



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Kevin Graves • Vice-President - Chris Steele • Director - Brian Dawson • Director - Mark Simon • Director - Ray Tetreault

NOTICE OF AGENDA OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY CSD
Wednesday January 4, 2012
REGULAR MEETING 7:00 P.M.
1800 Willow Lake Road, Discovery Bay, California
Website address: www.todb.ca.gov

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

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

During Public Comments, the public may address the Board on any issue within the District's jurisdiction which is not on the agenda. The public may comment on any item on the Agenda that is before the Board for consideration. Any person wishing to speak must come up and speak from the podium. There will be no dialog between the Board and the commenter. Any clarifying questions from the Board must go through the Chair.

C. BOARD OFFICERS APPOINTMENT & DISTRICT REPRESENTATIVE COMMITTEE POSITIONS

1. Nominate & Appoint District Board Positions for the 2012 Year
2. Appointment of Board Members to District Representative Committees and outside Agency positions for 2012

D. AREA AGENCIES REPORTS / PRESENTATION

1. SHERIFF'S OFFICE REPORT
2. FIRE DISTRICT REPORT
3. EAST CONTRA COSTA FIRE PROTECTION DISTRICT REPORT
4. SUPERVISOR MARY PIEPHO, DISTRICT III REPORT

E. COMMITTEE/LIAISON REPORTS

1. Trans-Plan Report
2. County Planning Commission Report
3. Code Enforcement Report
4. Special Districts Report**

***These meetings are held Quarterly*

F. CONSENT CALENDAR

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

1. Minutes of previous Special meeting dated December 7, 2011
2. Minutes of previous Regular meeting dated December 7, 2011
3. Minutes of previous Special meeting dated December 8, 2011
4. Approve and Adopt Resolution 2012-01 continuing Employee Medical Coverage for Calendar Year 2012
5. District Invoices

G. NEW BUSINESS AND ACTION ITEMS

1. Authorize contract with Bartle Wells Associates to conduct an analysis with recommendations for the Town of Discovery Bay Community Services District Capacity Fee Program
2. Award of Independent Audit Services for Fiscal Year 2010-11 through the completion of Fiscal Year 2014-15
3. Approve and Adopt Resolution 2012-03 for the Reserve Fund Policy for the Town of Discovery Bay Community Service District
4. Approve and Adopt Resolution 2012-04 amending the Discovery Bay Landscape & Lighting Zone 8 FY 2011-2012 Operating and Capital Improvement Budget.
5. Award of contract to Gates & Associates for design services for Highway 4 (East) Planting Improvement Project
6. Agency Comment Request -- Development Plan Modification - Sandy Cove Shopping Center/CHASE Bank (DP11-3031)
7. Authorize contract for Public Access Ramp Replacement Project at 1800 Willow Lake Road

H. PRESIDENT REPORT AND DIRECTORS' COMMENTS

I. MANAGER'S REPORT

J. GENERAL MANAGER'S REPORT

K. DISTRICT LEGAL COUNSEL REPORT

L. COMMITTEE UPDATES

1. Transmittal of Community Center Committee Final Report to the Board of Directors
2. Transmittal of Communications Committee Final Report to the Board of Directors
3. Minutes approved of the Regular Community Center meeting dated November 8, 2011
4. Minutes approved of the Regular Communication meeting dated November 16, 2011

M. CORRESPONDENCE – Discussion and Possible Action

1. R – State Route 4 Bypass Authority Minutes for November 10, 2011
2. R – Letter from Office of the District Attorney Contra Costa County to William R. Richardson regarding Discovery Bay CSD Closed Session Notice of November 16, 2011
3. R – Letter from Supervisor Mary Piepho regarding Board Orders from the December 13, 2011 Board of Supervisors meeting dated December 13, 2011
4. R – Flyer from State Senator Mark DeSaulnier regarding a One-on-One personal meeting scheduled for January 7, 2012
5. R – Letter from California Regional Water Quality Control Board N.O.V. SSO dated December 19, 2011
6. R – Letter from California Regional Water Quality Control Board N.O.V. Self-Monitoring Report dated December 23, 2011

N. PUBLIC RECORD REQUESTS RECEIVED

O. FUTURE AGENDA ITEMS

P. ADJOURNMENT

1. Adjourn to the next regular meeting on January 18, 2012 at 1800 Willow Lake Road – Located in back of Delta Community Presbyterian Church.

"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 twenty-four hours prior to the time of the meeting."

"Materials related to an item on the Agenda submitted to the Town of Discovery Bay CSD 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."

NO BACK UP
DOCUMENTATION
FOR THIS AGENDA
ITEM # C-1




Town of Discovery Bay

"A Community Services District"

AGENDA REPORT

Meeting Date

January 4, 2012

Prepared By: Rick Howard, General Manager
Submitted By: Rick Howard, General Manager 

Agenda Title

Appointment of Board Members to District Representative Committees and outside Agency positions for 2012

Recommended Action

It is recommended that the Board appoint District Representatives to Committees and outside Agency positions for 2012

Executive Summary

Each year, the Board of Directors makes appointments of District Representatives to serve on Committees and outside Agencies. These appointees serve the District on a wide variety of committees and other public agencies and report back to the board and public on the activities of those committees and agencies.

At this time, there are twelve (12) positions to be appointed as the "Primary" representative, and an additional twelve (12) positions assigned as the "Alternate" representative.

It is appropriate to appoint Committee/Agency representatives early in the calendar year.

Fiscal Impact:

Amount Requested \$
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

District Representative Listing for 2011

AGENDA ITEM: C-2

Town of Discovery Bay CSD Board of Directors

District Representative Listing for 2011*
 Approved / Updated at June 15, 2011 Board Meeting

DISTRICT REPRESENTATIVE		
	Director Appointed	Alternate
Community Center	Ray Tetreault	Chris Steele
Contra Costa County Aviation Advisory Committee	Kevin Graves	Chris Steele
Contra Costa County Code Enforcement	Brian Dawson	Mark Simon
Contra Costa Special Districts Association	Kevin Graves	Chris Steele
East Contra Costa County Fire Protection District	Kevin Graves	Mark Simon
East County Water Management Agency	Board President	Board Vice President
LAFCo	Chris Steele	Mark Simon
Parks/Landscaping	Mark Simon	Brian Dawson
Police Services	Ray Tetreault	Brian Dawson
School Districts	Brian Dawson	Chris Steele
Transportation	Brian Dawson	Kevin Graves
Water & Sewer Vendor	Ray Tetreault	Kevin Graves

* Adoption of this Listing constitutes approval of the Board for attendance at meetings and representation of the Town of Discovery Bay, by the designated representative (or in that representative's absence, the alternate) concerning the subject for which the appointment is made but does not address the issue of whether such attendance may be compensated or whether expenses may be paid for such attendance, as those issues are addressed by law and by separate policy of the Board.

