



# TOWN OF DISCOVERY BAY

## A COMMUNITY SERVICES DISTRICT



### SDLF Platinum-Level of Governance

PLATINUM LEVEL

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

#### **NOTICE OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY Wednesday March 16, 2022 REGULAR MEETING 7:00 P.M.**

#### **NOTICE Coronavirus COVID-19**

In response to the current proclaimed State of Emergency, indoor masking requirements, and recommended measures to promote social distancing imposed by State and local officials, the Town of Discovery Bay Community Services District Board of Directors will take all actions necessary to carry out the intent and purpose of AB 361, including, ensuring that the Directors and meeting attendees may continue to have the option to access and participate in this public meeting by teleconference to avoid imminent risks to the health or safety of the Directors and meeting attendees.

To accommodate the public during this period of time, the Town of Discovery Bay Community Services District Board of Directors has arranged for members of the public to observe and address the meeting telephonically or in person.

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

#### **TO ATTEND BY WEBINAR:**

**Please register for Regular Meeting of the Board of Directors at:** *(Copy and paste into your browser the registration URL. You will then be directed to download the webinar to your device and register with LogMeIn, Inc.)*

**Registration URL:** <https://attendee.gotowebinar.com/register/7502853364748197900>  
**Webinar ID#** 779-605-403

**After registering, you will receive a confirmation email containing information about joining the webinar by computer or by phone.**

**For listen-only mode dial:** (631) 992-3221 **ID#** 914-486-381

**Download Agenda Packet and Materials at** [www.todb.ca.gov](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. 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**

1. Approve DRAFT minutes of Board of Directors meeting for March 2, 2022.
2. Approve Register of District Invoices.
3. Approve Resolution 2022-07 Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Town of Discovery Bay Community Services District Pursuant to the Brown Act Provisions.

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

1. None.

**E. PRESENTATIONS**

1. Veolia – March 2022 Presentation.

**F. BUSINESS AND ACTION ITEMS**

1. Discussion and Possible Action to Recommend to Caltrans Traffic Control Change(s) to the Intersection of Highway #4 and Discovery Bay Blvd.
2. Discussion and Possible Action Regarding the Town of Discovery Bay Financial Audit for Fiscal Year Ending 2021.
3. Discussion and Possible Action Regarding the Community Center Recreational Swim Price Increase.
4. Discussion and Possible Action to Award the Discovery Bay Blvd. and Egdevew Drive Pipeline Replacement Project to the Lowest Responsive Bidder in the Amount of \$640,000.

**G. MANAGERS REPORTS**

**H. GENERAL MANAGERS REPORTS**

**I. DIRECTOR'S REPORTS**

1. None.

**J. DIRECTOR'S REGIONAL MEETING REPORTS**

1. Byron Union School District Meeting - February 24, 2022.

**K. CORRESPONDENCE RECIVED**

**L. FUTURE AGENDA ITEM(S)**

**M. OPEN SESSION DISCOLUSRE OF CLOSED SESSION AGENDA**

1. None.

**N. CLOSED SESSION**

1. None.

**O. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION**

1. None.

**P. ADJOURNMENT**

1. Adjourn to the Next Regular Board of Director's Meeting, beginning at 7 PM 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 – Kevin Graves • Vice-President – Ashley Porter • Director – Bryon Gutow • Director – Michael Callahan • Director – Carolyn Graham

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY  
Wednesday March 2, 2022, 7:00 P.M.**

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

1. Call business meeting to order 7:00 p.m. – By Vice President Porter.
2. Pledge of Allegiance. – Led by Director Gutow.
3. Roll Call. – All present. President Graves and Director Graham appeared telephonically.

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

One Public Comment:

- I live on Discovery Bay Blvd. and have two questions. The first is to inquire about the vacant lot on the corner entrance of Discovery Bay. Is this property being sold for development? Where can I find out if something is in the works? I have a feeling it's not going to be single family homes. My second question is regarding the tagging along the wall on Highway 4. Who is responsible for cleaning up this wall? If it doesn't get painted over right away, we will have a wall full of tagging.

GM Breitstein provided her business card to the resident to address his concerns.

**C. CONSENT CALENDAR**

1. Approve DRAFT minutes of Board of Directors meeting for February 16, 2022.
2. Approve Register of District Invoices.
3. Approve Resolution 2022-06 Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Town of Discovery Bay Community Services District Pursuant to the Brown Act Provisions.
4. Ratify Resolution 2022-07 of the Town of Discovery Bay Board of Directors establishing a District of Office Planning Ad Hoc Committee to Develop Options for Acquiring or Building a Future District Office.

Director Bryon Gutow made a motion to accept the Consent Calendar as presented.

Director Callahan second.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

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

1. Supervisor Diane Burgis, District III Report.  
Lea Castleberry has retired and Dawn Morrow is Discovery Bay's new representative for District III.
  - Covid-19 update effective March 11<sup>th</sup>, 2022: State health officials announced that masking requirements will be lifted at K-12 schools and child care settings. Masks are still recommended but not mandated. State health officials announced that unvaccinated persons will no longer be required to be masked indoors in public settings. Masks are still required in high risk settings such as: health care facilities, nursing homes, congregate care, and public transportation.
  - Find County Commission openings and other news in our Supervisor's Weekly Newsletter. Text the word "BURGIS" to 22828 to join.
2. Sheriff's Office Report.  
Lieutenant Mark Johnson provided an update on crimes in the Discovery Bay area.
  - Thefts of bikes and golf carts from garages left open.
  - Approximately 2-3 catalytic converter thefts a month.
  - We have really focused on shoplifting from the Sandy Cove Shopping Center. There is a police car parked behind CVS and Safeway and we let them know when we are back there so they call us directly. That has been successful, we caught someone today from Brentwood. They were caught and taken to jail on theft and drug charges.
  - Two different warrant arrests from traffic stops.

- Commercial burglary at La Taqueria Limon in the middle of the night, forced entry through back door and stole from there.
- One interesting case at the Wells Fargo ATM next to Safeway. \$1,000 cash was left in the ATM, someone found and turned it into them. We were able to find the owner and return money to them.

Director Graham posed a question regarding young kids driving golf carts in Discovery Bay and what can be done about this? Lieutenant Mark Johnson advised that this was a matter for CHP but did provide information that if a golf cart is driven on a public road, the driver must have a drivers license; okay if driven on private property.

3. CHP Report.  
None.

4. East Contra Costa Fire Protection District Report.  
Fire Marshal Steve Aubert reported for the month of February there were a total of 74 calls, no major incidences, 676 service calls, 6 residential structure fires, 2 commercial structure fires, 8 vehicle fires, 2 vegetation fires, and 24 exterior fires. District also responded to 20 vehicle accidents with 1 additional requiring rescue, 4 vehicle vs. pedestrian accidents, 4 motorcycle accidents, and 3 bicycle accidents. Recap of 2021 The District received a total of 8,481 calls which is an increase from the previous year by 11%; calendar year of 2021 had a total of 728 calls for service in Discovery Bay alone.

Announcements: LAFCO Meeting will be held on March 9<sup>th</sup> at 1:30 pm the LAFCO Commission will take vote on the final annexation topic for Contra Costa County Fire Protection District. ECCFPD board meeting will take place same evening at 6:30 pm. Wildfire season is fast approaching major wildfires are being reported in Southern California due to weather and lack of rain, notices will be sent out early April for May 15<sup>th</sup> compliance deadline.

## **E. PRESENTATIONS**

1. Capacity Fee and Connection Study.  
Presentation from Alison Lechowicz summarizing water and wastewater capacity fee update. Last study was performed in 2014 the update is needed as there are new capital improvement projects, facilities needed to serve growth has been updated, the Town has completed Wastewater Master Plan, and Denitrification Project for the sewer system now has contractor bids. Water flows and sewer demands has declined due to conservation and drought conditions as well as corresponding sewer flows that impacts the capacity used by development into the future based on single family dwelling.

Director Gutow posed a question to Water / Wastewater Manager Aaron Goldsworthy: "How do we get a wastewater reduction"? Is sprinkler runoff considered wastewater?

Manager Goldsworthy replied: The reason why you are seeing less water in our wastewater is due to drought regulations and meters being installed people are being more conscientious and using less water.

Water and sewer include buy-in portion of the fee for existing facilities based on fixed asset list, water and wastewater enterprises, looked at facilities currently providing service and have capacity to provide service to new customers into the future. Second part of the fee included upcoming capital expenditures allocation of what facilities benefit growth and what facilities benefit existing customers. Main cost of water facility are well upgrades, filter replacement for treatment plants and water main replacements. Wastewater main cost to facilities were lift stations, plan 2 upgrades in addition sewer had denitrification project. The Town can charge interest in financing costs in connection to new facilities to be built. The Town provided debt service estimates.

Existing fees and proposed fees of both water and sewer have slight increases based on capital improvement plans, updated development projections over the next 20 years for single family dwelling units. A survey was performed of comparable agencies of what they charge for typical water and wastewater capacity fee, Discovery Bay is in the mid-range of other agencies in the area even with the proposed change the ranking didn't shift. Discovery Bay continues to be in the middle of the fees of the agencies surveyed. This matter will be brought back to the board on April 20<sup>th</sup>, 2022 for approval.

## **F. BUSINESS AND ACTION ITEMS**

1. Discussion and Possible Action Regarding Approval of a Second Amended and Restated Memorandum of Understanding with Seven other GSAs for Implementation of a Groundwater Sustainability Plan for the East Contra Costa Subbasin.

- Requesting Board to authorize General Manager to execute and carry out the terms of the Second Amended and Restated Memorandum of Understanding for the Implementation of Groundwater Sustainability Plan along with partner agencies.

President Graves provided acknowledgment of hard work by Interim Assistant General Manager Davies.

No public comments.

Motion made by Director Gutow to approve Staff's recommendation requesting Board to authorize GM to execute and carry out the terms of the Second Amended and Restated Memorandum of Understanding for the Implementation of Groundwater Sustainability Plan along with partner agencies.

Second by Director Carolyn Graham.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

## 2. Discussion and Possible Action to Approve the Notice of Completion and Final Payment for the Swimming Pool Remodel at the Community Center.

Parks/Landscape Manager Bill Engelman provided pool update of the construction project that is now complete, no outstanding punch list items, all final inspections are complete, passed, and on budget. Recommending Notice of Completion be approved and any remaining payments and retention be remitted to Adams Pool Solutions.

General Manager provided explanation of approval process as requested by Vice President Porter. The process depends on the county turnaround and then 35 days from when we receive it from the county to release the retention.

No public comments.

Motion made by Director Gutow for notice of completion be approved and remit and release funds once authorized from county.

Second by Director Callahan.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

## 3. 2022 Parks and Recreation Public Event Calendar.

Parks and Recreation Department produces a calendar of public events taking place at the Community Center Town Parks. Staff recommends approval of the 2022 Event Calendar.

Motion made by Director Gutow to approve 2022 Parks and Recreation Public Event Calendar.

Second by Director Callahan.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

## 4. Approval of Park and Recreation 2022 Program, Activities, and Event Fee Waivers.

Parks/Landscape Manager Bill Engelman presented events being waived by the General Manager:

- Boys Scouts of America Troup 514
- Contra Costa Library Program for Kids - Resisting Aggression Defensively
- The Annual Easter Egg Hunt
- The Holiday Parade

Staff is recommending acceptance of the above 2022 Program, Activities, and Event Fee Waivers by the General Manager for the total amount of \$1,997.50.

Vice President Porter pointed out that waiving fees is a way The Town is working with the community and giving back to community activities. Director Graham asked, if another well-known group within the community service organization requests to use the Community Center at no charge would it be considered? General Manager confirmed that if they want to have their fee waived it would be brought back to the Board at that time.

No public comments.

Motion made by President Gutow to approve 2022 Program, Activities, and Event Fee Waivers.

Second by Director Carolyn Graham.

Vote: Motion Carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0

**G. MANAGER'S REPORT**

None.

**H. GENERAL MANAGER'S REPORT**

- General Manager attended first Chamber Meeting and will plan to schedule a host one at a later date. General Manager was also inducted and joined the Lion's Club of Discovery Bay.
- Special acknowledgement by GM to Park/Rec Supervisor Gallo's daughter who received her Ph.D. in Gerontology from USC.

**I. DIRECTOR REPORTS**

1. Standing Committee Reports.
  - Communications Committee Meeting – March 2, 2022.  
Report out by Director Callahan. Chamber Mixer and Meet The General Manager Event dates will be coming to Board in future meeting.
  - Parks and Recreation Committee Meeting – March 2, 2022.  
Report out by Director Gutow. Raising swim fees marginally, Cornell Park vandalism; staff will apply non-graffiti paint, Clipper Drive massive refresh reviewing options and will have definitive numbers to present to Board.
2. Water and Wastewater Committee Meeting – March 2, 2022.
  - Report out by VP Porter. Several projects are ongoing and moving forward. Pond and dredge are complete, piping underneath marina and lights.
3. Other Reportable Items.
  - None.

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

1. Agency report from Director Graham for Tri Delta Transit Meeting from February 23, 2022.
  - Update from Director Graham Tri Delta is buying combination of diesel and electric buses. The General Manager will be retiring and will take the next year to search for replacement.
2. Agency report from President Graves for ECCPD Meeting from February 9, 2022.  
No report.
3. Agency report from President Graves for CC Aviation Advisory Committee from February 10, 2022.  
No report.

**K. CORRESPONDENCE RECEIVED**

None.

**L. FUTURE AGENDA ITEM(S)**

None.

**M. OPEN SESSION DISCLOSURE OF CLOSED SESSION AGENDA**

None.

**N. CLOSED SESSION**

None.

**O. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION**

None.

**P. ADJOURNMENT**

1. Adjourn to the regular meeting on March 16, 2022, beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

//ag – 03-10-22



# Town of Discovery Bay

*"A Community Services District"*

## STAFF REPORT

Meeting Date

March 16, 2022

**Prepared By:** Julie Carter, Finance Manager & Lesley Marable, Accountant  
**Submitted By:** Dina Breitstein, General Manager

### Agenda Title

Approve Register of District Invoices.

### Recommended Action

Staff recommends that the Board approve the listed invoices for payment.

### Executive Summary

District invoices are paid on a regular basis, and must obtain Board authorization prior to payment. Staff recommends Board authorization in order that the District can continue to pay warrants in a timely manner.

