Fee Schedule.

**EXHIBIT A**  
**SCOPE OF WORK**  
**DISTRICT ENGINEER**  
**ENGINEERING SUPPORT SERVICES**  
**FOR THE**  
**DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

The purpose of this Scope of Work is to provide engineering support services, on an as- needed consulting bases, as District Engineer for the Discovery Bay Community Services District.

**CONSULTANT’S SERVICES**

The CONSULTANT shall perform the following tasks in carrying out these services and shall perform all services in a manner consistent with the standards of the industry.

**TASK 1- ENGINEERING SUPPORT SERVICES AS DISTRICT ENGINEER**

- 1.1. PLAN CHECKING: Consultant shall review all subdivision plans and construction documents for wastewater facilities ultimately owned by the District. Consultant shall review, and return signed copies of each submittal to the District for distribution to project applicants. Where possible, Consultant’s comments shall be summarized on a comment sheet attached to one submittal copy.
- 1.1.1. Consultant shall review construction documents for construction materials and methods acceptable to the District as they relate to the construction of wastewater facilities only, including pipe lines, sewers systems, wastewater plants, wastewater pumping stations, as well as other ancillary facilities directly supporting wastewater facilities such as electrical and control buildings.
  - 1.1.2. The following submittals will not be reviewed by the Consultant: Temporary Construction Submittals including shoring submittals.
  - 1.1.3. The Consultant shall maintain a file of all project plans and submittals.
  - 1.1.4. The Consultant’s review of plans and submittals shall be completed, and review comments sent to the District within twenty-five (25) calendar days following the receipt of the submittal in the Consultant’s office. If for any reason the review cannot be performed within this twenty-five (25) day calendar day period, Consultant shall notify the District and give reason for the delay.
  - 1.1.5. The Consultant’s review is not intended as acceptance of the work if plans and

submittals contain errors, omissions, or inconsistencies not discovered by Consultant, nor is the review intended to relieve the submitting applicant of his full responsibility for proper engineering and design, nor is the review intended to ensure or guarantee lack of errors, omissions, or inconsistencies in submitted construction documents.

1.2. FIELD INSPECTIONS: Consultant shall provide field inspection services including the following:

- 1.2.1. The Consultant shall inspect the construction of wastewater facilities including sewers, manholes, pipelines, pump stations, treatment plants, and support facilities as requested by the District.
- 1.2.2. The Consultant shall be present during a single final project “walk-through” inspection with the District. Consultant shall participate in review and development of final inspection “punch-list.”

1.3. TESTING, REVIEW, and WITNESSING: The Consultant will perform review of procedures and witness testing of mechanical and electrical facilities including the following:

- 1.3.1. The Consultant shall witness the testing of wastewater facilities including mechanical and electrical equipment as requested by the District.

1.4. ATTENDANCE AT MEETINGS: The Consultant shall attend meetings as District Engineer including the following

- 1.4.1. Construction Meetings. Consultant shall attend and participate in certain project meetings at project sites in order to keep abreast of construction activities and be involved in questions which may arise concerning construction quality as requested by the District. During construction site visits, Consultant shall observe construction progress and shall discuss with Construction Manager relevant construction issues.
- 1.4.2. Special Meetings. CONSULTANT shall attend special meetings to discuss and assist in resolving any construction issues as requested by the District.
- 1.4.3. District Board Presentations. Attend and update District Board meetings as requested.

1.5. GENERAL ADMINISTRATIVE SERVICES. Consultant shall furnish general administrative services to remain current on District projects and to provide for organized execution of work and retrieval of information. Such services shall include the following:



- 1.5.1. Review and route, as appropriate, Project correspondence furnished by the Construction Manager and other entities. Maintain a logical and retrievable filing system.
- 1.5.2. Identify subject on correspondence and transmittals in accordance with a subject identification procedure established by the Construction Manager.
- 1.5.3. Provide DISTRICT each month during the term of this Project, a brief written progress report on the services performed. Such reports shall include the cumulative percentage of the overall budget expended hereunder, a brief description of the work performed during the reporting period, and such other information as may be appropriate.
- 1.6. PROJECT DESIGN: The Consultant shall prepare plans and specifications for the construction of wastewater facilities to support District activities as requested by the District. Consultant shall prepare a separate scope and fee estimate for such services to be approved by the District. When design services are performed, they shall be completed in the following manner:
  - 1.6.1. CONSULTANT shall prepare a set of civil, mechanical, structural, and electrical design drawings and technical specifications (CSI format) suitable for assignment by the owner to a general contractor for construction.
  - 1.6.2. The drawings shall conform to Consultant's typical CADD guidelines.
  - 1.6.3. Plans and specifications shall include the technical information required for the construction of the civil, mechanical, electrical, and structural facilities.
  - 1.6.4. Preparation of the plans and specifications shall include the submittal of 30 and 90 percent complete documents for review by the District, as well as 100 percent complete documents, incorporating the District's comments.
  - 1.6.5. Consultant shall deliver the reproducible technical specifications and construction drawings for each project. Electronic files shall also be delivered to the District.
  - 1.6.6. CONSULTANT shall prepare an estimate for the construction cost of the work at the 30 percent and 90 percent completion stages of the project.
  - 1.6.7. Bid Period Assistance: Consultant shall assist the District prior to awarding construction contracts by:
    - 1.6.7.1. Responding to questions from prospective General Contractor's prior to OWNER awarding contract.
    - 1.6.7.2. Preparing addenda.

- 1.6.7.3. OWNER shall be responsible for distribution of original documents and addenda to prospective General Contractor's.
- 1.6.8. Engineering Deliverables: Consultant shall provide the following deliverables as part of design services:
  - 1.6.8.1. 30 percent (30%) design plans and technical specifications (2 copies).
  - 1.6.8.2. 90 percent (90%) design plans and technical specifications (2 copies).
  - 1.6.8.3. One hundred percent (100 %) design plans and technical specifications (reproducible originals).
  - 1.6.8.4. Addenda to plans and specifications (reproducible originals).
- 1.7. PROCESS ASSISTANCE: Consultant shall inspect and make recommendations for improvements to wastewater collection and treatment systems as requested by the District.
- 1.8. PERMIT AND PUBLIC AGENCY ASSISTANCE: Consultant shall assist the District in negotiating with and permitting facilities through other public agencies as requested by the District. Such work to include Environmental Impact Report (EIR) review, permit negotiations, permit applications, and meetings and correspondence with other public agencies.
- 1.9. Assist the District with water facilities or other facilities as requested.

## **PROJECT PERSONNEL**

- 2. Consultant shall assign the following project personnel to this project:
  - 2.1. Kurt A. Gardner, a registered civil engineer, shall serve as project manager for the Consultant and shall personally oversee the performance of Consultant's Services. Mr. Gardner shall be responsible for civil engineering services.
  - 2.2. Gregory P. Harris, a registered mechanical engineer, shall be responsible for mechanical engineering services and civil engineering services under the direction of the project manager.
  - 2.3. Subconsultants: Consultant shall hire subconsultants in other engineering disciplines as required to assist in performing support services under this contractor.

HERWIT  
ENGINEERING

HERWIT ENGINEERING

7/01/25 - 06/30/26 FEE SCHEDULE

<u>Personnel</u>	<u>Hourly Rate</u>
Engineering (Process, Mechanical, Civil)	\$250.00
Drafting	\$125.00
Word Processing	\$105.00
<u>Subconsultants</u>	
Engineering (Electrical - Structural)	\$190.00
Other Direct Costs	
Travel, \$/mi	Federal Reimbursement
Subconsultants	Cost + 10%
Internal Printing	@ direct cost
Misc. travel and other indirect expenses	@ direct cost



# TOWN OF DISCOVERY BAY

*A COMMUNITY SERVICES DISTRICT*

**SDLF Platinum-Level of Governance**



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

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Dina Breitstein  
1800 Willow Lake Road  
Discovery Bay, CA 94505  
dbreitstein@todb.ca.gov  
925-634-1131

City of Brentwood  
City Council  
City Hall, 150 City Park Way  
Brentwood, CA 94513

RE: Support for the Construction of Fire Station 94 in Brentwood

Dear City of Brentwood Council Members and Staff,

I am writing on behalf of the Town of Discovery Bay Board of Directors to express our strong support for the construction of the Downtown Fire Station in Brentwood, CA (Station 94), and to highlight the critical concerns facing our community should this essential project not move forward.

As you are aware, the Brentwood Planning Commission recently denied the application for the new downtown fire station, citing concerns about architectural design and compatibility with the surrounding area. However, the need for this station is urgent and well-documented. The area surrounding downtown Brentwood has the highest density of calls for fire and emergency medical services in East Contra Costa County, and the planned Station 94 is strategically located to efficiently address these needs.

The closure of the previous downtown station in 2014 left Brentwood with only one fire station to serve over 65,000 residents across nearly 15 square miles, creating a significant gap in emergency services. This gap not only affects Brentwood but also places additional strain on neighboring communities, including Discovery Bay, by requiring our fire resources to be deployed to cover Brentwood's unmet needs.

**Our board is deeply concerned that if Station 94 is not built as planned, Discovery Bay's fire trucks and personnel will be routinely pulled from our area to respond to incidents in Brentwood.** This would leave Discovery Bay's 15,000 residents at increased risk, with slower response times for fires, medical emergencies, and other critical incidents. Recent events have already demonstrated the strain on the system: a significant fire in Brentwood on May 18 required the dispatch of resources from across the county, resulting in delayed response times and leaving other communities vulnerable.

The proposed Station 94 is not only the most cost-effective and timely solution, being built on land already owned by Contra Costa Fire, but also the only viable option to restore adequate service levels to Brentwood and relieve the burden on Discovery Bay and other East County communities. Delaying or relocating the project would result in significant additional costs, environmental review delays, and continued risk to public safety.

We urge the Brentwood City Council and all relevant decision-makers to prioritize the safety and well-being of all East County residents by approving the Downtown Fire Station project without further delay. The consequences of inaction will be felt far beyond Brentwood's borders, directly impacting the emergency readiness and safety of Discovery Bay and the entire region.

Thank you for your attention to this urgent matter.

Sincerely,

Dina Breitstein, General Manager  
Town of Discovery Bay  
On behalf of the Town of Discovery Bay Board of Directors  
Discovery Bay, CA 94505

cc. Darrin Gale, Interim City Manager, City of Brentwood  
cc. Alexis Morris, Director of Community Development, City of Brentwood  
cc. Diane Burgis, Supervisor, Contra Costa County District 3  
cc. Lewis Broschard, Chief, Contra Costa County Fire Protection District



# TOWN OF DISCOVERY BAY

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

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City of Brentwood  
Mayor Susannah Meyer  
Interim City Manager Darin Gale  
150 City Park Way  
Brentwood, CA 94513

RE: Support for the Construction of Fire Stations 90 and 94 in Brentwood

Dear Mayor Meyer and Mr. Gale:

We have many issues facing us as city and county leaders, but our top priority must always be community safety. We live in an era with increased wildfire risk due to climate change and human factors, increased rates of vehicle collisions and emergency medical services calls, and significant population growth in East County. This requires building our emergency services stronger than ever before to keep our communities safe.

**That is why we encourage the City of Brentwood to approve the construction of Fire Station 94 in Downtown Brentwood and Fire Station 90 at Lone Tree Way and Windy Springs Lane and allow Contra Costa Fire to properly staff our region.**

The enclosed map shows the high level of need in Brentwood around the future locations of Station 90 and Station 94. The yellow areas are the densest concentrations of calls Contra Costa Fire responded to in 2024, and the area around the future Station 94 shows a huge demand for service that requires a new station. There were 2,400 calls for service in 2024 within 1.5 miles of Station 94's planned location.

Not allowing Contra Costa Fire to construct these two new fire stations would harm fire and emergency medical response not only for Brentwood, but for the entire region. Currently, Brentwood is limited in its emergency response with only Station 92 on the western edge of the city, along with its crew of seven on duty. That is not enough for a city of 65,000 residents. By contrast, Oakley has two stations serving more than 45,000 residents and Antioch has four stations serving 117,000 residents.

Any emergency in Brentwood that cannot be handled by two fire units requires personnel and resources to be pulled from Antioch's Station 88, Oakley's Station 93 and 95, and Discovery Bay's Station 99. In 2024, firefighters were dispatched from these other stations



to respond to Brentwood 1,393 times, making them unable to respond to any concurrent emergencies in our own communities.

We want to be good neighbors by sharing our emergency services, but it is equally important that each of our East County communities works with Contra Costa Fire to build the appropriate fire infrastructure in our own cities.

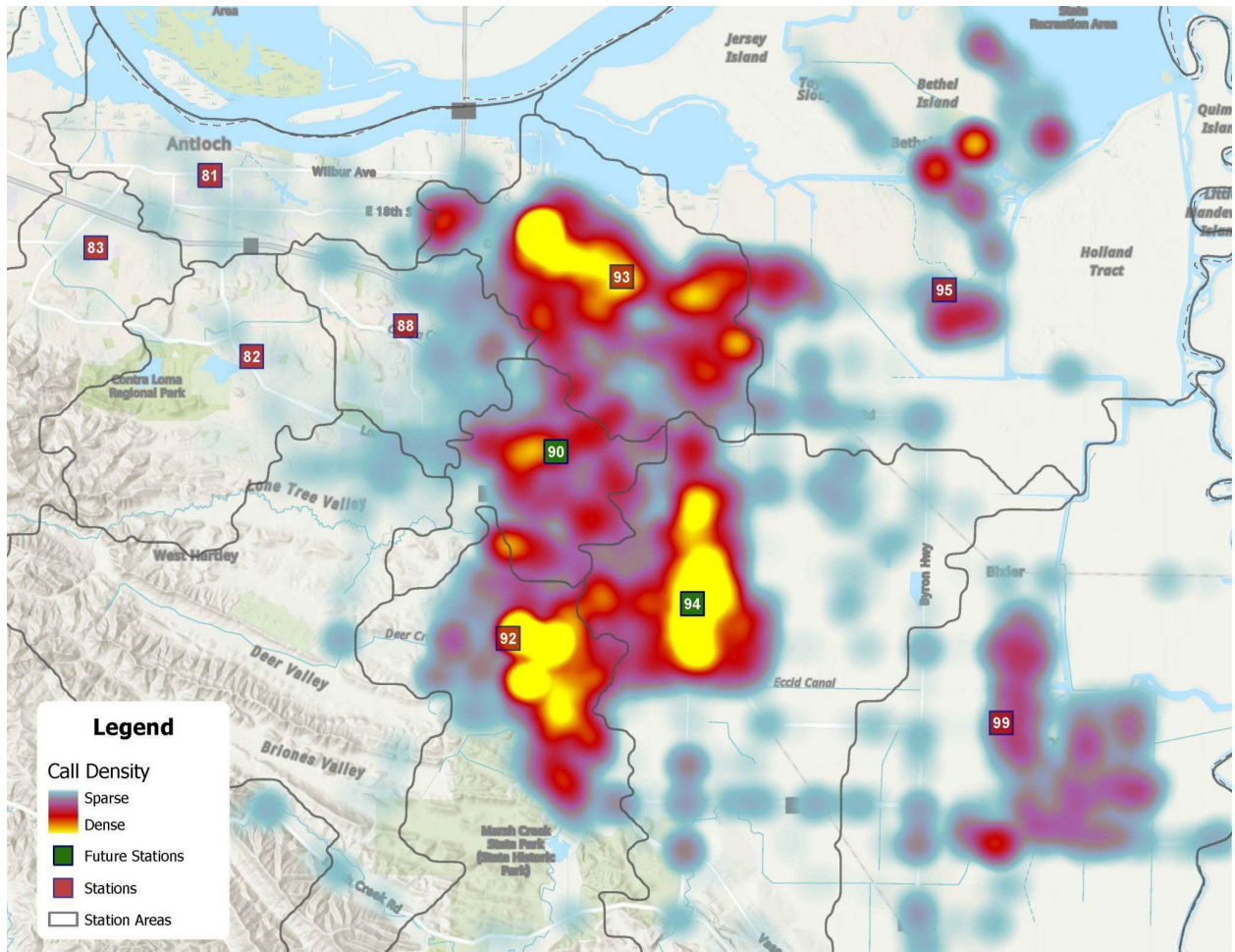
Our region's fire protection has improved immensely in the past five years. In 2020, East Contra Costa Fire Protection District had only nine firefighters staffing the entirety of Brentwood, Oakley and unincorporated East County. Those nine firefighters were not even sufficient to safely fight and control a structure fire. Since that time, Measure X and East County's merger with Contra Costa Fire has allowed our region to reopen fire stations, purchase more capable fire apparatus and provide 20 firefighters daily to cover the same 249 square mile area that was previously covered by only nine.

It is crucial that every community in our region continues to support and grow our fire protection infrastructure to meet the service demand, and we ask that the City of Brentwood continue to do its part.

Sincerely,

Carolyn Graham  
President, Town of Discovery Bay

Dina Breitstein  
General Manager, Town of Discovery Bay





# Town of Discovery Bay

## *"A Community Services District"*

### STAFF REPORT

**AGENDA ITEM:**  
**G1**

**Agenda Title:** Discussion and Possible Action to Approve Contract with HydroCorp to Provide State Mandated Cross-Connection Services in the Amount of \$406,222.

**Meeting Date:** June 4, 2025

**Prepared By:** Dina Breitstein, General Manager

**Submitted By:** Dina Breitstein, General Manager

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#### RECOMMENDED ACTION:

It is recommended that the Board take the following Action:

- a. Approve the contract with HydroCorp to provide State Mandated Cross-Connection Services as outlined in the scope of work, in the Amount of \$369,292.52.
  - b. Authorize the General Manager to execute a contract with HydroCorp for the State Mandated Cross-Connection Services.
  - c. Authorize the General Manager to execute any additional change orders to HydroCorp up to 10% of the contract value.
- 

#### EXECUTIVE SUMMARY:

The State Water Resources Control Board (SWRCB) adopted the Cross-Connection Control Policy Handbook (CCCPH) in 2024, establishing updated, enforceable standards for cross-connection control and backflow prevention for all public water systems (PWS) in California. The mandate requires every PWS, including the Town of Discovery Bay, to develop and implement a comprehensive cross-connection control plan to protect public health and comply with state law.

#### Legal Requirements

- **Mandatory Compliance:** The CCCPH and its standards are legally binding for all California public water systems, as defined in the Health and Safety Code section 116275 (h).
- **Authority:** Under the California Safe Drinking Water Act (SDWA), the SWRCB is required to adopt regulations ensuring PWSs distribute a reliable and adequate supply of pure, wholesome, potable, and healthy water (Health and Safety Code section 116375(c)).
- **Obligations:** All PWS owners must ensure their distribution systems are not subject to backflow under normal operating conditions (Health and Safety Code section 116555(a)(2)).
- **Plan Submission:** Each existing PWS must submit a written Cross-Connection Control Plan to the SWRCB for review and approval by July 1, 2025. This plan must outline procedures for hazard assessment, backflow prevention, enforcement, public outreach, and corrective actions.

## Public Health Rationale

- **Contamination Prevention:** Cross-connections are points where potable water can be contaminated by non-potable sources through backflow, which can occur due to back siphonage or back pressure. Such contamination events can quickly spread through the distribution system, posing significant health risks to the community.
- **Proactive Risk Management:** A robust cross-connection control program, including regular hazard assessments, certified testing of backflow prevention devices, and prompt corrective actions, is critical to minimizing the risk of waterborne disease outbreaks and ensuring the continued delivery of safe drinking water.
- **Community Protection:** The mandate aims to build awareness and shared responsibility among water suppliers and customers, ensuring that everyone understands the importance of maintaining backflow preventers and adhering to regulations.

## Regulatory and Operational Consequences

- **Enforcement:** Failure to comply with the CCCPH may result in regulatory enforcement actions, including fines and potential discontinuation of water service to non-compliant customers or facilities.
- **Service Disruption:** Water service may be discontinued immediately if a cross-connection hazard is identified and not promptly corrected, especially in high-hazard situations.
- **Local Ordinance Alignment:** The Town of Discovery Bay must align its local ordinances and operational procedures with state requirements to ensure legal defensibility and avoid penalties.

## Local Implementation

- The Town of Discovery Bay is already required to create and implement a cross-connection and backflow prevention program, as outlined in its ordinances and response to state mandates. This includes requiring its identified customers to install approved backflow prevention devices, to prevent contaminants from entering the public water supply.
- The program must include public outreach, regular inspections, and certified testing, with clear enforcement mechanisms for non-compliance

## Compliance Requirement

Compliance with the California State Water Resources Control Board's cross-connection policy mandate is not optional for the Town of Discovery Bay. It is a legal requirement grounded in the need to protect public health, ensure the integrity of the town's water supply, and avoid significant regulatory and operational risks. Implementing a compliant cross-connection control program will safeguard the community, maintain regulatory standing, and support the Town's mission of delivering safe, reliable water to its residents

## Legal Consequences for Non-Compliance

The Town of Discovery Bay faces significant legal and operational consequences for noncompliance with the State Water Resources Control Board's (SWRCB) cross-connection control standards. These consequences are grounded in state law, enforcement precedents, and regulatory mandates:

### 1. Financial Penalties (EXAMPLES BELOW)

- **Civil fines per day, per violation**, may be imposed for ongoing noncompliance, as outlined in Clean Water Act enforcement frameworks.
- Precedents like the **\$6.2 million judgment against Long Beach** for underground storage tank violations demonstrate the SWRCB's willingness to levy substantial penalties for systemic failures.
- Additional costs may include **reimbursement for enforcement expenses** (e.g., \$200,000 in the Long Beach case) and **financial assurance requirements** (e.g., \$2.5 million held as collateral for future violations).

### 2. Enforcement Actions

- **Administrative orders** requiring immediate corrective actions, such as hazard mitigation or backflow prevention device installations.
- **Civil lawsuits** filed by the state or EPA, potentially resulting in court-ordered injunctions or operational restrictions.



- **Criminal charges** for willful negligence, with fines up to \$50,000 per day and imprisonment for individuals.

### 3. Service Disruption

- **Immediate termination of water service** to non-compliant customers or facilities, particularly in high-hazard scenarios (e.g., premises with auxiliary water supplies or commercial facilities).
- **Denial of service** to new customers until cross-connection hazards are resolved.

### 4. Legal Liability

- **Loss of legal defensibility** if local ordinances and operational plans are not aligned with SWRCB standards.
- **Citizen lawsuits** under the Clean Water Act, allowing third parties to enforce compliance through the courts.

### 5. Corrective Measures

- **Mandatory retroactive compliance costs**, including customer-funded installation and testing of backflow prevention assemblies (BPAs).
- **Public outreach and education programs** mandated by the SWRCB to address systemic noncompliance.

Failure to comply jeopardizes public health, exposes the town to financial and legal risks, and undermines its ability to provide safe drinking water. Proactive adherence to the SWRCB's Cross-Connection Control Policy Handbook (CCCPH) is critical to avoiding these consequences.