SCOPE OF FUNCTIONS

Community Center. This involves meetings with public officials, public employees, Town staff and developers concerning issues involving the location of the Community Center.

Contra Costa County Aviation Advisory: This involves attending meetings of this committee to discuss airport operations and activities.

Contra Costa County Code Enforcement: This involves meeting with public officials, public employees and community groups covering issues of code enforcement in, or affecting, the Town.

Contra Costa Special Districts Association. This involves attending meeting of the Contra Costa Special Districts Association.

Contra Costa County Fire Protection District. This involves attending meetings of the East Contra Costa County Fire Protection District, and meeting with public officials, public employees and community groups concerning issues of fire protection in, or affecting, the Town.

East County Water Management Association. This involves attending meetings of this association, made up of representatives of local water and wastewater agencies to discuss, and exchange, information pertaining to water and wastewater operations.

LAFCo: This involves attending meetings of LAFCO when an issue affecting the Town is before LAFCO.

Parks/Landscaping. This involves meeting with contractors, public officials, public employees, Town staff, and community groups concerning issues involving the Town's parks and/or landscaping.

Police Services. This involves meeting with public officials, public employees and community groups covering issues of police services in, or affecting, the Town.

School Districts. This involves attending meetings of the School Districts, and meeting with public officials, public employees or community groups concerning issues affecting the relationship between the Town and the Town's residents and School Districts whose area involves any portion of the Town.

Transportation. This involves attending meetings with public officials, public employees, and community groups concerning transportation issues affecting the residents of the Town.

Water and Sewer Vendor. This involves meeting with contractors, public officials, public employees, Town Staff, and Community groups concerning issues involving the Town's Water and Sewer contractor(s).

NO BACK UP
DOCUMENTATION
FOR THIS AGENDA
ITEM # D

NO BACK UP
DOCUMENTATION
FOR THIS AGENDA
ITEM # E



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Kevin Graves • Vice-President - Chris Steele • Director - Brian Dawson • Director - Mark Simon • Director - Ray Tetreault

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY CSD
Wednesday December 7, 2011
1800 Willow Lake Road, Discovery Bay, California
SPECIAL MEETING 6:30 P.M.
Website address: www.todb.ca.gov

SPECIAL MEETING AT 6:30 P.M.

A. ROLL CALL

Call to Order – 6:30 p.m. by President Graves
Roll Call – All Present

B. PUBLIC COMMENT

There were two (2) Public Comment Speakers

C. OPEN SESSION DISCLOSURE OF CLOSED SESSION AGENDA

(Government Code Section 54957.7)

Legal Counsel Schroeder – The Board adjourned into Closed Session regarding action Items D-1 and D-2

D. CLOSED SESSION:

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION Government Code Section 54957

Title: General Manager

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Section 54956.9: One case

E. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

(Government Code Section 54957.1)

Legal Counsel Schroeder – The Board reconvened from Closed Session regarding action Items D-1 and D-2. All five (5) Board Members were present during the entirety of the Closed Session. There is no reportable action on either item.

F. ADJOURNMENT

The meeting adjourned at 7:02 p.m. to the regular meeting on December 7, 2011 at 1800 Willow Lake Road.

For the Audio of this meeting please visit our Website at
<http://www.todb.ca.gov/content/2011-agendas-and-minutes/>

//cmc – 12.14.11



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Kevin Graves • Vice-President - Chris Steele • Director - Brian Dawson • Director - Mark Simon • Director - Ray Tetreault

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY CSD
Wednesday December 7, 2011
REGULAR MEETING 7:00 P.M.
1800 Willow Lake Road, Discovery Bay, California
Website address: www.todb.ca.gov

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

Call to Order – 7:02 p.m. by President Graves
Pledge of Allegiance – Led by President Graves
Roll Call – All Present

President Graves – Recognized December 7, 1941 as a special day in our Nation's History. Today marks the seventieth (70th) Anniversary of the Japanese attacks on Pearl Harbor, Hawaii.

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

There were two (2) Public comment Speakers

C. AREA AGENCIES REPORTS / PRESENTATION

1. SHERIFF'S OFFICE REPORT

Tony Fontenot – Provided the law enforcement report for the month of November

2. FIRE DISTRICT REPORT

Chief Burris – Provided his report and the details for the month of November

3. EAST CONTRA COSTA FIRE PROTECTION DISTRICT REPORT

President Graves – Provided an update from the meeting dated December 5, 2011

4. SUPERVISOR MARY PIEPHO, DISTRICT III REPORT

Karyn Cornell – Provided an update on several items, including the Vasco Road Improvement Project Phase I and the Ribbon Cutting Ceremony, also prepared to begin on Phase II of the Vasco Road Improvement Project.
Supervisor Piepho will serve as the Chair for the Board of Supervisors for 2012.

D. COMMITTEE/LIAISON REPORTS

1. Trans-Plan Report – No Report
2. County Planning Commission Report – No Report
3. Code Enforcement Report – No Report
4. Special Districts Report** – No Report

**These meetings are held Quarterly

E. CONSENT CALENDAR

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

1. Minutes of previous Special meeting dated November 16, 2011
2. Minutes of previous Regular meeting dated November 16, 2011
3. District Invoices

Motion by: Director Simon to approve the Consent Calendar

Second by: Director Dawson

Motion withdrawn: Director Simon to approve the Consent Calendar

Second withdrawn: Director Dawson

Motion by: Director Simon to approve the Consent Calendar and pull Item E-2 and Item E-3

Second by: Director Dawson

Vote: Motion carried – AYES: 5, NOES: 0

There was one (1) Public Comment Speaker

General Manager Howard – Provided details in regards to Item E-2

Legal Counsel Schroeder – Provided details in regards to Item E-3

Motion by: Director Simon to approve Items E-2 and E-3 of the Consent Calendar

Second by: Director Dawson

Vote: Motion carried – AYES: 5, NOES: 0

F. NEW BUSINESS AND ACTION ITEMS

1. **Discovery Bay Work Experience Project/Internship Program**

General Manager Howard – Provided details of Item F-1

There was discussion between the General Manager and the Board

There was one (1) Public Comment Speaker

Motion by: Director Dawson to approve the implementation of a Discovery Bay Work Experience Project/Internship Program to be a yearly program

Second by: Director Simon

Vote: Motion carried – AYES: 5, NOES: 0

2. **Temporary Lease of District Facilities to Garaventa Enterprises (DB Disposal)**

General Manager Howard – Provided the details of Item F-2

There was discussion between the General Manager and the Board

Motion by: Director Dawson to approve the lease agreement between the Town of Discovery Bay Community Services District and Garaventa Enterprises to lease a portion of the site at Wastewater Treatment Plant two (2) for a term beginning December 19, 2011 through February 3, 2012 with the change in the site and supervision while on the facility grounds.