### Fiscal Impact:

**Amount Requested** \$ 946,748.69

**Sufficient Budgeted Funds Available?:** Yes (If no, see attached fiscal analysis)

**Prog/Fund #** See listing of invoices. **Category:** Operating Expenses and Capital Improvements

### Previous Relevant Board Actions for This Item

### Attachments

Request For Authorization to Pay Invoices for the Town of Discovery Bay CSD 2021/2022

AGENDA ITEM: C-2

**Request for Authorization to Pay Invoices**  
**For The Meeting On March 16, 2022**  
**Town of Discovery Bay CSD**  
**Fiscal Year 7/21 - 6/22**

Anderson Pacific	\$684,289.75
Veolia Water North America	\$167,703.94
Herwit Engineering	\$28,911.60
Luhdorff & Scalmanini	\$10,010.00
San Joaquin County Office Of Ed	\$8,298.50
BSK Associates	\$6,762.75
J.W. Backhoe & Construction, Inc.	\$5,681.07
Badger Meter	\$5,558.94
Linwood Supply, Inc.	\$4,941.01
National Aquatic Services, Inc.	\$4,009.40
Lechowicz & Tseng Municipal Consultants	\$2,425.00
Core & Main LP	\$2,292.45
BrightView Landscape Services, Inc.	\$2,052.00
Brentwood Ace Hardware	\$1,486.99
Univar Solutions USA Inc.	\$1,454.78
Watersavers Irrigation Inc.	\$1,293.58
Karina Dugand	\$1,174.50
Verizon Wireless	\$902.32
Water Refund Customer	\$830.31
Mt Diablo Resource Recovery	\$825.49
Robert Half	\$755.47
Kevin Graves	\$690.00
Carolyn Graham	\$575.00
Streamline	\$480.00
ASCAP	\$393.83
Ashley Porter	\$345.00
Bryon Gutow	\$345.00
Michael Callahan	\$345.00
Quadient Leasing USA, Inc.	\$302.26
Office Depot	\$281.21
Cintas	\$251.26
Gladwell Governmental Services, Inc.	\$250.00
Concentra	\$230.00
Geotab USA, Inc.	\$197.50
UniFirst Corporation	\$133.10
Cory Cardwell	\$100.00
Lesley Marable	\$99.68
Discovery Pest Control	\$70.00

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**\$946,748.69**





**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT  
RESOLUTION 2022-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT RE-AUTHORIZING REMOTE TELECONFERENCE  
MEETINGS OF THE LEGISLATIVE BODY OF THE TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT PURSUANT TO BROWN ACT PROVISIONS**

WHEREAS, the Town of Discovery Bay Community Services District (the “Town”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the Town’s legislative body are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District’s legislative body conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, the Town’s Board of Directors previously adopted a Resolution, Number 2021-16 on October 20, 2021, finding that the requisite conditions exist for the legislative body of the Town to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must make findings that the Board has reconsidered the circumstances of the state of emergency that exist in the Town, and that either the state of emergency continues to directly impact the ability of the members to meet safely in person, or State or local officials continue to impose or recommend measures to promote social distancing; and

WHEREAS, the March 4, 2020, Governor proclaimed a State of Emergency continues to exist throughout California as a result of the threat of COVID-19; and

WHEREAS, currently the dominant strain of COVID-19 in the country continues to be more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations, therefore, meeting in person would present imminent risks to the health or safety of attendees and members; and

WHEREAS, the Cal-OSHA adopted emergency regulations (Section 3205) imposing requirements on California employers, including measures to promote social distancing remain in effect; and

WHEREAS, the health orders issued by the Contra Costa County Health Officer to preserve the public health, including requiring all people in Contra Costa County who aren’t fully vaccinated, to adhere to indoor masking requirements, recommending measures for social distancing from non-

household members for vaccinated individuals that have been exposed to COVID-19, and measures acknowledging that close contact to other persons increases the risk of transmission, remain in effect.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. AB 361 Compliance. The Board of Directors began using teleconferencing in accordance with subdivision (e) of Section 54953 of the Government Code, as amended by AB 361, on October 20, 2021, and have made the requisite findings by majority vote not later than 30 days after October 20, 2021, and every 30 days thereafter.

Section 3. State of Emergency. The Board of Directors hereby reconsiders the circumstances of the current State of Emergency proclaimed by the Governor on March 4, 2020, and find that the ongoing conditions of the State of Emergency directly impact the ability of members to meet safely in person.

Section 4. Measures to Promote Social Distancing. The Board of Directors hereby finds that Cal-OSHA and the County Health Official continue to recommend measures to promote physical distancing.

Section 5. Remote Teleconference Meetings. The General Manager of the Town of Discovery Bay Community Services District is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 6. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption.

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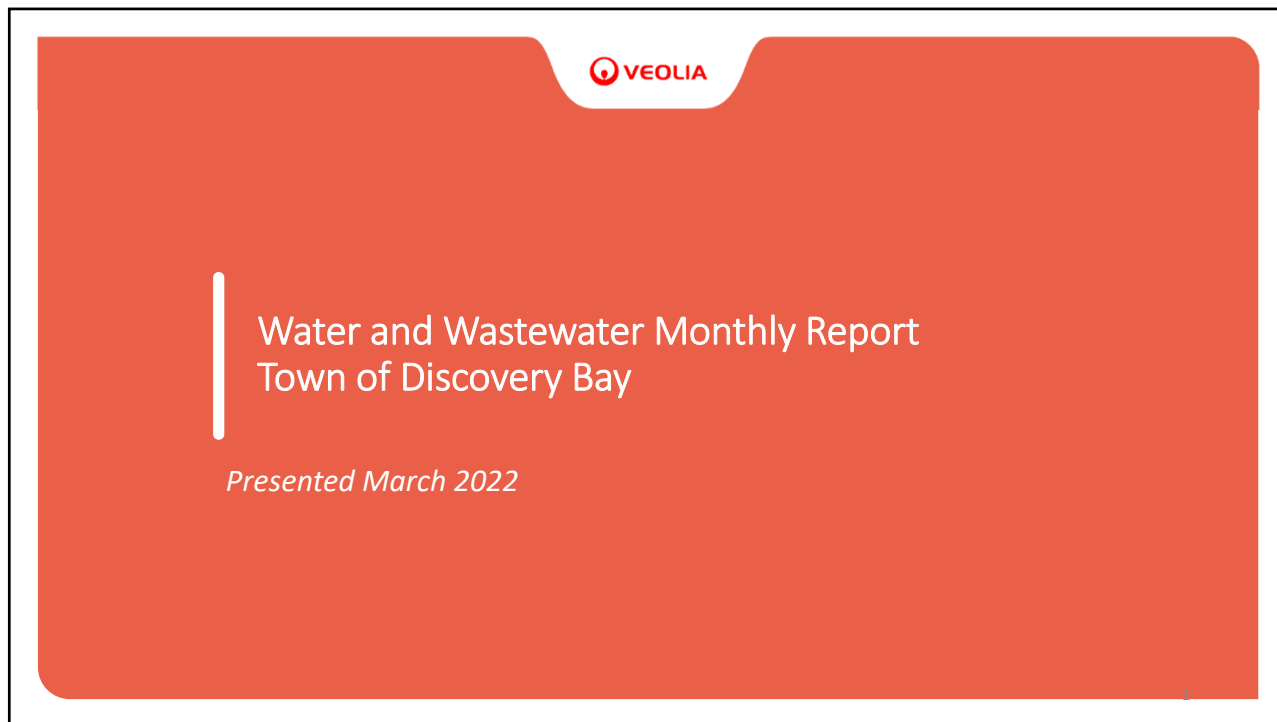
Kevin Graves  
Board President

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 meeting, held on March 16, 2022, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Dina Breitstein  
Board Secretary



1

**Safety & Training**

Safe Workdays: 4,567

**VNA University:**  
Lockout Tagout – OSHA Annual  
Put a Lock on Hazardous Energy

**Weekly Safety Topics:**  
2/2 – Flammable & Combustible Liquids  
2/9 – Employee Worksite & Facility Inspections  
2/16 – Cranes, Hoists & Slings  
2/23 – Lockout Tagout Review Pertaining to Ongoing Construction

2

2

### Water Well Status

	<b>01</b>	<b>02</b>	<b>06</b>
Willow WTP	Active	Active	Active
Newport WTP	<b>04</b> Active	<b>05</b> Active (Emergency)	<b>07</b> Active

3

3

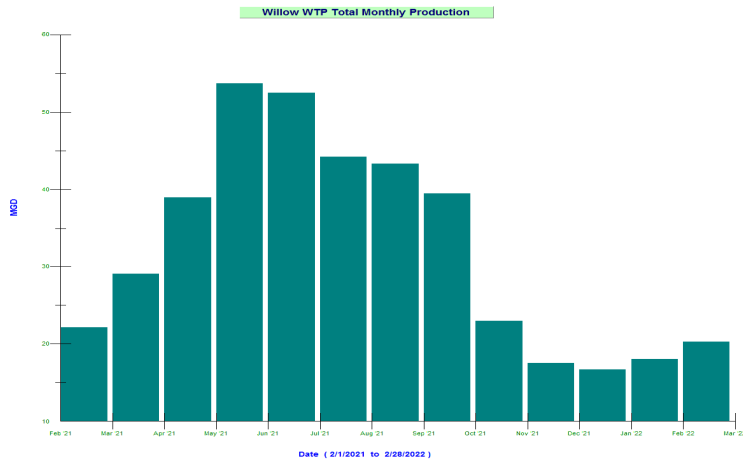
### Water Production & Chemicals

	Production (MG)	Chemicals (gal) (Sodium Hypochlorite)
Willow WTP	21.50	1,022
Newport WTP	30.60	1,530
TOTAL	52.10	2,552

4

4

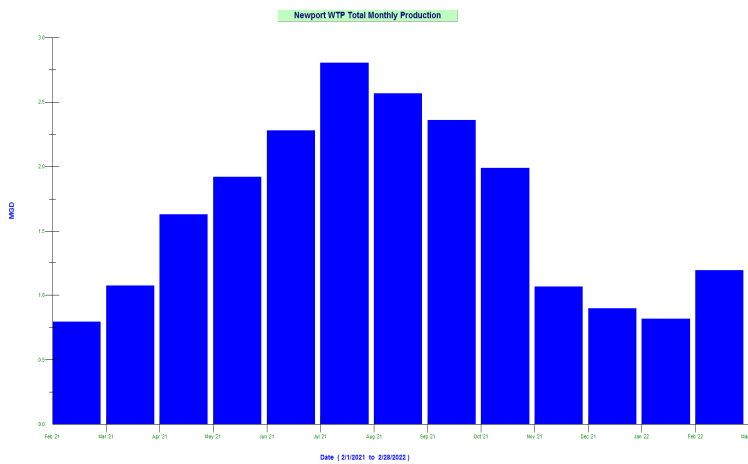
### Water Production - Willow Total Monthly Production



5

5

### Water Production - Newport Total Monthly Production



6

6

## Water Compliance

Coliform Samples Collected: 20

Coliform Positive Results: 0

Water Quality Complaints: 0

Hydrant Flushing: 0

Valve Exercising: 0

7

7

## Lift Station Status

**A**

Active

**C**

Active

**D**

Active

**E**

Active

**F**

Active

**G**

Active

**H**

Active

**J**

Active

**R**

Active

**S**

Active

**Newport**

Active

**Lakeshore**

Active

**Lakes**

Active

**Lakes 4**

Active

**Bixler**

Active

8

8

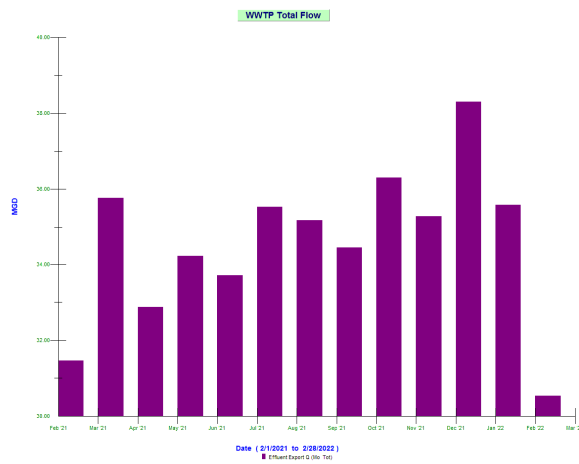
## Wastewater Flow & Chemicals

WW Plant 1	Total Flow (MG)	Influent Flow avg. (MG)	Discharge Flow avg. (MG)
	0	0	0
WW Plant 2	Total Flow (MG)	Influent Flow avg. (MG)	Discharge Flow avg. (MG)
	30.53	1.29	1.09
	Last Year Flow (MG)	Polymer (gal)	Alum (gal)
31.46	0	0	