If Discovery Bay ignores the State Water Resources Control Board (SWRCB) cross-connection control standards, several enforcement actions are likely and clearly outlined in state policy:

- **Denial or Discontinuation of Water Service:** The SWRCB requires that public water systems (PWS), including Discovery Bay, have the authority and procedures to deny or discontinue water service to any user who fails to comply with cross-connection control requirements. This action can be taken swiftly, especially if there is an immediate threat to public health due to an unprotected or unaddressed cross-connection hazard.
- **Direct Corrective Actions:** The PWS may be required to install, inspect, field test, or maintain backflow prevention assemblies (BPAs) at non-compliant premises. If a customer or facility does not cooperate, the PWS is empowered to take these actions directly to protect the water supply.
- **Compliance Orders and Enforcement Notices:** The SWRCB may issue formal compliance or enforcement orders compelling the Town to address deficiencies in its cross-connection control program. These orders can escalate to more severe administrative or legal actions if ignored.
- **Fines and Administrative Penalties:** Continued noncompliance can result in significant financial penalties. The SWRCB has the authority to levy fines for each day of violation, which can quickly accumulate if corrective actions are not taken.
- **Mandatory Hazard Assessments and Reporting:** The Town would be required to conduct hazard assessments and provide documentation of compliance. Failure to do so could result in further enforcement actions and increased oversight by the State.
- **Legal Actions:** In severe cases, the SWRCB or other authorities may pursue legal action to enforce compliance, which could include court orders and additional penalties.

These enforcement actions are designed to ensure that public health is protected and that the public water supply remains safe from contamination risks associated with cross-connections and backflow events. The Town of Discovery Bay must maintain a compliant cross-connection control program to avoid these escalating consequences

### Decision to Outsource

Outsourcing the cross-connection control service would provide the Town of Discovery Bay with several key benefits, especially as regulatory requirements and administrative burdens increase:

- **Access to Specialized Expertise:** Outsourcing connects the Town with industry experts who are deeply

familiar with cross-connection regulations, best practices, and the latest technologies. These specialists can ensure the program is compliant, efficient, and up-to-date with evolving state mandates.

- **Regulatory Compliance Assurance:** Professional service providers have experience navigating complex regulatory environments and can help the Town maintain continuous compliance with State Water Board standards, reducing the risk of violations and penalties.
- **Cost Savings and Efficiency:** Outsourcing can lower overhead by reducing the need for additional in-house staff, training, and technology investments. Providers leverage economies of scale and streamlined processes, which can translate into reduced program costs for both the Town and its customers.
- **Staff Realignment and Focus:** By delegating administrative and technical tasks—such as scheduling inspections, managing data, and responding to customer inquiries—existing Town staff can focus on higher-value or core municipal services.
- **Improved Program Management:** Outsourced providers offer robust data management, real-time compliance tracking, and automated notifications for noncompliance. This minimizes the risk of missed deadlines or overlooked hazards and improves responsiveness to both regulatory agencies and the public.
- **Scalability and Flexibility:** As the Town grows or as requirements change, outsourcing allows for easy scaling of services up or down without the complexities of hiring or retraining staff.
- **Enhanced Public Communication:** Many providers also assist with public education campaigns, customer notifications, and outreach materials, helping to build community awareness and cooperation around cross-connection safety.
- 

Outsourcing the cross-connection service enables Discovery Bay to meet state mandates more effectively, control costs, and provide higher-quality service to residents while minimizing the administrative and compliance burdens on municipal staff.

Staff contacted three companies with expertise in the aforementioned cross-connection components. Two of the three companies contacted submitted proposals. SoCal Water and HydroCorp are two vendors offering full-service Cross-Connection services. Below is a three-year cost comparison from each provider.

**SoCal Water annual cost with 4% increase or US CPI:**

Year 1:	\$148,000
Year 2:	\$153,920
Year 3:	\$160,077
Total 3 Year:	\$461,997

**HydroCorp Annual Cost:**

Year 1:	\$72,884.25
Year 2:	\$75,800.66
Year 3:	\$78,832.69
Total 3 Year:	\$192,605.56

After evaluating the costs and proposals, the Water and Wastewater Committee elected on May 7, 2025, to bring forward HydroCorp's services for consideration at an upcoming Board of Directors meeting. As the Town customarily approves contracts with either three- or five-year terms, staff requested that HydroCorp prepare two contract options for the board's review, one with a three-year term and another with a five-year term, as detailed below.

HydroCorp's 3-year and 5-year contracts will include: Existing Plan Assessment, Public Awareness, On-site Inspection, Enforcement, and Program Management.

**3-Year Cost**

Commercial Hazard Assessment:	\$ 34,658.04	3 Year Inspection Cycle
Residential Hazard Assessment:	\$ 198,073.02	10 Year Inspection Cycle
Total:	\$ 232,731.06	

**5-Year Cost**

Commercial Hazard Assessment: \$ 34,658.04 3 Year Inspection Cycle  
 Residential Hazard Assessment: \$ 334,634.48 10 Year Inspection Cycle  
 Total: \$ 369,292.52

Hazzard Assessment 5-Year Contract Terms						
	Year 1	Year 2	Year 3	Year 4	Year 5	Cost
Commercial	\$ 11,102.65	\$ 11,546.76	\$ 12,008.63			\$ 34,658.04
Residential	\$ 61,782.60	\$ 64,253.90	\$ 66,824.06	\$ 69,497.02	\$ 72,276.90	\$ 334,634.48
	\$ 72,885.25	\$ 75,800.66	\$ 78,832.69	\$ 69,497.02	\$ 72,276.90	\$ 369,292.52

\* Commercial Note: Due to the smaller number of commercial properties, the assessment cycle for commercial accounts spans three years.

\* Residential Note: The residential data presented covers a 5-year period, while the plan submitted to the state will outline a 10-year timeframe.

Note: SoCal Water's proposal cost of services is \$801,616 for 5 years.

It is recommended that the Board take the following Action:

- Approve the contract with HydroCorp to provide State Mandated Cross-Connection Services as outlined in the scope of work, in the Amount of \$369,292.52.
- Authorize the General Manager to execute a contract with HydroCorp for the State Mandated Cross-Connection Services.
- Authorize the General Manager to execute any additional change orders to HydroCorp up to 10% of the contract value.

**State Water Resources Control Board – Cross-Connection Control Policy Handbook**

For more information regarding the State of California's Cross-Connection Control Policy by the State Resource Control Board, please see the handbook link below:

[https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/cccp.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/cccp.html)

**FISCAL IMPACT:**

**Amount Requested:** \$ 369,292.52 + 10% Contingency = \$ 406,222

**Sufficient Budgeted Funds Available?** Yes

**Prog/Fund # Category:** Water Department Budget

**PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:**

None.

**ATTACHMENTS:**

- HydroCorp Presentation
- HydroCorp Scope of Work - Commercial
- HydroCorp Scope of Work - Residential



## Town of Discovery Bay



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



## Agenda

- Recap/Critical Issues for Discovery Bay
- HydroCorp Overview
- Project Plan
- Q&A





# Critical Issues for Discovery Bay

## Current State

- Looking for support re-writing cross-connection control plan.
- Small team, overlapping roles and responsibilities.
- 8/50 miles of asbestos concrete distribution system infrastructure project.
- Job hopping and retention of staff remains a challenge.
- \$105,000 - \$150,000 annual salary per surveyor.  
\*Not including time to train and retention of employee.
- Around 2,400 homes sit on the Delta.
- Backflow reports are maintained in a binder in the office, and notices are sent out in house.
- Now required to adjust cross-connection control program to stay in compliance with the Cross-Connection Control Policy Handbook.

## How we Address

- Complete inventory of Residential & Commercial Backflow Assemblies and unknown cross connections.
- Support conducting boots on the ground physical surveys.
- Streamlined administrative relief with our managed software.
- Dedicated customer account rep for Town of Discovery Bay and ASSE trained customer service team for Discovery Bay water customers.
- Guaranteed compliance, reduced risk, financial efficiency.



## The HydroCorp Promise

HydroCorp is the Safewater Authority™



# Experience On Your Side



Time tested, proven process our field inspectors follow to meet productivity and quality assurance goals



Inspection Team Training and Certifications



Trained administrative staff to handle client needs, water user questions and answer telephone calls in a professional, timely, and courteous manner



Active members in many water industry associations



Sharing our knowledge – Safewater EDU



## Project Plan



# HydroCorp Turn-Key Program

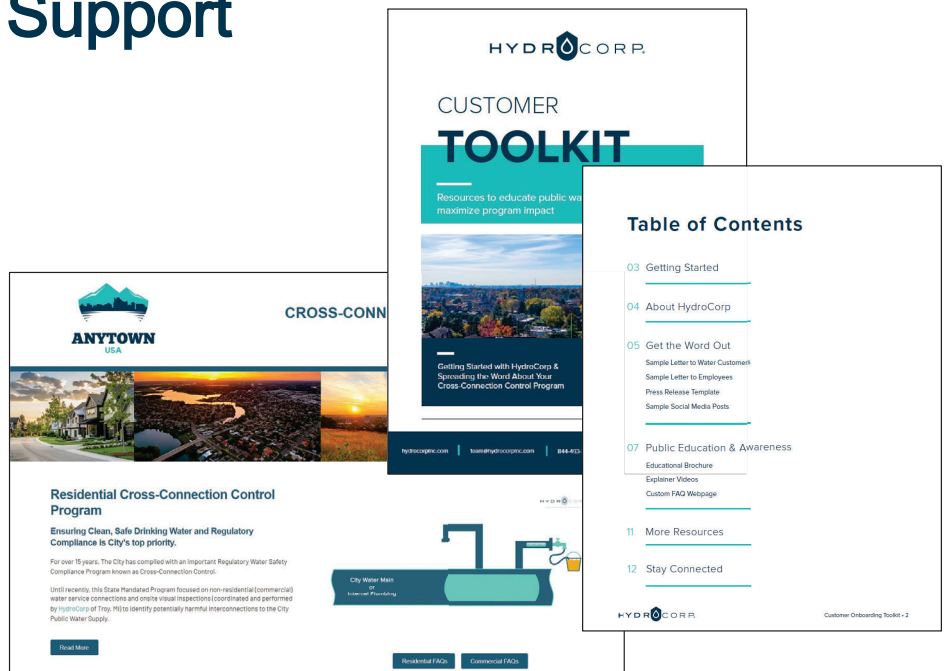


HYDROCORP



## Public Awareness Support

- Public awareness toolkit with templates to engage residents & stakeholders
  - Program Announcement Letters to Staff & Customers
  - Press Release Template
  - Sample Social Media Posts
- Educational Brochures
- Program Overview Videos
- Custom Webpage



HYDROCORP



# Facility Hazard Assessment/Inspection

## Visual Review & Documentation



Numerous surveys daily in a designated client community



Greets building owner/occupant and explains the purpose of the site visit and expectations.



Using a tablet, surveys/assesses, and documents exiting backflow prevention devices and/or assemblies.



Documents each backflow preventer location, size, manufacturer, model # and serial # and investigates to verify most recent test of BFP assembly



Documents any mandatory corrective action into the HydroSoft client database

## Hazard Assessment Notice Example

**Cross Connection Control Program Inspection Notice**

Sample Person  
12345 Somewhere  
Perfectville, FL 48888

Print Date: 11/06/2024

Reference #: **4CS-DA5-A9E**

RE: Facility For Sample Notice at 12345 Somewhere

Dear Water Customer,

The purpose of the Cross Connection Control Program, as defined in local Ordinance Part II, Sec 48-70 thru 48-82, is to help eliminate possible contamination of the public water distribution system. There are two required components of the program; 1) site inspection and 2) testing of backflow prevention assemblies.

The will be working jointly with inspectors from HydroCorp to conduct these inspections. Thank you in advance for your cooperation in this matter.

As part of this program, an inspection of your facility's internal water system is to be completed. Inspectors will be reviewing your water system for connections that could possibly contaminate the water distribution system. The inspection is tentatively scheduled for **N/A**. Our inspector will do their best to be on-site this day, however, we may be on-site the day before or after the scheduled date. The inspection must be completed during normal business hours of 8:00 a.m. to 5:00 p.m. If you need a more specific time, please call 1-844-493-7641 to arrange an appointment.

Any costs associated with the replacement, modification(s), installation, and/or testing of backflow prevention assemblies are the responsibility of the property owner/manager and/or occupant.

You will be notified following the inspection if modification(s) and/or testing of backflow prevention assemblies are necessary. We look forward to working with you in protecting the drinking water supply.

If you have any questions or require additional information, please contact HydroCorp from 8 am to 6 pm EST Monday through Friday at 1-844-493-7641 or visit their website at [hydrocorpinc.com](http://hydrocorpinc.com).



# Requirement(s) Notice Example

## Cross Connection Control Inspection Non-Compliance Notice

John Smith  
P.O. Box 123  
Perfectville, MI 48098

Print Date: 7/15/2019

RE: [FACILITYNAME] at [SERVICEADDRESS1]

Reference Number: 933-DB1-3DB

Dear Water Customer,

The purpose of the [ORGNAME]'s Cross Connection Control Program, as defined in Local Ordinance [ORDINANCENUMBER], is to help eliminate possible contamination of the public water distribution system. There are two required components of the program; 1) site inspection, and 2) testing of backflow prevention assemblies.

An inspection of your facility's internal water distribution system was completed on [LASTSURVEYDATE]. Inspectors reviewing your water system found connections that could possibly contaminate the public water distribution system. A list of requirements is enclosed.

Requirements on this list must be addressed using only State approved backflow prevention devices. A licensed plumber should be able to assist you with acquiring approved backflow prevention devices. Some backflow prevention devices (assemblies) also require testing by a State Certified Tester. We suggest that the licensed plumber installing the testable assemblies also have the state certification to test assemblies. **All testable assemblies must be tested immediately at the time of installation.**

**These requirements must be completed by [RESPONSEDATE]. After the requirements and devices have been installed (if applicable) please call the number below on or before the date listed above to schedule a compliance inspection. Failure to comply could result in discontinuation of water service.**

To arrange for compliance review or if you require additional information, please contact HydroCorp at 1-844-493-7641 or visit their website at [www.hydrocorpinc.com](http://www.hydrocorpinc.com)

Order #	Device Type	Qty	Comment
2	HBVB		Install Hose Bibb Vacuum Breaker (ASSE #1011) on hose bibb by slop sink in restroom. - Re: Michigan Plumbing Code, Section 608.15.4.2.
4	VMBP		Install Backflow Preventer for Beverage Dispensing Equipment (ASSE #1022) in supply to cappuccino machine. - RE: Michigan Plumbing Code section 608.16.10

11

# Inspection Report



ZZ Sample-Com  
Organization Inspections Conducted  
Criteria:5/1/2024 - 6/7/2024



### Inspection Summary:

Inspections Conducted:	0	Compliant:	0	Cancelled:	0	Initial Inspections:	0
Facilities Inspected:	9	Non Compliant:	0	Vacant:	0	Compliance Inspections:	0
Scheduled:	37	Rescheduled:	0	Inactive:	0	Reinspections:	0
To Be Scheduled:	0	Delayed:	0	Shutoff:	0		

### Inspection Detail:

Facility Name	Service Address	Scheduled	Inspected	Type	Status	Inspector
(JM) Car Wash	555 Main	05/16/2024	05/16/2024	Re-Inspection	Scheduled	Sample Sync
Circle K (Sample)	123 St.	05/16/2024	05/16/2024	Initial Inspection	Scheduled	Sample Sync
(TU) Gas Station	555 Main	05/23/2024	05/23/2024	Re-Inspection	Scheduled	Sample Sync
7 Main LLC ED X	7 N Main St	05/23/2024	05/23/2024	Initial Inspection	Scheduled	Sample Sync
Easy Bake Desserts	1919 Bakers Avenue	05/30/2024	05/30/2024	Re-Inspection	Scheduled	Select Your Name
Inspector Training - A	123 Train St.	06/04/2024	06/04/2024	Initial Inspection	Scheduled	Sample Sync
Inspector Training - C	125 Train St.	06/04/2024	06/04/2024	Initial Inspection	Scheduled	Sample Sync
Jimbo's Liquor	12345 Drunkard Ct	06/04/2024	06/04/2024	Re-Inspection	Scheduled	James Simon
K-Tool Corp	31111 Wixom RD	06/04/2024	06/05/2024	Re-Inspection	Scheduled	Select Your Name



# Requirement Report



ZZ Sample-Com  
Violations  
Criteria: 5/1/2024 - 6/6/2024



## Violation Summary:

Total Violations: 16  
Total Facilities with Violations: 8

## Violation Details:

Facility Name	Service Address	Order #	Location/Comments
(JM) Dry Cleaner	555 Main	1	Adjust (2) existing Anti-Siphon Balloons (ASSE 1002) in water closets of women's (1) and men's (1) restroom on the first floor and/or cut overflow pipe in order to provide a minimum of a 1" air gap measured from the critical level (C-L) of the device to the full opening of the overflow pipe. RE: Michigan Plumbing Code section 425.3.1
(JM) Dry Cleaner	555 Main	5	Install Hose Bibb Vacuum Breaker (ASSE #1011) on hose threads of Hose drop located next to tire machine.
(JM) Dry Cleaner	555 Main	7	Repair/Replace missing top cover of built in atmospheric vacuum break on faucet fixture outside of wash room.
(JM) Dry Cleaner	555 Main	9	Adjust existing Anti-Siphon Balcock (ASSE 1002) in water closet of Women's restroom and/or cut overflow pipe in order to provide a minimum of a 1" air gap measured from the critical level (C-L) of the device to the full opening of the overflow pipe. RE: Michigan Plumbing Code section 425.3.1
(JV) Sample Inspection #21	555 Main St	3	Install Anti-Frost Hose Bibb Vacuum Breaker (ASSE #1011, Watts NFB or Equal) On Outside Hose Bibb - Re: Michigan Plumbing Code, Section 608.15.4.2
(TU) Gas Station	555 Main	2	Install Backflow Preventer for Beverage Dispensing Equipment (ASSE #1022) in supply to carbonated beverage machine - Re: Michigan Plumbing Code table 608.16.1
Easy Bake Desserts	1919 Bakers Avenue	20	Install 1" air gap on drain of ice maker in
Jimbo's Liquor	12345 Drunkard Ct	2	DCV needed for fire protection bypass above the RBPB
Jimbo's Liquor	12345 Drunkard Ct	5	Install Reduced Pressure Backflow Prevention Assembly (ASSE #1013) in supply to water back-up sump pump NOTE: RBPB will replace inappropriate existing vdcv
JJ's Auto Repair	555 Main St	3	Install Hose Bibb Vacuum Breaker (ASSE #1011) on hose threads of hose drop located next to tire machine
JJ's Auto Repair	555 Main St	5	Repair/replace missing top cover of built in atmospheric vacuum breaker on faucet fixture outside wash room



# Address/Device Report



(TU) Dental Clinic  
555 Main  
Sample  
Cross Connection Control Program



## Backflow Preventer Summary:

Count of Existing: 7 Initial Inspection Date: 04/14/2017 Last Notice Sent: Non Com 2  
Count of Required: 3 Last Inspection Date: 04/14/2017 Last Notice Date: 12/05/2017  
Inspection Freq: 12 Current Survey Status: Non-Compliant Facility Type: Dental

## Existing Backflow Preventers:

Ord #	Device Type	Protection	Manufacturer	Model #	Serial #	Size	RO #	Last Test	Comments
4	RRF	Restroom Fixtures	- N/A -	- N/A -		0			Restroom fixtures (4) in restrooms (4)
5	PVB	Lawn Sprinkler System	Watts	800	394623.2	1			Lawn Sprinkler System on outside east wall
6	HBVB	Outside Hose Bibb	- N/A -	- N/A -		0			Outside Hose Bibb (2) north and south walls
7	AVB	X-ray Developer	- N/A -	- N/A -		0			X-ray developer
8	AG	Isolation	- N/A -	NA		0			Model grinder
9	HBVB	Slop Sink	- N/A -	- N/A -		0			Slop Sink in utility room
10	AVB	Isolation	- N/A -	- N/A -		0			Vacuum pump

## Required Backflow Preventers:

Ord #	Device Type	Protection	Size	Comments
1	RRF	Restroom Fixtures	0	Adjust (Cut) Overflow Pipe in Water Closet of unisex Restroom in Order to Provide a Minimum of a 1" Air Gap Measured From the Critical Level (C-L) of the Existing Anti-Siphon Balcock to the Full Opening of the Overflow Pipe. RE: Michigan Plumbing Code Section 425.3.1
2	RBPB	Dental Chair	0	Install Reduced Pressure Backflow Prevention Assembly (ASSE #1013) in supply to Dental Chairs



# Project Cost – Commercial Hazard Assessments

\*Includes Compliance Inspections

## Includes:

Commercial Hazard Assessments completed over 3 years, Notices, Setup, Support, Implementation, View Only Access, Reporting, Data Management, Public Awareness toolkit, Water Customer Support

Surveys / Year – 62

Cost per Survey =\$179.08 (First Year Pricing)

## Connection Cost:

\$81.36 / Annual cost per connection

\$6.78/ Connection per month

\*Averages over the 3year contract

**3-Year Contract**  
**3 Year Inspection Cycle**  
**HydroCorp**  
**All-In Price**  
**\$34,658.04**

**Year 1: \$11,102.65**  
**Year 2: \$11,546.76**  
**Year 3: \$12,008.63**

# Project Cost - Residential Hazard Assessments

\*Includes Compliance Inspections

## Includes:

Residential Hazard Assessments completed over 10 years, Notices, Setup, Support, Implementation, View Only Access, Reporting, Data Management, Public Awareness toolkit, Water Customer Support

Surveys / Year – 726

Cost per Survey =\$85.10 (First year pricing)

## Connection Cost:

\$11.07 / Annual cost per connection

\$0.92/ Connection per month

\*Averages over the 5year period

**5-Year Contract**  
**10 Year Inspection Cycle**  
**HydroCorp**  
**All-In Price**  
**\$334,634.48**

**Year 1: \$61,782.60**  
**Year 2: \$64,253.90**  
**Year 3: \$66,824.06**  
**Year 4: \$69,497.02**  
**Year 5: \$72,276.90**

# Project Cost - Residential Hazard Assessments

\*Includes Compliance Inspections

## Includes:

Residential Surveys completed over 10 years, Notices, Setup, Support, Implementation, View Only Access, Reporting, Data Management, Public Awareness toolkit, Water Customer Support

Surveys / Year – 726

Cost per Survey = \$87.40 (First year pricing)

## Connection Cost:

\$10.92 / Annual cost per connection

\$0.91/ Connection per month

\*Averages over the 3year period

3-Year Contract  
10 Year Inspection Cycle  
HydroCorp  
All-In Price  
\$198,073.02  
Year 1: \$63,452.40  
Year 2: \$65,990.50  
Year 3: \$68,630.12

# Residential Exterior Hazard Assessment

- Water customer receives hazard assessment notice. Scheduling designated time window if necessary.
- Hazard assessment completed in a short amount of time.
  - Inspector does *not* go into the interior of the homes.
- Customer provided with educational brochure on common cross-connections & backflow preventers.





# Reducing the Administrative Burden



Database with Water  
Customer Account Information



Postal Notifications



Online Scheduling & Dedicated  
Toll-Free Customer Support



Compiled Survey Data

Save an average of

3.2

administrative hours  
per day\*

\*The equivalent of 8 working days each  
month and almost \$2,000 (at \$30/hour)

# Service Agreement

DEVELOPED FOR

Dina Breitstein

Town Of Discovery Bay

1800 Willow Lake Road

Discovery Bay, CA, 94505

5/23/2025

## KEEPING DRINKING WATER SAFE FOR INDUSTRIES AND MUNICIPALITIES

For over 30 years, HydroCorp™ has been dedicated to safe drinking water for companies and communities across North America. Fortune 500 firms, metropolitan centers, utilities, small towns and businesses – all rely on HydroCorp to protect their water systems, averting backflow contamination and the acute health risks and financial liabilities it incurs.