Second by: Director Simon

Vote: Motion carried – AYES: 5, NOES: 0

3. **Approve and Accept the contract work performed by James Breneman for the construction and completion of the Cornell Park Play Area Renovation.**

Parks and Landscape Manager Perez – Provided the details of Item F-3.

Motion by: Director Tetreault to approve and accept completion of the Cornell Park Play Area Renovation, Phase I project and direct Staff to record "Notice of Completion" with the Contra Costa County Recorder's Office

Second by: Director Dawson

Vote: Motion carried – AYES: 6, NOES: 0.

G. PRESIDENT REPORT AND DIRECTORS' COMMENTS

Director Dawson – Commented on the Parade of Lights

Director Steele – Commented on the Parade of Lights

President Graves – Provided details on the attendance of a Webinar. Changes with the language within the Public Comment Section will affect those items that fall into the category of Directors Comments and Future Agenda items.

Director Tetreault – Provided details of the last Community Center Committee meeting and comments will be brought to the next meeting in January

President Graves – Provided details of the last Communications meeting and comments will be brought to the next meeting in January

H. MANAGER'S REPORT

None

I. GENERAL MANAGER'S REPORT

General Manager Howard – Has three (3) items:

Reminder of Special meeting Thursday, December 8, 2011, Timber Point School for Options of Dog Park
Set date of Saturday, January 14, 2012 from 9:00 a.m. to 12:00 p.m. for the 2012 Board Planning Workshop
Next Board meeting dated December 21, 2011 will be cancelled

J. DISTRICT LEGAL COUNSEL REPORT

Legal Counsel Schroeder – Summary of the Special Meeting at 6:30 p.m. – report from Closed Session, Action Items D-1 and D-2 there is no reportable action

K. COMMITTEE UPDATES

1. Minutes approved of the Regular Community Center meeting dated October 18, 2011
2. Minutes approved of the Regular Communications meeting dated October 19, 2011

L. CORRESPONDENCE – Discussion and Possible Action

1. R – State Route 4 Bypass Authority Minutes for October 13, 2011
2. R – Letter from Supervisor Piepho regarding Vasco Road Ribbon ceremony cutting on December 7, 2011
3. R – Contra Costa County Aviation Advisory Committee Minutes for September 8, 2011
4. R – East Contra Costa Fire Protection District Minutes for November 7, 2011

M. PUBLIC RECORD REQUESTS RECEIVED

1. Request from Don Flint – Selection and/or Engagement of the District's outside Audi Firm – Request date November 18, 2011
2. Request from Jeff Barber – Community Center Committee Draft Report – Request date November 29, 2011
3. Request from Gaylin Zeigler – Dog Park – Request date November 30, 2011

N. FUTURE AGENDA ITEMS

None

O. ADJOURNMENT

The meeting adjourned at 7:54 p.m. to the next regular meeting on January 4, 2012 at 1800 Willow Lake Road.

For the Audio of this meeting please visit our Website at
<http://www.toddb.ca.gov/content/2011/agendas-and-minutes/>

//cmc – 12.13.11



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Kevin Graves • Vice-President - Chris Steele • Director - Brian Dawson • Director - Mark Simon • Director - Ray Tetreault

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY CSD
Thursday December 8, 2011
SPECIAL MEETING 6:30 P.M.
NOTE THE CHANGE OF LOCATION
Timber Point Elementary School Gymnasium
40 Newbury Lane, Discovery Bay, California
Website address: www.todb.ca.gov

SPECIAL MEETING 6:30 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

Call to Order – 6:30 p.m. by President Graves
Pledge of Allegiance – Led by President Graves
Roll Call – All Present with the exception of Director Tetreault

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

None

C. SPECIAL MEETING ITEM

1. Presentation, discussion and possible action on off-leash dog park locations in Discovery Bay
President Graves – Provided the rules for the meeting. Also introduced Fairin Perez and Bruce Jett
Parks and Landscape Manager Perez – Provided details of Item C-1
Design Consultant Bruce Jett – Provided slides for Item C-1

Open for Questions

There were fourteen (14) Public Comment Speakers

President Graves – Wanted to encourage the Public to place any notes they may have in the basket so that the Board can review. Provided the Website address for the Public to follow the progress on the Dog Park and to ask questions, also wanted to thank everyone for attending the meeting.

D. ADJOURNMENT

The meeting adjourned 7:45 p.m. to the next Regular meeting of January 4, 2012 at 7:00pm at 1800 Willow Lake Road.

For the Audio of this meeting please visit our Website at
<http://www.todb.ca.gov/content/2011-agendas-and-minutes/>

//cmc – 12.14.11



Town of Discovery Bay

"A Community Services District"

AGENDA REPORT

Meeting Date

January 4, 2012

Prepared By: Rick Howard, General Manager
Submitted By: Rick Howard, General Manager *RH*

Agenda Title

Approve and Adopt Resolution 2012-01 continuing Employee Medical Coverage for Calendar Year 2012

Recommended Action

Adopt Resolution 2012-01 authorizing the monthly contribution by the District for each employee be established at a not to exceed cost of \$527 per month per employee for Calendar Year 2012

Executive Summary

The Town of Discovery Bay CSD currently has medical benefits for its employees. The District presently employs eleven regular (11) full-time and one regular (1) part-time employee. Only District employees are eligible for coverage. Directors are precluded from coverage pursuant to Resolution 2011-24 and adopted on November 16, 2011.

For the 2012 calendar year, the monthly cost of the medical coverage plan for "employee only" has increased 8% from \$527 to \$570.87 per month per employee. The District contributes \$527.00 per month for each full time equivalent (FTE) leaving a difference of \$43.87. The cost of other benefits, such as dental and vision is not necessarily covered. If the employee wishes to add coverage for family members, or dental and vision coverage, the added cost would be at the employees' expense and made through payroll deduction.