9

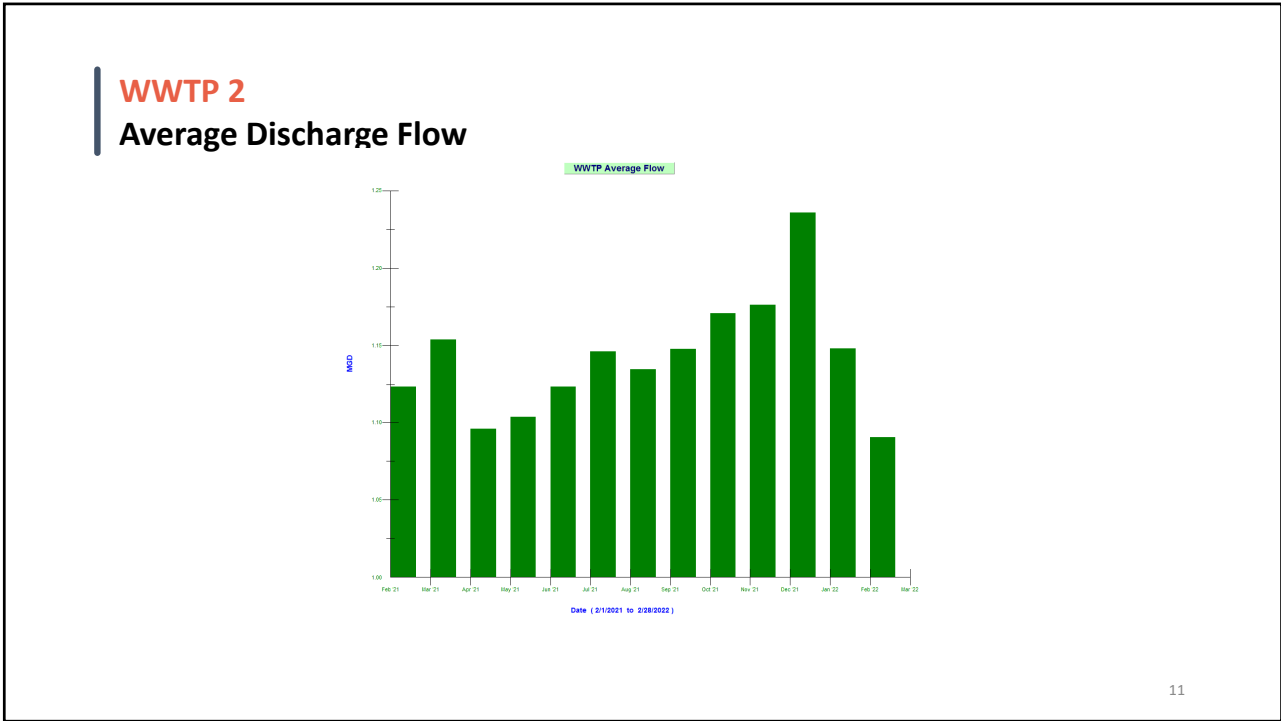
9

## WWTP 2 Total Monthly Flow

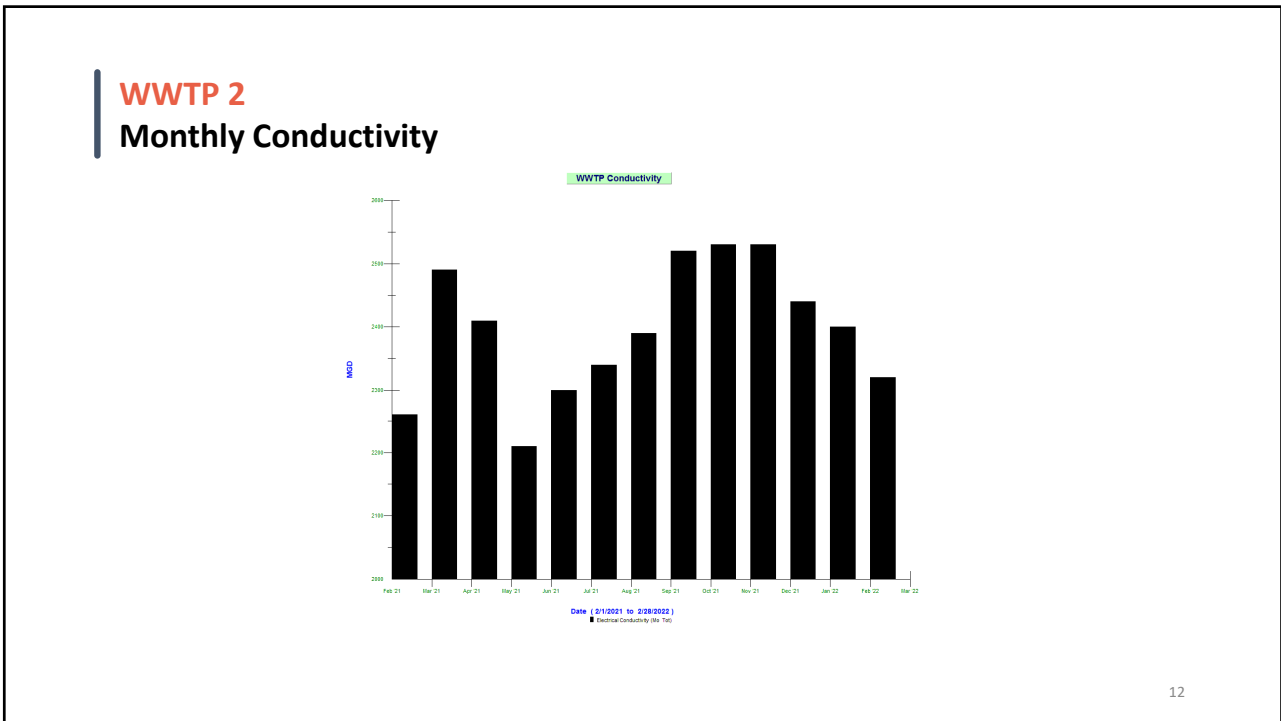


10

10



11



12



## Wastewater Compliance

Effluent BOD<sub>5</sub>, mg/L < 10: **1.8**

Eff Ammonia (N), mg/L < 8.4: **ND**

Effluent TSS, mg/L < 10: **1.0**

Removal BOD<sub>5</sub>, monthly > 85%: **99.5%**

Total Coliform 7-day median < 23: **ND**

Removal TSS, monthly > 85%: **99.5%**

Total Coliform daily max < 240: **ND**

Conductivity annual avg. < 2,400: **2,360**

Eff NTU daily avg < 2: **1**

13

13

## Maintenance & Improvements

SSOs: **0**

Customer Inquires: **2**

Saint Andrews, South Point

14

14



# Town of Discovery Bay

*“A Community Services District”*

## STAFF REPORT

Meeting Date

March 16, 2022

**Prepared By:** Michael R. Davies, Interim Assist. General Manager

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

### Agenda Title

Discussion and Possible Action to Recommend to Caltrans Traffic Control Change(s) to the Intersection of Highway #4 and Discovery Bay Blvd.

### Recommended Action

Provide recommendation(s), if any, to Caltrans regarding possible traffic control change(s) at the intersection of Highway #4 and Discovery Bay Blvd.

### Executive Summary

On February 3, 2021, the Board received public comment asking that a letter be sent to Caltrans requesting a “re-look” at the Highway #4 and Discovery Bay Blvd. intersection (“Intersection”). The person giving public comment was told to contact the General Manager to start the process.

On February 17, 2021, the Board approved a letter asking Caltrans to take a second look at the Intersection and to consider safer, more effective, and more appealing engineering design solutions. Caltrans acknowledged receipt of the letter and stated they would put a team together and organize a meeting. Reminders to Caltrans had to be made several times and on November 22, 2021, staff participated in a video meeting with Caltrans to discuss options for possible Intersection improvements.

On December 6, 2021, Caltrans provided a proposed striping plan (attached) that would eliminate the Intersection’s current delineators and striping. It was proposed that the W/B Highway #4 right-turn-only lane, east of the Intersection, be changed to allow thru traffic and right turns. This means that traffic coming W/B from Stockton would have two lanes of travel that can proceed through the Intersection. No other changes were proposed. S/B Discovery Bay Blvd. traffic could still turn right (W/B) on a red light at the Intersection.

On December 15, 2021, the Board reviewed the proposed Caltrans striping plan and directed staff, by Board vote, to request Caltrans come up with other alternatives for the Intersection.

Staff contacted Caltrans and asked for Intersection alternatives. Caltrans staff proposed, as an alternative, to keep the originally proposed plan, but add a change to the #1 S/B Discovery Bay Blvd traffic lane. Caltrans proposes turning the #1 S/B Discovery Bay Blvd traffic lane into a left-turn or right-turn-only lane on a green light. The #1 S/B lane is currently left-turn-only. The #2 S/B Discovery Bay Blvd traffic lane would remain a right-turn-only lane that allows a right on a green or red light. The Intersection’s signal lights would be optimized (timed) for optimum traffic flow.

Caltrans Office Chief, Nicholas Singh, attended the January 19, 2022, regular Board Meeting and discussed possible intersection changes with the Board. The Board had several questions of Office Chief Singh, which he could not immediately answer. Office Chief Singh stated he would take back the questions to his team and provide the answers later.

Staff received the attached email from Office Chief Singh on January 25, 2022. The email provides written answers to Board questions from the January 19, 2022 meeting.

Staff is bringing this matter before the Board for further consideration and to ascertain if the Board desires to make a recommendation to Caltrans regarding traffic control changes to the Intersection. Office Chief Singh was invited to attend

this Board Meeting with an Engineer. As of the writing of this staff report, Office Chief Singh has not responded.

**Previous Relevant Board Actions for This Item**

February 17, 2021 – Board Vote Approving a Letter to Caltrans Requesting a Second Look at the Intersection  
December 15, 2021- Board Vote Requesting Caltrans Present Additional Ideas for the Intersection  
January 19, 2022 – Board Request for Additional Information from Caltrans Concerning the Intersection

**Attachments**

Original Proposed Striping Plan for the Intersection of Hwy #4 and Discovery Bay Blvd – Presented at 12/15/21 Board Meeting.

Email from Caltrans Office Chief Nicholas Singh dated 01/25/22

**AGENDA ITEM: F-1**



### CC-4-PM 46.46 intersection with Discovery Bay Blvd.

#### Proposed Improvements:

1. Remove all painted islands and channelizers/delineator in the intersection area
2. Remove existing Detail 37B and 38 striping, 4 Type III (R) arrows, "RIGHT TURN ONLY" pavement markings on #2 lane of WB Route 4, install Detail 12 lane line and two Type II (R), and install shoulder striping Detail 27B and 39A as shown
3. Remove existing W74 (CA) "Thru Traffic Merge Left" and R3-7 "Right Lane Must Turn Right"

## Mike Davies

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**Subject:** Town of Discovery Bay Board of Director Questions Regarding Change(s) to the Intersection of Highway #4 and Discovery Bay Blvd

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**From:** Singh, Nicolas

**Sent:** Tuesday, January 25, 2022 10:29 AM

**To:** Mike Davies

**Subject:** FW: Town of Discovery Bay Board of Director Questions Regarding Change(s) to the Intersection of Highway #4 and Discovery Bay Blvd

Please see our response to the Board in red

1. Director Bryon Gutow question: Has Caltrans looked at solely removing the yellow delineators as one possible solution without any change to the traffic flow? Must all yellow delineators be removed, or could there be a partial removal [to reduce confusion]?

The yellow reflectors were installed based on the previous complaint about the WB traffic on the right-turn-lane went straight thru the intersection. We could review the placement of the channelizers and make adjustment if needed.

2. Vice-President Ashley Porter question: Is there a way to increase the right-hand green arrow during heavy commute times? Peak times noted as Monday – Friday 5:30 – 8:30 A.M.

We asked Signal Operation on 3/8/2021 to review signal timing and signal display of this intersection, if we convert the Discovery Bay Blvd SB approach to 2 right-turn lanes?

After the completion of their study, they told us that our proposal will work with the existing hardware. We just have to make sure that the SB right turn detector loop is in good condition. No additional hardware is needed as we already have the 5 section overlap signal heads.

3. President Kevin Graves question: When is the last time a traffic study was done on this Intersection?

Traffic Signal Operation did a Traffic Counting on this intersection around March 2021.

We also had a general corridor study from PM R30.13 to 48.39 in 2017, this intersection was included for the Bike lane addition at this part of the corridor.

4. President Kevin Graves question: Was there a traffic study done on the Interaction at that time to determine the need for changes to the Intersection?

The proposed striping plan was suggested/requested by the Town of Discovery Bay's General Manager, Mike Davies to remove the channelizers to eliminate the confusion for the EB left-turn traffic and improve aesthetics of the intersection

5. President Kevin Graves voiced concern over making a major change to traffic for the entrance/exit of Discovery Bay without doing a traffic study to analyze what the impact is going to be on the 4,000 (or so) residents of Discovery Bay; Would Caltrans do that without doing a complete traffic study on the Intersection?

We consulted our Signal Operations unit about the striping changes, and we were told that the striping would work with the existing signal hardware

6. President Kevin Graves voiced further concern that Caltrans is potentially creating a bottleneck by going from 1,200 ft plus the Intersection to four (4) lanes, then back to two (2) - 600 ft right-hand turn lane currently exists coming from the East W/B. Then E/B on Discovery Bay Blvd there is another 600 ft merge lane. Whenever you reduce lanes, the resulting in increased traffic especially during peak traffic times, correct?

Highway 4 is congested during commute hours, the proposed striping plans is not intended to improve the operational of Highway 4. It's only intended to eliminate the confusion- for the EB left-turn and improve the aesthetics of the intersection

7. President Kevin Graves again requested a traffic study be done prior to any changes being implemented that could potentially cause an increase in commute traffic. Another concern is landscaping – with the proposed changes landscaping crew will be working within feet of the distance of vehicles traveling an average of 55 MPH on Highway #4. Is this being considered a safety issue?

The proposed striping plan is within the existing travel way. The shoulder width remains the same throughout the segment

Thank you,  
Nicolas Singh



# Town of Discovery Bay

*“A Community Services District”*

## STAFF REPORT

**Meeting Date**

March 16, 2022

**Prepared By:** Julie Carter, Finance Manager  
**Submitted By:** Dina Breitstein, General Manager

**Agenda Title**

Discussion and Possible Action Regarding the Town of Discovery Bay Financial Audit for Fiscal Year Ending 2021.

**Recommended Action**

Approval of the Fiscal Year 2021 Audited Financial Statements.

**Executive Summary**

Government Code 53891. (a) States that the officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles if this data is available. The report shall be furnished within seven months after the close of each fiscal year and shall be in the form required by the Controller. A local agency shall submit to the Controller information on annual compensation, as described in subdivision (l) of Section 53892, for the previous calendar year no later than April 30th. The Town of Discovery Bay, CSD, and the Discovery Bay Public Financing Authority complies with this requirement on an annual basis and hires an independent auditing firm to perform the annual financial audit.

On July 7, 2021 the Board of Directors approved contracting with Croce, Sanguinetti and Vander Veen, Inc. to perform the Annual Audit for Fiscal Year 2020-2021 for the Town of Discovery Bay Community Services District and the Discovery Bay Public Financing Authority, and provide under the direction of Marc Croce, the following for Fiscal Year Ending June 30, 2021:

- Annual Audit for the Town of Discovery Bay, Community Services District.
- Preparation and submission of the Town of Discovery Bay, CSD Financial Transaction Reports.
- Preparation and submission of the Discovery Bay Public Financing Authority Financial Transaction Reports.

Croce, Sanguinetti and Vander Veen prepared and submitted the Financial Transactions Records on January 31, 2022 as required for both the Town of Discovery Bay Community Services District and the Discovery Bay Public Financing Authority.

Croce, Sanguinetti and Vander Veen conducted the Annual Audit for FY21 in December 2021 and have subsequently prepared Audited Financial Statements for review by the Board.

Staff has reviewed the financial statements and recommends the acceptance and approval by the Board of Directors.

**Fiscal Impact:**

**Amount Requested**

**Sufficient Budgeted Funds Available? (If no, see attached fiscal analysis)**

**Prog/Fund # Category:**

**Previous Relevant Board Actions for This Item:**

July 7, 2021 - Approved Contracting with Croce, Sanguinetti & Vander Veen to Perform Audit for Fiscal Year 2020-21.

**Attachments**

Town of Discovery Bay CSD Financial Statements and Independent Auditors Report June 30, 2021  
Draft Letter from Independent Auditors  
Draft Representation Management Letter

AGENDA ITEM: F-2





**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2021**

Working Draft



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**CROCE, SANGUINETTI, & VANDER VEEN**

INC.

**CERTIFIED PUBLIC ACCOUNTANTS**

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## Independent Auditors' Report

To the Board of Directors  
**Town of Discovery Bay Community**  
**Services District**  
Discovery Bay, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Discovery Bay Community Services District** (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Discovery Bay Community Services District** as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Town of Discovery Bay Community Services District's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CROCE, SANGUINETTI, & VANDER VEEN, INC.  
Certified Public Accountants  
Stockton, California  
March 7, 2022

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Working Draft

## TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

### Management's Discussion and Analysis

June 30, 2021

This narrative overview and analysis of the Town of Discovery Bay Community Services District's (District) financial activities for the fiscal year ended June 30, 2021 has been provided by the management of the District. The management's discussion and analysis is intended to serve as an introduction to the District's financial statements which follow this section and is recommended to be reviewed in conjunction with them.

#### Financial Highlights

- The District's net position increased by \$1,338,162 over the prior year, including a \$39,575 increase in net position of governmental activities, and a \$1,298,587 increase in net position of business-type activities. The District's net position is now \$52,460,775.
- Total assets of the District were \$74,352,362 with capital assets at \$45,984,293 net of accumulated depreciation. Current, non-current and other assets were \$28,368,069.
- Total liabilities were \$21,891,587 consisting of long-term liabilities of \$19,942,283 and other current liabilities of \$1,949,304.
- Assets of the District exceeded liabilities at the close of the most recent fiscal year by \$52,460,775 (net position). Of this amount, \$26,396,482 (unrestricted net position) may be used to meet the District's ongoing obligations, and \$26,064,293 is net investment in capital assets.
- On the current financial resources basis, the District's governmental fund expenditures exceeded revenues (including \$432,828 in capital outlay expenditures) by \$(235,085). The proprietary fund revenues exceeded expenses by \$1,298,587.
- At year-end, there was \$2,765,738 in cash and investments to fund future governmental activities, and \$24,681,096 in cash and investments to fund future business-type activities.

#### Overview of the Financial Statements

The District's financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to financial statements including required supplementary information.

Government-wide and fund financial statements present the results of operations for different functions of the District as follows:

1. **Government-wide financial statements** provide both long-term and short-term information about the District's overall financial position in a manner similar to private-sector business.