**HYDROCORP™**

THE SAFE WATER AUTHORITY™

CROSS-CONNECTION  
CONTROL / BACKFLOW  
PREVENTION

WATER SYSTEM  
SURVEYS / AUDITS

PIPE SYSTEM MAPPING  
AND LABELING

WATER SAMPLING  
AND ANALYSIS / RISK  
ASSESSMENTS

PROGRAM  
AND PROJECT  
MANAGEMENT

COMPLIANCE  
ASSISTANCE /  
DOCUMENTATION



MICHIGAN CORPORATE OFFICE  
5700 Crooks Road, Suite 100  
Troy, MI 48098  
800.690.6651 TOLL FREE  
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248.786.1788 FAX GENERAL  
info@hydrocorpinc.com EMAIL

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## Statement of Work

HydroCorp™ will provide the following services to the Town Of Discovery Bay. This project is a continued effort for an ongoing Cross-Connection Control Program and will provide the Town Of Discovery Bay with the necessary data and information to maintain compliance with the California State Water Resources Control Board, Division of Drinking Water Cross Connection Control Regulations. Once this project has been approved and accepted by the Town Of Discovery Bay and HydroCorp, you may expect completion of the following elements within an 36 month period. The components of the project include:

1.1. Program Review and Program Start-up Meeting. Company will conduct a Program Startup Meeting for the Cross-Connection Control/Backflow Prevention Program. Items for discussion/review will include the following:

- Review state & local regulations
- Review and/or provide assistance in establishing local Cross-Connection Control Ordinance
- Review/establish wording and timeliness for program notifications including:
  - Inspection Notice
  - Compliance Notice
  - Non-Compliance Notices 1-2, Penalty Notices
- Special Program Notices
- Electronic use of notices/program information
- Obtain updated facility listing, address information and existing program data from Utility.
- Prioritize Inspections (Utility owned buildings, schools, high hazard facilities, special circumstances.)
- Review/establish procedure for vacant facilities.
- Establish facility inspection schedule.
- Review/establish procedures and protocols for addressing specific hazards.
- Review/establish high-hazard, complex facilities and large industrial facility inspection/containment procedures including supplemental information/notification that may be requested from these types of facilities in order to achieve program compliance.
- Review/establish program reporting procedures including electronic reporting tools.
- Review/establish educational and public awareness brochures.

1.2. Inspections. Company will perform initial inspections, compliance inspections, and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the utility served by the public water supply for cross-connections. Inspections will be conducted in accordance with the California State Water Resources Control Board, Division of Drinking Water Cross Connection Control Rules.

1.3. Inspection Schedule. Company shall determine and coordinate the inspection schedule. Inspection personnel will check in/out on a daily basis with the Client Contract Manager. The initial check-in will include a list of inspections scheduled. An exit interview will include a list of inspections completed.

1.4. Program Data. Company will generate and document the required program data for the Facility Types listed in the Services using the Company's Software Data Management Program. Program Data shall remain property of Client; however, Company's Software Data Management program shall remain the property of Company and can be purchased for an additional fee. Services include:

- (a) Prioritize and schedule inspections
- (b) Notify users of inspections, backflow device installation and testing requirements, if applicable
- (c) Monitor inspection compliance using Company's online software management program
- (d) Maintain the program to comply with all California State Water Resources Control Board, Division of Drinking Water regulations

1.5. Management Reports. Company will submit comprehensive management reports in electronic, downloadable format on a quarterly & annual basis to Client.

1.6. Review of Cross-Connection Control Ordinance. Company will review or assist in the development of a cross-connection control ordinance.

1.7. Public Relations Program. Company will assist Client with a community-wide public relations program, including general awareness brochures and website cross-connection control program content. The utility/city will provide HydroCorp with an electronic copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only (300 dpi in either .eps, or other high-quality image format)

1.8. Support. Company will provide ongoing support via phone, fax, website, or email for the Term.



1.9. Facility Types. The facility types included in the program are as follows: industrial; institutional; commercial; miscellaneous water users; and multifamily. Large industrial and high-hazard complexes or facilities may require inspection/survey services outside the scope of this Agreement. Company typically allows a maximum of up to three (3) hours of inspection time per facility. An independent cross-connection control survey (at the business owner's expense) may be required at these larger/complex facilities, and the results submitted to Client to help verify program compliance.

1.10. Inspection Terms. Company will perform a maximum of 186.00 inspections over the Initial Term. The total inspections include all initial inspections, compliance, and re-inspections. Additional Inspections above the contract terms will be billed separately at a rate of \$186.33. Company Personnel will not enter confined spaces. *Vacant facilities that have been provided to Company, scheduled no show, or refusal of inspection will count as an inspection/site visit for purposes of the contract.*

1.11. Compliance with California State Water Resources Control Board, Division of Drinking Water . Company will assist in compliance with California State Water Resources Control Board, Division of Drinking Water cross-connection control program requirements for all commercial, industrial, institutional, residential, multifamily, and public authority facilities.

1.12. Policy Manual. Company will review and/or develop a comprehensive cross-connection control policy manual/plan and submit to the appropriate regulatory agency for approval on behalf of Client.

1.13. Inventory. Company shall inventory all accessible (ground level) backflow prevention assemblies and devices. Documentation will include: location, size, make, model, and serial number (if applicable).

1.14. Data Management. Company shall provide data management and program notices for all inspection services throughout the Term.

1.15. Annual Year-End Review. Company will conduct an on-site annual or year-end review meeting to discuss the overall program status and specific program recommendations.

1.16.

The above services will be provided for:

Year	Monthly Amount	Annual Amount
1	\$925.22	\$11,102.65
2	\$962.23	\$11,546.76
3	\$1,000.72	\$12,008.63
<b>Contract Total</b>		\$34,658.04

Contract Amount is based upon a 36 Months and shall renew in 12-month increments after initial term unless written cancellation by either party received at least 60 days prior to renewal. HydroCorp will invoice in Monthly Amounts. Pricing is valid for 90 days from the date of the proposal.

## SIGNATURES

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date of 6/5/2025.

**Town Of Discovery Bay**

**HydroCorp**



By:

By: Paul M. Patterson

Title:

Its: Senior Vice President

**HYDROCORP, LLC**  
**TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES**

1. Applicability. These terms and conditions (these “**Terms**”) are the only terms which govern the provision of the professional services (“**Services**”) by HydroCorp, LLC, a Michigan limited liability company (“**Company**”) to the customer named on the attached statement of work, order form, proposal, or purchase order (“**Client**”, and together with Company the “**Parties**” and each individually a “**Party**”). The attached statement of work, order form, proposal, or purchase order (the “**Proposal**”) and these Terms (collectively, this “**Agreement**”) comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. The Proposal is limited to and conditional upon Client’s acceptance of these Terms exclusively. Any additional or different terms proposed by Client, whether in the Proposal or otherwise, are unacceptable to Company, are expressly rejected by Company, and will not become a part of the Proposal.

2. Performance of Services; Company Obligations. Company shall provide to Client the Services described and in accordance with the terms and conditions set forth in this Agreement. Additional Services may be added only by executing a new Proposal. Company shall provide Client with an electronic file copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only.

3. Client Obligations. Client shall: (a) designate one of its employees or agents to serve as its primary contact with respect to this Agreement and to act as its authorized representative with respect to matters pertaining to this Agreement (the “**Client Contract Manager**”), with such designation to remain in force unless and until a successor Client Contract Manager is appointed; (b) require that the Client Contract Manager respond promptly to any reasonable requests from Company for instructions, information, or approvals required by Company to provide the Services; (c) cooperate with Company in its performance of the Services and provide access to Client’s premises, employees, contractors, and equipment as required to enable Company to provide the Services; (d) take all steps necessary, including obtaining any required licenses or consents, to prevent Client-caused delays in Company’s provision of the Services; (e) comply with all responsibilities listed on the Proposal in connection with Company’s provision of the Services.

4. Fees and Expenses. In consideration of the provision of the Services by Company and the rights granted to Client under this Agreement, Client shall pay the fees set out in the applicable Proposal. Payment to Company of such fees and the reimbursement of expenses pursuant to this Section 4 shall constitute payment in full for the performance of the Services. Unless otherwise provided in the applicable Proposal, all payments shall be due and payable within thirty (30) days of the date set forth on an invoice. Client shall reimburse Company for all reasonable expenses incurred in accordance with the Proposal if such expenses have been pre-approved, in writing by the Client Contract Manager, within thirty (30)

days of receipt by Client of an invoice from Company accompanied by receipts and reasonable supporting documentation. Client shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by Client hereunder; and to the extent Company is required to pay any such sales, use, excise, or other taxes or other duties or charges, Client shall reimburse Company in connection with its payment of fees and expenses as set forth in this Section 4. Notwithstanding the previous sentence, in no event shall Client pay or be responsible for any taxes imposed on, or regarding, Company’s income, revenues, gross receipts, personnel, or real or personal property or other assets.

5. Intellectual Property; Ownership.

(a) Except as set forth in Section 5(c), Client is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the Deliverables (as defined herein) upon full payment of any fees owed to Company, including all Intellectual Property Rights (as defined herein) therein. Company agrees, and will cause its employees or contractors (the “**Company Representatives**”) to agree, that with respect to any Deliverables that may qualify as “work made for hire” as defined in 17 U.S.C. § 101, such Deliverables are hereby deemed a “work made for hire” for Client. To the extent that any of the Deliverables do not constitute a “work made for hire”, Company hereby irrevocably assigns, and shall cause the Company Representatives to irrevocably assign to Client, in each case without additional consideration, all right, title, and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights therein. Company shall cause the Company Representatives to irrevocably waive, to the extent permitted by applicable law, any and all claims such Company Representatives may now or hereafter have in any jurisdiction to so-called “moral rights” or rights of droit moral with respect to the Deliverables. As used herein: (a) “**Deliverables**” mean all documents, work product, and other materials that are delivered to Client hereunder or prepared by or on behalf of Company in the course of performing the Services; and (b) “**Intellectual Property Rights**” means all (i) patents, patent disclosures, and inventions (whether patentable or not), (ii) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the goodwill associated therewith, (iii) copyrights and copyrightable works (including computer programs), and rights in data and databases, (iv) trade secrets, know-how, and other confidential information, and (v) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

(b) Upon Client’s reasonable request, Company shall, and shall cause the Company Representatives to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist Client to prosecute, register, perfect, or record its rights in or to any Deliverables.

(c) Company and its licensors are, and shall remain, the sole and exclusive owners of all right, title, and interest in and to the Pre-Existing Materials (as defined herein), including all Intellectual Property Rights therein. Company hereby grants Client a limited, irrevocable, perpetual, fully paid-up, royalty-free, non-transferable, non-sublicenseable, worldwide license to use, perform, display, execute, reproduce, distribute, transmit, modify (including to create derivative works), import, make, have made, sell, offer to sell, and otherwise exploit any Pre-Existing Materials to the extent incorporated in, combined with or otherwise necessary for the use of the Deliverables solely to the extent reasonably required in connection with Client's receipt or use of the Services and Deliverables. All other rights in and to the Pre-Existing Materials are expressly reserved by Company. As used herein, "**Pre-Existing Materials**" means all documents, data, know-how, methodologies, software, and other materials, including computer programs, reports, and specifications, provided by or used by Company in connection with performing the Services, in each case developed or acquired by Company prior to the commencement or independently of this Agreement.

(d) Client and its licensors are, and shall remain, the sole and exclusive owner of all right, title, and interest in and to the Client Materials (as defined herein), including all Intellectual Property Rights therein. Company shall have no right or license to use any Client Materials except solely during the Term to the extent necessary to provide the Services to Client. All other rights in and to the Client Materials are expressly reserved by Client. As used herein, "**Client Materials**" means any documents, data, know-how, methodologies, software, and other materials provided to Company by Client.

6. Access to Company's Software Data Management Program; Management Reports.

(a) Subject to the terms and conditions in this Section 6, Client may, at Client's option, elect to access and use Company's Software Data Management Program (the "**Software**") during the Term. Company will generate and document the required program data for the facility types listed in the Proposal using the Software. Any Client Materials inserted into the Software by or on behalf of Client, or any Deliverables produced as a result of the Software, shall remain property of Client; however, the Software shall remain the property of HydroCorp.

(b) Client agrees to not (i) copy, modify, or create derivative works of the Software, in whole or in part; (ii) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Software; (iii) reverse engineer, disassemble, decompile, decode, adapt or otherwise attempt to derive the source code of the Software, in whole or in part; (iv) remove any proprietary notices from the Software; or (v) use the Software in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property rights of Company.

(c) Client acknowledges that, as between Client and Company, Company owns all right, title and interest, including all intellectual property rights in and to the Software and any derivative works thereof, including all changes, modification, improvements, updates, version, and new releases or any information or data generated by the Software.

(d) Company warrants as of the date of the Proposal, the Software is in functioning condition and is not delivered with viruses or malicious code. EXCEPT FOR THE WARRANTY SET FORTH ABOVE, THE SOFTWARE IS PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED,

STATUTORY, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. COMPANY MAKES NO WARRANTY (i) THAT CLIENT'S USE OF THE SOFTWARE WILL MEET CLIENT'S REQUIREMENTS, BE ACCURATE, OR BE ERROR FREE, (ii) THAT THE SOFTWARE WILL BE AVAILABLE AT ANY PARTICULAR TIME OR LOCATION; (iii) THAT ANY DEFECTS OR ERRORS WILL BE CORRECTED; (iv) THAT CLIENT MAY RELY ON THE SOFTWARE FOR COMPLIANCE WITH ANY STATUTORY OR REGULATORY REQUIREMENTS AND/OR REPORTING OBLIGATIONS; OR (v) THAT THE SOFTWARE WILL BE COMPATIBLE WITH ANY HARDWARE OR SYSTEMS SOFTWARE CONFIGURATION.

(e) Comprehensive management reports in electronic, downloadable format on a, as applicable to Client, monthly, quarterly, and/or annual basis shall be available for access by Client. Reports to include the following information: (i) name, location, and date of inspections; (ii) number of facilities inspected/surveyed; and (iii) number of facilities compliant/non-compliant.

7. Confidentiality. From time to time during the Term, either Party (as the "**Disclosing Party**") may disclose or make available to the other Party (as the "**Receiving Party**"), non-public, proprietary, and confidential information of Disclosing Party, whether disclosed in writing or orally, and whether or not labeled as "confidential" ("**Confidential Information**"); provided, however, that Confidential Information does not include any information that: (a) is or becomes generally available to the public other than as a result of Receiving Party's breach of this Section 6; (b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source that was not legally or contractually restricted from disclosing such information; (c) the Receiving Party establishes by documentary evidence, was in Receiving Party's possession prior to Disclosing Party's disclosure hereunder; or (d) the Receiving Party establishes by documentary evidence, was or is independently developed by Receiving Party or its personnel without using any of the Disclosing Party's Confidential Information. The Receiving Party shall: (i) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (iii) not disclose any such Confidential Information to any person or entity, except to the Receiving Party's Representatives (as hereinafter defined) who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. If the Receiving Party becomes legally compelled to disclose any Confidential Information, the Receiving Party shall provide: (A) prompt written notice of such requirement so that the Disclosing Party may seek, at its sole cost and expense, a protective order or other remedy; and (B) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing such notice and assistance as required herein, the Receiving Party remains required by applicable law to disclose any Confidential Information, the Receiving Party shall disclose no more than that portion of the Confidential Information which, on the advice of the Receiving Party's legal counsel, the Receiving Party is legally required to disclose and, upon the Disclosing Party's request, shall use commercially reasonable

efforts to obtain assurances from the applicable court or agency that such Confidential Information will be afforded confidential treatment. As used herein, “**Representatives**” mean a Party’s affiliates and each of their respective employees, agents, contractors, subcontractors, officers, directors, partners, shareholders, attorneys, third-party advisors, successors and permitted assigns.

8. **Indemnification.** Client shall defend, indemnify, and hold harmless Company and its affiliates and its and their respective members, managers, officers, directors, employees, agents, successors, and permitted assigns from and against all Losses (as defined herein) arising out of or resulting from any third-party claim arising out of or resulting from: (a) bodily injury, death of any person, or damage to real or tangible, personal property resulting from the grossly negligent or willful acts or omissions of Client; or (b) Client’s breach of any representation, warranty, or obligation of Client in this Agreement. As used herein, “**Losses**” mean all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

9. **Representations and Warranties.** Each Party represents and warrants to the other Party that: (a) if an entity, it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering, or, if a municipal agency, it has the authority under the laws of its state of jurisdiction; (b) it has the full right, power, and authority to enter into this Agreement, to grant the rights and licenses granted hereunder, and to perform its obligations hereunder; (c) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the party; and (d) when executed and delivered by such party, this Agreement will constitute the legal, valid, and binding obligation of such party, enforceable against such party in accordance with its terms.

10. **Limited Warranty.**

(a) Company warrants that it shall perform the Services: (i) in accordance with the terms and subject to the conditions set out in the respective Proposal and this Agreement; (ii) using personnel of industry standard skill, experience, and qualifications; and (iii) in a timely, workmanlike, and professional manner in accordance with generally recognized industry standards for similar services.

(b) Company’s sole and exclusive liability and Client’s sole and exclusive remedy for breach of this warranty shall be as follows:

i. Company shall use commercially reasonable efforts to promptly cure any such breach; provided, that if Company cannot cure such breach within a reasonable time (but no more than thirty (30) days) after Client’s written notice of such breach, Client may, at its option, terminate the Agreement by serving written notice of termination in accordance with Section 12.

ii. In the event the Agreement is terminated pursuant to Section 10(b)(i) above, Company shall within thirty (30) days after the effective date of termination, refund to Client any fees paid by Client as of the date of termination for the Service or Deliverables, less a deduction equal to the fees for receipt

or use of such Deliverables or Service up to and including the date of termination on a pro-rated basis.

iii. The foregoing remedy shall not be available unless Client provides written notice of such breach within thirty (30) days after delivery of such Service or Deliverable to Client.

iv. COMPANY MAKES NO WARRANTIES EXCEPT FOR THAT PROVIDED IN SECTION 10(a) ABOVE. ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, ARE EXPRESSLY DISCLAIMED.

11. **Limitation of Liability.** IN NO EVENT SHALL COMPANY BE LIABLE TO CLIENT OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL COMPANY’S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID TO COMPANY PURSUANT TO THE APPLICABLE PROPOSAL GIVING RISE TO THE CLAIM.

12. **Term and Termination.** This Agreement shall commence on the Effective Date and shall continue thereafter until terminated by either Party as set forth herein (the “**Term**”). Upon commencement of each Proposal, Client acknowledges and agrees that the fees owed by Client to Company shall be subject to an annual increase equal to the Consumer Price Index for All Urban Consumers (CPI-U); U.S. City Average; All items, not seasonally adjusted, 1982–1984=100 reference base, as of such annual fee increase date, or 4%, whichever is greater. Either party may terminate this Agreement, effective upon written notice to the other party (the “**Defaulting Party**”), if the Defaulting Party: (a) breaches this Agreement, and such breach is incapable of cure, or with respect to a breach capable of cure, the Defaulting Party does not cure such breach within thirty (30) days after receipt of written notice of such breach; (b) becomes insolvent or admits its inability to pay its debts generally as they become due; (c) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven (7) business days or is not dismissed or vacated within forty-five (45) days after filing; (d) is dissolved or liquidated or takes any corporate action for such purpose; (e) makes a general assignment for the benefit of creditors; or (f) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. Termination of this Agreement will not terminate any outstanding Proposal, and the applicable Proposal shall continue in full force and effect until completion.

13. **Insurance.**

(a) During the term of this Agreement, Client shall, at its own expense, maintain and carry insurance with financially sound and reputable insurers, in full force and effect that includes, but is not limited to, commercial general liability on an all-risk basis and including extended coverage for matters set forth in this Agreement with financially sound and reputable insurers. Upon Company’s request, Client shall provide Company with a certificate of insurance from Client’s insurer evidencing the insurance coverage specified in

this Agreement. The certificate of insurance shall name Company as an additional insured. Client shall provide Company with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy. Except where prohibited by law, Client shall require its insurer to waive all rights of subrogation against Company's insurers and Company.

(b) During the term of this Agreement, Company shall, at its own expense, maintain and carry the following types of insurance: (i) Comprehensive General Liability with limits no less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate; (ii) Excess Umbrella Liability with limits no less than five million dollars (\$5,000,000) per occurrence and five million dollars (\$5,000,000) in the aggregate; (iii) Automobile Liability with limits no less than one million dollars (\$1,000,000), combined single limit; (iv) Worker's Compensation with limits no less than one million dollars (\$1,000,000) per occurrence; and (v) Errors and Omissions Liability with limits no less than two million dollars (\$2,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate. Upon Client's request, Company shall provide Client with a certificate of insurance from Company's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance for the Comprehensive General Liability policy shall name Client as an additional insured. Company shall provide Client with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy.

14. Entire Agreement. This Agreement, including and together with any related Proposals, exhibits, schedules, attachments, and appendices, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

15. Notices. All notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "Notice") must be in writing and addressed to the other Party at its address set forth on the Proposal (or to such other address that the receiving Party may designate from time to time in accordance with this Section 15). Unless otherwise agreed herein, all Notices must be delivered by personal delivery, nationally recognized overnight courier or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving Party; and (b) if the Party giving the Notice has complied with the requirements of this Section 15.

16. Severability. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Waiver. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude

any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

18. Assignment; Successors and Assigns. Client shall not assign, transfer, delegate, or subcontract any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Company. Any purported assignment or delegation in violation of this Section 18 shall be null and void. No assignment or delegation shall relieve Client of any of its obligations under this Agreement. Company may assign any of its rights or delegate any of its obligations to any affiliate or to any person acquiring all or substantially all of Company's assets without Client's consent. This Agreement is binding on and inures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.

19. Relationship of the Parties. The relationship between the Parties is that of independent contractors. The details of the method and manner for performance of the Services by Company be under its own control, Client being interested only in the results thereof. Company shall be solely responsible for supervising, controlling, and directing the details and manner of the completion of the Services. Nothing in this Agreement shall give Client the right to instruct, supervise, control, or direct the details and manner of the completion of the Services. The Services must meet Client's final approval and shall be subject to Client's general right of inspection throughout the performance of the Services and to secure satisfactory final completion. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

20. No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and assigns and nothing in this Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

21. Choice of Law. This Agreement and all related documents including all exhibits attached hereto and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State in which Client's principal place of business is located, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State in which Client's principal place of business is located.

22. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT, INCLUDING EXHIBITS, SCHEDULES, ATTACHMENTS, AND APPENDICES ATTACHED TO THIS AGREEMENT, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS, SCHEDULES, ATTACHMENTS, OR APPENDICES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.



23. Force Majeure. No Party shall be liable or responsible to the other Party, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of Client to make payments to Company hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's ("**Impacted Party**") reasonable control, including, without limitation, the following force majeure events ("**Force Majeure Event(s)**"): (a) acts of God; (b) flood, fire, earthquake, pandemics, epidemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages, or slowdowns, or other industrial disturbances; (h) telecommunication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate

transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; and (i) other similar events beyond the reasonable control of the Impacted Party. The Impacted Party shall give notice within ten (10) days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of fifteen (15) days following written notice given by it under this Section 23, the other Party may thereafter terminate this Agreement upon fifteen (15) days' written notice.