It is anticipated that not all employees will participate in the medical plan due to the fact that they presently have coverage through other means. Employees who possess proof of other medical insurance may choose to "Opt Out" of this plan. If they do "Opt Out" of the plan, they can choose to accept Dental and/or Vision, the cost of coverage must be deducted from the \$250.00 monthly contribution and the remaining dollar amount must be applied to the Employee's Deferred Compensation Program.

Continued on Page Two

Fiscal Impact:

Amount Requested \$

Sufficient Budgeted Funds Available?: Current budget includes \$68,000 for employee health coverage.

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

Previous Relevant Board Actions for This Item

November 17, 2010 Meeting

Attachments

Resolution 2012-01; SDRMA Plan description documents; TODBCSD Benefits Employee worksheet

AGENDA ITEM: F-4

The program will be administered according to the following criteria:

- a. Only those employees who are .75 FTE or greater are eligible to participate in the program.
- b. The Employer contribution will be \$527/month/employee for CY 2012.
- c. Employees who do not possess medical insurance are required to enroll in the medical coverage plan.
- d. Employees who possess proof of other medical insurance may choose to "Opt Out" of this plan. They can choose to accept Dental and/or Vision, and the cost of coverage shall be deducted from the \$250.00 monthly contribution and the remaining dollar amount must be applied to the Employee's Deferred Compensation Program.

The estimated cost if all eligible employees were to participate in the medical program is as follows:

11 FTE @ 12 Months @ \$527/month is	\$69,564.00
<u>.75 FTE @ 12 Months @ \$395/month is \$</u>	<u>4,740.00 (75% of the full time contribution)</u>
Total Estimated Annual Cost:	\$74,304.00

For Fiscal Year 2011/12, there is \$68,000.00 budgeted for these expenses and the year-to-date actual as of December 2011 is \$32,100.00. There are also offsetting revenues from employee payroll deductions in the amount of \$7,014.00.

It is also important to note that there will be an actual cost savings to the District of approximately 7% of every dollar that is deferred. Payroll deductions are withdrawn on a pre-tax as opposed to after tax basis, thus reducing the taxes paid by both the employee and the District for social security and other income taxes. This could amount to several thousand dollars annually.



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2012-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT
CONTINUING AN EMPLOYER PROVIDED MEDICAL COVERAGE PLAN
ADMINISTERED BY THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
(SDRMA) AND ESTABLISHING THE NOT-TO-EXCEED MONTHLY PER EMPLOYEE
CONTRIBUTION OF \$527 FOR CALENDAR YEAR 2012**

WHEREAS, Town of Discovery Bay Community Services District currently offers medical benefits for the employees and;

WHEREAS, The District presently employs eleven (11) full time and one (1) part time employee; and.

WHEREAS, The District is a SDRMA member;

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

SECTION 1. That the Board continue to authorize participation in the SDRMA Health Benefits Program for employees only and authorize the General Manager to execute any necessary documents to facilitate this action.

SECTION 2. That the Board authorizes a not-to-exceed amount of \$527 per employee per month for Calendar Year 2012 for medical coverage pursuant to the SDRMA Health Benefits Program documents.

SECTION 3. Employees who possess proof of other medical insurance may choose to "Opt Out" of this plan. If they do "Opt Out" of the plan, they can choose to accept Dental and/or Vision, the cost of coverage must be deducted from the \$250.00 monthly contribution and the remaining dollar amount must be applied to the Employee's Deferred Compensation Program.

SECTION 4. The Board Secretary shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 4th DAY OF January 2012.

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 regularly scheduled meeting, held on January 4, 2012, by the following vote of the Board:

AYES:
NOES:
ABSENT:
ABSTAIN:

Richard J. Howard
Board Secretary



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

2012 HEALTH BENEFITS PROGRAM
Medical Benefits Summary Brochure

800.537.7790
www.sdrma.org



Plan Summary - Blue Shield

Deductibles/Co-Insurance	Gold PPO	Platinum PPO
Calendar Year Deductible(s) (Individual / Family)	\$500 / \$1,000	\$300 / \$600
Maximum* Co-Insurance (Individual / Family)	\$1,500 / \$3,000	\$1,000 / \$3,000

*Co-Insurance is the member's responsibility to pay when the plan is paying less than 100% (i.e. plan pays 80%, member pays the other 20%)

Once the member's co-Insurance totals the maximum, the plan will pay 100% of the allowable amount for the remainder of the calendar year.

Once the member's co-Insurance totals the maximum, the plan will pay 100% of the allowable amount for the remainder of the calendar year.

Services/Coverages	Participating Providers	Non-Participating Providers	Participating Providers	Non-Participating Providers
Inpatient Hospital Room, Board & Support Services (prior authorization required)	80%	50% up to \$600 per day	90%	50% up to \$600 per day
Ambulatory Surgery Center	80%	50% up to \$350 per day	90%	50% up to \$350 per day
Emergency Room				
Visit Results in Admission as Inpatient	80% - Deductible Applies		90% - Deductible Applies	
Visit Does Not Result in Admission	80% - Deductible Applies \$100 co-pay		90% - Deductible Applies \$100 co-pay	
Physician Benefits (office visits)	Deductible Waived \$20 co-pay	50%	Deductible Waived \$20 co-pay	50%
Preventative Care	No Charge	Not Covered	No Charge	Not Covered
Rehabilitation Service (in an office location)	80%	50%	90%	50%
Acupuncture (26 visits per calendar year/combined with Chiropractic)	80% up to \$50 per visit	80% up to \$25 per visit	90% up to \$50 per visit	90% up to \$25 per visit
Durable Medical Equipment	80%	50%	90%	50%
Prosthetics and Orthotics	80%	50%	90%	50%
Hospice	80%	Not Covered without prior authorization	90%	Not Covered without prior authorization
Ambulance	80%		90%	
Home Health Care 100 visits/year (prior authorization required)	80%	Not Covered without prior authorization	90%	Not Covered without prior authorization
Chiropractic Services (26 visits per calendar year/combined with Acupuncture)	80% up to \$50 per visit	50% up to \$25 per visit	90% up to \$50 per visit	50% up to \$25 per visit

Prescription Drugs	Medco	Medco
(At Participating Pharmacies only)	Generic / Brand / Non-Formulary / Specialty	Generic / Brand / Non-Formulary / Specialty
Retail - 30 day supply	\$5 / \$30 / \$45 / 30% (max co-pay \$150)	\$5 / \$30 / \$45 / 30% (max co-pay \$150)
Mail Order - 90 day supply	\$10 / \$75 / \$112.50 / 30% (max co-pay \$300)	\$10 / \$75 / \$112.50 / 30% (max co-pay \$300)
Brand / Non-Formulary / Specialty Deductible (Individual / Family)	None	None

THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS.