(Continued)

## TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

### Management's Discussion and Analysis

June 30, 2021

#### Overview of the Financial Statements (Continued)

The **Statement of Net Position** displays all of the District's assets and liabilities, with the difference between the two reported as net position. The **Statement of Activities** provides all current year revenues and expenses on an accrual basis of accounting regardless of when cash is received or paid. These two government-wide statements report the District's net position and how they have changed during the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening.

The government-wide financial statements separately present the District's functions as follows:

- **Governmental activities** include services financed mainly through property taxes. The District's general, lighting and landscaping and community center services comprise its governmental activities.
  - **Business-type activities** include services financed, in whole or in part, by fees paid by those who directly benefit from the service. The District's business-type activities include providing water and wastewater services to the residents of the District.
2. **Fund financial statements** focus on the individual functions of the District, and report the District's operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used by state and local governments to control their resources that are legally restricted or otherwise earmarked for special purposes. The District reports its fund financial statements in the following two categories:
- **Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 1) short-term inflows and outflows of expendable resources, and 2) the resources remaining at the end of the fiscal year that are available for future use. Because the focus of governmental funds is narrower than the government-wide financial statements, a reconciliation that explains the relationship (or differences) between them is presented following each of the governmental fund statements.
  - **Proprietary funds** are used to report the same functions presented as business-type activities in the government-wide financial statements in more detail.

**Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the financial statements.

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Management's Discussion and Analysis**

June 30, 2021

**Financial Analysis of the Government-wide Financial Statements**

A review of net position over time may serve as a useful indicator of the District's financial position. Net position represents the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. As of June 30, 2021, the District's net position was \$52,460,775, an increase of \$1,338,162 from prior year. The following table outlines the District's net position by function for the current and prior fiscal years.

Town of Discovery Bay Community Services District Net Position  
(rounded to the nearest dollar)  
As of June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total		Variance \$
	2021	2020	2021	2020	2021	2020	
<b>Assets</b>							
Current and other assets	\$ 2,814,571	\$ 2,626,512	\$ 25,509,469	\$ 23,315,145	\$ 28,324,040	\$ 25,941,657	\$ 2,382,383
Non-current assets	-	393,827	44,029	46,126	44,029	439,953	(395,924)
Capital assets, net	<u>2,127,755</u>	<u>1,877,194</u>	<u>43,856,538</u>	<u>44,522,629</u>	<u>45,984,293</u>	<u>46,399,823</u>	<u>(415,530)</u>
Total assets	<u>4,942,326</u>	<u>4,897,533</u>	<u>69,410,036</u>	<u>67,883,900</u>	<u>74,352,362</u>	<u>72,781,433</u>	<u>1,570,929</u>
Deferred outflows of resources	-	-	-	-	-	-	-
<b>Liabilities</b>							
Current liabilities	173,488	173,689	1,775,816	989,265	1,949,304	1,162,954	786,350
Non-current liabilities	<u>27,453</u>	<u>22,034</u>	<u>19,914,830</u>	<u>20,473,832</u>	<u>19,942,283</u>	<u>20,495,866</u>	<u>(553,583)</u>
Total liabilities	<u>200,941</u>	<u>195,723</u>	<u>21,690,646</u>	<u>21,463,097</u>	<u>21,891,587</u>	<u>21,658,820</u>	<u>232,767</u>
Deferred inflows of resources	-	-	-	-	-	-	-
<b>Net Position</b>							
Invested in capital assets	2,127,755	1,877,194	23,936,538	24,082,629	26,064,293	25,959,823	104,470
Unrestricted	<u>2,613,630</u>	<u>2,824,616</u>	<u>23,782,852</u>	<u>22,338,174</u>	<u>26,396,482</u>	<u>25,162,790</u>	<u>1,233,692</u>
Total net position	<u>\$ 4,741,385</u>	<u>\$ 4,701,810</u>	<u>\$ 47,719,390</u>	<u>\$ 46,420,803</u>	<u>\$ 52,460,775</u>	<u>\$ 51,122,613</u>	<u>\$ 1,338,162</u>

By far the largest portion of the District's net position (49.68%) reflects its net capital assets (e.g., land, buildings and improvements, equipment, etc.). The District uses its capital assets to provide the services it is responsible for and those assets don't represent future expendable resources. The second largest portion of the District's net position, approximately 50.32%, reflects its unrestricted net position, which may be used to meet the government's ongoing obligations.

(Continued)



**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Management's Discussion and Analysis**

June 30, 2021

**Financial Analysis of the Government-wide Financial Statements (Continued)**

The following table displays the change in the District's net position for the year ended June 30, 2021.

Town of Discovery Bay Community Services District Change in Net Position

Revenues	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues						
Charges for services	\$ 36,082	\$ 68,938	\$11,102,237	\$11,211,962	\$ 11,138,319	\$11,280,900
Operating grants and contributions	-	-	67,530	61,716	67,530	61,716
General revenues						
Property taxes	729,578	703,401	-	-	729,578	703,401
Assessments	145,113	145,637	-	-	145,113	145,637
Investment income	26,993	32,819	1,754	2,161	28,747	34,980
Other	231,722	237,944	95,420	207,392	327,142	445,336
Total revenues	<u>1,169,488</u>	<u>1,188,739</u>	<u>11,266,941</u>	<u>11,483,231</u>	<u>12,436,429</u>	<u>12,671,970</u>
Expenses						
General government	95,349	111,187	-	-	95,349	111,187
Community center	6,482	2,110	-	-	6,482	2,110
Lighting and landscaping						
Zone 8	862,948	939,219	-	-	862,948	939,219
Lighting and landscaping						
Zone 9	133,395	120,423	-	-	133,395	120,423
Water	-	-	4,103,971	3,420,693	4,103,971	3,420,693
Sewer	-	-	5,093,701	5,405,964	5,093,701	5,405,964
Financing authority	-	-	802,421	817,934	802,421	817,934
Total expenses	<u>1,098,174</u>	<u>1,172,939</u>	<u>10,000,093</u>	<u>9,644,591</u>	<u>11,098,267</u>	<u>10,817,530</u>
Transfers	(31,739)	(60,330)	31,739	60,330	-	-
Change in net position	39,575	(44,530)	1,298,587	1,898,970	1,338,162	1,854,440
Net position, beginning of year	<u>4,701,810</u>	<u>4,746,340</u>	<u>46,420,803</u>	<u>44,521,833</u>	<u>51,122,613</u>	<u>49,268,173</u>
Net position, end of year	<u>\$ 4,741,385</u>	<u>\$ 4,701,810</u>	<u>\$47,719,390</u>	<u>\$46,420,803</u>	<u>\$52,460,775</u>	<u>\$51,122,613</u>

The \$1,338,162 increase in net position is attributed to each function as follows:

**Governmental Activities**

- Charges for services decreased by \$32,856 due to a decrease in Community Center program fees and rental revenue.
- Property tax revenue increased by \$26,177 due to an increase in assessed values of properties during the year related to more positive economic conditions than in the past.
- Expenses decreased \$74,765 (6.37%) due to a decrease in payroll expenses, permits and fees and other expenses.

(Continued)

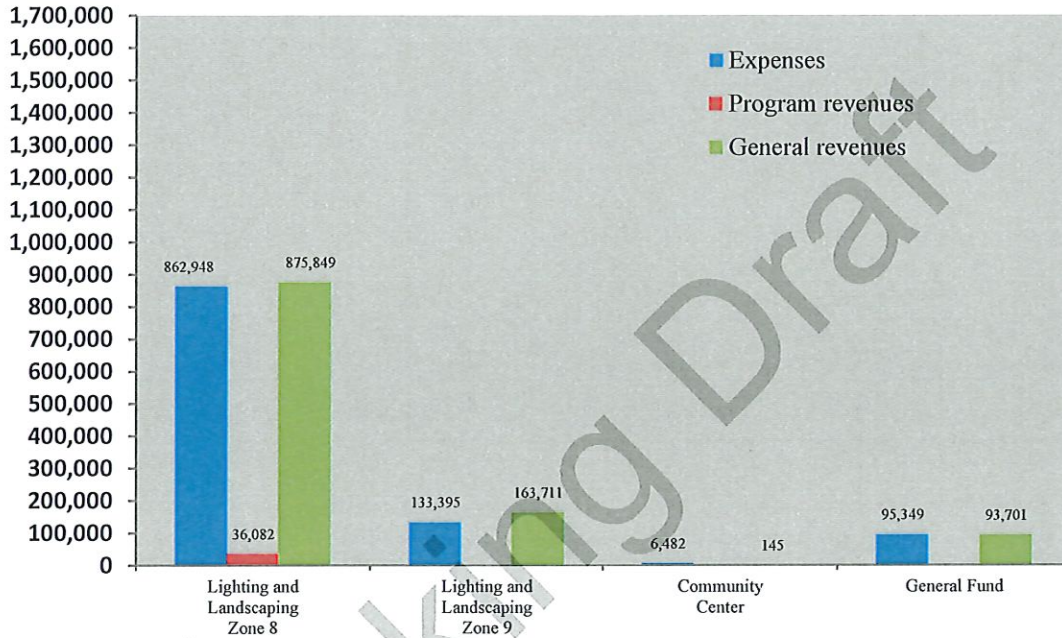
**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Management's Discussion and Analysis**

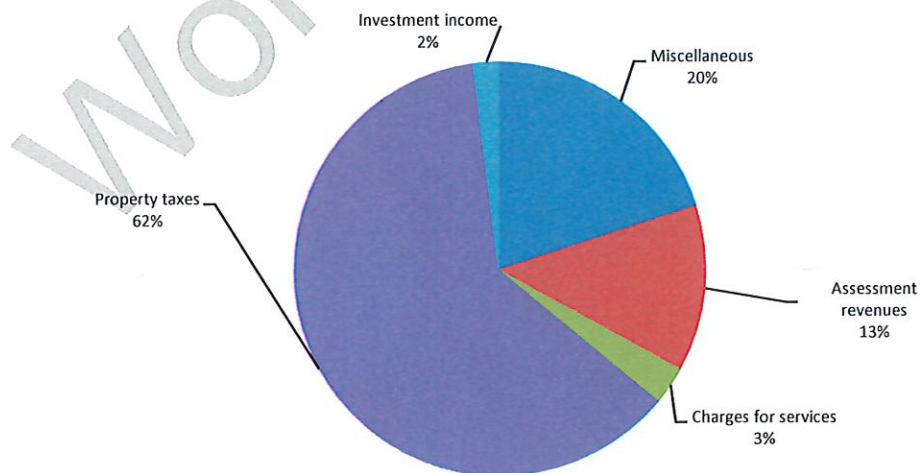
June 30, 2021

**Financial Analysis of the Government-wide Financial Statements (Continued)**

**Expenses and Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Management's Discussion and Analysis**

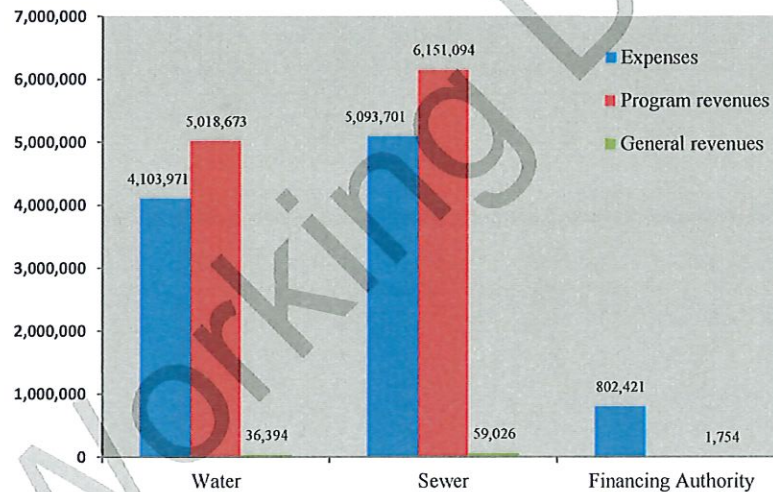
June 30, 2021

**Financial Analysis of the Government-wide Financial Statements (Continued)**

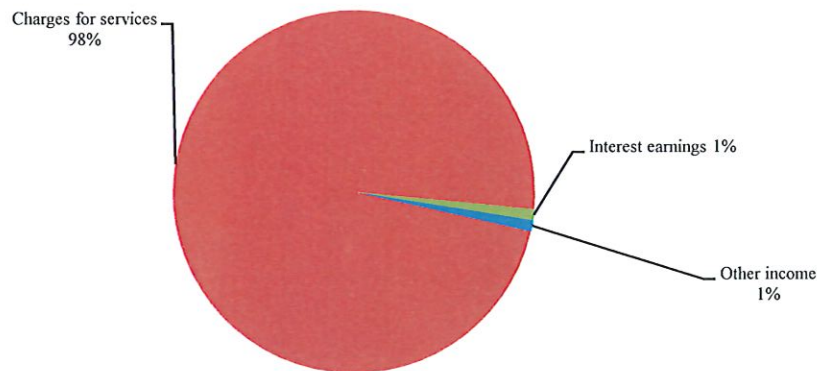
***Business-type Activities***

- Charges for services decreased \$(109,725) (1%) due to a decrease in water and sewer capacity fees and connection fees.
- Operating grants and contributions increased \$5,814 as the District received a water sustainability grant.
- Other revenues decreased \$111,972 (54%) due to a decrease in reimbursement revenue.
- Expenses increased \$355,502 (3.69%) primarily due to an increase in professional fees, contract services, payroll, and repairs and maintenance.

Expenses and Revenues - Business-type Activities



Revenues by Source - Business-type Activities



## TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

### Management's Discussion and Analysis

June 30, 2021

#### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

##### *Governmental Funds*

The focus of the District's governmental funds is to provide information on the short-term inflows and outflows and balances of current expendable resources. In particular, the *unassigned fund balance* presented in the balance sheet may serve as a useful measure of the District's resources available for spending at the end of its fiscal year.

As of the end of the current fiscal year, the District's combined governmental fund expenditures exceeded revenues by \$(235,085) primarily due to decreased revenues and increased expenditures. This resulted in a \$(235,085) decrease in the combined ending fund balance of the District's governmental funds. The fund balance of the Lighting and Landscaping Zone 8 fund decreased by \$(38,264), the fund balance of the Lighting and Landscaping Zone 9 fund decreased by \$(110,974), the fund balance of the community center fund decreased by \$(4,434), and the fund balance of the general fund decreased by \$(81,413). At year-end, the combined fund balance of the governmental funds was \$2,611,565, consisting of committed and unassigned funds.

##### *Proprietary Funds*

The District's proprietary fund statements provide the same type of information, in more detail, on the business-type activities presented in the government-wide financial statements.

The net position of the proprietary funds increased by \$1,298,587 from \$46,420,803 to \$47,719,390. The net position included \$23,782,852 in unrestricted net position which has increased by \$1,444,678 or 6% from the previous year. The increase in unrestricted net position is primarily due to operating revenues exceeding operating expenses.