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# Appendix

## Specific Qualifications & Experience

**HydroCorp™** is a professional service organization that specializes in Cross Connection Control Programs. Cross Connection Control Program Management & Training is the main core and focus of our business. We are committed to providing water utilities and local communities with a cost-effective and professionally managed cross-connection control program in order to assist in protecting the public water supply.

- HydroCorp conducts over 110,000 Cross Connection Control Inspections **annually**.
- HydroCorp tracks and manages over 135,000+ backflow prevention assemblies for our Municipal client base.
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed **system** and **process** that each of our field inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train customer service skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, and USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), American Society for Sanitary Engineering (ASSE). HydroCorp recognizes the importance of Professional Development and Learning. We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- We have a trained administrative staff to handle client needs, water user questions and answer telephone calls in a professional, timely, and courteous manner. Our administrative staff can answer most technical calls related to the cross-connection control program and have attended basic cross-connection control training classes.
- HydroCorp currently serves over 550 communities in Michigan, Wisconsin, Minnesota, Maryland, Delaware, Virginia, California, Idaho, Utah & Florida. We still have our first customer!
- HydroCorp and its' staff are active members in many water industry associations including: National Rural Water Association, State Rural Water Associations, National AWWA, State AWWA Groups, HydroCorp is committed to assisting these organizations by providing training classes, seminars, and assistance in the area of Cross Connection Control.
- Several Fortune 500 companies have relied on HydroCorp to provide Cross Connection Control Surveys, Program Management & Reporting to assist in meeting state/local regulations as well as internal company guidelines.

# Service Agreement

DEVELOPED FOR  
Dina Breitstein  
Town Of Discovery Bay

1800 Willow Lake Road  
Discovery Bay, CA, 94505

5/23/2025

## KEEPING DRINKING WATER SAFE FOR INDUSTRIES AND MUNICIPALITIES

For over 30 years, HydroCorp™ has been dedicated to safe drinking water for companies and communities across North America. Fortune 500 firms, metropolitan centers, utilities, small towns and businesses – all rely on HydroCorp to protect their water systems, averting backflow contamination and the acute health risks and financial liabilities it incurs.

**HYDRACORP™**  
THE SAFE WATER AUTHORITY™

CROSS-CONNECTION  
CONTROL / BACKFLOW  
PREVENTION

WATER SYSTEM  
SURVEYS / AUDITS

PIPE SYSTEM MAPPING  
AND LABELING

WATER SAMPLING  
AND ANALYSIS / RISK  
ASSESSMENTS

PROGRAM  
AND PROJECT  
MANAGEMENT

COMPLIANCE  
ASSISTANCE /  
DOCUMENTATION



MICHIGAN CORPORATE OFFICE  
5700 Crooks Road, Suite 100  
Troy, MI 48098  
800.690.6651 TOLL FREE  
248.250.5000 PHONE  
248.786.1788 FAX GENERAL  
info@hydrocorpinc.com EMAIL

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## Statement of Work

HydroCorp™ (“Company”) will provide the following services to the Town Of Discovery Bay. This project is a continued effort for an ongoing Cross-Connection Control Program and will provide the Town Of Discovery Bay with the necessary data and information to maintain compliance with the California State Water Resources Control Board, Division of Drinking Water Cross Connection Control Regulations. Once this project has been approved and accepted by the Town Of Discovery Bay and HydroCorp, you may expect completion of the following elements within a 60 month period. The components of the project include:

1.1. Program Review and Program Start-up Meeting. Company will conduct a Program Startup Meeting for the Cross-Connection Control/Backflow Prevention Program. Items for discussion/review will include the following:

- Review state & local regulations
- Review and/or provide assistance in establishing local Cross-Connection Control Ordinance
- Review/establish wording and timeliness for program notifications including:
  - Inspection Notice
  - Compliance Notice
  - Non-Compliance Notices 1-2, Penalty Notices
- Special Program Notices
- Electronic use of notices/program information
- Obtain updated facility listing, address information and existing program data from Utility.
- Prioritize Inspections (Residential Homes)
- Review/establish procedure for vacant homes.
- Establish facility inspection schedule.
- Review/establish procedures and protocols for addressing specific hazards.
- Review/establish procedures including supplemental information/notification that may be requested from these types of homes in order to achieve program compliance.
- Review/establish program reporting procedures including electronic reporting tools.
- Review/establish educational and public awareness brochures.

1.2. Inspections. Company shall perform Residential Exterior initial inspections, compliance inspections, and re-inspections at individual residential homes within the utility served by the public water supply for cross-connections. Inspections will be conducted in accordance with the California State Water Resources Control Board, Division of Drinking Water Cross Connection Control Rules.

1.3. Inspection Schedule. Company shall determine and coordinate the inspection schedule. Inspection personnel will check in/out on a daily basis with the Client Contract Manager. The initial check-in will include a list of inspections scheduled. An exit interview will include a list of inspections completed.

1.4. Program Data. Company will generate and document the required program data for the Facility Types listed in the Services using the Company’s Software Data Management Program. Program Data shall remain property of Client and shall be viewable during the contract period; however, Company’s Software Data Management program shall remain the property of Company and can be purchased for an additional fee. Program Data shall be made available to client in a user friendly medium at the end of the contract period, if requested. Services include:

- (a) Prioritize and schedule inspections
- (b) Notify users of inspections, backflow device installation and testing requirements, if applicable
- (c) Monitor inspection compliance using Company’s online software management program
- (d) Maintain the program to comply with all California State Water Resources Control Board, Division of Drinking Water regulations

1.5. Management Reports. Company will submit comprehensive management reports in electronic, downloadable format on a quarterly & annual basis to Client.

1.6. Review of Cross-Connection Control Ordinance. Company will review or assist in the development of a cross-connection control ordinance.

1.7. Public Relations Program. Company will assist Client with a community-wide public relations program, including general awareness brochures and website cross-connection control program content. The utility/city will provide HydroCorp with an electronic copy of the utility logo or utility letterhead for the mailing of all official program correspondence only (300 dpi in either .eps, or other high-quality image format)

1.8. Support. Company will provide ongoing support via phone, fax, text, website, or email for the Term.



1.9. Facility Types. The facility types included in the program are as follows: residential.

1.10. Inspection Terms. Company will perform a maximum of 3,630.00 inspections over the Initial Term. The total inspections include all initial inspections, compliance, and re-inspections. Additional Inspections above the contract terms will be billed separately at a rate of \$92.19. Company Personnel will not enter confined spaces. *Vacant facilities that have been provided to Company, scheduled no show, or refusal of inspection will count as an inspection/site visit for purposes of the contract.*

1.11. Compliance with California State Water Resources Control Board, Division of Drinking Water . Company will assist in compliance with California State Water Resources Control Board, Division of Drinking Water cross-connection control program requirements for all residential homes.

1.12. Policy Manual. Company will review and/or develop a comprehensive cross-connection control policy manual/plan and submit to the appropriate regulatory agency for approval on behalf of Client.

1.13. Inventory. Company shall inventory all accessible backflow prevention assemblies and devices based on the scope of the inspection. Documentation will include: location, size, make, model, and serial number (if applicable).

1.14. Data Management. Company shall provide data management and program notices for all inspection services throughout the Term.

1.15. Annual Year-End Review. Company will conduct an on-site annual or year-end review meeting to discuss the overall program status and specific program recommendations.

1.16.

The above services will be provided for:

Year	Monthly Amount	Annual Amount
1	\$5,148.55	\$61,782.60
2	\$5,354.49	\$64,253.90
3	\$5,568.67	\$66,824.06
4	\$5,791.42	\$69,497.02
5	\$6,023.08	\$72,276.90
<b>Contract Total</b>		<b>\$334,634.48</b>

Contract Amount is based upon a 60 Months term and shall renew in 12-month increments after initial term unless written cancellation by either party received at least 60 days prior to renewal. HydroCorp will invoice in Monthly Amounts. Pricing is valid for 90 days from the date of the proposal.

## SIGNATURES

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date of 6/5/2025.

**Town Of Discovery Bay**

**HydroCorp**



By:

Title:

By: Paul M. Patterson

Its: Senior Vice President

**HYDROCORP, LLC**  
**TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES**

1. Applicability. These terms and conditions (these “**Terms**”) are the only terms which govern the provision of the professional services (“**Services**”) by HydroCorp, LLC, a Michigan limited liability company (“**Company**”) to the customer named on the attached statement of work, order form, proposal, or purchase order (“**Client**”, and together with Company the “**Parties**” and each individually a “**Party**”). The attached statement of work, order form, proposal, or purchase order (the “**Proposal**”) and these Terms (collectively, this “**Agreement**”) comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. The Proposal is limited to and conditional upon Client’s acceptance of these Terms exclusively. Any additional or different terms proposed by Client, whether in the Proposal or otherwise, are unacceptable to Company, are expressly rejected by Company, and will not become a part of the Proposal.

2. Performance of Services; Company Obligations. Company shall provide to Client the Services described and in accordance with the terms and conditions set forth in this Agreement. Additional Services may be added only by executing a new Proposal. Company shall provide Client with an electronic file copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only.

3. Client Obligations. Client shall: (a) designate one of its employees or agents to serve as its primary contact with respect to this Agreement and to act as its authorized representative with respect to matters pertaining to this Agreement (the “**Client Contract Manager**”), with such designation to remain in force unless and until a successor Client Contract Manager is appointed; (b) require that the Client Contract Manager respond promptly to any reasonable requests from Company for instructions, information, or approvals required by Company to provide the Services; (c) cooperate with Company in its performance of the Services and provide access to Client’s premises, employees, contractors, and equipment as required to enable Company to provide the Services; (d) take all steps necessary, including obtaining any required licenses or consents, to prevent Client-caused delays in Company’s provision of the Services; (e) comply with all responsibilities listed on the Proposal in connection with Company’s provision of the Services.

4. Fees and Expenses. In consideration of the provision of the Services by Company and the rights granted to Client under this Agreement, Client shall pay the fees set out in the applicable Proposal. Payment to Company of such fees and the reimbursement of expenses pursuant to this Section 4 shall constitute payment in full for the performance of the Services. Unless otherwise provided in the applicable Proposal, all payments shall be due and payable within thirty (30) days of the date set forth on an invoice. Client shall reimburse Company for all reasonable expenses incurred in accordance with the Proposal if such expenses have been pre-approved, in writing by the Client Contract Manager, within thirty (30)

days of receipt by Client of an invoice from Company accompanied by receipts and reasonable supporting documentation. Client shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by Client hereunder; and to the extent Company is required to pay any such sales, use, excise, or other taxes or other duties or charges, Client shall reimburse Company in connection with its payment of fees and expenses as set forth in this Section 4. Notwithstanding the previous sentence, in no event shall Client pay or be responsible for any taxes imposed on, or regarding, Company’s income, revenues, gross receipts, personnel, or real or personal property or other assets.

5. Intellectual Property; Ownership.

(a) Except as set forth in Section 5(c), Client is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the Deliverables (as defined herein) upon full payment of any fees owed to Company, including all Intellectual Property Rights (as defined herein) therein. Company agrees, and will cause its employees or contractors (the “**Company Representatives**”) to agree, that with respect to any Deliverables that may qualify as “work made for hire” as defined in 17 U.S.C. § 101, such Deliverables are hereby deemed a “work made for hire” for Client. To the extent that any of the Deliverables do not constitute a “work made for hire”, Company hereby irrevocably assigns, and shall cause the Company Representatives to irrevocably assign to Client, in each case without additional consideration, all right, title, and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights therein. Company shall cause the Company Representatives to irrevocably waive, to the extent permitted by applicable law, any and all claims such Company Representatives may now or hereafter have in any jurisdiction to so-called “moral rights” or rights of droit moral with respect to the Deliverables. As used herein: (a) “**Deliverables**” mean all documents, work product, and other materials that are delivered to Client hereunder or prepared by or on behalf of Company in the course of performing the Services; and (b) “**Intellectual Property Rights**” means all (i) patents, patent disclosures, and inventions (whether patentable or not), (ii) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the goodwill associated therewith, (iii) copyrights and copyrightable works (including computer programs), and rights in data and databases, (iv) trade secrets, know-how, and other confidential information, and (v) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

(b) Upon Client’s reasonable request, Company shall, and shall cause the Company Representatives to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist Client to prosecute, register, perfect, or record its rights in or to any Deliverables.

(c) Company and its licensors are, and shall remain, the sole and exclusive owners of all right, title, and interest in and to the Pre-Existing Materials (as defined herein), including all Intellectual Property Rights therein. Company hereby grants Client a limited, irrevocable, perpetual, fully paid-up, royalty-free, non-transferable, non-sublicenseable, worldwide license to use, perform, display, execute, reproduce, distribute, transmit, modify (including to create derivative works), import, make, have made, sell, offer to sell, and otherwise exploit any Pre-Existing Materials to the extent incorporated in, combined with or otherwise necessary for the use of the Deliverables solely to the extent reasonably required in connection with Client's receipt or use of the Services and Deliverables. All other rights in and to the Pre-Existing Materials are expressly reserved by Company. As used herein, "**Pre-Existing Materials**" means all documents, data, know-how, methodologies, software, and other materials, including computer programs, reports, and specifications, provided by or used by Company in connection with performing the Services, in each case developed or acquired by Company prior to the commencement or independently of this Agreement.

(d) Client and its licensors are, and shall remain, the sole and exclusive owner of all right, title, and interest in and to the Client Materials (as defined herein), including all Intellectual Property Rights therein. Company shall have no right or license to use any Client Materials except solely during the Term to the extent necessary to provide the Services to Client. All other rights in and to the Client Materials are expressly reserved by Client. As used herein, "**Client Materials**" means any documents, data, know-how, methodologies, software, and other materials provided to Company by Client.

6. Access to Company's Software Data Management Program; Management Reports.

(a) Subject to the terms and conditions in this Section 6, Client may, at Client's option, elect to access and use Company's Software Data Management Program (the "**Software**") during the Term. Company will generate and document the required program data for the facility types listed in the Proposal using the Software. Any Client Materials inserted into the Software by or on behalf of Client, or any Deliverables produced as a result of the Software, shall remain property of Client; however, the Software shall remain the property of HydroCorp.

(b) Client agrees to not (i) copy, modify, or create derivative works of the Software, in whole or in part; (ii) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Software; (iii) reverse engineer, disassemble, decompile, decode, adapt or otherwise attempt to derive the source code of the Software, in whole or in part; (iv) remove any proprietary notices from the Software; or (v) use the Software in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property rights of Company.

(c) Client acknowledges that, as between Client and Company, Company owns all right, title and interest, including all intellectual property rights in and to the Software and any derivative works thereof, including all changes, modification, improvements, updates, version, and new releases or any information or data generated by the Software.

(d) Company warrants as of the date of the Proposal, the Software is in functioning condition and is not delivered with viruses or malicious code. EXCEPT FOR THE WARRANTY SET FORTH ABOVE, THE SOFTWARE IS PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED,

STATUTORY, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. COMPANY MAKES NO WARRANTY (i) THAT CLIENT'S USE OF THE SOFTWARE WILL MEET CLIENT'S REQUIREMENTS, BE ACCURATE, OR BE ERROR FREE, (ii) THAT THE SOFTWARE WILL BE AVAILABLE AT ANY PARTICULAR TIME OR LOCATION; (iii) THAT ANY DEFECTS OR ERRORS WILL BE CORRECTED; (iv) THAT CLIENT MAY RELY ON THE SOFTWARE FOR COMPLIANCE WITH ANY STATUTORY OR REGULATORY REQUIREMENTS AND/OR REPORTING OBLIGATIONS; OR (v) THAT THE SOFTWARE WILL BE COMPATIBLE WITH ANY HARDWARE OR SYSTEMS SOFTWARE CONFIGURATION.

(e) Comprehensive management reports in electronic, downloadable format on a, as applicable to Client, monthly, quarterly, and/or annual basis shall be available for access by Client. Reports to include the following information: (i) name, location, and date of inspections; (ii) number of facilities inspected/surveyed; and (iii) number of facilities compliant/non-compliant.

7. Confidentiality. From time to time during the Term, either Party (as the "**Disclosing Party**") may disclose or make available to the other Party (as the "**Receiving Party**"), non-public, proprietary, and confidential information of Disclosing Party, whether disclosed in writing or orally, and whether or not labeled as "confidential" ("**Confidential Information**"); provided, however, that Confidential Information does not include any information that: (a) is or becomes generally available to the public other than as a result of Receiving Party's breach of this Section 6; (b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source that was not legally or contractually restricted from disclosing such information; (c) the Receiving Party establishes by documentary evidence, was in Receiving Party's possession prior to Disclosing Party's disclosure hereunder; or (d) the Receiving Party establishes by documentary evidence, was or is independently developed by Receiving Party or its personnel without using any of the Disclosing Party's Confidential Information. The Receiving Party shall: (i) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (iii) not disclose any such Confidential Information to any person or entity, except to the Receiving Party's Representatives (as hereinafter defined) who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. If the Receiving Party becomes legally compelled to disclose any Confidential Information, the Receiving Party shall provide: (A) prompt written notice of such requirement so that the Disclosing Party may seek, at its sole cost and expense, a protective order or other remedy; and (B) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing such notice and assistance as required herein, the Receiving Party remains required by applicable law to disclose any Confidential Information, the Receiving Party shall disclose no more than that portion of the Confidential Information which, on the advice of the Receiving Party's legal counsel, the Receiving Party is legally required to disclose and, upon the Disclosing Party's request, shall use commercially reasonable

efforts to obtain assurances from the applicable court or agency that such Confidential Information will be afforded confidential treatment. As used herein, “**Representatives**” mean a Party’s affiliates and each of their respective employees, agents, contractors, subcontractors, officers, directors, partners, shareholders, attorneys, third-party advisors, successors and permitted assigns.

8. **Indemnification.** Client shall defend, indemnify, and hold harmless Company and its affiliates and its and their respective members, managers, officers, directors, employees, agents, successors, and permitted assigns from and against all Losses (as defined herein) arising out of or resulting from any third-party claim arising out of or resulting from: (a) bodily injury, death of any person, or damage to real or tangible, personal property resulting from the grossly negligent or willful acts or omissions of Client; or (b) Client’s breach of any representation, warranty, or obligation of Client in this Agreement. As used herein, “**Losses**” mean all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

9. **Representations and Warranties.** Each Party represents and warrants to the other Party that: (a) if an entity, it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering, or, if a municipal agency, it has the authority under the laws of its state of jurisdiction; (b) it has the full right, power, and authority to enter into this Agreement, to grant the rights and licenses granted hereunder, and to perform its obligations hereunder; (c) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the party; and (d) when executed and delivered by such party, this Agreement will constitute the legal, valid, and binding obligation of such party, enforceable against such party in accordance with its terms.

10. **Limited Warranty.**

(a) Company warrants that it shall perform the Services: (i) in accordance with the terms and subject to the conditions set out in the respective Proposal and this Agreement; (ii) using personnel of industry standard skill, experience, and qualifications; and (iii) in a timely, workmanlike, and professional manner in accordance with generally recognized industry standards for similar services.

(b) Company’s sole and exclusive liability and Client’s sole and exclusive remedy for breach of this warranty shall be as follows:

i. Company shall use commercially reasonable efforts to promptly cure any such breach; provided, that if Company cannot cure such breach within a reasonable time (but no more than thirty (30) days) after Client’s written notice of such breach, Client may, at its option, terminate the Agreement by serving written notice of termination in accordance with Section 12.

ii. In the event the Agreement is terminated pursuant to Section 10(b)(i) above, Company shall within thirty (30) days after the effective date of termination, refund to Client any fees paid by Client as of the date of termination for the Service or Deliverables, less a deduction equal to the fees for receipt

or use of such Deliverables or Service up to and including the date of termination on a pro-rated basis.

iii. The foregoing remedy shall not be available unless Client provides written notice of such breach within thirty (30) days after delivery of such Service or Deliverable to Client.

iv. COMPANY MAKES NO WARRANTIES EXCEPT FOR THAT PROVIDED IN SECTION 10(a) ABOVE. ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, ARE EXPRESSLY DISCLAIMED.

11. **Limitation of Liability.** IN NO EVENT SHALL COMPANY BE LIABLE TO CLIENT OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL COMPANY’S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID TO COMPANY PURSUANT TO THE APPLICABLE PROPOSAL GIVING RISE TO THE CLAIM.

12. **Term and Termination.** This Agreement shall commence on the Effective Date and shall continue thereafter until terminated by either Party as set forth herein (the “**Term**”). Upon commencement of each Proposal, Client acknowledges and agrees that the fees owed by Client to Company shall be subject to an annual increase equal to the Consumer Price Index for All Urban Consumers (CPI-U); U.S. City Average; All items, not seasonally adjusted, 1982–1984=100 reference base, as of such annual fee increase date, or 4%, whichever is greater. Either party may terminate this Agreement, effective upon written notice to the other party (the “**Defaulting Party**”), if the Defaulting Party: (a) breaches this Agreement, and such breach is incapable of cure, or with respect to a breach capable of cure, the Defaulting Party does not cure such breach within thirty (30) days after receipt of written notice of such breach; (b) becomes insolvent or admits its inability to pay its debts generally as they become due; (c) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven (7) business days or is not dismissed or vacated within forty-five (45) days after filing; (d) is dissolved or liquidated or takes any corporate action for such purpose; (e) makes a general assignment for the benefit of creditors; or (f) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. Termination of this Agreement will not terminate any outstanding Proposal, and the applicable Proposal shall continue in full force and effect until completion.

13. **Insurance.**

(a) During the term of this Agreement, Client shall, at its own expense, maintain and carry insurance with financially sound and reputable insurers, in full force and effect that includes, but is not limited to, commercial general liability on an all-risk basis and including extended coverage for matters set forth in this Agreement with financially sound and reputable insurers. Upon Company’s request, Client shall provide Company with a certificate of insurance from Client’s insurer evidencing the insurance coverage specified in

this Agreement. The certificate of insurance shall name Company as an additional insured. Client shall provide Company with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy. Except where prohibited by law, Client shall require its insurer to waive all rights of subrogation against Company's insurers and Company.

(b) During the term of this Agreement, Company shall, at its own expense, maintain and carry the following types of insurance: (i) Comprehensive General Liability with limits no less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate; (ii) Excess Umbrella Liability with limits no less than five million dollars (\$5,000,000) per occurrence and five million dollars (\$5,000,000) in the aggregate; (iii) Automobile Liability with limits no less than one million dollars (\$1,000,000), combined single limit; (iv) Worker's Compensation with limits no less than one million dollars (\$1,000,000) per occurrence; and (v) Errors and Omissions Liability with limits no less than two million dollars (\$2,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate. Upon Client's request, Company shall provide Client with a certificate of insurance from Company's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance for the Comprehensive General Liability policy shall name Client as an additional insured. Company shall provide Client with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy.

14. Entire Agreement. This Agreement, including and together with any related Proposals, exhibits, schedules, attachments, and appendices, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

15. Notices. All notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "Notice") must be in writing and addressed to the other Party at its address set forth on the Proposal (or to such other address that the receiving Party may designate from time to time in accordance with this Section 15). Unless otherwise agreed herein, all Notices must be delivered by personal delivery, nationally recognized overnight courier or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving Party; and (b) if the Party giving the Notice has complied with the requirements of this Section 15.