Plan Summary - Blue Shield

Silver PPO	EPO	HDHP 10% and (20%)
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\$2,000 / \$4,000

\$300 / \$600

\$1,200 / \$2,400 (\$3,000 / \$6,000)

\$3,000 / \$6,000

\$1,000 / \$2,000

\$5,000 / \$10,000 (\$5,950 / \$11,900)

Once the member's co-insurance totals the maximum, the plan will pay 100% of the allowable amount for the remainder of the calendar year.

Once the member's co-insurance totals the maximum, the plan will pay 100% of the allowable amount for the remainder of the calendar year.

Once the member's co-insurance totals the maximum, the plan will pay 100% of the allowable amount for the remainder of the calendar year.

Silver PPO		EPO	HDHP	
Participating Providers	Non-Participating Providers	Participating Providers	Participating Providers	Non-Participating Providers

80%

50% up to \$600 per day

No Charge after Deductible

90% (80%)

50% up to \$600 per day

80%

50% up to \$350 per day

No Charge after Deductible

90% (80%)

50% up to \$350 per day

80% - Deductible Applies

No Charge after Deductible

90% (80%) - Deductible Applies

80% - Deductible Applies
\$100 co-pay

Deductible Applies
\$100 co-pay

90% (80%) - Deductible Applies
\$100 co-pay

Deductible Waived
\$30 co-pay

50%

Deductible Waived - \$30 co-pay

90% (80%)

50%

No Charge

Not Covered

No Charge

No Charge

Not Covered

80%

50%

\$30 co-pay

90% (80%) up to \$25 per visit

50% up to \$25 per visit

80% up to \$50 per visit

80% up to \$25 per visit

\$10 co-pay

90% (80%) up \$30 per visit

80%

50%

80%

90% (80%)

50%

80%

80%

90% (80%)

50%

80%

Not Covered without prior authorization

No Charge

90% (80%)

Not Covered without prior authorization

80%

\$50

90% (80%)

80%

Not Covered without prior authorization

\$30 co-pay (100 visits/year)

90% (80%)

Not Covered without prior authorization

80% up to \$50 per visit

50% up to \$25 per visit

\$30 co-pay
After Deductible Met
Deductible Applies

90% (80%) up \$25 per visit

50% up \$25 per visit

Medco		Medco	Blue Shield	
Generic / Brand / Non-Formulary / Specialty	Generic / Brand / Non-Formulary / Specialty	Generic / Brand / Non-Formulary / Specialty	Generic / Brand	Generic / Brand
\$10 / \$20 / \$45 / 30% (max co-pay \$150)	\$10 / \$20 / \$45 / 30% (max co-pay \$150)	\$10 / \$20 / \$45 / 30% (max co-pay \$150)	\$7 / \$25	\$7 / \$25
\$20 / \$40 / \$90 / 30% (max co-pay \$300)	\$15 / \$50 / \$112.50 / 30% (max co-pay \$150)	\$15 / \$50 / \$112.50 / 30% (max co-pay \$150)	\$14 / \$60	Not Covered
\$200 / \$500	\$200	\$200	Subject to Deductible	

THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS.

Plan Summary - Blue Shield (continued)

Deductibles/Co-Insurance	Access+ HMO 15	Access+ HMO 20
Calendar Year Deductible(s) (Individual / Family)	None	None
Maximum* Co-Insurance (Individual / Family)	\$1,500 / \$3,000	\$1,500 / \$3,000
*Co-Insurance is the member's responsibility to pay when the plan is paying less than 100% (i.e. plan pays 80%, member pays the other 20%)	Once the member's co-insurance totals the maximum, the plan will pay 100% of the allowable amount for the remainder of the calendar year.	Once the member's co-insurance totals the maximum, the plan will pay 100% of the allowable amount for the remainder of the calendar year.
Services/Coverages	Participating Providers	Participating Providers
Inpatient Hospital Room, Board & Support Services (prior authorization required)	No Charge	\$250 / Admit
Non Emergency Outpatient Services: Ambulatory Surgery Center Hospital Facility Outpatient Treatment	No Charge	\$100 / Surgery \$150 / Surgery No Charge
Emergency Room		
Visit Results in Admission as Inpatient	No Charge	No Charge
Visit Does Not Result in Admission	\$50 co-pay	\$100 co-pay
Preventative Care	No Charge	No Charge
Office Visits	\$15 co-pay	\$20 co-pay
Note: A woman may self-refer to an OB/GYN or family practice physician in her personal physician's medical group or IPA for OB/GYN services.		
Rehabilitation Service (in a office location)	\$15 co-pay	\$20 co-pay
Durable Medical Equipment	80%	80%
Prosthetics and Orthotics	No Charge	No Charge
Hospice	No Charge	Routine Home Care and Inpatient Respite Care - No Charge 24 Hour Continuous Home Care and General Inpatient Care - \$150 / day.
Ambulance	\$50 co-pay	\$100 co-pay
Home Health Care (prior authorization required)	\$15 co-pay (100 per year)	\$20 co-pay (100 per year)
Chiropractic Services (combined with Acupuncture)	\$10 co-pay (30 visits per year)	\$10 co-pay (30 visits per year)
Acupuncture (combined with Chiropractic)	\$10 co-pay (30 visits per year)	\$10 co-pay (30 visits per year)
Prescription Drugs	Medco	Medco
(At Participating Pharmacies only)	Generic / Brand / Non-Formulary	Generic / Brand / Non-Formulary
Retail - 30 day supply	\$5 / \$10 / \$25	\$10 / \$25 / Closed Formulary
Mail Order - 90 day supply	\$10 / \$20 / \$50	\$20 / \$50 / Closed Formulary
Brand Deductible (Individual / Family)	None	None

THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS.