#### Capital Asset and Debt Administration

##### *Capital Assets*

At the end of fiscal year 2021, the District's investment in capital assets amounted to \$26,064,293 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, structures and improvements, and treatment and collection.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Management’s Discussion and Analysis**

June 30, 2021

**Capital Asset and Debt Administration (Continued)**

The District’s total investment in capital assets before depreciation increased by \$2,517,218 from \$70,392,957 to \$72,910,175. Significant additions to capital assets included:

- Water Treatment Plant - Well #8 (\$152,607)
- Well #4 Upgrade and Above Ground Piping (\$68,373)
- Well #1B Rehabilitation (\$200,969)
- Willow Lake Underwater Pipeline Crossing (\$340,537)
- Edgeview Pipeline Replacement (\$64,364)
- Marina Underwater Pipeline Crossing Replacement (\$84,906)
- Wastewater Distribution Diffuser Improvements (\$55,157)
- Wastewater Denitrification Project (\$780,229)
- L&L #8 Pickle Ball Court Conversion Improvements (\$104,642)
- L&L #8 Community Center Pool Renovations (\$99,731)
- L&L #9 Ravenswood Play Structure (\$158,958)

The following table displays the changes in District’s capital assets, net of accumulated depreciation.

Town of Discovery Bay Community Services District’s Capital Assets  
(net of depreciation, in rounded dollars)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 415,930	\$ 415,930	\$ 307,000	\$ 307,000	\$ 722,930	\$ 722,930
Buildings and improvements	3,246,154	3,098,724	733,054	710,404	3,979,208	3,809,128
Treatment and collection	-	-	55,256,283	54,384,886	55,256,283	54,384,886
Structure and improvements	-	-	9,141,916	9,141,916	9,141,916	9,141,916
Equipment	519,269	338,501	1,024,200	895,788	1,543,469	1,234,289
Office furniture and equipment	25,665	20,766	153,009	138,044	178,674	158,810
Vehicles	80,133	80,133	467,384	439,910	547,517	520,043
Construction in progress	192,590	92,859	1,347,588	328,096	1,540,178	420,955
Total	4,479,741	4,046,913	68,430,434	66,346,044	72,910,175	70,392,957
Less accumulated depreciation	(2,351,986)	(2,169,719)	(24,573,896)	(21,823,415)	(26,925,882)	(23,993,134)
Net capital assets	<u>\$ 2,127,755</u>	<u>\$ 1,877,194</u>	<u>\$43,856,538</u>	<u>\$44,522,629</u>	<u>\$45,984,293</u>	<u>\$46,399,823</u>

Additional information on the District’s capital assets can be found in Note E of the “Notes to Financial Statements” section.

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT****Management's Discussion and Analysis**

June 30, 2021

***Debt Administration***

At June 30, 2021, the District had \$19,920,000 in debt outstanding as compared to \$20,440,000 for the prior year. During fiscal year 2014, the District received Series 2012 Enterprise Revenue Bonds to finance the acquisition and construction of certain improvements to the water and wastewater systems. During fiscal year 2018, the District received series 2017 Enterprise Revenue Bonds to finance the costs of certain improvements to the water and wastewater enterprise systems. Additional information regarding the District's debt can be found in Note F of this report.

**Economic Factors and Next Year's Budgets and Rates**

The District has experienced moderate growth which is expected to continue over the next 3-5 years. This growth will further create demand for water and wastewater services and additional capital facilities. These demands have been addressed in the District's capital improvement program. The District is currently in the process of reviewing rates for water and wastewater services to evaluate the District's financial needs and rate structure.

**Contacting the District's Financial Management**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's financial accountability and compliance with applicable laws for all those with an interest in the District's finances. Questions concerning any of the information provided in this report, or requests for additional financial information can be addressed to Town of Discovery Bay Community Services District, Attention: General Manager, 1800 Willow Lake Road, Discovery Bay, California 94505.

**BASIC FINANCIAL STATEMENTS**

Working Draft

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Statement of Net Position**

June 30, 2021

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 2,765,738	\$ 24,681,096	\$ 27,446,834
Accounts receivable, net of allowance for doubtful accounts	29,518	551,690	581,208
Advances on taxes	5,315	832	6,147
Prepaid expenses	14,000	275,851	289,851
Non-current assets:			
Debt issuance costs-prepaid insurance, net	-	44,029	44,029
Capital assets, net of accumulated depreciation	<u>2,127,755</u>	<u>43,856,538</u>	<u>45,984,293</u>
Total assets	<u>4,942,326</u>	<u>69,410,036</u>	<u>74,352,362</u>
<b>Deferred outflows of resources</b>	-	-	-
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	164,470	1,114,268	1,278,738
Accrued payroll	9,018	38,368	47,386
Interest payable	-	68,278	68,278
Other accrued liabilities	-	14,902	14,902
Bonds payable-current	-	540,000	540,000
Non-current liabilities:			
Compensated absences	27,453	83,028	110,481
Bonds payable	-	19,380,000	19,380,000
Unamortized bond premium	<u>-</u>	<u>451,802</u>	<u>451,802</u>
Total liabilities	<u>200,941</u>	<u>21,690,646</u>	<u>21,891,587</u>
<b>Deferred inflows of resources</b>	-	-	-
<b>Net Position</b>			
Net investment in capital assets	2,127,755	23,936,538	26,064,293
Unrestricted	<u>2,613,630</u>	<u>23,782,852</u>	<u>26,396,482</u>
Total net position	<u>\$ 4,741,385</u>	<u>\$ 47,719,390</u>	<u>\$ 52,460,775</u>

The accompanying notes are an integral part of this financial statement.



**STATEMENT OF ACTIVITIES**

Working Draft

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Statement of Activities**

For the year ended June 30, 2021

	<u>Expenses</u>	<u>Program revenues</u>		
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>
<b>Governmental activities</b>				
General government	\$ 95,349	\$ -	\$ -	\$ -
Community center	6,482	-	-	-
Lighting and landscaping Zone 8	862,948	36,082	-	-
Lighting and landscaping Zone 9	<u>133,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>1,098,174</u>	<u>36,082</u>	<u>-</u>	<u>-</u>
<b>Business-type activities</b>				
Water	4,103,971	4,951,143	67,530	-
Sewer	5,093,701	6,151,094	-	-
Financing Authority	<u>802,421</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>10,000,093</u>	<u>11,102,237</u>	<u>67,530</u>	<u>-</u>
<b>Total government</b>	<u>\$ 11,098,267</u>	<u>\$ 11,138,319</u>	<u>\$ 67,530</u>	<u>\$ -</u>

**General revenues**

Taxes

    Property taxes

    Homeowners property tax relief

Other income

Assessments

Investment income

**Transfers**

Total general revenues and transfers

**Change in net position**

Net position, beginning of year

Net position, end of year

Net (expense) revenue and changes in net position

<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Totals</u>
\$ (95,349)	\$ -	\$ (95,349)
(6,482)	-	(6,482)
(826,866)	-	(826,866)
<u>(133,395)</u>	<u>-</u>	<u>(133,395)</u>
<u>(1,062,092)</u>	<u>-</u>	<u>(1,062,092)</u>
-	914,702	914,702
-	1,057,393	1,057,393
<u>-</u>	<u>(802,421)</u>	<u>(802,421)</u>
<u>-</u>	<u>1,169,674</u>	<u>1,169,674</u>
<u>(1,062,092)</u>	<u>1,169,674</u>	<u>107,582</u>
725,613	-	725,613
3,965	-	3,965
231,722	95,420	327,142
145,113	-	145,113
26,993	1,754	28,747
<u>(31,739)</u>	<u>31,739</u>	<u>-</u>
<u>1,101,667</u>	<u>128,913</u>	<u>1,230,580</u>
39,575	1,298,587	1,338,162
<u>4,701,810</u>	<u>46,420,803</u>	<u>51,122,613</u>
<u>\$ 4,741,385</u>	<u>\$ 47,719,390</u>	<u>\$ 52,460,775</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Balance Sheet  
Governmental Funds**

June 30, 2021

	Special revenue funds				Total governmental funds
	General fund	Community center	Lighting and landscaping Zone 8	Lighting and landscaping Zone 9	
<b>Assets</b>					
Cash and investments	\$ 133,656	\$ 338,901	\$ 2,021,636	\$ 271,545	\$ 2,765,738
Advances on taxes	-	-	5,315	-	5,315
Prepaid expenses	-	-	8,000	6,000	14,000
Total assets	<u>\$ 133,656</u>	<u>\$ 338,901</u>	<u>\$ 2,034,951</u>	<u>\$ 277,545</u>	<u>\$ 2,785,053</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 8,223	\$ -	\$ 122,511	\$ 33,736	\$ 164,470
Accrued payroll	-	-	7,569	1,449	9,018
Total liabilities	<u>8,223</u>	<u>-</u>	<u>130,080</u>	<u>35,185</u>	<u>173,488</u>
<b>Fund balances</b>					
Committed to:					
Community center	-	338,901	-	-	338,901
Lighting and landscaping Zone 8	-	-	1,904,871	-	1,904,871
Lighting and landscaping Zone 9	-	-	-	242,360	242,360
Unassigned	125,433	-	-	-	125,433
Total fund balances	<u>125,433</u>	<u>338,901</u>	<u>1,904,871</u>	<u>242,360</u>	<u>2,611,565</u>
Total liabilities and fund balances	<u>\$ 133,656</u>	<u>\$ 338,901</u>	<u>\$ 2,034,951</u>	<u>\$ 277,545</u>	<u>\$ 2,785,053</u>

**Reconciliation to statement of net position**

Total governmental fund balances	\$ 2,611,565
Amounts reported for governmental activities in the statement of net position are different because:	
Accounts receivable are not available to pay for current period expenditures and, therefore, are not reported in the funds.	29,518
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	2,127,755
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the balance sheet of governmental funds	(27,453)
Net position of governmental activities	<u>\$ 4,741,385</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds**

For the year ended June 30, 2021

	General fund	Special revenue funds		Total governmental funds	
		Community center	Lighting and landscaping Zone 8		Lighting and landscaping Zone 9
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 725,613	\$ -	\$ 725,613
Reimbursements	79,679	-	61,997	15,499	157,175
Assessment income	-	-	-	145,113	145,113
Other	-	-	81,111	-	81,111
Interest income	-	145	26,848	-	26,993
Homeowners property tax relief	-	-	3,965	-	3,965
<b>Total revenues</b>	<u>79,679</u>	<u>145</u>	<u>899,534</u>	<u>160,612</u>	<u>1,139,970</u>
<b>Expenditures</b>					
Payroll expenses	-	-	313,300	42,553	355,853
Repairs and maintenance	95,349	-	144,780	29,739	269,868
Utilities	-	-	162,146	20,787	182,933
Other	-	4,579	64,664	21,579	90,822
Professional fees	-	-	7,074	2,000	9,074
Insurance	-	-	1,809	129	1,938
Capital outlay	-	-	269,897	162,931	432,828
<b>Total expenditures</b>	<u>95,349</u>	<u>4,579</u>	<u>963,670</u>	<u>279,718</u>	<u>1,343,316</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(15,670)</u>	<u>(4,434)</u>	<u>(64,136)</u>	<u>(119,106)</u>	<u>(203,346)</u>
<b>Other financing sources (uses)</b>					
Operating transfers in	-	-	41,414	12,017	53,431
Operating transfers out	(65,743)	-	(15,542)	(3,885)	(85,170)
<b>Total other financing sources (uses)</b>	<u>(65,743)</u>	<u>-</u>	<u>25,872</u>	<u>8,132</u>	<u>(31,739)</u>
<b>Net change in fund balances</b>	<u>(81,413)</u>	<u>(4,434)</u>	<u>(38,264)</u>	<u>(110,974)</u>	<u>(235,085)</u>
<b>Fund balances, beginning of year</b>	<u>206,846</u>	<u>343,335</u>	<u>1,943,135</u>	<u>353,334</u>	<u>2,846,650</u>
<b>Fund balances, end of year</b>	<u>\$ 125,433</u>	<u>\$ 338,901</u>	<u>\$ 1,904,871</u>	<u>\$ 242,360</u>	<u>\$ 2,611,565</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
to the Statement of Activities**

For the year ended June 30, 2021

<b>Net change in fund balances - governmental funds</b>	<b>\$ (235,085)</b>
Amounts reported for governmental activities in the statement of activities are different because of the following:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until such time as they are considered a current financial resource.	29,518
Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds.	(182,267)
Governmental funds report capital outlays as expenditures, while in the governmental statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	432,828
Changes in compensated absences are recorded as an expense in the statement of activities, but are not reported in the funds.	<u>(5,419)</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 39,575</u></b>

The accompanying notes are an integral part of this financial statement.

## TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Statement of Net Position  
Proprietary Funds

June 30, 2021

	Water fund	Sewer fund	Financing Authority fund	Total
<b><u>Assets and Deferred Outflows of Resources</u></b>				
<b>Current assets</b>				
Cash and investments	\$ 8,421,314	\$ 16,259,775	\$ 7	\$ 24,681,096
Accounts receivable, net	442,353	109,337	-	551,690
Interest receivable	-	-	68,278	68,278
Prepaid expenses	110,340	165,511	-	275,851
Advances on taxes	333	499	-	832
Total current assets	<u>8,974,340</u>	<u>16,535,122</u>	<u>68,285</u>	<u>25,577,747</u>
<b>Non-current assets</b>				
Debt issuance cost - prepaid insurance	-	-	44,029	44,029
Debt service - installment receivable	-	-	19,920,000	19,920,000
Capital assets, net of accumulated depreciation	<u>10,035,528</u>	<u>33,821,010</u>	-	<u>43,856,538</u>
Total non-current assets	<u>10,035,528</u>	<u>33,821,010</u>	<u>19,964,029</u>	<u>63,820,567</u>
<b>Deferred outflows of resources</b>				
Total assets and deferred outflows of resources	<u>\$19,009,868</u>	<u>\$ 50,356,132</u>	<u>\$ 20,032,314</u>	<u>\$ 89,398,314</u>
<b><u>Liabilities, Deferred Inflows of Resources and Net Position</u></b>				
<b>Current liabilities</b>				
Accounts payable	\$ 821,327	\$ 292,941	\$ -	\$ 1,114,268
Accrued payroll	18,049	20,319	-	38,368
Interest payable	7,511	60,767	68,278	136,556
Bonds payable - current	-	-	540,000	540,000
Total current liabilities	<u>846,887</u>	<u>374,027</u>	<u>608,278</u>	<u>1,829,192</u>
<b>Non-current liabilities</b>				
Other accrued liabilities	14,902	-	-	14,902
Debt service - installment payable	2,191,200	17,728,800	-	19,920,000
Compensated absences	34,906	48,122	-	83,028
Bonds payable	-	-	19,380,000	19,380,000
Unamortized bond premium	-	-	451,802	451,802
Total non-current liabilities	<u>2,241,008</u>	<u>17,776,922</u>	<u>19,831,802</u>	<u>39,849,732</u>
<b>Deferred inflows of resources</b>				
Total liabilities, deferred inflows of resources and net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	7,844,328	16,092,210	-	23,936,538
Unrestricted				
Board designated	1,200,400	1,800,600	-	3,001,000
Undesignated	<u>6,877,245</u>	<u>14,312,373</u>	<u>(407,766)</u>	<u>20,781,852</u>
Total net position	<u>15,921,973</u>	<u>32,205,183</u>	<u>(407,766)</u>	<u>47,719,390</u>
Total liabilities, deferred inflows of resources and net position	<u>\$19,009,868</u>	<u>\$ 50,356,132</u>	<u>\$ 20,032,314</u>	<u>\$ 89,398,314</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds**