16. Severability. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Waiver. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude

any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

18. Assignment; Successors and Assigns. Client shall not assign, transfer, delegate, or subcontract any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Company. Any purported assignment or delegation in violation of this Section 18 shall be null and void. No assignment or delegation shall relieve Client of any of its obligations under this Agreement. Company may assign any of its rights or delegate any of its obligations to any affiliate or to any person acquiring all or substantially all of Company's assets without Client's consent. This Agreement is binding on and inures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.

19. Relationship of the Parties. The relationship between the Parties is that of independent contractors. The details of the method and manner for performance of the Services by Company be under its own control, Client being interested only in the results thereof. Company shall be solely responsible for supervising, controlling, and directing the details and manner of the completion of the Services. Nothing in this Agreement shall give Client the right to instruct, supervise, control, or direct the details and manner of the completion of the Services. The Services must meet Client's final approval and shall be subject to Client's general right of inspection throughout the performance of the Services and to secure satisfactory final completion. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

20. No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and assigns and nothing in this Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

21. Choice of Law. This Agreement and all related documents including all exhibits attached hereto and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State in which Client's principal place of business is located, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State in which Client's principal place of business is located.

22. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT, INCLUDING EXHIBITS, SCHEDULES, ATTACHMENTS, AND APPENDICES ATTACHED TO THIS AGREEMENT, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS, SCHEDULES, ATTACHMENTS, OR APPENDICES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.



23. Force Majeure. No Party shall be liable or responsible to the other Party, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of Client to make payments to Company hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's ("**Impacted Party**") reasonable control, including, without limitation, the following force majeure events ("**Force Majeure Event(s)**"): (a) acts of God; (b) flood, fire, earthquake, pandemics, epidemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages, or slowdowns, or other industrial disturbances; (h) telecommunication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate

transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; and (i) other similar events beyond the reasonable control of the Impacted Party. The Impacted Party shall give notice within ten (10) days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of fifteen (15) days following written notice given by it under this Section 23, the other Party may thereafter terminate this Agreement upon fifteen (15) days' written notice.

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# Appendix

## Specific Qualifications & Experience

**HydroCorp™** is a professional service organization that specializes in Cross Connection Control Programs. Cross Connection Control Program Management & Training is the main core and focus of our business. We are committed to providing water utilities and local communities with a cost-effective and professionally managed cross-connection control program in order to assist in protecting the public water supply.

- HydroCorp conducts over 70,000 Cross Connection Control Inspections **annually**.
- HydroCorp tracks and manages over 135,000+ backflow prevention assemblies for our Municipal client base.
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed **system** and **process** that each of our field inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train customer service skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, and USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), American Society for Sanitary Engineering (ASSE). HydroCorp recognizes the importance of Professional Development and Learning. We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- We have a trained administrative staff to handle client needs, water user questions and answer telephone calls in a professional, timely, and courteous manner. Our administrative staff can answer most technical calls related to the cross-connection control program and have attended basic cross-connection control training classes.
- HydroCorp currently serves over 370 communities in Michigan, Wisconsin, Maryland, Delaware, Virginia & Florida. We still have our first customer!
- HydroCorp and its' staff are active members in many water industry associations including: National Rural Water Association, State Rural Water Associations, National AWWA, State AWWA Groups, HydroCorp is committed to assisting these organizations by providing training classes, seminars, and assistance in the area of Cross Connection Control.
- Several Fortune 500 companies have relied on HydroCorp to provide Cross Connection Control Surveys, Program Management & Reporting to assist in meeting state/local regulations as well as internal company guidelines.



# 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 2025-2026.

**Meeting Date:** June 4, 2025

**Prepared By:** Margaret Moggia, Finance Manager

**Submitted By:** Dina Breitstein, General Manager

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### RECOMMENDED ACTION:

Set the Public Hearing for June 18, 2025, at 7:00pm located at 1601 Discovery Bay Boulevard to consider the adoption of the Fiscal Year 2025-2026 Operating and Capital Budget through Resolution No. 2025-08.

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### EXECUTIVE SUMMARY:

At the [Board Meeting](#) on April 30, 2025, the Board of Directors was presented with the preliminary Fiscal Year 2025-26 budget to review and provide input to staff regarding the Town of Discovery Bay’s revenue and spending plans for the coming Fiscal Year. Staff outlined the key drivers included in this year’s budget including incorporating water and wastewater rates from the 2025 Water and Wastewater Rate Study into Fiscal Year 2025-2026 budget, five-year capital budget for each fund and identify funding source, achieve minimum required debt coverage for water and wastewater funds, and budget sufficient funds to support each fund’s operating activities and set aside funds into revolving accounts.

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:

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

To highlight the operating impact of each fund, the table below shows the fiscal year 2025-2026.

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

Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Administrative Costs		518,000	600,100	140,300	23,500	\$ 1,281,900
Consulting		484,500	219,500			\$ 704,000
Contract Operations		1,240,000	1,938,000			\$ 3,178,000
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		1,192,000	92,000			\$ 1,284,000
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
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- 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 25/26	FY 26/27	FY 27/28	FY 28/29	FY29/30
Water	8,082,941	5,842,864	6,848,229	3,893,380	4,028,703
Wastewater	10,107,169	3,023,104	3,034,644	314,704	352,468
Zone 8	495,000	235,000	273,000	113,000	35,000
Zone 9	-	100,000	12,000	22,000	-
Total Costs	18,685,110	9,200,968	10,167,874	4,343,084	4,416,171
Funding Source	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY29/30
Reserves	14,404,190	1,538,344	2,973,415	843,084	916,171
California Energy Commission Loan	2,936,920	-	-	-	-
Future debt	1,344,000	7,662,624	7,194,459	3,500,000	3,500,000
Total Costs	18,685,110	9,200,968	10,167,874	4,343,084	4,416,171

#### Changes to April 30, 2025 Fiscal Year 2025-2026 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
- Update for additional Capacity and Connection Fees received
- Updated Contract Operations budget for water and wastewater system based on annual calculation for increase the retainer fee per agreement
- Updated Water CIP schedule to move up Sandpoint project to begin in Fiscal Year 2025-2026 which pushes back mainline pipeline

As a result of these changes, staff updated schedules including the capital cash flow and other summary schedules.

At the Board meeting on June 18, 2025, staff recommends that the Board President opens the public hearing on Fiscal Year 2025-2026 Operating and Capital Improvement Budgets, accept any public comments, close the public hearing, and adopt Resolution.

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#### 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.

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#### PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

April 30, 2025 – Special Board Meeting – Budget Workshop

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#### ATTACHMENTS:

1. Proposed Fiscal Year 2025-2026 Budget.





# FISCAL YEAR 2025-2026 OPERATING BUDGET



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

1800 WILLOW LAKE ROAD, DISCOVERY BAY, CA 94505

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



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

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## Section 1: General Manager's Message

DRAFT



# TOWN OF DISCOVERY BAY

LF Platinum-Level of Governance



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

## GENERAL MANAGER'S MESSAGE

June 2025

Dear Board of Directors,

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

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

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

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

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

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

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

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



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

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

Respectfully submitted,

Dina Breitstein, General Manager



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

# ABOUT TOWN OF DISCOVERY BAY CSD

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

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

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

### District Awards

The Town has earned the following awards and recognition:

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

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

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

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

## Water Services

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

## Wastewater Services

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

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

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

## Parks and Landscaping Services

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

### Discovery Bay Landscape & Lighting

#### Zone #8

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

#### Zone #9 (Ravenswood)

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

### Contra Costa County Landscape & Lighting

#### Zone #35

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

#### Zone #57

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



## Zone #61

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

## Recreation Services

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

## District Form of Government

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

## TODB Board of Directors



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

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

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

#### **Vision**

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

#### **Values:**

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

#### **Goals**

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

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

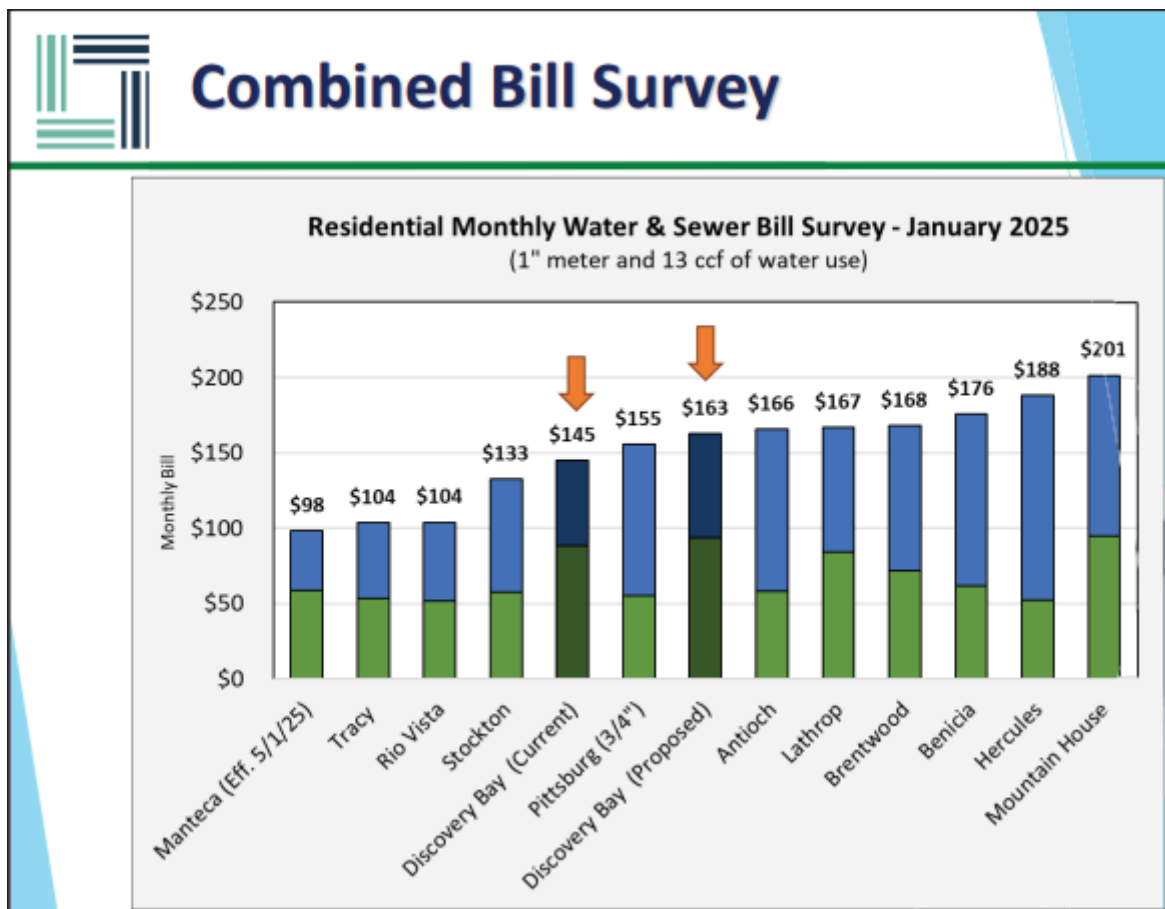
## **Demographics**

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

### **Water and Wastewater Operations**

Meters Count by Type		Meter Sizes	
Commercial	42	¾ inch	1,709
Irrigation	88	1 inch	4,362
Residential	<u>6,034</u>	1 ½ inch	31
Total	6,164	>2 inch	62

## Comparison to Local Jurisdictions



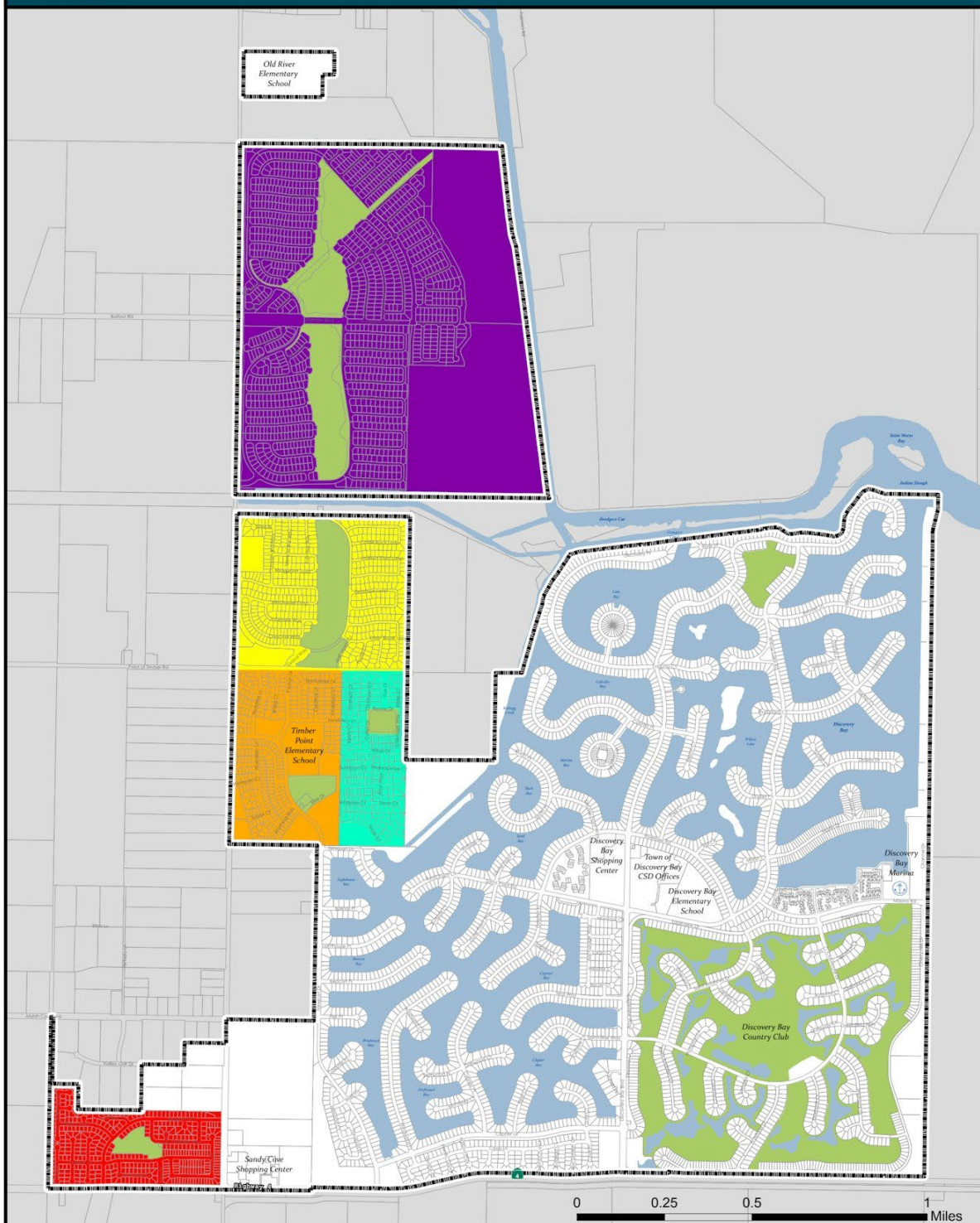
## Parks and Recreation Programs

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

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



# Discovery Bay Neighborhoods



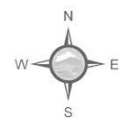
## Subdivision Name

- Centex
- Discovery Bay West Village 1
- Lakeshore

- Ravenswood
- The Lakes at Discovery Bay

- Discovery Bay CSD Referral Area
- Parks

Map prepared by the Discovery Bay CSD  
All rights reserved. No part of this map may be reproduced or transmitted in any form or by any means electronic or mechanical, including photocopying and recording, or by any information storage or retrieval system, without permission in writing from the Discovery Bay CSD.



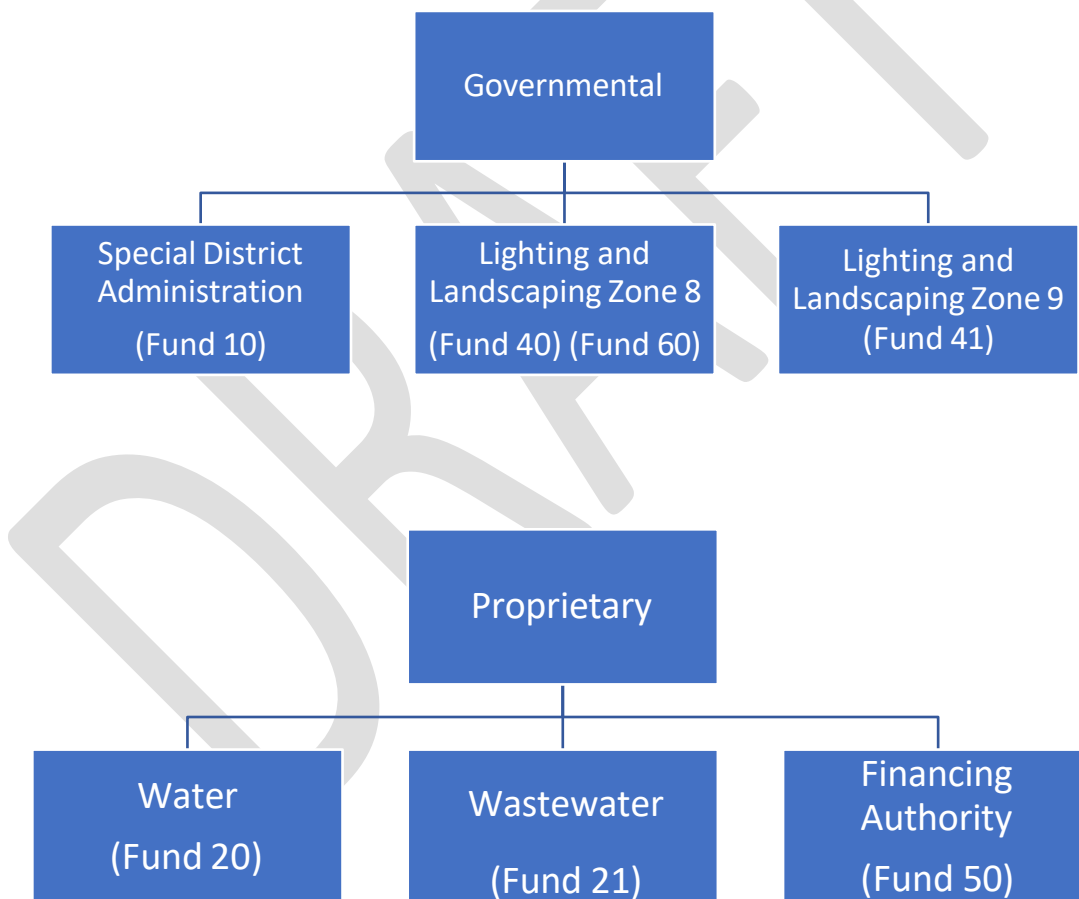


## Section 3: FINANCIAL OVERVIEW AND SUMMARY

# FINANCIAL OVERVIEW AND SUMMARY

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

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





## FINANCIAL HIGHLIGHTS

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

<b>Fund Balance Reconciliation by Account Group(Cash Basis)</b>					
<b>Beginning Fund Balance, July 1</b>	27,446,827	\$ 23,045,987	\$ 22,092,551	\$ 22,712,742	\$ 22,516,825
<b>Description</b>	<b>FY 2022 Actual</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2026 Budget</b>
Assessment Income	150,634	158,161	164,791	170,999	173,100
County Reimbursement	162,877	145,869	230,020	295,400	362,500
Program Fees	30,218	79,332	76,180	65,000	75,000
Interest Income	-	184,388	905,025	940,000	570,000
Meter Charge - Commercial	88,288	89,455	89,286	90,000	107,000
Meter Installation	336,196	335,409	334,650	336,000	336,000
External Funding					5,530,920
Other	288,208	455,600	1,086,268	130,000	75,500
Rentals	40,028	43,965	44,210	40,000	40,000
Secured Property Tax	763,243	828,881	856,834	851,281	906,400
Sewer Charge - Commercial	114,535	116,124	163,999	120,000	110,000
Wastewater Fixed Charge	6,087,297	6,182,320	6,278,074	6,486,500	6,760,000
Water Charges	2,808,584	2,814,278	2,495,806	2,901,000	3,035,000
Water Fixed Charge	1,574,060	1,604,898	1,632,676	1,758,000	2,600,300
<b>Total Town Revenues</b>	<b>\$ 12,444,168</b>	<b>\$ 13,038,680</b>	<b>\$ 14,357,819</b>	<b>\$ 14,184,180</b>	<b>\$ 20,681,720</b>
<b>Description</b>	<b>FY 2022 Actual</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2026 Budget</b>
Administrative Costs	898,733	1,041,767	1,151,080	1,254,800	1,281,900
Chemicals	36,586	59,125	106,146	100,000	-
Capital Outlay	6,856,450	2,195,673	1,814,175	1,066,864	18,625,110
Consulting	460,988	347,396	341,985	715,000	704,000
Contract Operations	2,732,969	2,583,042	2,698,308	2,871,000	3,178,000
Debt Service	1,348,517	2,326,897	2,335,428	2,339,820	2,335,000
Program and Maintenance Costs	260,691	200,124	326,565	253,900	299,200
Permits	105,406	214,024	275,544	175,000	200,000
Salary and Benefits	1,688,551	1,962,826	1,881,850	2,960,513	3,044,700
System Maintenance	1,160,341	1,486,365	1,258,379	959,000	1,284,000
Utilities	1,295,776	1,574,877	1,548,168	1,684,200	2,071,600
<b>Total Town Expenses</b>	<b>\$ 16,845,008</b>	<b>\$ 13,992,116</b>	<b>\$ 13,737,628</b>	<b>\$ 14,380,097</b>	<b>\$ 33,023,510</b>
<b>Net Revenues</b>	<b>\$ (4,400,840)</b>	<b>\$ (953,436)</b>	<b>\$ 620,191</b>	<b>\$ (195,917)</b>	<b>\$ (12,341,790)</b>
<b>Fund Balance, June 30</b>	<b>\$ 23,045,987</b>	<b>\$ 22,092,551</b>	<b>\$ 22,712,742</b>	<b>\$ 22,516,825</b>	<b>\$ 10,175,035</b>
<b>Fund Balance Reconciliation by Fund (Cash Basis)</b>					
<b>Beginning Fund Balance, July 1</b>	27,446,827	\$ 23,045,987	\$ 22,092,551	\$ 22,712,742	\$ 22,516,825
<b>Sources of Revenues by Fund</b>	<b>FY 2022 Actual</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2026 Budget</b>
General Administration	76,060	88,808	150,056	211,400	278,500
Water	4,928,379	5,163,112	5,356,003	5,580,000	10,973,420
Wastewater	6,286,061	6,552,967	7,249,069	7,028,500	8,067,800
Zone 8	982,346	1,061,641	1,410,477	1,156,281	1,159,900
Zone 9	171,322	172,152	192,214	197,999	202,100
<b>Total Revenues</b>	<b>12,444,168</b>	<b>13,038,680</b>	<b>14,357,819</b>	<b>14,174,180</b>	<b>20,681,720</b>
<b>Uses by Fund</b>	<b>FY 2022 Actual</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2026 Budget</b>
General Administration	65,928	78,676	209,602	221,400	272,500
Water	6,673,040	5,587,817	5,792,984	5,241,883	14,155,541
Wastewater	8,840,422	7,025,391	5,985,369	6,281,416	16,721,969
Zone 8	1,158,748	1,159,044	1,604,221	2,194,688	1,697,600
Zone 9	106,870	141,188	145,452	430,710	175,900
<b>Total Expenditures/Expenses</b>	<b>16,845,008</b>	<b>13,992,116</b>	<b>13,737,628</b>	<b>14,370,097</b>	<b>33,023,510</b>
<b>Net Revenues</b>	<b>\$ (4,400,840)</b>	<b>\$ (953,436)</b>	<b>\$ 620,191</b>	<b>\$ (195,917)</b>	<b>\$ (12,341,790)</b>
<b>Fund Balance, June 30</b>	<b>\$ 23,045,987</b>	<b>\$ 22,092,551</b>	<b>\$ 22,712,742</b>	<b>\$ 22,516,825</b>	<b>\$ 10,175,035</b>