Medical Benefits Eligibility Requirements

1. Entities must be a public agency formed under California Government Code.
2. Entities must have a minimum of two (2) fulltime active employees to join. An active employee is an employee who is eligible for enrollment in employee sponsored benefits paid for by your Entity. Part time employees may be covered only if they are currently part of the benefit eligible population and work a minimum of twenty four (24) hours weekly.
3. Active Employees: Entities must contribute a minimum of 75% of the cost for active employees.
4. Dependents: If the Entity offers coverage to dependents, it is recommended the Entity contribute a minimum of 50% of the cost for dependent coverage.
5. Retirees: If the Entity currently is covering retirees under their existing plan, upon joining SDRMA's program, the Entity must continue to cover retirees during the Initial Commitment Period of 3 years.
6. Public Officials: Entities' public officials (board members, etc) may participate in the program only if they are currently being covered and their own Entities' formation documents, government code and policies allow it. Entities are required to cover 100% of the cost for public officials when covering their medical benefits. Participation for public officials is limited to their term of office.
7. Entities must have at least 75% of eligible employees enrolled in order for the Entity to participate (and public officials if they are covered). Public Officials, retirees and dependents may not be covered unless active employees are covered.
8. Medical benefit premiums are based on a full month. Medical benefits will begin the first day of the month following notification of enrollment. There are no partial months or prorated premiums. Each Entity can establish the waiting period for medical benefits to become effective.
9. The maximum dependent child age is 26. Disabled dependent children are not subject to the dependent age restrictions; however, a verification form will be required certifying the disability.
10. Each prospective new Entity must complete and submit the SDRMA Interest Form, Entity Enrollment Form and a Large Claimant Disclosure Form detailing any knowledge of and information pertaining to large and/or ongoing claims. Each entity is subject to underwriting review and may or may not be accepted for coverage. The underwriting process may take up to two (2) weeks for completion.
11. Entities are required to agree to a commitment to remain in the program for a period of at least three (3) years.
12. Entities' Governing Body must approve a Resolution authorizing participation in Special District Risk Management Authority's Medical Benefit Program and execute the Memorandum of Understanding (MOU).
13. Once an Entity is approved by the underwriter and has submitted all required documentation to join the program including the MOU and Resolution, the participants should receive their medical identification cards and plan booklets within three (3) weeks.
14. Entities selecting one of the HDHP High Deductible Plans (HSA Compatible) are responsible for adhering to IRS rules and regulations and maintenance of the HSA account. SDRMA does not provide this service but can provide contact information for a financial institution that is currently providing this type of service.
15. Not all Plans will be offered and available to Entities joining Medical Benefits.
16. The Access+ HMO 15 and 20 Plans are not available in all areas. Please check with SDRMA at the time you are submitting your request for underwriting approval to see if the HMO plans are available in your area.

Member versus Non-Member Rates

1. SDRMA members (entities participating in the SDRMA Property/Liability or Workers' Compensation Programs) receive a discount off the non-member rates.

Value-Added Program Features

1. Easy Switch From Prior Plans
2. Simple Enrollment Process
3. Fixed Rates -- Not Based on Age
4. COBRA Administration Assistance
5. Consolidated Billing
6. Pooled Renewal Rating to Ensure More Predictable Rates



2012 Rates - Guaranteed until January 1, 2013

AREA I - Northern CA: Bay Area

Alameda, Amador, Contra Costa, Marin, Napa, Nevada, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Sutter, Yolo, Yuba

PLAN	SDRMA Member Rates			Non-Member Rates		
	Employee	Employee + 1	Employee + 2 or More	Employee	Employee + 1	Employee + 2 or More
Gold PPO	\$570.87	\$1,141.75	\$1,484.27	\$582.18	\$1,164.36	\$1,513.66
Platinum PPO	\$624.71	\$1,249.41	\$1,624.23	\$637.08	\$1,274.15	\$1,656.39
Silver PPO	\$410.29	\$820.57	\$1,066.73	\$418.42	\$836.82	\$1,087.85
EPO	\$667.60	\$1,335.19	\$1,735.75	\$680.82	\$1,361.63	\$1,770.12
HDHP 10%	\$465.53	\$931.05	\$1,210.35	\$474.75	\$949.48	\$1,234.32
HDHP 20%	\$397.94	\$795.87	\$1,034.63	\$405.82	\$811.63	\$1,055.12
Access+ HMO 15	\$701.89	\$1,403.78	\$1,825.68	\$715.79	\$1,431.58	\$1,861.83
Access+ HMO 20	\$652.76	\$1,305.51	\$1,697.87	\$665.69	\$1,331.36	\$1,731.49

AREA II - Northern CA: Other Counties

Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Plumas, San Benito, Shasta, Sierra, Siskiyou, Stanislaus, Tehama, Trinity, Tuolumne

PLAN	SDRMA Member Rates			Non-Member Rates		
	Employee	Employee + 1	Employee + 2 or More	Employee	Employee + 1	Employee + 2 or More
Gold PPO	\$568.93	\$1,137.84	\$1,479.19	\$580.20	\$1,160.37	\$1,508.48
Platinum PPO	\$622.59	\$1,245.13	\$1,618.68	\$634.92	\$1,269.78	\$1,650.73
Silver PPO	\$408.88	\$817.76	\$1,063.09	\$416.97	\$833.95	\$1,084.14
EPO	\$697.39	\$1,394.80	\$1,813.23	\$711.20	\$1,422.42	\$1,849.14
HDHP 10%	\$483.95	\$967.91	\$1,288.28	\$493.53	\$987.08	\$1,283.19
HDHP 20%	\$396.60	\$793.14	\$1,031.10	\$404.45	\$808.85	\$1,051.52
Access+ HMO 15	\$711.32	\$1,422.65	\$1,849.43	\$725.41	\$1,450.82	\$1,886.05
Access+ HMO 20	\$661.53	\$1,323.06	\$1,719.99	\$674.63	\$1,349.26	\$1,754.05

AREA III - Southern CA: Los Angeles Area

Los Angeles, San Bernardino, Ventura

PLAN	SDRMA Member Rates			Non-Member Rates		
	Employee	Employee + 1	Employee + 2 or More	Employee	Employee + 1	Employee + 2 or More
Gold PPO	\$509.32	\$1,018.64	\$1,324.24	\$519.41	\$1,038.81	\$1,350.46
Platinum PPO	\$557.35	\$1,114.70	\$1,449.09	\$568.38	\$1,136.77	\$1,477.78
Silver PPO	\$366.05	\$732.10	\$951.70	\$373.30	\$746.60	\$970.55
EPO	\$595.63	\$1,191.23	\$1,548.61	\$607.42	\$1,214.82	\$1,579.28
HDHP 10%	\$438.26	\$876.52	\$1,126.45	\$441.84	\$883.68	\$1,148.76
HDHP 20%	\$365.04	\$730.06	\$923.07	\$362.07	\$724.12	\$941.35
Access+ HMO 15	\$515.10	\$1,031.43	\$1,340.47	\$525.30	\$1,051.86	\$1,367.02
Access+ HMO 20	\$479.04	\$959.22	\$1,246.64	\$488.53	\$978.21	\$1,271.33