For the year ended June 30, 2021

	Water fund	Sewer fund	Financing Authority fund	Total
<b>Operating revenues</b>				
Charges for services	\$ 4,930,503	\$ 6,101,934	\$ -	\$ 11,032,437
Other	36,394	59,026	-	95,420
Connection fees	20,640	49,160	-	69,800
Grants	<u>67,530</u>	<u>-</u>	<u>-</u>	<u>67,530</u>
Total operating revenues	<u>5,055,067</u>	<u>6,210,120</u>	<u>-</u>	<u>11,265,187</u>
<b>Operating expenses</b>				
Depreciation	688,071	2,062,410	-	2,750,481
Contract services	857,187	1,252,089	-	2,109,276
Payroll expenses	571,236	604,364	-	1,175,600
Utilities	525,090	505,558	-	1,030,648
Repairs and maintenance	724,387	62,689	-	787,076
Professional fees	383,652	211,027	-	594,679
Insurance	124,065	188,367	2,097	314,529
Miscellaneous	62,660	48,771	-	111,431
Permits and fees	39,645	55,524	-	95,169
Telephone and communications	16,210	26,343	-	42,553
Contract mailings	35,510	-	-	35,510
Rent	13,200	19,800	-	33,000
Directors' expenses	11,582	17,310	-	28,892
Supplies	13,761	10,570	-	24,331
Chemicals	5,938	17,743	-	23,681
Bank fees and merchant charges	23,170	-	-	23,170
Memberships	<u>8,198</u>	<u>8,874</u>	<u>-</u>	<u>17,072</u>
Total operating expenses	<u>4,103,562</u>	<u>5,091,439</u>	<u>2,097</u>	<u>9,197,098</u>
<b>Operating income (loss)</b>	<u>951,505</u>	<u>1,118,681</u>	<u>(2,097)</u>	<u>2,068,089</u>
<b>Nonoperating revenues (expenses)</b>				
Investment income	-	-	20	20
Interest expense	-	-	(800,324)	(800,324)
Bad debt expense	<u>(217)</u>	<u>(719)</u>	<u>-</u>	<u>(936)</u>
Total nonoperating revenues (expenses)	<u>(217)</u>	<u>(719)</u>	<u>(800,304)</u>	<u>(801,240)</u>
<b>Operating transfers in (out)</b>	<u>(178,628)</u>	<u>(619,331)</u>	<u>829,697</u>	<u>31,738</u>
<b>Change in net position</b>	772,660	498,631	27,296	1,298,587
<b>Net position, beginning of year</b>	<u>15,149,313</u>	<u>31,706,552</u>	<u>(435,062)</u>	<u>46,420,803</u>
<b>Net position, end of year</b>	<u>\$ 15,921,973</u>	<u>\$ 32,205,183</u>	<u>\$ (407,766)</u>	<u>\$ 47,719,390</u>

The accompanying notes are an integral part of this financial statement.



**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Statement of Cash Flows  
Proprietary Funds**

For the year ended June 30, 2021

	Water fund	Sewer fund	Financing Authority fund	Total
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 5,048,596	\$ 6,204,765	\$ -	\$11,253,361
Payments to vendors and suppliers	(2,250,886)	(2,521,248)	-	(4,772,134)
Payments to employees and directors	(560,306)	(595,413)	-	(1,155,719)
Net cash provided by operating activities	<u>2,237,404</u>	<u>3,088,104</u>	<u>-</u>	<u>5,325,508</u>
<b>Cash flows from non-capital financing activities</b>				
Principal payments on bonds payable	-	-	(520,000)	(520,000)
Interest payments on bonds payable	-	-	(802,057)	(802,057)
Premium on bonds	-	-	(29,407)	(29,407)
Transfers in (out)	(235,828)	(1,082,131)	1,349,697	31,738
Net cash used in non-capital financing activities	<u>(235,828)</u>	<u>(1,082,131)</u>	<u>(1,767)</u>	<u>(1,319,726)</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(1,104,775)	(979,616)	-	(2,084,391)
Net cash used in capital and related financing activities	<u>(1,104,775)</u>	<u>(979,616)</u>	<u>-</u>	<u>(2,084,391)</u>
<b>Cash flows from investing activities</b>				
Interest income	-	-	1,753	1,753
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>1,753</u>	<u>1,753</u>
<b>Net increase (decrease) in cash and investments</b>	896,801	1,026,357	(14)	1,923,144
<b>Cash and investments, beginning of year</b>	<u>7,524,513</u>	<u>15,233,418</u>	<u>21</u>	<u>22,757,952</u>
<b>Cash and investments, end of year</b>	<u>\$ 8,421,314</u>	<u>\$16,259,775</u>	<u>\$ 7</u>	<u>\$24,681,096</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>				
Operating income (loss)	\$ 951,505	\$ 1,118,681	\$ (2,097)	\$ 2,068,089
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	688,071	2,062,410	-	2,750,481
Other	(190)	(1,542)	-	(1,732)
Change in assets and liabilities				
Accounts receivable	(6,471)	(5,355)	-	(11,826)
Prepaid expenses	(104,116)	(156,174)	-	(260,290)
Debt issuance costs - prepaid insurance	-	-	2,097	2,097
Accounts payable	671,294	43,823	-	715,117
Accrued payroll	18,049	20,319	-	38,368
Other accrued liabilities	14,799	-	-	14,799
Compensated absences	4,463	5,942	-	10,405
Net cash provided by operating activities	<u>\$ 2,237,404</u>	<u>\$ 3,088,104</u>	<u>\$ -</u>	<u>\$ 5,325,508</u>

The accompanying notes are an integral part of this financial statement.

## TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

### Notes to Basic Financial Statements

June 30, 2021

#### Note A - Summary of Significant Accounting Policies

This summary of significant accounting policies of the Town of Discovery Bay Community Services District (the District) is presented to assist in understanding the District's financial statements.

##### Description of the reporting entity

The Town of Discovery Bay Community Services District, formerly known as Discovery Bay Community Services District was formed by the residents of Discovery Bay under the authority of the Cortese-Knox Act (Gov. C. Sec. 56000). This special district was formed as a result of a petition of residents to provide services to the residents of Discovery Bay. Effective July 1, 1998, the District assumed the responsibilities, funding, and assets previously held by the dissolved Sanitation District #19. During November 1998, the residents of Discovery Bay voted to activate the latent powers of the District to include recreation; specifically, to acquire, fund, and operate a Community Center.

Effective August 13, 2003, the Local Agency Formation Commission (LAFCO) of Contra Costa County dissolved County Service Area M-8 and annexed the territory to the Town of Discovery Bay Community Services District. The District is responsible for maintaining the lighting, landscaping, and parks within Service Area M-8 of the Town of Discovery Bay.

The Town of Discovery Bay Community Services District formed an assessment district known as Ravenswood Improvement District - Discovery Bay Lighting and landscaping Zone 9 for the purpose of providing for the operation and maintenance of landscaping, parks and open space in the subdivision known as Ravenswood.

The purpose of the Town of Discovery Bay Community Services District, a multipurpose independent district, is to represent the residents of Discovery Bay in any matters covered under the California Government Code relating to a Community Services District. In addition to the purposes listed in the Government Code, the District has been ordered by LAFCO and the Board of Supervisors to perform an advisory role for the residents of Discovery Bay. This role includes, but is not limited to, advising the County in matters of land use planning, zoning, compliance, roads and streets, lighting, landscaping, parks and public safety services. The District also provides water and sewer services to the Town of Discovery Bay.

As required by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

The District's financial reporting entity is composed of the following:

Primary Government:	Town of Discovery Bay Community Services District
Blended Component Unit:	Discovery Bay Public Financing Authority

In determining the financial reporting entity, the District complies with the provisions of Government Accounting Standards Board (GASB) Statements No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*.

*Blended Component Units*

The Town of Discovery Bay Community Services District (the District) and the Byron Bethany Irrigation District entered into a Joint Exercise of Powers Agreement dated July 1, 2012, forming the Discovery Bay Public Financing Authority (the Authority). The Authority is authorized to borrow money for the purpose of assisting the District in financing various public capital improvements and facilities. The Authority issued revenue bonds in order to fund such expenditures. The Authority is controlled by the District and has the same governing body as the District, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority have been included (termed "blended") in these financial statements in the business-type activities. The Authority does not issue separate financial statements.

*Government-wide financial statements*

The Statement of Net Position and Statement of Activities display information about the primary government, the District and its blended component unit. These statements include the financial activities of the overall District government, except for fiduciary activities.

Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

(Continued)

## TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

### Notes to Basic Financial Statements

June 30, 2021

#### Note A - Summary of Significant Accounting Policies (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### Fund financial statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be 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. The District presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and enterprise categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

#### Governmental Funds

The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the District. The reporting entity includes the following special revenue funds, all of which are reported as major funds:

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

<u>Fund</u>	<u>Brief description</u>
Community Center	Accounts for revenues and expenditures of acquiring, funding, and operating a community center.
Lighting and landscaping Zone 8	Accounts for revenues and expenditures related to maintenance of street lighting and landscaping facilities and services; local parks and recreation facilities and services; parkway facilities and services; and open space facilities and services Zone 8.
Lighting and landscaping Zone 9	Accounts for revenues and expenditures related to operation and maintenance of landscaping, parks and open space in the subdivision known as Ravenswood.

Proprietary Funds

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds, all of which are reported as major funds:

<u>Fund</u>	<u>Brief description</u>
Water Fund	Accounts for the activities of providing water services to the residents of the District. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.
Sewer Fund	Accounts for the activities associated with operating and maintaining the Districts collection and treatment of wastewater. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.
Financing Authority Fund	Accounts for facilitating the financing of public capital improvements and facilities for the District's water and wastewater system. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt, and billing and collection.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The District's operating revenues include all revenues derived from water and sewage services. The enterprise funds also recognize as operating revenue, the portion of tap fees, connection fees and impact fees intended to recover the cost of connecting new customers to the system. Operating expenses include all costs related to water and sewage services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, except for capital contributions, which represent capital contributions collected for the acquisition or construction of capital assets.

As allowed by Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the District's proprietary funds follow all GASB pronouncements currently in effect as well as Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict with GASB pronouncements.

Measurement focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

*Basis of accounting*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

All proprietary funds utilize the *accrual basis of accounting*. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

*Cash and investments*

For the purpose of financial reporting “cash and cash investments” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

*Accounts receivable*

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The District provides for losses on accounts receivable using the allowance method. The allowance is based on historical experience and management’s evaluation of outstanding accounts receivable.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

Debt service installment receivable

The District and the Authority have installment sale agreements whereby the District is obligated to pay to the Authority installment payments equal to the debt service requirements of the Authority’s long-term debt. The debt service installment receivable represents the amount due from the District to meet the Authority’s debt service requirements, which includes principal and accrued interest.

Capital assets

Capital assets are reported in the applicable governmental or business-type activities columns of the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost. The District’s policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the statement of net position as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets.

Buildings and improvements	7-40 years
Equipment	5-25 years
Structures and improvements	10-50 years
Treatment and collection	5-40 years
Vehicles	5 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

(Continued)



**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Compensated absences

Compensated absences are accrued as earned by employees, and consist of accruals for vacation time. The District's liability for compensated absences is reported in the Statement of Net Position for governmental activities in the government-wide financial statements.

Net position

Equity in the financial statements is classified as net position and displayed in three components as follows:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.
- c. Unrestricted - Amounts not required to be reported in other components of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

Nonspendable - Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision making authority.

Assigned - Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Directors, District manager or their designee.

Unassigned - Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

*Internal and Interfund Balances and Activities*

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

2. Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

Property taxes

Property taxes and property assessments were levied January 1, 2020, assessed July 1, 2020 and were payable in two installments on December 10, 2020 and April 10, 2021. The County of Contra Costa bills and collects property taxes on behalf of the District.

Utility sales

Utility sales are billed on a monthly basis. Estimated unbilled utility revenue through June 30 has been accrued at year-end for the enterprise funds.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

Contributed capital

Effective August 13, 2003, the District recorded contributed capital to transfer funds from County Service M-8 to Lighting and landscaping Zone 8. The Lighting and landscaping Zone 8 district became the responsibility of the District on August 13, 2003. The contributed capital represents all capital assets and assets transferred to the District.

The District has received \$18,757,813 of noncash capital contributions from developers consisting of water and sewer infrastructure.

Budgetary accounting

The District does not adopt appropriated budgets. However, the District does adopt non-appropriated budgets annually, which are approved by the Board of Directors.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note A - Summary of Significant Accounting Policies (Continued)**

*New accounting pronouncements*

Standards adopted

In January 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement is effective for reporting periods beginning after December 15, 2019. The District implemented the provisions of this Statement for the year ended June 30, 2021. The adoption of this Statement had no impact on the District's financial statements.

Standards not yet adopted

In January 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The District will be required to implement the provisions of this Statement for the year ended June 30, 2022. The District has not determined the effect on the financial statements.

In June 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Service Code Section 457 Deferred Compensation Plans*. The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employment benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. This Statement is effective for fiscal years beginning after June 15, 2021. The District will be required to implement the provisions of this Statement for the year ended June 30, 2022. The District has not determined the effect on the financial statements.

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note B - Cash and Investments**

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and investments	\$ 2,765,738	\$ 24,681,096	\$ 27,446,834
Total cash and investments	<u>\$ 2,765,738</u>	<u>\$ 24,681,096</u>	<u>\$ 27,446,834</u>

At June 30, 2021, the District's total cash and investments at fair value were as follows:

Cash:	
Cash on hand	\$ 500
Deposits with financial institutions	<u>6,666,169</u>
Total cash	<u>6,666,669</u>
Investments:	
Certificate of deposit	6,927
Contra Costa County Treasurer	<u>20,773,238</u>
Total investments	<u>20,780,165</u>
Total cash and investments	<u>\$ 27,446,834</u>

Investment policy

The District maintains a cash and investment pool that is available for use by all funds except for the Lighting and landscaping fund whose investments were directed by Contra Costa County. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "cash and investments". Cash balances from all participating funds are combined and invested to the extent possible, pursuant to the Board of Directors approved Investment Policy and guidelines, and the California Government Code, Section 53600, Division 2, Chapter 4 - Financial Affairs.

California statutes authorize special districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. As specified in Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of the District's investment policy shall be (1) safety,

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note B - Cash and Investments (Continued)**

(2) liquidity, and (3) yield. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600-53609 (authorized investments), 53630-53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity.

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that addresses interest rate risk, credit risk, and concentrations of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Bills, Notes, and Bonds	5 years	None	None
U.S. Government Agency obligations	5 years	None	None
California Local Agency debt	5 years	None	None
Repurchase Agreements	1 year	20%	None
State Registered Warrants, Notes or Bonds	5 years	None	None
Bankers Acceptances	180 days	40%	30%
High Grade Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Medium Term Corporate Notes	5 years	30%	5%
Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	20%	5%
Collateralized Negotiable Instruments	5 years	15%	5%
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investment Pools	N/A	None	None

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note B - Cash and Investments (Continued)**

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statuses pertaining to public deposits and investments.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities as necessary to provide the cash flow and liquidity needed for operations. The District's investment policy does not contain any provisions limiting interest rate risk other than what is specified in the California Government Code.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Total	12 months or less	13 - 24 months	25-36 months	37 - 48 months	49 - 60 months	More than 60 months
Certificate of Deposit Contra Costa County Treasurer	\$ 6,927	\$ -	\$ 6,927	\$ -	\$ -	\$ -	\$ -
	<u>20,773,238</u>	<u>20,773,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$20,780,165</u></b>	<b><u>\$ 20,773,238</u></b>	<b><u>\$ 6,927</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	AAA	AA	A	Not Rated
Certificate of Deposit Contra Costa County Treasurer	\$ 6,927	N/A	\$ -	\$ -	\$ -	\$ -	\$ 6,927
	<u>20,773,238</u>	<u>N/A</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,773,238</u>
<b>Total</b>	<b><u>\$20,780,165</u></b>	<b><u>N/A</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$20,780,165</u></b>

(Continued)



**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note B - Cash and Investments (Continued)**

Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in certain types of investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, the District's bank balance was \$6,650,395 and \$250,007 of that amount was insured by the Federal Deposit Insurance Corporation and collateralized as required by state law and the remaining amount of \$6,400,388 was secured by a pledge of securities by the financial institution.