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

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

Description	Expenses	% of Total
Administrative Costs	1,281,900	9%
Consulting	704,000	5%
Contract Operations	3,178,000	22%
Debt Service	2,335,000	16%
Program and Maintenance Costs	299,200	2%
Permits	200,000	1%
Salary and Benefits	3,044,700	21%
System Maintenance	1,284,000	9%
Utilities	2,071,600	14%
<b>Total</b>	<b>\$ 14,398,400</b>	<b>100%</b>

## FUND DESCRIPTIONS

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

## STRATEGIC GOALS

### Goals, Objectives, and Performance Outlook

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

## FINANCIAL POLICIES SUMMARY

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

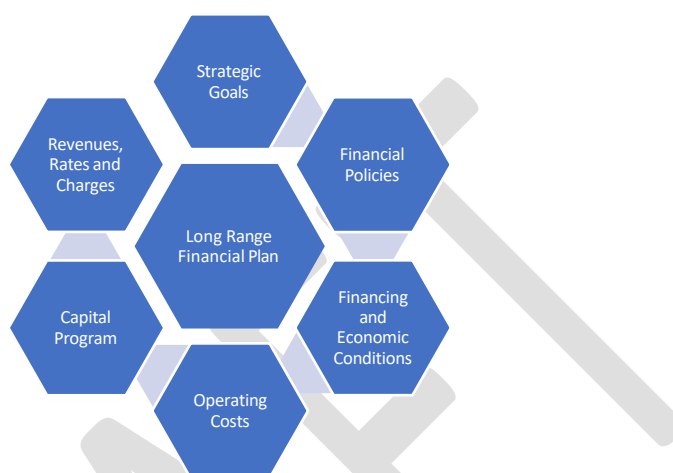
Policy #	Policy Name	Key Policy Items
003	Investment of District Funds	<p>Maintain safety, liquidity, and yield (in this order) when considering investment decisions.</p> <p>Adhere to California Code Section 53600 etc.</p>
014	Reserve Fund	<p>Established, maintained, and set aside for specific purposes.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

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



## LONG RANGE FINANCIAL PLANNING

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



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

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

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

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

## WATER FUND – 5 YEAR FORECAST

Financial Forecast					
	FY 2026 Budget	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Water Fixed Charge (a)	2,600,300	2,912,336	3,261,816	3,653,234	4,091,622
Meter Installation (a)	336,000	336,000	-	-	-
Interest Income (b)	257,000	226,600	226,600	226,600	226,600
Water Charges (a)	3,035,000	3,399,200	3,807,104	4,263,956	4,775,631
Meter Charge - Commercial (a)	107,000	119,840	134,221	150,327	168,367
Other	48,000	50,000	50,000	50,000	50,000
<b>Total Revenues</b>	<b>6,383,300</b>	<b>7,043,976</b>	<b>7,479,741</b>	<b>8,344,118</b>	<b>9,312,220</b>
Salary and Benefits (c )	1,223,600	1,284,780	1,349,019	1,416,470	1,487,293
Consulting	484,500	499,035	514,006	529,426	545,309
Contract Operations	1,240,000	1,277,200	1,315,516	1,354,981	1,395,631
Utilities (d)	900,000	972,000	1,049,760	1,133,741	1,224,440
System Maintenance (e )	1,192,000	1,275,440	1,364,721	1,460,251	1,562,469
Administrative Costs	518,000	533,540	549,546	566,033	583,014
Debt Service (f)	534,500	543,000	909,600	1,509,100	1,910,600
Permits	60,000	61,800	63,654	65,564	67,531
<b>Total Expenses</b>	<b>6,152,600</b>	<b>6,446,795</b>	<b>7,115,822</b>	<b>8,035,566</b>	<b>8,776,286</b>
<b>Changes in Net Position / Available for Future Investment</b>	<b>230,700</b>	<b>597,181</b>	<b>363,919</b>	<b>308,552</b>	<b>535,934</b>
Operating Income (Loss), before Debt Service	765,200	1,140,181	1,273,519	1,817,652	2,446,534
<b>Debt Coverage Ratio</b>	<b>1.43</b>	<b>2.10</b>	<b>1.40</b>	<b>1.20</b>	<b>1.28</b>
Assumptions					
(a) Wastewater revenues are anticipated to increase by 12% based on the 2025 Water and Wastewater Rate Study					
(b) Interest Income is anticipated to increase 3% as an average expected long term rate in investing					
(c ) Salary and benefits are anticipated to increase 5%					
(d) Utility expenses are expected to increase 8% to reflect a long term trend but offset by anticipated solar project					
(e ) System Maintenance are anticipated to increase 7% to reflect the rising costs to maintain assets					
(f) Debt Service schedule reflects assumptions in the 2025 rate study based on expected future investment					
All other expenses are expected to increase by 3%					

## WASTEWATER FUND – 5 YEAR FORECAST

Financial Forecast					
	FY 2026 Budget	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Wastewater Fixed Charge (a)	6,760,000	7,165,600	7,595,536	8,051,268	8,534,344
Sewer Charge - Commercial (a)	110,000	116,600	123,596	131,012	138,872
Interest Income (b)	245,000	257,500	257,500	257,500	257,500
Other	12,000	12,000	12,000	12,000	12,000
<b>Total Revenues</b>	<b>7,127,000</b>	<b>7,551,700</b>	<b>7,988,632</b>	<b>8,451,780</b>	<b>8,942,717</b>
Salary and Benefits (c )	884,300	928,515	974,941	1,023,688	1,074,872
Consulting	219,500	226,085	232,868	239,854	247,049
Contract Operations	1,938,000	1,996,140	2,056,024	2,117,705	2,181,236
Utilities (d)	940,400	1,015,631	1,096,882	1,184,633	1,279,403
System Maintenance (e )	92,000	98,440	105,331	112,704	120,593
Administrative Costs	600,100	618,103	636,646	655,745	675,418
Debt Service (f)	1,800,500	1,810,000	1,809,000	2,264,000	2,264,000
Permits	140,000	144,200	148,526	152,982	157,571
<b>Total Expenses</b>	<b>6,614,800</b>	<b>6,837,114</b>	<b>7,060,217</b>	<b>7,751,310</b>	<b>8,000,143</b>
<b>Changes in Net Position / Available for Future</b>					
<b>Investment</b>	512,200	714,586	928,415	700,470	942,574
Operating Income (Loss), before Debt Service	2,312,700	2,524,586	2,737,415	2,964,470	3,206,574
<b>Debt Coverage Ratio</b>	<b>1.28</b>	<b>1.39</b>	<b>1.51</b>	<b>1.31</b>	<b>1.42</b>
<b>Assumptions</b>					
(a) Wastewater revenues are anticipated to increase by 12% based on the 2025 Water and Wastewater Rate Study					
(b) Interest Income is anticipated to increase 3% as an average expected long term rate in investing					
(c ) Salary and benefits are anticipated to increase 5%					
(d) Utility expenses are expected to increase 8% to reflect a long term trend but offset by anticipated solar project					
(e ) System Maintenance are anticipated to increase 7% to reflect the rising costs to maintain assets					
(f) Debt Service schedule reflects assumptions in the 2025 rate study based on expected future investment					
All other expenses are expected to increase by 3%					

## ZONE 8 – 5 YEAR FORECAST

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

## ZONE 9 – 5 YEAR FORECAST

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



## Section 4: BUDGET PROCESS AND TIMELINE

# BUDGET PROCESS AND TIMELINE

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

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

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

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

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



## BASIS OF ACCOUNTING

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

### For financial statement purposes:

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

### For budgeting purposes:

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

## BUDGET PROCESS

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

## Budget Timeline

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

## BUDGET MONITORING

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

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



## Section 5: OVERVIEW OF REVENUES AND EXPENSES

# OVERVIEW OF FISCAL YEAR 2025-2026 OPERATING REVENUES AND EXPENSES

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

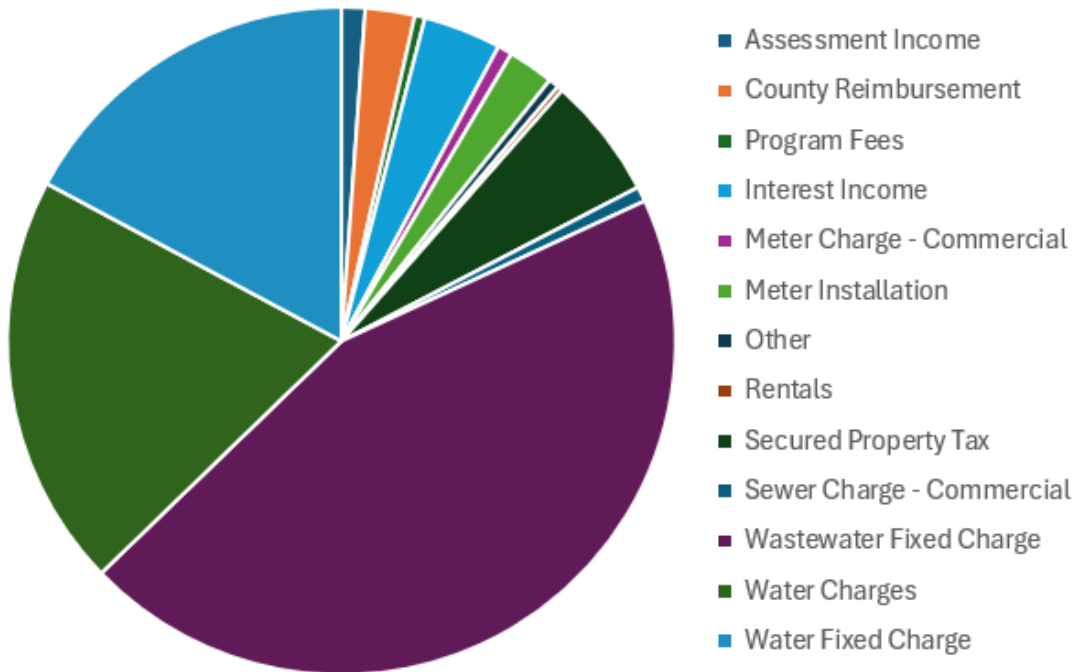
## FISCAL YEAR 2025-2026 OPERATING REVENUES

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

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

More detailed explanation of variances provided under Section 6

## Fiscal Year 2026 Revenues



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



## Water and Sewer Charges

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

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

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

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

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

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

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

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

## Water Schedule

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

ccf = 100 cubic feet = 748 gallons

## Wastewater Schedule

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

## Ad Valorem

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

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

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

## Assessment Fee

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

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

## Community Center Program Fees

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

## Interest Earnings

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

Those amounts are estimated to be allocated as follows:

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

## Miscellaneous

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

## FISCAL YEAR 2025-2026 OPERATING EXPENDITURES/EXPENSES

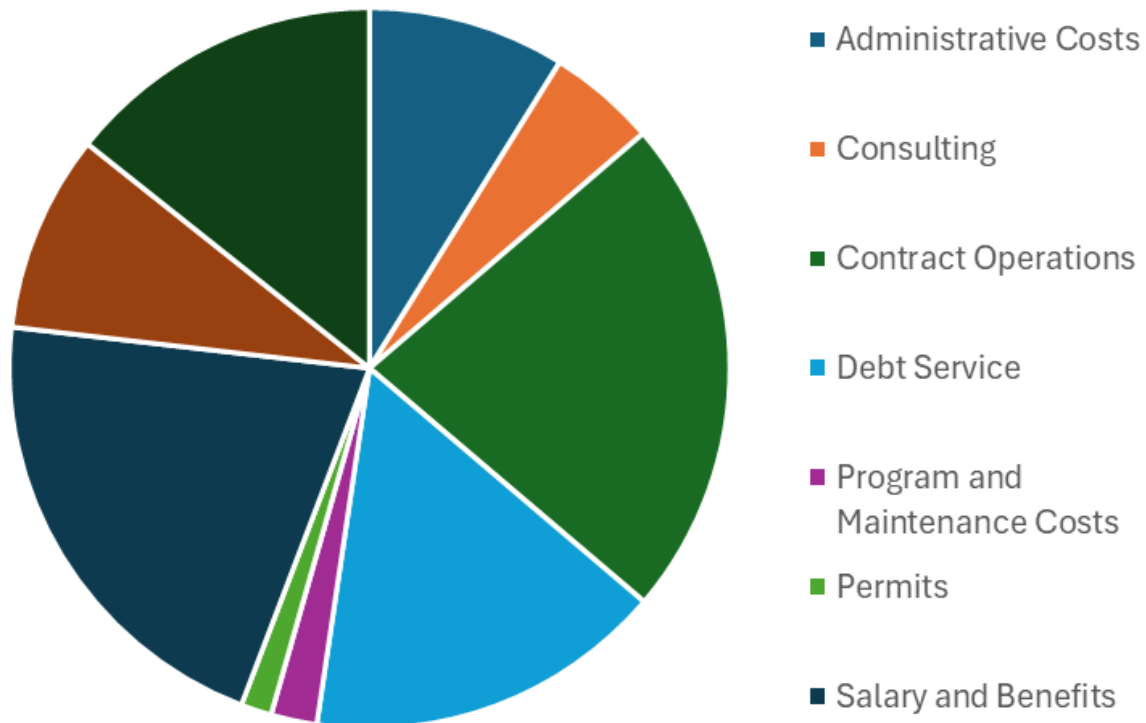
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Administrative Costs		518,000	600,100	140,300	23,500	\$ 1,281,900
Consulting		484,500	219,500			\$ 704,000
Contract Operations		1,240,000	1,938,000			\$ 3,178,000
Debt Service		534,500	1,800,500			\$ 2,335,000
Program and Maintenance Costs	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		1,192,000	92,000			\$ 1,284,000
Utilities		900,000	940,400	207,000	24,200	\$ 2,071,600
<b>Total</b>	<b>\$ 272,500</b>	<b>\$ 6,152,600</b>	<b>\$ 6,614,800</b>	<b>\$ 1,186,600</b>	<b>\$ 171,900</b>	<b>\$ 14,398,400</b>

For Comparison: Fiscal Year 2024-2025 Expenses by Category and Fund						
Account Category	General	Water	Wastewater	Zone 8	Zone 9	Total
Administrative Costs		537,000	520,700	170,300	26,300	\$ 1,254,300
Consulting		485,000	230,000			\$ 715,000
Contract Operations		1,126,000	1,845,000			\$ 2,971,000
Debt Service		539,912	1,799,908			\$ 2,339,820
Program and Maintenance Costs	71,400			119,000	63,500	\$ 253,900
Permits		50,000	125,000			\$ 175,000
Salary and Benefits		1,186,107	872,808	636,388	65,210	\$ 2,760,513
System Maintenance		869,000	90,000			\$ 959,000
Utilities		652,000	798,000	209,000	25,200	\$ 1,684,200
<b>Total</b>	<b>\$ 71,400</b>	<b>\$ 5,445,019</b>	<b>\$ 6,281,416</b>	<b>\$ 1,134,688</b>	<b>\$ 180,210</b>	<b>\$ 13,112,733</b>

More detailed explanation of variances provided under Section 6



## Fiscal Year 2026 Expenses



Description	Expenses	% of Total
Administrative Costs	1,281,900	9%
Consulting	704,000	5%
Contract Operations	3,178,000	22%
Debt Service	2,335,000	16%
Program and Maintenance Costs	299,200	2%
Permits	200,000	1%
Salary and Benefits	3,044,700	21%
System Maintenance	1,284,000	9%
Utilities	2,071,600	14%
<b>Total</b>	<b>\$ 14,398,400</b>	<b>100%</b>

## 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.

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

The District also filled is open position with the assistant general manager and account clerk. For Fiscal Year 2025-2026, the District has decided to fill one landscape position that had previously been contracted by the conservation corps.

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

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

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

In addition to the internal District staff, the water and wastewater operations are supported by external contractors. The facilities are managed by Veolia Water and the

District Engineer by two contracts, which are LCSE (Water) and Herwit (Wastewater).

Position Headcount (budgeted)

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

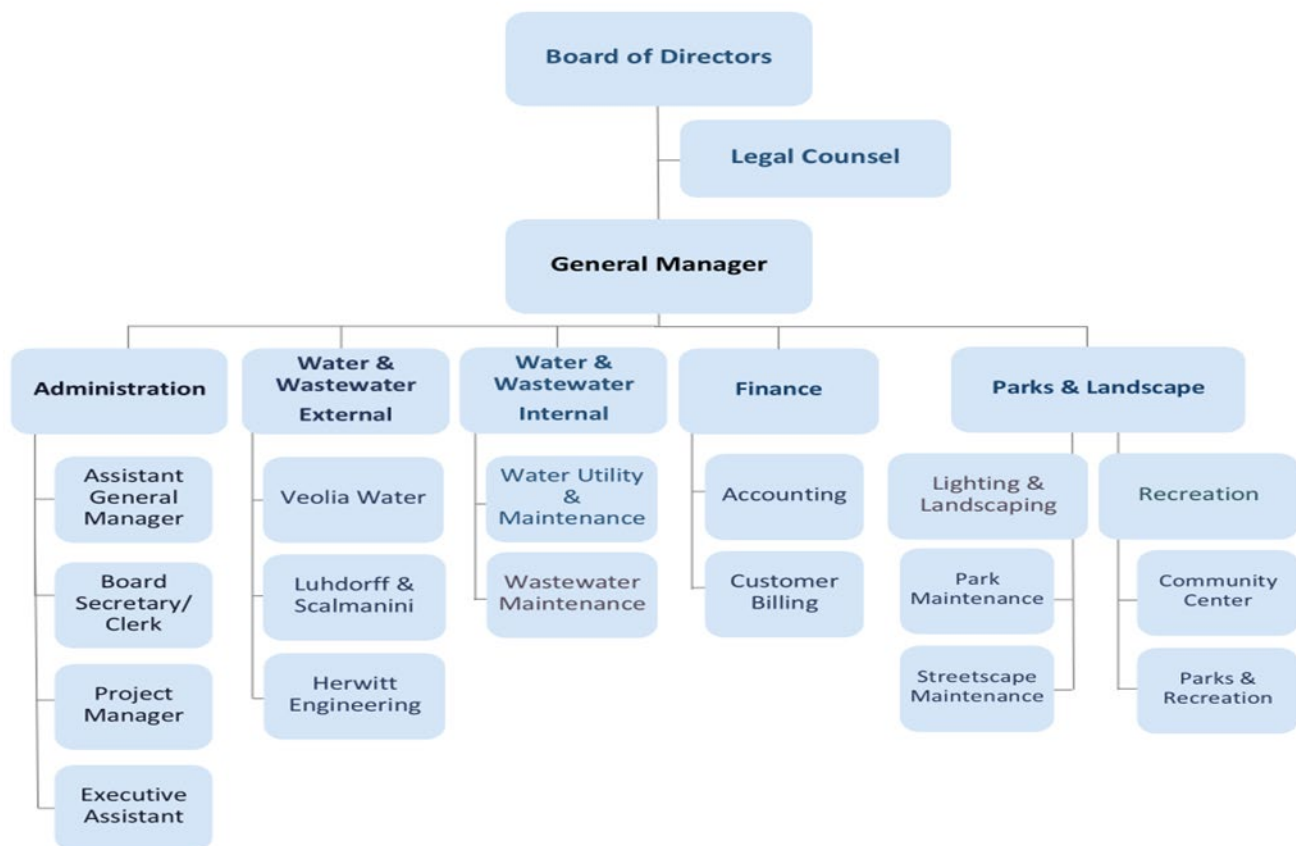
Staff allocation to Funds – based on budgeted dollars

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

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



## ToDB Org Chart



## **Benefits**

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

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

## **Consultants**

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

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

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

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

## **Contract Operations**

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

## **Utilities**

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



## **Chemicals**

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

## **Facility Maintenance**

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

## **Administrative Costs**

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

## **Debt Service**

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

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

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

## Permits

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

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

## DEPARTMENT DESCRIPTION AND OUTLOOK

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

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

### Administration Department

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

## **Key Achievements**

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

## **Outlook**

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

## **Finance Department**

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

## **Key Achievements**

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

## **Outlook**

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

## Water Department

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

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

## Wastewater Department

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

### Water and Wastewater Key Achievements

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

### Water and Wastewater Outlook

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

## Lighting and Landscaping Services Department

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

### Key Achievements

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

### Outlook

- Rehab Discovery Bay entrance sign.