2012 Rates - Guaranteed until January 1, 2013

AREA IV - Southern CA: Other Counties

Fresno, Imperial, Inyo, Kern, Kings, Madera, Riverside, Orange, San Diego, San Luis Obispo, Santa Barbara, Tulare

PLAN	SDRMA Member Rates			Non-Member Rates		
	Employee	Employee + 1	Employee + 2 or More	Employee	Employee + 1	Employee + 2 or More
Gold PPO	\$520.14	\$1,040.31	\$1,352.41	\$530.44	\$1,060.91	\$1,379.19
Platinum PPO	\$569.20	\$1,138.40	\$1,479.96	\$580.47	\$1,160.94	\$1,509.27
Silver PPO	\$373.84	\$747.66	\$971.97	\$381.24	\$762.47	\$991.22
EPO	\$608.28	\$1,216.58	\$1,581.55	\$620.33	\$1,240.67	\$1,612.87
HDHP 10%	\$442.47	\$884.95	\$1,150.44	\$451.23	\$902.48	\$1,173.22
HDHP 20%	\$362.58	\$725.16	\$942.73	\$369.76	\$739.52	\$961.40
Access+ HMO 15	\$588.69	\$1,178.59	\$1,531.79	\$600.35	\$1,201.93	\$1,562.12
Access+ HMO 20	\$547.48	\$1,096.09	\$1,424.58	\$558.32	\$1,117.80	\$1,452.79

AREA V - Out of State

PLAN	SDRMA Member Rates			Non-Member Rates		
	Employee	Employee + 1	Employee + 2 or More	Employee	Employee + 1	Employee + 2 or More
Gold PPO	\$596.02	\$1,192.03	\$1,649.63	\$607.82	\$1,215.64	\$1,580.32
Platinum PPO	\$652.22	\$1,304.43	\$1,695.75	\$665.13	\$1,330.26	\$1,729.33
Silver PPO	\$428.34	\$856.69	\$1,113.69	\$436.82	\$873.66	\$1,135.74
EPO	\$697.00	\$1,393.98	\$1,812.16	\$710.80	\$1,421.59	\$1,848.05
HDHP 10%	\$507.01	\$1,014.01	\$1,318.19	\$517.05	\$1,034.09	\$1,344.29
HDHP 20%	\$415.46	\$830.92	\$1,080.19	\$423.69	\$847.37	\$1,101.58
Access+ HMO 15	N/A	N/A	N/A	N/A	N/A	N/A
Access+ HMO 20	N/A	N/A	N/A	N/A	N/A	N/A

AREA VI - Northern CA: Sacramento

El Dorado, Placer, Sacramento

PLAN	SDRMA Member Rates			Non-Member Rates		
	Employee	Employee + 1	Employee + 2 or More	Employee	Employee + 1	Employee + 2 or More
Gold PPO	\$547.25	\$1,094.51	\$1,422.86	\$558.08	\$1,116.18	\$1,451.03
Platinum PPO	\$598.86	\$1,197.72	\$1,557.01	\$610.72	\$1,221.44	\$1,587.84
Silver PPO	\$393.31	\$786.62	\$1,022.59	\$401.10	\$802.19	\$1,042.84
EPO	\$639.98	\$1,279.93	\$1,663.92	\$652.65	\$1,305.28	\$1,696.87
HDHP 10%	\$465.53	\$931.05	\$1,210.35	\$474.75	\$949.48	\$1,234.32
HDHP 20%	\$381.48	\$762.97	\$991.82	\$389.03	\$778.05	\$1,011.46
Access+ HMO 15	\$653.71	\$1,307.42	\$1,700.38	\$666.66	\$1,333.31	\$1,734.05
Access+ HMO 20	\$607.96	\$1,215.92	\$1,581.36	\$620.00	\$1,240.00	\$1,612.67



2012 Rates - Guaranteed until January 1, 2013

Medicare Supplemental Coverages

	Gold PPO		Platinum PPO		Silver PPO		EPO		HDHP 10%		HDHP 20%	
	Member	Non-member	Member	Non-member	Member	Non-member	Member	Non-member	Member	Non-member	Member	Non-member
Retiree w/Medicare	\$416.51	\$424.76	\$455.78	\$464.81	\$299.35	\$305.28	\$487.08	\$496.73	\$354.32	\$361.33	\$290.33	\$296.08
Retiree + Dependent 1 w/Medicare	\$970.73	\$989.95	\$1,062.29	\$1,083.32	\$697.68	\$711.49	\$1,135.22	\$1,157.70	\$828.81	\$842.16	\$676.67	\$690.07
Retiree + Dependent both Medicare	\$833.00	\$849.49	\$911.57	\$929.62	\$598.69	\$610.54	\$974.15	\$993.44	\$708.63	\$722.66	\$580.67	\$592.17
Retiree + 2 or More, 1/Medicare	\$1,525.00	\$1,655.20	\$1,668.80	\$1,701.85	\$1,096.02	\$1,117.73	\$1,783.37	\$1,818.68	\$1,297.24	\$1,322.93	\$1,063.03	\$1,084.08
Retiree + 2 or More, 2/Medicare	\$1,303.28	\$1,329.09	\$1,426.19	\$1,454.43	\$936.67	\$955.22	\$1,524.12	\$1,554.30	\$1,108.69	\$1,130.64	\$908.48	\$926.47
Retiree + 2 or More, all Medicare	\$1,082.91	\$1,104.36	\$1,185.02	\$1,208.49	\$778.30	\$793.71	\$1,266.38	\$1,291.46	\$921.21	\$939.45	\$764.86	\$769.81

Medicare Supplemental Plans are designed specifically for members enrolled in the SDRMA health benefits program who are also enrolled in Parts A (hospital insurance) and B (medical insurance) of Medicare. This plan is designed to help defray some of the costs for those members enrolled in Medicare, such as Medicare deductibles, co-pays and other additional costs. The rates shown in the table provide a number of cost options depending on the coverage needs of an employee and their dependent(s). Each option includes additional rates for those members who need rates appropriate for a variety of combinations where one or two members of a household have Medicare and others do not. To enroll in Medicare you must be at least age 65 or older. These rates are the same for out of state +65 members as well. SDRMA Medical Benefits Program coverages remain the same whether Medicare Supplemental Coverages are Primary or Secondary.