Investment in Contra Costa County Treasurer

The District's investment in the Contra Costa County investment pool is managed by the Contra Costa County Treasurer and is stated at fair value or amortized cost, which approximates fair value. Cash held by the Contra Costa County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at <http://www.co.contra-costa.ca.us/>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained by the Pool. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits,

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note B - Cash and Investments (Continued)**

adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. In accordance with applicable State laws, the Contra Costa County Treasurer may invest in derivative securities. However, at June 30, 2021, the Contra Costa County Treasurer’s pooled investment fund contained no derivatives or other investments with similar risk profiles.

*Fair value hierarchy*

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District’s investment in the certificate of deposit is held with a commercial bank and is classified as Level 1. The District’s investment in the County of Contra Costa Treasury Pool is classified as Level 2 and its value is based on the fair value factor provided by the Treasurer of the County of Contra Costa, which is calculated as the fair value divided by the amortized cost of the investment pool.

**Note C - Accounts Receivable, Net**

The accounts receivable, net balance consists of the following balances as of June 30, 2021:

	<u>General</u>	Lighting & Landscaping <u>Zone 8</u>	Lighting & Landscaping <u>Zone 9</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Accounts receivable	\$ 14,022	\$ 12,397	\$ 3,099	\$ 513,851	\$ 111,939	\$ 655,308
Allowance for uncollectible	-	-	-	(71,498)	(2,602)	(74,100)
Accounts receivable, net	<u>\$ 14,022</u>	<u>\$ 12,397</u>	<u>\$ 3,099</u>	<u>\$ 442,353</u>	<u>\$ 109,337</u>	<u>\$ 581,208</u>

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note D - Interfund Transactions**

Interfund transactions consist of the following:

Transfers between funds

Resources may be transferred from one District fund to another with approval. The purpose of the majority of transfers is to reimburse a fund which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the year ended June 30, 2021 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General fund	\$ -	\$ 65,743
Lighting and landscaping zone 8	41,414	15,542
Lighting and landscaping zone 9	12,017	3,885
Major Proprietary Funds		
Water fund	57,200	235,827
Sewer fund	602,312	1,221,643
Financing authority	<u>1,349,697</u>	<u>520,000</u>
Total interfund transfers	<u>\$ 2,062,640</u>	<u>\$ 2,062,640</u>

In general, the District uses interfund transfers to:

- Transfer unrestricted revenues collected in the water and sewer fund to help finance various programs and capital projects accounted for in other funds
- Fund operations (move revenues from the funds that collect them to the funds that statute or budget requires to expend them)
- Fund interdepartmental cost reimbursement
- Fund capital projects

The effect of the interfund activity has not been eliminated from the government-wide financial statements as the amounts relate to transfers between governmental and business-type activities. The transfers have resulted from deposits made by Contra Costa County into the Sewer and Water Fund for revenues of the General Fund.

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note E - Capital Assets**

Capital asset activity for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
<b>Governmental activities</b>					
Nondepreciable capital assets					
Land	\$ 415,930	\$ -	\$ -	\$ -	\$ 415,930
Construction in progress	<u>92,859</u>	<u>99,731</u>	<u>-</u>	<u>-</u>	<u>192,590</u>
Total nondepreciable capital assets	<u>508,789</u>	<u>99,731</u>	<u>-</u>	<u>-</u>	<u>608,520</u>
Depreciable capital assets					
Equipment	338,501	180,768	-	-	519,269
Buildings and improvements	3,098,724	147,430	-	-	3,246,154
Office furniture and equipment	20,766	4,899	-	-	25,665
Vehicles	<u>80,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,133</u>
Total depreciable capital assets	3,538,124	333,097	-	-	3,871,221
Less accumulated depreciation	<u>(2,169,719)</u>	<u>(182,267)</u>	<u>-</u>	<u>-</u>	<u>(2,351,986)</u>
Net depreciable capital assets	<u>1,368,405</u>	<u>150,830</u>	<u>-</u>	<u>-</u>	<u>1,519,235</u>
Net capital assets	<u>\$ 1,877,194</u>	<u>\$ 250,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,127,755</u>
<b>Business-type activities</b>					
Nondepreciable capital assets					
Land	\$ 307,000	\$ -	\$ -	\$ -	\$ 307,000
Construction in progress	<u>328,096</u>	<u>1,235,847</u>	<u>(13,500)</u>	<u>(202,855)</u>	<u>1,347,588</u>
Total nondepreciable capital assets	<u>635,096</u>	<u>1,235,847</u>	<u>(13,500)</u>	<u>(202,855)</u>	<u>1,654,588</u>
Depreciable capital assets					
Buildings and improvements	710,404	22,650	-	-	733,054
Treatment and collection	54,384,886	668,542	-	202,855	55,256,283
Structures and improvements	9,141,916	-	-	-	9,141,916
Equipment	895,788	128,412	-	-	1,024,200
Office equipment	138,044	14,965	-	-	153,009
Vehicles	<u>439,910</u>	<u>27,474</u>	<u>-</u>	<u>-</u>	<u>467,384</u>
Total depreciable capital assets	65,710,948	862,043	-	202,855	66,775,846
Less accumulated depreciation	<u>(21,823,415)</u>	<u>(2,750,481)</u>	<u>-</u>	<u>-</u>	<u>(24,573,896)</u>
Net depreciable capital assets	<u>43,887,533</u>	<u>(1,888,438)</u>	<u>-</u>	<u>202,855</u>	<u>42,201,950</u>
Net capital assets	<u>\$ 44,522,629</u>	<u>\$ (652,591)</u>	<u>\$ (13,500)</u>	<u>\$ -</u>	<u>\$ 43,856,538</u>

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note E - Capital Assets (Continued)**

Depreciation expense was charged to function and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental activities:

Lighting and landscaping Zone 8	\$ 164,768
Lighting and landscaping Zone 9	15,596
Community center	<u>1,903</u>
Total depreciation expense - Governmental activities	<u>\$ 182,267</u>

Business-type activities:

Water	\$ 688,071
Sewer	<u>2,062,410</u>
Total depreciation expense - Business-type activities	<u>\$ 2,750,481</u>

**Note F - Long-Term Debt**

The District generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

**Government-Wide Financial Statements**

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method.

**Fund Financial Statements**

The Governmental Fund Financial Statements do not include the long-term debt, as this liability is not payable in the current period. The face amount of debt issued and any premiums received are reported as other financing sources.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note F - Long-Term Debt (Continued)**

**Bond Issuance Costs and Premiums**

For proprietary fund types, bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium. With the implementation of Government Accounting Standards Board (GASB) Statement No. 65, the bond issuance costs, other than prepaid insurance, are required to be expensed in the year incurred.

Current year business-type transactions and balances

The District's debt issues and transactions are summarized below and discussed in detail thereafter:

	<u>Original Amount</u>	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due within one year</u>
Business-type Activity Debt						
Discovery Bay Public						
Financing Authority						
Series 2012						
Enterprise Revenue						
Bonds	\$ 14,150,000	\$ 12,005,000	\$ -	\$ (330,000)	\$ 11,675,000	\$ 345,000
Discovery Bay Public						
Financing Authority						
Series 2017						
Enterprise Revenue						
Bonds	8,825,000	8,435,000	-	(190,000)	8,245,000	195,000
Unamortized Premium	<u>659,405</u>	<u>481,209</u>	<u>-</u>	<u>(29,407)</u>	<u>451,802</u>	<u>-</u>
Totals	<u>\$ 23,634,405</u>	<u>\$ 20,921,209</u>	<u>\$ -</u>	<u>\$ (549,407)</u>	<u>\$ 20,371,802</u>	<u>\$ 540,000</u>

2012 Enterprise Revenue Bonds

In August 2012, the Discovery Bay Public Financing Authority issued \$14,150,000 in enterprise revenue bonds Series 2012 to finance the acquisition and construction of certain improvements to the water and wastewater systems.

Pursuant to an Installment Purchase Agreement between the Authority and the District, the District has pledged the net revenues of the District's municipal water enterprise and wastewater enterprise.

(Continued)

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note F - Long-Term Debt (Continued)**

The bonds carry coupon interest rates ranging from 1.00%-5.00% and are scheduled to mature in fiscal year 2043. Interest is payable semi-annually on December 1<sup>st</sup> and June 1<sup>st</sup> each year, while principal installments ranging from \$290,000 to \$805,000 are payable each year on December 1<sup>st</sup>.

2017 Enterprise Revenue Bonds

In April 2017, the Discovery Bay Public Financing Authority issued \$ 8,825,000 in enterprise revenue bonds Series 2017 to finance the costs of certain improvements to the water and wastewater systems.

Pursuant to an Installment Purchase Agreement between the Authority and the District, the District has pledged the net revenues of the District's municipal water enterprise and wastewater enterprise.

The bonds carry coupon interest rates ranging from 2.00%-5.00% and are scheduled to mature in fiscal year 2048. Interest is payable semi-annually on December 1<sup>st</sup> and June 1<sup>st</sup> each year, while principal installments ranging from \$30,000 to \$1,075,000 are payable each year on December 1<sup>st</sup>.

Annual debt service requirements for business-type debt are shown below:

For the year ending June 30,	Business-Type Activities	
	Principal	Interest
2022	\$ 540,000	\$ 806,731
2023	560,000	784,665
2024	580,000	764,496
2025	600,000	743,748
2026	620,000	720,981
2027-2031	2,990,000	3,231,480
2032-2036	3,215,000	2,650,789
2037-2041	3,985,000	1,862,575
2042-2046	4,720,000	894,475
2047-2048	<u>2,110,000</u>	<u>78,167</u>
Total	<u>\$ 19,920,000</u>	<u>\$ 12,538,107</u>

## TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

### Notes to Basic Financial Statements

June 30, 2021

#### Note G - Deferred Compensation Plan and Defined Contribution Plan

##### Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code Section 457(b), whereby employees may elect to defer portions of their compensation in a self-directed investment plan for retirement. Plan assets are invested in each individual's name with a deferred compensation plan provider. Distributions are made upon the participant's termination, retirement, death or total disability, and in a manner in accordance with the election made by the participant. All full-time employees are eligible for plan participation. Employer and employee contributions to the plan for the year ended June 30, 2021 were \$95,198.

The District believes it has no liability for losses under than plan but does have the duty of due care that would be required of an ordinary prudent investor. The District has formally established a trust in accordance with Internal Revenue Code 457(g) for its deferred compensation plan to provide protection from the claims of the employer's general creditors. Accordingly, deferred compensation assets placed in the trust are not reflected in these financial statements.

##### Deferred Contribution Plan

The District has also established a defined contribution plan in accordance with Internal Revenue Code Section 401(a). The employer will match employee contributions up to a maximum of \$5,000 per plan year. Additional employer contributions may be awarded with approval by the Board of Directors. Plan assets are invested in each individual's name with the defined contribution plan provider.

Distributions are made upon the participant's termination, retirement, death or total disability, and in a manner in accordance with the election made by the participant. Employer contributions to the plan for the year ended June 30, 2021 were \$43,248.

The District believes it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The District has formally established a trust in accordance with Internal Revenue Code Section 401(f) for its defined contribution plan to provide protection from the claims of the employer's general creditors. Accordingly, defined contribution assets placed in the trust are not reflected in the accompanying financial statements.

#### Note H - Compensated Absences

Employees accrue vacation leave based on length of service. Accumulated vacation leave is subject to maximum accruals for all employees. As of June 30, 2021, the District's accrued liability for accumulated unused vacation leave is \$110,481. Employees are paid for their accumulated unused vacation leave upon separation from service. The liability is expected to be liquidated with future resources and not with expendable available financial resources.



**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note I - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; risk of loss to employees; and natural disasters. The District is a member of the Special Districts Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs for the pooling of self-insured losses to purchase excess insurance or reinsurance and to arrange for group-purchased insurance and administrative expenses. At June 30, 2021, the District participated in the property, general and auto liability, and workers' compensation programs of the SDRMA.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2021, 2020, and 2019. Liabilities of the District are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. The District considers claims insured and reported, as well as claims incurred but not reported, to be immaterial and has not accrued an estimate of such claims payable.

The District is covered by the following types of insurance through the SDRMA as of June 30, 2021:

<u>Coverage</u>	<u>Limits of liability</u>
General liability	\$ 10,000,000
Public officials and employees errors	10,000,000
Elected officials personal liability	500,000
Employment practices liability	10,000,000
Employee benefits liability	10,000,000
Employee and public officials dishonesty coverage	1,000,000
Auto liability	10,000,000
Uninsured/underinsured motorists	1,000,000
Property coverage	800,000,000
Boiler and machinery	100,000,000
Statutory workers' compensation	Statutory

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

June 30, 2021

**Note J - Governing Board**

The powers of the District are exercised by a Board of Directors consisting of five directors each elected for a term of four years by the qualified electors within the District.

As of June 30, 2021, the members of the District’s Board of Directors were as follows:

<u>Director</u>	<u>Term expires</u>
Bryon Gutow	December 2022
Kevin Graves	December 2022
Ashley Porter	December 2022
Michael Callahan	December 2024
Carolyn Graham	December 2024

**Note K - Contingencies and Commitments**

The District is involved in litigation arising in the ordinary course of operations that, in the opinion of management, will not have a material effect on the financial condition of the District. In addition, the District has entered into construction and service contracts with various companies. Many of the contracts are considered fixed fee arrangements. However, work under these contracts could be discontinued at the direction of the District. Therefore, it is the opinion of management that a fixed commitment does not exist.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. Subsequent to the declaration of a pandemic, a variety of federal, state, and local governments have taken actions in response to the pandemic, which have ranged in jurisdiction, but are generally expected to result in a variety of negative economic consequences, the scope of which are not currently known or quantifiable. The duration and intensity of the impact of the coronavirus and resulting impact to the District is unknown.