## Recreation Services Department

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

### Key Achievements

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

### Outlook

- Community Center improvements



## Section 6: FUND BUDGETS AND TREND INFORMATION



# FUND BUDGETS AND TREND INFORMATION

## FUND 10

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

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

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

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

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

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

## FUND 20

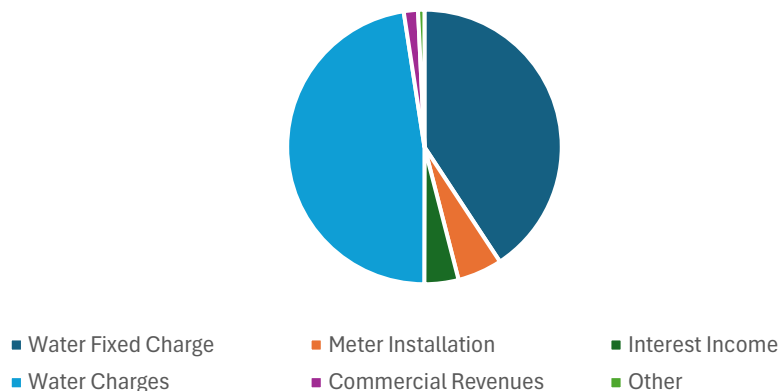
### WATER FUND

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

#### Fund 20 – Water Expenses

Fiscal Year Trend - Fund 20 Revenues						
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<b>Budget</b>	<b>Budget</b>
Water Fixed Charge	1,549,250	1,574,060	1,604,898	1,632,676	1,758,000	2,600,300
Meter Installation	333,823	336,196	335,409	334,650	336,000	336,000
Interest Income	-	-	85,944	426,183	425,000	257,000
Water Charges	2,960,014	2,809,584	2,814,276	2,495,806	2,901,000	3,035,000
Meter Charge - Commercial	87,416	88,288	89,455	89,286	90,000	107,000
Other	124,564	120,251	233,130	377,402	70,000	48,000
<b>Total Revenues</b>	<b>\$5,055,067</b>	<b>\$4,928,379</b>	<b>\$5,163,112</b>	<b>\$5,356,004</b>	<b>\$5,580,000</b>	<b>\$6,383,300</b>

Fiscal Year 2026 - Water Fund Revenues



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

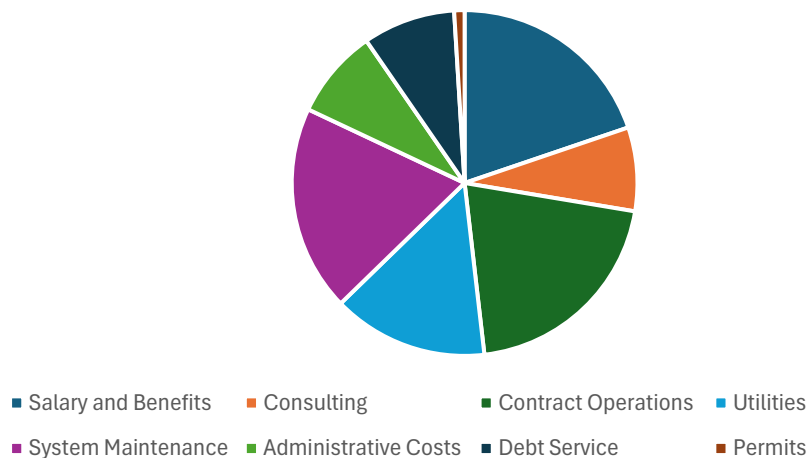
Approximately 40% of the funding is a fixed charge that is generated for the portion of the revenue requirement that is placed on the property tax roll. This funding supports the ongoing capital infrastructure necessary to support the system expansion and asset renewal as determined from the 2025 cost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

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

## Fund 20 – Water Expenses

Fiscal Year Trend - Fund 20 Expenses						
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
	Actual	Actual	Actual	Actual	Budget	Budget
Salary and Benefits	571,236	592,219	642,690	690,159	1,186,107	1,223,600
Consulting	383,652	302,078	252,641	234,476	485,000	484,500
Contract Operations	857,187	1,110,394	817,720	1,007,163	1,026,000	1,240,000
Utilities	525,090	524,284	644,125	624,667	652,000	900,000
Chemicals	5,938	36,586	59,125	106,146	100,000	-
System Maintenance	724,387	982,866	1,166,155	882,723	869,000	1,192,000
Administrative Costs	308,356	380,716	485,839	497,801	537,000	518,000
Debt Service	143,608	255,843	540,562	538,351	539,912	534,500
Permits	39,645	53,982	57,636	43,148	50,000	60,000
<b>Total Expenses</b>	<b>\$ 3,559,099</b>	<b>\$ 4,238,968</b>	<b>\$ 4,666,493</b>	<b>\$ 4,624,633</b>	<b>\$ 5,445,019</b>	<b>\$ 6,152,600</b>

Fiscal Year 2026 - Water Fund Expenses



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

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

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

## Fund Detail

Fund 20- Water		Fiscal Year 2022-2023		Fiscal Year 2023-2024		Fiscal Year 2025	Fiscal Year 2026
Water Revenues		Actual	Budget	Actual	Budget	Budget	Budget
20-31-5102	SEC Collections Account Charge	1,603,797	1,598,310	1,632,676	1,627,047	1,758,000	2,600,300
20-31-5145	Meter Installation	335,409	335,218	334,650	335,218	336,000	336,000
20-31-5149	Developer Deposit			82,538	-	25,000	-
20-31-5151	Grants	2,970	-	28,172	-	-	-
20-31-5179	Misc. Water Service Fees	36,594	10,000	28,648	25,000	27,000	30,000
20-31-5195	Interest Income	85,994	-	426,183	137,500	425,000	257,000
20-31-5226	Water Meter Rental	1,100	500	1,125	500	1,000	1,000
20-31-5243	Other	133,679	10,000	53,047	25,000	15,000	15,000
20-31-6000	Water Charges	2,814,276	2,901,000	2,495,806	2,901,000	2,901,000	3,035,000
20-31-6030	Connection Fees CIP	1,500	6,000	3,400	200	-	-
20-31-6045	Capacity Fee CIP	55,528	15,000	171,632	7,500	-	-
20-31-6046	Permit Fee	1,100	5,000	3,400	200	1,000	1,000
20-31-6047	Inspection Fee	1,760	5,000	5,440	200	1,000	1,000
20-31-6086	Meter Charge Commercial	89,455	85,000	89,286	85,000	90,000	107,000
	Subtotal - Revenues	5,163,162	4,971,028	5,356,004	5,144,365	5,580,000	6,383,300

Fund 20- Water		Fiscal Year 2022-2023		Fiscal Year 2023-2024		Fiscal Year 2025	Fiscal Year 2026
Water Expenses		Actual	Budget	Actual	Budget	Budget	Budget
20-41-7000	Salary and Wages	536,815	592,103	528,471	690,013	905,932	933,000
20-41-7001	Overtime	1,452	2,000	-	2,000	-	-
20-41-7003	ER Taxes	39,828	59,210	40,778	69,001	80,175	82,600
20-41-7030	Group Insurance	81,900	110,000	83,143	100,000	140,000	150,000
20-41-7045	Workers Comp	18,475	19,200	20,294	19,320	38,000	28,000
20-41-7060	457 Plan	25,788	30,000	17,474	30,000	22,000	30,000
20-41-7075	Reimbursement of Wages	(6,000)	-	-	-	-	-
20-41-7105	Reimbursement of Insurance	-	(40,000)	-	(40,000)	-	-
20-41-7135	Vacation	4,832	-	-	-	-	-
20-41-7150	Temporary Employees	39,977	3,000	-	3,000	3,000	3,000
20-41-7165	BOD Compensation	11,960	22,500	11,656	22,500	15,000	15,000
20-41-7180	Training Conferences Travel	11,950	31,000	15,765	30,000	20,000	15,000
20-41-7181	Travel & Meetings - BOD	-	-	984	-	5,000	3,000
20-41-7225	Memberships	10,160	9,000	11,126	15,000	8,000	8,000
20-41-7255	TODB Sponsored Events	-	10,000	1,580	10,000	1,000	1,000
20-41-7271	Consulting Services	202,349	285,700	184,662	261,124	420,000	430,000
20-41-7272	Water Service Contract	722,976	720,000	860,804	745,000	840,000	915,000
20-41-7276	Contract Mailing	45,209	47,000	48,597	47,000	47,000	47,000
20-41-7280	Veolia Pass Through Expenses	94,744	132,500	146,358	100,000	186,000	325,000
20-41-7286	Legal - General	36,282	70,000	34,591	50,000	40,000	35,000
20-41-7288	Legal - Litigation	-	10,000	-	10,000	5,000	-
20-41-7301	Annual Audit Service	14,010	15,000	15,223	18,000	20,000	19,500
20-41-7316	Election Expense	5,363	6,000	-	6,000	7,900	-
20-41-7317	Advertising	168	2,000	278	2,000	1,000	1,000
20-41-7318	Public Relations	421	1,000	838	1,000	-	-
20-41-7319	Internet Website	2,304	4,800	2,707	4,800	-	-
20-41-7325	Water Conservation	-	-	-	10,000	4,000	4,000
20-41-7345	Communications and Notice	141	2,400	695	2,400	-	-
20-41-7361	Telephone - General	4,544	5,750	7,768	5,750	14,000	10,000
20-41-7362	Telecom - Networking	8,021	5,600	8,340	10,000	7,000	7,000
20-41-7363	Telephone - cellular	4,709	6,000	4,321	6,000	-	4,000



Fund 20- Water		Fiscal Year 2022-2023		Fiscal Year 2023-2024		Fiscal Year 2025	Fiscal Year 2026
Water Expenses		Actual	Budget	Actual	Budget	Budget	Budget
20-41-7376	Construction Material Repair	67,577	137,500	29,186	137,500	80,000	102,000
20-41-7392	Vehicle & Equipment - Fuel	12,783	15,000	9,491	15,000	12,000	8,000
20-41-7393	Vehicle & Equipment - Sup & Rep	6,636	6,000	2,493	7,000	7,000	10,000
20-41-7404	Water Meter and Registers	138,659	70,000	206,906	80,000	120,000	232,000
20-71-7406	General Repairs	869,500	450,000	634,647	750,000	650,000	840,000
20-41-7409	Info System - Maintenance	20,884	23,000	32,981	23,000	85,000	40,000
20-41-7410	Equipment Maintenance	2,459	3,600	2,504	3,600	2,000	4,000
20-41-7411	Software Hosting	37,516	40,000	22,383	40,000	-	55,000
20-41-7412	Computer Equipment & Supplies	2,478	3,500	5,052	3,500	-	-
20-41-7413	Miscellaneous Small Tools	10,602	4,000	3,128	4,000	4,000	8,000
20-41-7414	Equipment Repair	376	400	2,271	400	-	-
20-41-7415	Computer Software	3,019	4,000	761	4,000	-	-
20-41-7422	Minor Equipment/Furniture	-	2,000	-	2,000	5,000	5,000
20-41-7423	Office Furniture	-	3,000	-	3,000	-	-
20-41-7424	Postage	160	1,000	1,871	1,000	1,000	1,600
20-41-7425	Office Supplies	12,003	10,000	832	10,000	10,000	8,500
20-41-7437	Rent - Public Meetings	839	200	8,430	200	-	-
20-41-7438	Building - Rent	13,200	13,200	15,510	13,200	13,200	16,500
20-41-7439	Equipment Rental/Leasing	1,653	3,000	6,621	3,000	2,000	1,000
20-41-7440	Landscape Maintenance	27	5,000	11,676	2,000	20,000	20,000
20-41-7441	Building Maintenance	9,738	12,000	16,350	15,000	12,000	7,000
20-41-7451	Insurance Liability & Property	123,334	128,068	145,409	151,273	180,000	160,000
20-41-7466	Permits & Fees	57,636	45,000	43,148	50,000	50,000	60,000
20-41-7469	Personal Protective Equipment	1,721	3,000	1,975	3,000	3,000	3,000
20-41-7470	Safety Equipment and Supplies	136	1,400	-	1,400	-	-
20-41-7481	Utilities/Electrical Cost	636,494	575,424	604,260	628,762	640,000	882,000
20-41-7483	Utilities/Waste Cost	7,631	12,000	20,406	12,000	12,000	18,000
20-41-7495	Chemicals	59,125	50,000	106,146	120,000	100,000	-
20-41-7510	Freight	-	800	-	800	-	-
20-41-7511	UPS/Courier	-	320	-	320	-	-
20-41-7526	Miscellaneous Bank Charges	25,557	25,000	27,906	27,000	30,000	60,000
20-41-7527	Miscellaneous Services & Supplies	1,516	1,500	1,258	1,500	2,500	5,000
20-41-7532	Miscellaneous	5,942	2,000	(2,088)	2,000	-	-
20-41-7533	Bad Debt	-	5,000	2,201	5,000	2,500	-
20-41-7534	Special Expense	2,838	-	2,105	-	2,000	2,000
20-41-7536	Debt Service/Operating Transfer Out	540,562	548,940	538,351	539,223	539,912	534,500
20-41-7545	Revenue Collection	2,166	2,400	-	2,400	2,400	2,400
20-41-7547	Payroll Wire Transfer Fee	292	500	1,117	500	-	-
20-41-7549	Public Works - Permits	-	20,000	-	20,000	-	-
20-41-7550	Property Taxes	161	1,200	2,382	1,200	2,500	1,000
20-41-7587	Developer Deposit Reimbursement	72,896	10,000	70,511	25,000	25,000	-
	Subtotal - Expenses	4,666,493	4,400,715	4,624,633	4,938,687	5,445,019	6,152,600
	Net Revenues (Loss)	\$ 496,669	\$ 570,313	\$ 573,060	\$ 205,678	\$ 134,982	\$ 230,700
	Net Revenues, before Debt Service	\$ 1,037,230	\$ 1,119,253	\$ 967,397	\$ 744,902	674,893	765,200
	Debt Coverage	1.92	2.04	2.45	1.38	1.25	1.43

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

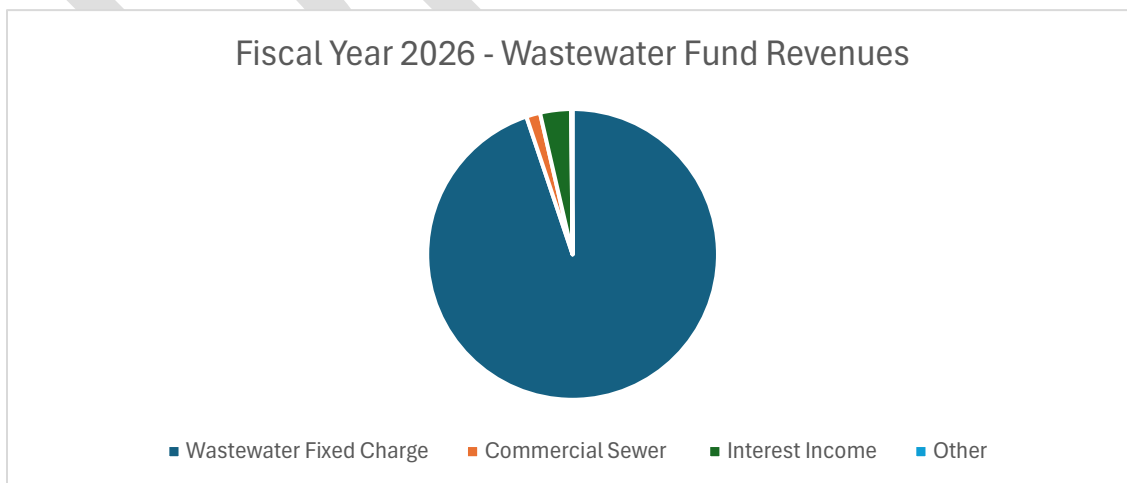
# FUND 21

## WASTEWATER

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

### Fund 21 – Wastewater Revenues

Fiscal Year Trend - Fund 21 Revenues						
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<b>Budget</b>	<b>Budget</b>
Wastewater Fixed Charge	5,991,417	6,087,297	6,182,320	6,278,074	6,486,500	6,760,000
Sewer Charge - Commercial	110,517	114,535	116,124	163,999	120,000	110,000
Interest Income	-	-	78,415	395,523	400,000	245,000
Other	108,186	84,229	176,108	411,473	22,000	12,000
<b>Total Revenues</b>	<b>\$ 6,210,120</b>	<b>\$ 6,286,061</b>	<b>\$ 6,552,967</b>	<b>\$ 7,249,069</b>	<b>\$ 7,028,500</b>	<b>\$ 7,127,000</b>



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

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

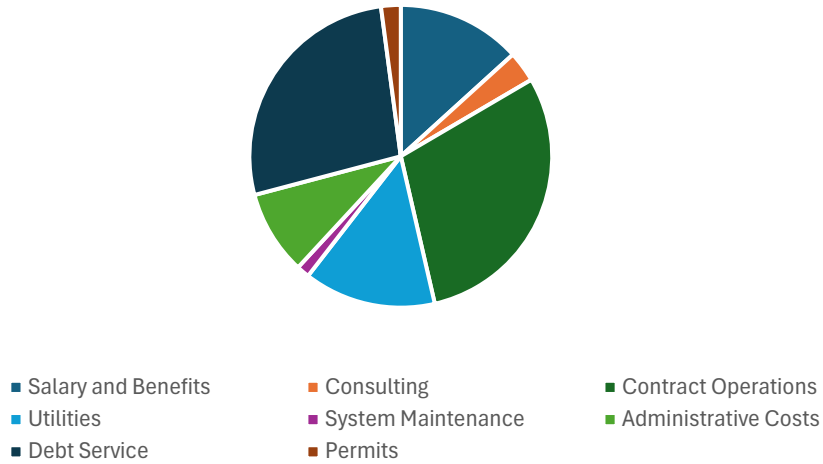
During the year, the District may earn revenue from capacity and connection fees. These funds are not budgeted as the District does not have a firm commitment from the developer that these funds may be received in any given year. While the funds may be used to determine debt coverage, the funds are to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

## Fund 21 – Wastewater Expenses

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

Fiscal Year Trend - Fund 21 Expenses						
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<b>Budget</b>	<b>Budget</b>
Salary and Benefits	604,364	738,791	824,992	803,134	872,808	884,300
Consulting	211,027	158,910	94,755	107,509	230,000	219,500
Contract Operations	1,269,832	1,622,575	1,765,322	1,691,145	1,845,000	1,938,000
Utilities	505,558	563,929	713,172	711,157	798,000	940,400
System Maintenance	62,689	177,475	320,210	375,656	90,000	92,000
Administrative Costs	320,035	388,984	399,457	476,897	520,700	600,100
Debt Service	1,206,089	1,092,674	1,786,335	1,797,077	1,799,908	1,800,500
Permits	55,524	51,424	77,712	22,794	125,000	140,000
Total Expenses	\$ 4,235,118	\$ 4,794,762	\$ 5,981,955	\$ 5,985,368	\$ 6,281,416	\$ 6,614,800

### Fiscal Year 2026 - Wastewater Fund Expenses



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

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

## FUND DETAIL

Fund 21- Wastewater		Fiscal Year 2022-2023 Budget		Fiscal Year 2023-2024		Proposed FY 2025	Proposed FY 2026
Wastewater Revenues		Actual	Budget	Actual	Budget	Budget	Budget
21-31-5101	Wastewater Account Charge	6,182,320	6,134,148	6,278,074	6,228,622	6,486,500	6,760,000
21-31-5149	Developer Reimbursements/Deposits	-	-	-	-	10,000	-
21-31-5151	Grant	-	-	-	-	-	-
21-31-5195	Interest Income	78,415	-	395,523	247,500	400,000	245,000
21-31-5243	Other	32,804	10,000	58,745	10,000	10,000	10,000
21-31-6015	Sewer Charge - Commercial	116,124	157,000	163,999	157,000	120,000	110,000
21-31-6030	Connection Fees CIP	700	10,000	2,700	200	-	-
21-31-6045	Capacity Fee CIP	140,844	65,000	345,708	24,000	-	-
21-31-6046	Permit Fee	-	5,000	-	200	1,000	1,000
21-31-6047	Inspection Fee	1,760	5,000	4,320	200	1,000	1,000
<b>Subtotal - Revenues</b>		<b>6,552,967</b>	<b>6,386,148</b>	<b>7,249,069</b>	<b>6,667,722</b>	<b>7,028,500</b>	<b>7,127,000</b>

Fund 21- Wastewater		Fiscal Year 2022-2023 Budget		Fiscal Year 2023-2024		Proposed FY 2025	Proposed FY 2026
Wastewater Expenses		Actual	Budget	Actual	Budget	Budget	Budget
21-41-7000	Salary and Wages	649,333	718,553	667,925	759,451	687,008	704,000
21-41-7001	Overtime	42	2,000	-	2,000	-	-
21-41-7003	ER Taxes	87,981	71,855	51,780	75,945	60,800	62,300
21-41-7030	Group Insurance	122,583	180,000	104,889	150,000	140,000	150,000
21-41-7045	Workers Comp	27,712	28,800	30,440	28,980	38,000	28,000
21-41-7060	457 Plan	36,670	45,000	30,374	45,000	22,000	30,000
21-41-7075	Reimbursement of Wages	(9,000)	-	-	-	-	-
21-41-7105	Reimbursement of Insurance	(97,452)	(50,000)	(85,733)	(50,000)	(75,000)	(90,000)
21-41-7150	Temporary Employees	59,966	5,000	-	5,000	3,000	3,000
21-41-7165	BOD Compensation	17,940	22,500	13,989	22,500	15,000	15,000
21-41-7180	Training Conferences Travel	15,596	30,000	14,674	30,000	20,000	15,000
21-41-7181	Travel & Meetings - BOD	-	-	1,342	-	5,000	3,000
21-41-7210	Dues and Subscriptions	-	2,600	-	1,000	-	-
21-41-7225	Memberships	7,353	12,000	8,353	12,000	8,000	8,000
21-41-7255	TODB Sponsored Events	-	10,000	2,369	10,000	1,000	1,000
21-41-7271	Consulting Services	45,521	156,300	46,157	186,300	140,000	165,000
21-41-7272	Water Service Contract	1,084,463	1,079,000	1,108,639	1,111,000	1,260,000	1,370,000
21-41-7280	Veolia Pass Through Expenses	680,859	240,000	582,506	340,000	585,000	568,000
21-41-7286	Legal - General	28,220	100,000	38,517	75,000	50,000	35,000
21-41-7288	Legal - Litigation	-	10,000	-	10,000	10,000	-
21-41-7301	Annual Audit Service	21,015	22,000	22,834	27,000	30,000	19,500
21-41-7316	Election Expense	7,958	10,000	-	10,000	7,900	-
21-41-7317	Advertising	478	3,000	2,157	3,000	2,000	1,000
21-41-7319	Internet Website	3,456	-	547	3,600	-	-
21-41-7345	Communications and Notice	212	3,600	4,061	3,600	-	-
21-41-7361	Telephone - General	10,165	15,000	19,804	15,000	11,000	18,000
21-41-7362	Telecom - Networking	14,930	15,000	13,273	18,000	11,000	11,000
21-41-7363	Telephone - cellular	5,016	6,000	4,806	6,000	11,000	4,000
21-41-7376	Construction Material Repair	11,807	3,000	-	3,000	-	-
21-41-7392	Vehicle & Equipment - Fuel	4,298	7,500	5,711	7,000	5,000	7,000
21-41-7393	Vehicle & Equipment - Sup & Rep	3,390	30,000	395	10,000	10,000	10,000
21-71-7406	General Repairs	192,736	75,000	369,550	75,000	75,000	75,000

Fund 21- Wastewater		Fiscal Year 2022-2023 Budget		Fiscal Year 2023-2024		Proposed FY 2025	Proposed FY 2026
Wastewater Expenses		Actual	Budget	Actual	Budget	Budget	Budget
21-41-7409	Info System - Maintenance	41,370	40,000	41,260	45,000	51,000	40,000
21-41-7410	Equipment Maintenance	6,266	5,400	3,269	5,400	2,000	4,000
21-41-7411	Software Hosting	19,618	17,400	10,313	14,000	-	55,000
21-41-7412	Computer Equipment & Supplies	2,222	6,000	79	6,000	-	-
21-41-7413	Miscellaneous Small Tools	6,875	3,000	2,972	2,000	3,000	3,000
21-41-7414	Equipment Repair	3,954	600	3,269	2,000	-	-
21-41-7415	Computer Software	4,397	1,500	1,478	3,000	-	-
21-41-7421	Cleaning Supplies	176	1,500	-	-	-	-
21-41-7424	Postage	11,669	10,000	947	1,500	1,000	1,600
21-41-7425	Office Supplies	1,257	-	7,041	10,000	10,000	8,500
21-41-7437	Rent - Public Meetings	19,800	19,800	17,490	19,800	19,800	16,500
21-41-7438	Building - Rent	3,103	4,000	-	-	-	-
21-41-7439	Equipment Rental/Leasing	1,586	2,400	7,727	4,000	2,000	1,000
21-41-7440	Landscape Maintenance	35,186	12,000	18,075	2,400	10,000	10,000
21-41-7441	Building Maintenance			31,223	14,000	16,000	11,500
21-41-7451	Insurance Liability & Property	183,526	184,012	217,693	226,800	270,000	336,000
21-41-7466	Permits & Fees	77,712	55,000	22,794	55,000	55,000	140,000
21-41-7468	NDPES Permits & Fees	-	70,000	1,125	70,000	70,000	-
21-41-7469	Personal Protective Equipment	2,203	1,000	1,415	2,000	2,500	3,000
21-41-7470	Safety Equipment and Supplies	204	3,000	-	3,000	-	-
21-41-7481	Utilities/Electrical Cost	698,780	550,424	688,545	700,538	780,000	914,000
21-41-7483	Utilities/Waste Cost	14,392	2,000	22,612	12,000	18,000	26,400
21-41-7495	Chemicals	-	12,000	-	12,000	-	-
21-41-7510	Freight		1,000	-	1,000	-	-
21-41-7526	Miscellaneous Bank Charges	-	1,000	-	1,000	-	-
21-41-7527	Miscellaneous Services & Supplies	1,692	4,500	1,921	4,500	2,500	5,000
21-41-7532	Miscellaneous	8,480	-	1,060	-	-	-
21-41-7533	Bad Debt	-	1,000	-	1,000	-	-
21-41-7534	Special Expense	4,180	2,000	2,539	2,000	2,000	2,000
21-41-7536	Debt Service/Operating Transfer Out	1,786,335	1,848,491	1,797,077	1,799,100	1,799,908	1,800,500
21-41-7545	Revenue Collection	3,248	7,000	4,296	7,000	4,000	4,000
21-41-7547	Payroll Wire Transfer Fee	402	1,500	8,844	750	10,000	10,000
21-41-7549	Public Works - Permits	-	3,500	-	3,500	-	-
21-41-7550	Property Taxes	11,874	2,000	3,318	2,000	10,000	10,000
21-41-7587	Developer Deposit Reimbursement	(1,800)	10,000	3,150	10,000	10,000	-
	Subtotal - Expenses	5,981,957	5,736,735	5,980,891	6,037,665	6,281,416	6,614,800
	Net Revenues (Loss)	571,009	649,413	1,268,178	630,058	747,084	512,200
	Net Revenues, before Debt Service	2,357,344	2,497,904	3,065,254	2,429,158	2,546,992	2,312,700
	Debt Coverage	1.32	1.35	1.71	1.35	1.42	1.28