**REQUIRED SUPPLEMENTARY INFORMATION**

Working Draft

## TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

**Statement of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual -  
Major Special Revenue Fund**

Year ended June 30, 2021

	Lighting and Landscaping Zone 8		
	Budgeted amounts <u>original/final</u>	Actual amounts	Variance with final budget positive/ (negative)
<b>Revenues</b>			
Property taxes	\$ 684,000	\$ 725,613	\$ 41,613
Other	88,900	81,111	(7,789)
Reimbursements	20,200	61,997	41,797
Interest	26,255	26,848	593
Homeowners property tax relief	-	3,965	3,965
Total revenues	<u>819,355</u>	<u>899,534</u>	<u>80,179</u>
<b>Expenditures</b>			
Payroll expenses	379,394	313,300	66,094
Utilities	180,000	162,146	17,854
Repairs and maintenance	88,250	144,780	(56,530)
Other	125,950	64,664	61,286
Professional fees	14,200	7,074	7,126
Insurance	13,050	1,809	11,241
Capital outlay	<u>580,000</u>	<u>269,897</u>	<u>310,103</u>
Total expenditures	<u>1,380,844</u>	<u>963,670</u>	<u>417,174</u>
<b>Excess (deficiency) of revenues over expenditures prior to other financing sources (uses)</b>	<u>(561,489)</u>	<u>(64,136)</u>	<u>497,353</u>
<b>Other financing sources (uses)</b>			
Operating transfers in	-	41,414	41,414
Operating transfers out	-	(15,542)	(15,542)
Total other financing sources (uses)	-	<u>25,872</u>	<u>25,872</u>
<b>Net change in fund balance</b>	(561,489)	(38,264)	523,225
<b>Fund balance, beginning of year</b>	<u>1,943,135</u>	<u>1,943,135</u>	-
<b>Fund balance, end of year</b>	<u>\$ 1,381,646</u>	<u>\$ 1,904,871</u>	<u>\$ 523,225</u>

**TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**Notes to Required Supplementary Information**

June 30, 2021

The manager of the District prepares an expenditure budget annually which is approved by the Board of Directors setting forth the contemplated fiscal requirements. The District's budgets are maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual budget as originally adopted. There were no amendments to the budget during the year ended June 30, 2021. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for capital outlay, debt service and contingencies may vary significantly from budget due to timing of such expenditures.

Working Draft

**OTHER INDEPENDENT AUDITORS' REPORT**

Working Draft

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
**Town of Discovery Bay Community**  
**Services District**  
 Discovery Bay, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Discovery Bay Community Services District** (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 7, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CROCE, SANGUINETTI, & VANDER VEEN, INC.  
Certified Public Accountants  
Stockton, California  
March 7, 2022



\_\_\_\_\_, 2022

Board of Directors  
**Town of Discovery Bay Community**  
**Services District**  
1800 Willow Lake Road  
Discovery Bay, California 94505

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the **Town of Discovery Bay Community Services District** for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the **Town of Discovery Bay Community Services District** are described in Note A to the financial statements. During the year ended June 30, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as discussed in Note A to the financial statements. The application of existing policies was not changed during the year ended June 30, 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of the allowance for doubtful accounts is based on prior years' experience and management's analysis of accounts receivable. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplemental information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of **Town of Discovery Bay Community Services District** and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

CROCE, SANGUINETTI, & VANDER VEEN, INC.  
Certified Public Accountants

March 9, 2022

Croce, Sanguinetti, & Vander Veen, Inc.  
3520 Brookside Road, Suite 141  
Stockton, California 95219

This representation letter is provided in connection with your audit of the financial statements of **Town of Discovery Bay Community Services District** (the District), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 7, 2022, the following representations made to you during your audit.

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 25, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

10. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.

14. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

**Government - Specific**

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
20. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
21. The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
23. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements, that we believe have a material effect on the financial statements.
24. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
25. As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

26. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
27. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
28. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
29. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
30. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
31. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
32. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
33. Provisions for uncollectible receivables have been properly identified and recorded.
34. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
35. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
36. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
37. Special and extraordinary items are appropriately classified and reported, if applicable.
38. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
39. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
40. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

41. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
42. With respect to the Management's Discussion and Analysis (MD&A) and the Budgetary Comparison Schedule - Major Special Revenue Fund (budget to actual report) -
  - a. We acknowledge our responsibility for presenting the MD&A and the budget to actual report in accordance with U.S. GAAP and we believe that the MD&A and the budget to actual report, including form and content, are fairly presented in accordance with U.S. GAAP. The methods and measurement and presentation of the MD&A and the budget to actual report have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b. If the MD&A and the budget to actual report is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and auditors' report thereon.
43. We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
44. We have informed you of all claims or assessments made against the District by the California Regional Water Quality Control Board.
45. In regards to preparing the standard, adjusting, or correcting journal entries, assisting in preparing the financial statements and the preparation of the Special Districts Financial Transactions Report by you, we have -
  1. Assumed all management responsibilities.
  2. Designated an individual with suitable skill, knowledge, or experience to oversee the services.
  3. Evaluated the adequacy and results of the services performed.
  4. Accepted responsibility for the result of the services.
46. The adjusting journal entries for the period ended June 30, 2021, which have been proposed by you, are approved by us and will be recorded on the books of the District.

Signed \_\_\_\_\_  
District Financial Manager

Signed \_\_\_\_\_  
District General Manager



# Town of Discovery Bay

*"A Community Services District"*

## STAFF REPORT

Meeting Date

March 16, 2022

**Prepared By:** Monica Gallo, Recreation Programs Supervisor  
**Submitted By:** Dina Breitstein, General Manager

**Agenda Title**

Discussion and Possible Action Regarding the Community Center Recreational Swim Price Increase.

**Recommended Action**

Approve Recreational Swim Pricing Increase

**Executive Summary**

The Community Center opened its first recreational swim season in 2014 with minimal fees for residents to enjoy the Community Center pool and in 8 years have never increased our pricing.

**Previous Years:**

- General Admission (swimmer): \$3.00
- General Admission (non-swimmer): \$2.00
- Children under 2: Free

Season Pass:

- Individual: \$35.00
- Family of 4: \$125 – extra family member \$24 each person
- 10 Entry punch pass: \$20.00

**Suggested Change:**

- General Admission (swimmer): \$5.00
- General Admission (non-swimmer): \$3.00
- Children under 2: Free

Season Pass:

- Individual: \$45.00
- Family of 4: \$160.00 – extra family member \$38 each person
- 10 Entry punch pass: \$35.00

It is the recommendation of staff that the fees for recreational swim increase as stated above.

**Fiscal Impact:**

**Amount Requested \$ N/A**

**Sufficient Budgeted Funds Available?: (If no, see attached fiscal analysis)**

**Prog/Fund # Category: Pers. Optg. Cap. -or- CIP# Fund#**

**Previous Relevant Board Actions for This Item**

**Attachments**

**AGENDA ITEM: F-3**





# Town of Discovery Bay

*"A Community Services District"*

## STAFF REPORT

Meeting Date

March 16, 2022

**Prepared By:** Mike Yeraka, Projects Manager  
**Submitted By:** Dina Breitstein, General Manager

### Agenda Title

Discussion and Possible Action to Award the Discovery Bay Blvd. and Egdeview Drive Pipeline Replacement Project to the Lowest Responsive Bidder in the Amount of \$640,000.

### Recommended Action

It is recommended that the Board take the following Action:

- a. Award the Egdeview Drive Pipeline Replacement Project to W. R. Forde Associates, Inc. to Perform the Necessary Construction Services per the project bidding documents and the issued addendum.
- b. Authorize the General Manager to Execute the Town's Construction Contract Agreement with W. R. Forde Associates, Inc. to perform the Work contained in the Bidding Documents and any Addendum in the amount Not to Exceed \$640,000.
- c. Authorize the General Manager to execute change orders to the construction contract for up to 10% of the contract value.

### Executive Summary

The two waterline replacement projects summarized below were combined into one project and the Town recently went out to bid for the projects.

(CIP #6013) 6" pipeline on Discovery Bay Blvd serving the Lakeview Busines Plaza – Budget \$290,0000

A 6" pipeline on Discovery Bay Blvd supplies water to the Lakeview Busines Plaza for commercial service connections, fire hydrants, and irrigation services including the landscape at the Highway 4 entrance to Discovery Bay. The 6" pipeline is approximately 400 feet long and it dead-ends at the entrance to the business plaza. The pipeline is being replaced in response to several breaks that have occurred in recent years, which have indicated the pipeline is in poor condition and could cause water service interruptions to the commercial properties in the future. The replacement pipeline would be installed in a new location to maintain water service during the installation. All existing services on the existing 6" watermain will be identified and connected to the replacement pipeline.

(CIP #6015) 8" pipeline on Edgeview Drive between St. Andrews and Clubhouse Drive – Budget \$300,000

The 8" pipeline on Edgeview Drive between St. Andrews Drive and Clubhouse Drive is located beneath residential driveways along the south side of the road. This section of the pipeline is approximately 1,100 feet long and has approximately 34 residential connections in total. Being located beneath the private driveways has resulted in the District replacing private driveways to address water leaks and it poses a risk of private property damage.

"Continued on next page"

The replacement pipeline would be installed in the roadway within the District's easement. All residences would be reconnected to the new pipeline, either by extending existing services or installing new services laterals as needed.

Five bids ranging from \$654,000 to \$1,029,000 were received for the project with the lowest responsive bid coming from W. R. Forde Associates, Inc. The \$590,000 in funding for the projects was established in Fiscal Year 19/20 and since that time we have seen an enormous increase in pricing due to COVID and supply chain issues. The total project cost with \$121,000 to Luhdorff & Scalmanini for design and inspection and 10% contingencies brings the total project cost to \$840,000 which is \$250,000 above the \$590,000 budget.

An additional \$250,000 in funding is available in the Water Infrastructure Replacement Fund in order to make up the difference.

**Specific Board Action:**

It is recommended that the Board take the following Action:

- a. Award the Egdeview Drive Pipeline Replacement Project to W. R. Forde Associates, Inc. to Perform the Necessary Construction Services per the project bidding documents and the issued addendum.
- b. Authorize the General Manager to Execute the Town's Construction Contract Agreement with W. R. Forde Associates, Inc. to perform the Work contained in the Bidding Documents and any Addendum in the amount Not to Exceed \$640,000.
- c. Authorize the General Manager to execute change orders to the construction contract for up to 10% of the contract value.

**Previous Relevant Board Actions for This Item**

The Board approved a total of \$590,000 through FY 20/21 for the Pipeline Projects during approval of the FY 19/20 Budget at the June 19, 2019, Board Meeting.

The Board previously approved design of the improvements at the August 19, 2020, Board Meeting.

**Fiscal Impact:** Included in the \$590,000 budget with \$250,000 coming from the Water Infrastructure Replacement Fund  
**Amount Requested:** \$720,000 (\$654,000 for bid plus 10%)  
**Sufficient Budgeted Funds Available?** Yes  
**Prog/Fund # Category:** TBD

**Attachment**

- 1. Bid Results of Top Three Bidders.

**AGENDA ITEM: F-4**

**Town of Discovery Bay**  
**Discovery Bay Blvd and Edgeview Drive Pipeline Replacement**  
**Bid Results**  
**Tuesday March 8, 2022**

Bid Item	Description	Qty/Unit	Engineer's Estimate		W.R. Forde Associates, Inc		Suulutaag, Inc.		Soracco, Inc.	
			Unit Price	Bid Item Total	Unit Price	Bid Item Total	Unit Price	Bid Item Total	Unit Price	Bid Item Total
1	Mobilization	Lump Sum	\$ -	\$ 25,000	\$ -	\$ 30,000	\$ -	\$ 33,246	\$ -	\$ 70,000
2	Project Records and Submittals	Lump Sum	\$ -	\$ 5,000	\$ -	\$ 10,000	\$ -	\$ 6,942	\$ -	\$ 15,000
3	Site Health and Safety Plan	Lump Sum	\$ -	\$ 5,000	\$ -	\$ 6,000	\$ -	\$ 11,565	\$ -	\$ 10,000
4	Preservation and Cleanup	Lump Sum	\$ -	\$ 5,000	\$ -	\$ 10,000	\$ -	\$ 7,278	\$ -	\$ 15,000
5	Project Closeout	Lump Sum	\$ -	\$ 3,000	\$ -	\$ 5,000	\$ -	\$ 4,887	\$ -	\$ 5,000
6	Paving	Lump Sum	\$ -	\$ 51,600	\$ -	\$ 55,000	\$ -	\$ 68,456	\$ -	\$ 65,000
7	Concrete	Lump Sum	\$ -	\$ 10,000	\$ -	\$ 30,000	\$ -	\$ 9,375	\$ -	\$ 35,000
8	Pipe	Lump Sum	\$ -	\$ 435,600	\$ -	\$ 274,000	\$ -	\$ 364,974	\$ -	\$ 200,000
9	Valves and Related Appurtenances	Lump Sum	\$ -	\$ 79,200	\$ -	\$ 149,000	\$ -	\$ 211,736	\$ -	\$ 225,000
10	Disinfection of Piping	Lump Sum	\$ -	\$ 10,000	\$ -	\$ 25,000	\$ -	\$ 13,322	\$ -	\$ 15,000
11	Performance Testing and Facility Startup	Lump Sum	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 14,679	\$ -	\$ 25,000
12	Shoring	Lump Sum	\$ -		\$ -	\$ 25,000	\$ -	\$ 10,209	\$ -	\$ 10,000
13	All Other Items to Complete Project	Lump Sum	\$ -		\$ -	\$ 25,000	\$ -	\$ 18,832	\$ -	\$ 46,870
Total				\$ 640,000		\$ 654,000		\$ 775,501		\$ 736,870



**Thursday, February 24, 2022  
Regular Board Meeting of the Trustees**

**Byron Union School District  
14301 Byron Hwy  
Byron, CA 94514**

**A. CALL MEETING TO ORDER @ 5:30 PM- IN PERSON AND VIA ZOOM**

1. Closed Session - Roll Call
2. Public Comment: The public may address the Board regarding any Closed Session items within the jurisdiction of the Board of Trustees of the Byron Union School District.

**B. ADJOURN TO CLOSED SESSION**

1. Conference with Labor Negotiators (Government Code Section 54957.6)
2. Public Employee Discipline/Dismissal/Release (Government Code section 54957)

**C. RECONVENE TO PUBLIC SESSION @ 6:30 PM- IN PERSON AND VIA ZOOM**

1. Call to Order the Regular Meeting of the Board of Trustees

~~2. Pledge of Allegiance & Roll Call~~

~~3. Approval of Meeting Agenda~~

~~4. Report out From Closed Session~~

*masks  
students  
at  
teachers  
low  
teacher pay*

**D. PUBLIC PARTICIPATION**

1. Public Comment: The public may address the Board regarding any item within the jurisdiction of the Board of Trustees of the Byron Union School District that is not on this agenda.

**E. STAFF REPORTS/HUMAN RESOURCES**

~~1. The Supplement to the Annual Update to the 2021-2022 Local Control and Accountability Plan~~

*LCAP*

~~2. CSEA Sunshine Letter~~

~~3. Committee/Liaison Reports~~

4. BTA Presentation

**F. FINANCE/FACILITIES**

~~1. January 2022 Financial Report and Budget Transfers~~

~~2. BUSD 2020/2021 Financial Audit~~

~~3. ESSER Grant Plan Expenditures Update~~

**G. CONSENT AGENDA**

1. Warrants and Checks

2. Personnel Report

3. Board Minutes

**H. GOVERNING BOARD COMMUNICATIONS**

1. Communications and Comments from the Board

**I. SUPERINTENDENT COMMUNICATIONS**

1. Communications and Comments from the Superintendent

**J. FUTURE MEETINGS**

1. March 10, 2022 - Regular Board Meeting

**K. UPCOMING SCHOOL EVENTS**

1. Discovery Bay Elementary

2. Excelsior Middle School

3. Timber Point Elementary



**L. ADJOURNMENT**