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

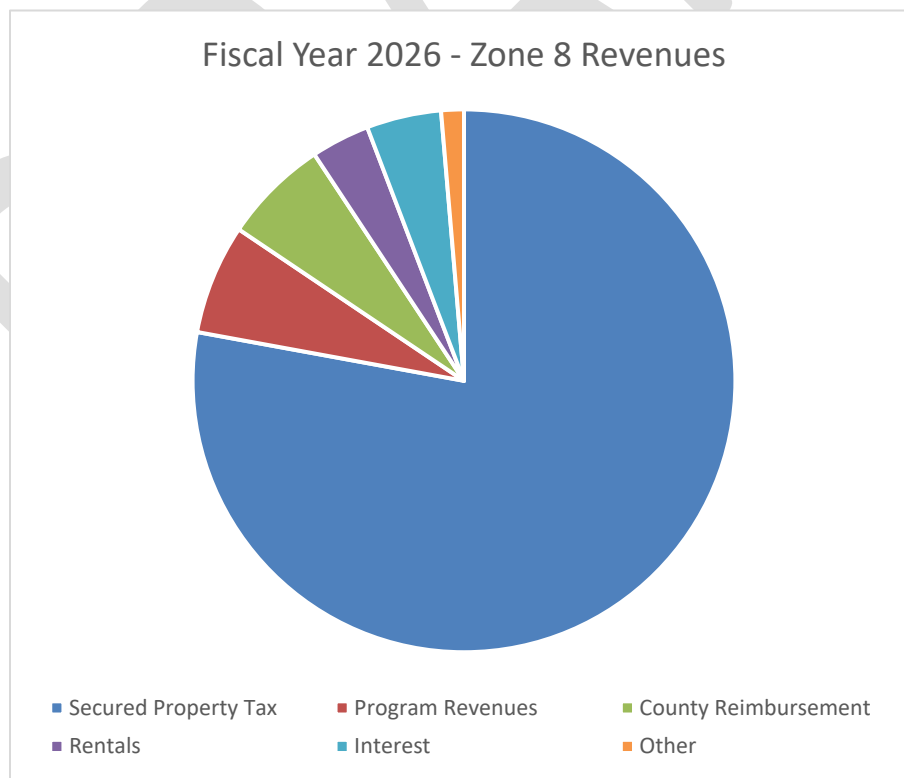


## FUND 40

### ZONE 8 AND COMMUNITY CENTER

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

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

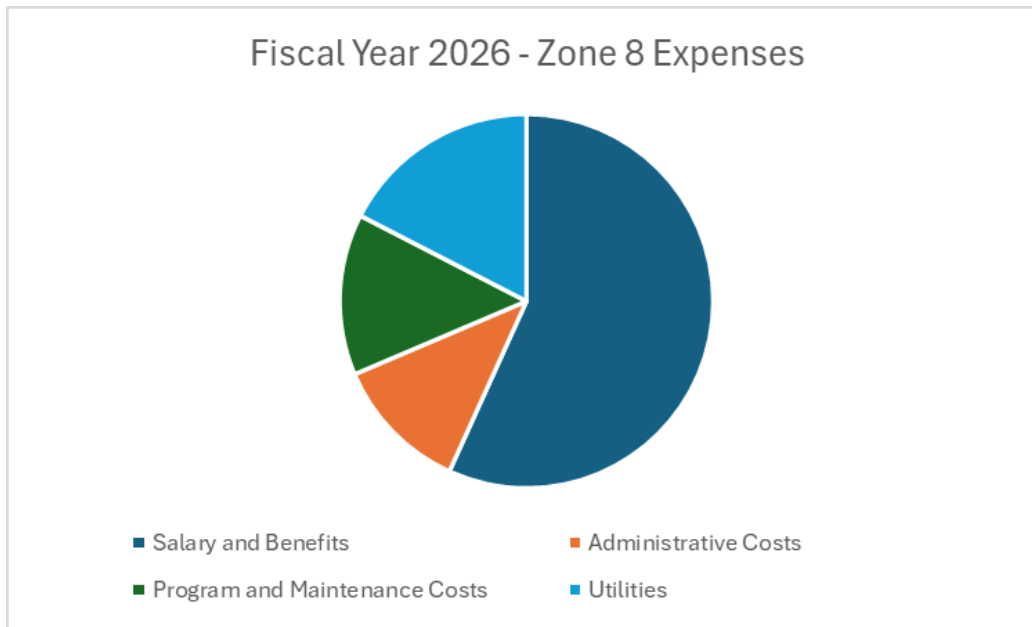


The revenue source for Fund 40 is from property tax (75%) which provides stability in the revenue needed to support Zone 8. This revenue is calculated according to the GANN limit and is based on the change in per capital personal income and population. This information is provided to the District by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

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

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

Fiscal Year Trend - Fund 40 Expenses						
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<b>Budget</b>	<b>Budget</b>
Salary and Benefits	313,300	329,514	457,534	355,127	<b>636,388</b>	<b>673,800</b>
Administrative Costs	73,547	103,526	131,230	159,373	<b>170,300</b>	<b>140,300</b>
Maintenance	144,780	166,329	144,033	268,441	<b>119,000</b>	<b>165,500</b>
Utilities	162,146	182,661	195,334	192,387	<b>209,000</b>	<b>207,000</b>
Total Expenditures	\$ 693,773	\$ 782,030	\$ 928,131	\$ 975,329	<b>\$ 1,134,688</b>	<b>\$ 1,186,600</b>



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

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

## Fund Detail

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

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

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

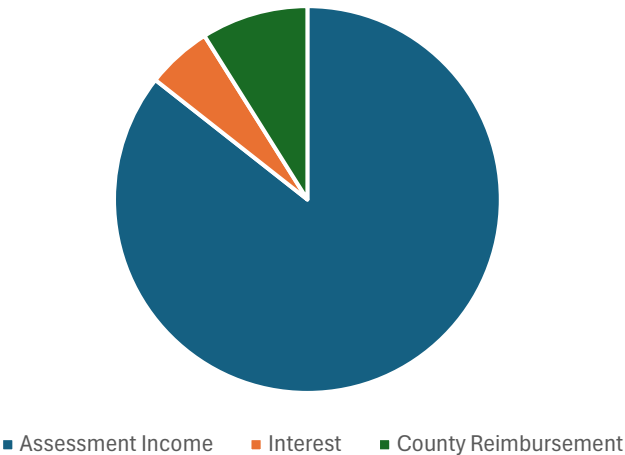
# FUND 41

## ZONE 9 (Ravenswood)

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

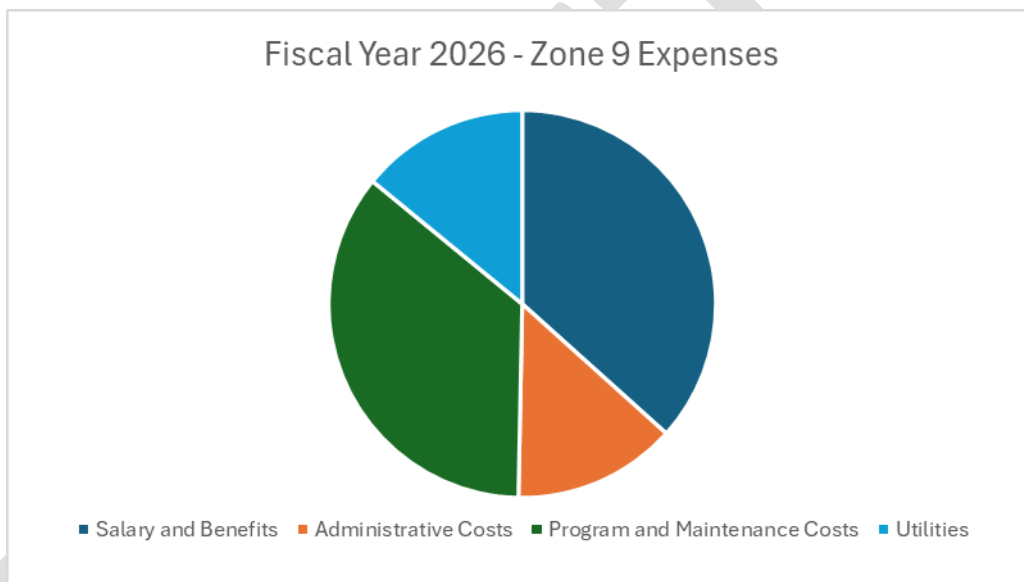
Fiscal Year Trend - Fund 41 Revenues						
	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
	Actual	Actual	Actual	Actual	Budget	Budget
Assessment Income	145,113	150,634	158,161	164,791	170,999	173,100
Interest	-	-	2,539	11,430	10,000	11,000
Other	15,499	20,688	11,452	15,993	17,000	18,000
Total Revenues	\$ 160,612	\$ 171,322	\$ 172,152	\$ 192,214	\$ 197,999	\$ 202,100

Fiscal year 2026 - Zone 9 Revenues



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 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Budget</i>
Salary and Benefits	42,553	28,027	37,610	33,430	65,210	63,000
Administrative Costs	23,708	25,507	25,241	17,009	25,800	23,500
Facility Maintenance	29,739	28,434	56,091	58,124	64,500	61,200
Utilities	20,787	24,902	22,246	19,957	25,200	24,200
Total Expenditures	\$ 116,787	\$ 106,870	\$ 141,188	\$ 128,520	\$ 180,710	\$ 171,900



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



## Fund Detail

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

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

## FUND 50

### PUBLIC FINANCING AUTHORITY

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

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



## Section 7: CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE

## CAPITAL IMPROVEMENT PLAN AND FUNDING SOURCE

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

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

### Overview of Fiscal Year 2025-2026 Capital Projects

Capital Projects / Expenditures	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY29/30
Water	8,082,941	5,842,864	6,848,229	3,893,380	4,028,703
Wastewater	10,107,169	3,023,104	3,034,644	314,704	352,468
Zone 8	495,000	235,000	273,000	113,000	35,000
Zone 9	-	100,000	12,000	22,000	-
Total Costs	18,685,110	9,200,968	10,167,874	4,343,084	4,416,171
Funding Source	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY29/30
Reserves	14,404,190	1,538,344	2,973,415	843,084	916,171
California Energy Commission Loan	2,936,920	-	-	-	-
Future debt	1,344,000	7,662,624	7,194,459	3,500,000	3,500,000
Total Costs	18,685,110	9,200,968	10,167,874	4,343,084	4,416,171

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

## WATER:

### 5-YEAR CIP SCHEDULE

Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
<b>CIP for Water Supply Capacity (Source, Treatment and Storage)</b>	<i>(Esclated for anticipated CPI)</i>					
Well 8 (Bond)	1,000,000	-	-	-	-	1,000,000
Well 2	250,000	250,000	2,000,000			2,500,000
<b>TOTAL</b>	<b>1,250,000</b>	<b>250,000</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>3,500,000</b>
<b>Replacements and Rehabilitation for Existing Water Supply Facilities</b>						
Filter Replacement (Newport Filter A)	-	388,864	-	-	-	388,864
Stabilization Soils- Willow Lake Water Treatment Plant	-	-	-	-	176,234	176,234
Well 2 Upgrade Electrical Panel	258,720	-	-	-	-	258,720
Install Filter 2	-	-	-	-	352,468	352,468
Newport WTP Valve Replacment	112,000	-	-	-	-	112,000
Well 6 Upgrade from SSRV to VFD to Improve Operational Flexibility	-	-	-	393,380	-	393,380
<b>TOTAL</b>	<b>370,720</b>	<b>388,864</b>	<b>-</b>	<b>393,380</b>	<b>528,703</b>	<b>1,681,666</b>
<b>Water Distribution System/Pipeline Replacements</b>						
Mainline Pipeline	-	500,000	3,500,000	3,500,000	3,500,000	11,000,000
Newport & Sandpoint Underwater Crossing	480,000	3,360,000	-	-	-	3,840,000
<b>TOTAL</b>	<b>480,000</b>	<b>3,860,000</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>14,840,000</b>
<b>Additional Capital Improvements - Water Distribution System &amp; Maintenance</b>						
Solar System at WTP	2,936,920	-	-	-	-	2,936,920
Solar System at WTP - Phase II	403,200	1,344,000	940,800	-	-	2,688,000
Willow Lake WTP SCADA Improvements	-	-	407,429	-	-	407,429
Cathodic Protection System Improvements	134,468	-	-	-	-	134,468
<b>TOTAL</b>	<b>3,474,588</b>	<b>1,344,000</b>	<b>1,348,229</b>	<b>-</b>	<b>-</b>	<b>6,166,817</b>
<b>Other Projects</b>						
Town Administration Building	2,507,633	-	-	-	-	2,507,633
<b>TOTAL</b>	<b>2,507,633</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,507,633</b>
<b>Annual Total</b>	<b>8,082,941</b>	<b>5,842,864</b>	<b>6,848,229</b>	<b>3,893,380</b>	<b>4,028,703</b>	<b>28,696,116</b>

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

## FUND BALANCE

Fund 20 - Water	Annual Target	Balance 06/30/2025 (estimated)	Net Revenues	External funding or Debt proceeds	Uses	Balance 06/30/2026
<b>Revolving Funds</b>						
Water Infrastructure Replacement Fund	200,000	406,101	200,000		(505,188)	100,914
Booster Pump Replacement Fund	20,000	276,000	700			276,700
Generators Replacement Fund	10,000	130,000	10,000			140,000
Facility Replacement Fund	10,000	136,000	10,000			146,000
Vehicle Replacement Fund	10,000	69,092	10,000			79,092
Total Revolving Funds	250,000	1,017,193	230,700		(505,188)	742,706
<b>Reserves</b>						
Emergency Reserves	30% of Revenues	1,914,990				1,914,990
Capital and Connection Fee		2,335,045			(2,335,045)	0
Water Distribution Line Replacement		1,032,000			(897,810)	134,190
Capital Reserve		-		4,340,120	(4,340,120)	0
Undesignated		4,778			(4,778)	0
Total Reserves		5,286,813	-	4,340,120	(7,577,753)	2,049,180
Total Water Funds	\$ 250,000	\$ 6,304,007	\$ 230,700	\$ 4,340,120	\$ (8,082,941)	\$ 2,791,886

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

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

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

## WASTEWATER: 5-YEAR CIP SCHEDULE

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

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



## Fund Balance

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

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

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

## Zone 8:

### 5-YEAR CIP SCHEDULE

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

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

## Fund Balance

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

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

## Zone 9:

### 5-YEAR CIP SCHEDULE

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

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

### Fund Balance

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

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

## CIP Project Descriptions

### Administration Project

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

### Water Projects

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

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

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

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

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

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

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

## Wastewater Projects

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

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

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

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

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

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

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



## Zone 8 Landscape and Community Center Projects

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

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

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

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

## Zone 9 Landscape and Community Center Projects

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



## Section 8: DEBT

DRAFT

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

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

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

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

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

### Bond Balance 6/30/2025

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

### 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
<b>Total</b>		<b>\$6,041,000</b>

### Wastewater Only

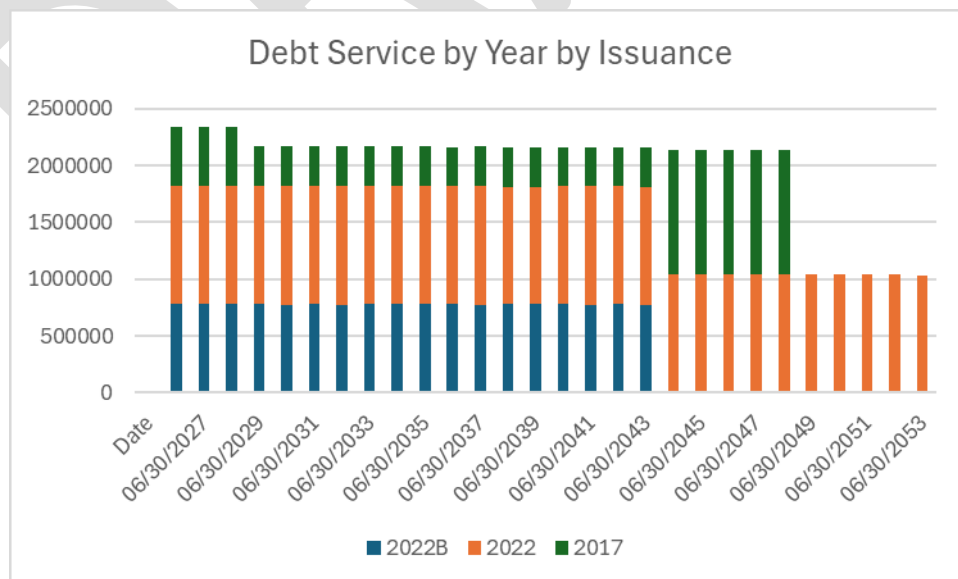
Trustee	Bond	Total Balance (Est)
US Bank	2022B (2012)	\$9,261,000
US Bank	2017	\$6,965,000
US Bank	2022	\$11,655,000
<b>Total</b>		<b>\$27,881,000</b>

## Debt Service Payments

December 1 - Principal and Interest

June 1 – Interest Only

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



### 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	
<b>Total</b>	<b>27,881,000.00</b>	<b>17,453,402.60</b>	<b>45,334,402.60</b>	



	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	
<b>Total</b>	<b>6,041,000.00</b>	<b>4,020,521.10</b>	<b>10,061,521.10</b>	



## Section 9: ACRONYMS AND GLOSSARY

G2-1

**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 Action to Adopt Resolution No. 2025-04 - Notice of Intent to Levy and Collect an Annual Assessment for the Ravenswood Improvement District - DB Lighting and Landscape Zone 9 for Fiscal Year 2025-2026 and Set Public Hearing.

**Meeting Date:** June 4, 2025

**Prepared By:** Margaret Moggia, Finance Manager

**Submitted By:** Dina Breitstein, General Manager

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### RECOMMENDED ACTION:

Adopt Resolution No. 2025-04 to set Notice of Intent to Levy and Collect an Annual Assessment for the Ravenswood Improvement District - DB Lighting and Landscape Zone 9 for Fiscal Year 2025-2026, and set the Public Hearing for June 18, 2025, at 7:00pm located at 1601 Discovery Bay Boulevard.

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### EXECUTIVE SUMMARY:

As part of the annual assessment process for the Ravenswood Improvement District – DB Lighting and Landscape Zone 9, the Town of Discovery Bay Board of Directors adopted Resolution 2025-03, which directed HERWIT Engineering to prepare the assessment report. HERWIT provided the Draft Assessment Engineer's Report to District Staff on May 20, 2025. 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 \$853.06 which is the allowable maximum assessment for Zone 9.

Factors leading to the assessment of \$853.06 are: maintaining our emergency reserves, adequate funds for operations, and replenishing the reserves to fund future capital projects. The reserves protect DB 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 2025-2026 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 DB 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 18, 2025 at the regularly scheduled Board meeting.

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### FISCAL IMPACT:

Approval of resolution provides funding towards Zone 9 in the amount of \$173,170.92. Previous year's calculation generated \$170,999.08

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**PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:**

April 2, 2025 Regular Board Meeting – Direct Herwit to Prepare Engineer's Report

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**ATTACHMENTS:**

1. Resolution 2025-04.
2. Herwit Engineering Report.





**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2025-04**

**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 2025-2026**

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 2025-2026 year will be held at 7:00 p.m., on June 18, 2025, at the Community Center located at 1601 Discovery Bay Boulevard, Discovery Bay, CA 94505.

PASSED, APPROVED AND ADOPTED THIS 4th day of June 2025.

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Carolyn Graham  
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 4, 2025, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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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 2025-2026**

**Prepared by  
HERWIT Engineering**

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

**JULY 2025**

**Town of Discovery Bay Community Services District**

**Director and President**

Carolyn Graham

**Director and Vice President**

Bryon Gutow

**Director**

Kevin Graves

**Director**

Ashley Porter

**Director**

Lesley Belcher

**General Manager**

Dina Breitstein

**Assistant General Manager**

**Finance Manager**

Margaret Moggia

**Parks & Landscape Manager**

Monica Gallo

**District's Attorney**

Neumiller & Beardslee

**Assessment Engineer**

HERWIT Engineering

Date: June 2025

**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 2025-2026 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 2024-2025 year**

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

\$ 196,999	Annual assessments & investment revenue was received
\$ 420,327	Annual expenses grounds maintenance, capital improvements, and administrative expenses.
<b><u>\$ 189,591</u></b>	Fund total after 2024-2025 annual expenses.

*Current Assessment*

The 2024-2025 fiscal year assessment per parcel based on the engineer's formula defined in the Assessment Engineers Report adopted in 2006 is \$ 842.36 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 2025, the same CPI index is reported as \$ 355.70. Based upon the change in the CPI, the new maximum assessment allowed for the 2025-2026 fiscal year is \$ 853.06.

### *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 2025-2026 fiscal year is \$ 853.06. This assessment is equally assessed to 203 parcels for an annual total of \$ 173,171.18. Therefore, the maximum Reserve Account Balance is \$ 346,342.36. 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.

The reserve account balance of \$ 412,919 at the end of fiscal year 2023-2024 exceeded the maximum allowable of \$ 341,342 by a difference of \$ 71,577. This overage was being applied to capital improvement projects already approved and in construction during the fiscal year (2024-2025). As a result of this, the projected reserve at the end of 2024-2025 is estimated to be \$ 189,591 which will be significantly less than the maximum (2024-2025) reserve balance of \$ 341,998.16.

### *New Assessment for 2025-2026 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 2025-2026 is \$ 175,700. This equates to \$ 865.52 per parcel for all 203 parcels, which is more than the maximum allowable assessment of \$ 853.06 per parcel, or \$ 173,171.18 maximum assessment.

Based on this report, the assessment for 2025-2026 tax year should be \$ 853.06 to minimize the decrease in the reserve fund balance. The assessment for the 2025-2026 fiscal year is then \$ 853.06 per parcel applied equally to all 203 parcels as defined in the adopted Assessment Engineers Report.