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SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

2012 HEALTH BENEFITS PROGRAM

Ancillary Coverage Summary Brochure

800.537.7790

www.sdrma.org



Delta Dental PPO - Rates Guaranteed until January 1, 2013

Dental Benefits	Low Plan	
	PPO	Non-PPO
Calendar Year Maximum	\$1,000	\$750
	(Per patient per calendar year)	
Calendar Year Deductible Individual / Family	\$50 / \$150 (Waived for Preventive)	
Age Limitations	Children to Age 19 Full-time Students to Age 25	
Diagnostic and Preventive Oral Exam	100%	100%
Routine Cleaning		
X-Rays		
Fluoride Treatment		
Space Maintainers		
Specialist Consultations		
Basic Services	80%	80%
Fillings		
Endodontics (Root Canal)		
Periodontics (Gum Treatment)		
Tissue Removal (Biopsy)		
Extractions & Other Oral Surgery		
Sealants		
Major Services	50%	50%
Crown Repair		
Inlays, Onlays		
Cast Restorations		
Bridges		
Partial and Full Dentures		
Orthodontics		
Eligible for Benefit	Not Covered	
Lifetime Maximum		

(Employer Contributes 51-100% of dependent cost):

Rates	SDRMA Member	Non-Member
Employee Only	\$36.37	\$37.24
Employee + 1 Dependent	\$62.63	\$64.12
Employee + 2 or More Dependents	\$100.18	\$102.57

(Employer Contributes 0-50% of dependent cost):

Rates	SDRMA Member	Non-Member
Employee Only	\$36.37	\$37.24
Employee + 1 Dependent	\$66.57	\$68.16
Employee + 2 or More Dependents	\$109.78	\$112.39

*Entitles must contribute a minimum of 100% of the cost for active employees only and must have at least 75% of eligible employees enrolled to participate.

Note: This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the event information in this summary differs from the Plan Document, the Plan Document will prevail.



Delta Dental PPO - Rates Guaranteed until January 1, 2013

Medium Plan		High Plan	
PPO	Non-PPO	PPO	Non-PPO

\$1,500 \$1,250 \$2,000 \$1,500
 (Per patient per calendar year)

\$50 / \$150 \$50 / \$150
 (Waived for Preventive) (Waived for Preventive)

Children to Age 19 Children to Age 19
 Full-time Students to Age 25 Full-time Students to Age 25

100% 100% 100% 100%

80% 80% 80% 80%

60% 60% 80% 80%

50% 50% 50% 50%

Child & Adult \$500 Child & Adult \$1,000

(Employer Contributes 51-100% of dependent cost):

SDRMA Member	Non-Member	SDRMA Member	Non-Member
\$50.02	\$51.21	\$64.35	\$65.89
\$84.89	\$86.91	\$108.21	\$110.79
\$132.07	\$135.21	\$163.51	\$167.40

(Employer Contributes 0-50% of dependent cost):

SDRMA Member	Non-Member	SDRMA Member	Non-Member
\$50.02	\$51.21	\$64.35	\$65.89
\$90.12	\$92.27	\$114.81	\$117.54
\$144.39	\$147.82	\$178.38	\$182.63



VSP Vision - Rates Guaranteed until January 1, 2013

Vision Benefits	Option 1 - Plan A		Option 2 - Plan B	
	In-Network	Non-Network	In-Network	Non-Network
Exam	Copay \$25	Plan pays up to: \$45	Copay \$25	Plan pays up to: \$45
Lenses				
Single	\$25	\$45	\$25	\$45
Bifocal	\$25	\$65	\$25	\$65
Trifocal	\$25	\$85	\$25	\$85
Frames	\$120 Allowance	\$47	\$120 Allowance	\$47
Contact Lenses - Elective	\$105 Allowance	\$105	\$105 Allowance	\$105
Contact Lenses - Medically Necessary	No Copay	\$105	No Copay	\$105
Frequency of Services				
Eye Examination	12 months		12 months	
Lenses	24 months		12 months	
Frames	24 months		24 months	
Contact Lenses ¹	24 months		12 months	
Rates	SDRMA Member	Non-Member	SDRMA Member	Non-Member
Employee Only	\$6.53	\$6.69	\$7.55	\$7.73
Employee + 1 Dependent	\$12.55	\$12.85	\$14.57	\$14.92
Employee + 2 or More Dependents	\$19.92	\$20.39	\$23.14	\$23.69

*Entities must contribute a minimum of 100% of the cost for active employees only and must have at least 75% of eligible employees enrolled to participate.

¹Contact lenses are in lieu of spectacle lenses and frames

Note: This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the event information in this summary differs from the Plan Document, the Plan Document will prevail.



VSP Vision - Rates Guaranteed until January 1, 2013

Option 3 - Plan B		Option 4 - Plan C		Option 5 - Plan C	
In-Network	Non-Network	In-Network	Non-Network	In-Network	Non-Network
Copay	Plan pays up to:	Copay	Plan pays up to:	Copay	Plan pays up to:
\$15	\$45	\$25	\$45	\$0	\$45
\$15	\$45	\$25	\$45	\$0	\$45
\$15	\$65	\$25	\$65	\$0	\$65
\$15	\$85	\$25	\$85	\$0	\$85
\$120 Allowance	\$47	\$120 Allowance	\$47	\$120 Allowance	\$47
\$105 Allowance	\$105	\$105 Allowance	\$105	\$105 Allowance	\$105
No Copay	\$105	No Copay	\$105	No Copay	\$105
12 months		12 months		12 months	
12 months		12 months		12 months	
24 months		12 months		12 months	
12 months		12 months		12 months	
SDRMA Member	Non-Member	SDRMA Member	Non-Member	SDRMA Member	Non-Member
\$7.88	\$8.06	\$10.79	\$11.05	\$17.09	\$17.50
\$15.23	\$15.59	\$21.05	\$21.55	\$33.67	\$34.48
\$24.19	\$24.77	\$33.58	\$34.38	\$53.92	\$55.20



MHN Employee Assistance Program - Rates Guaranteed until July 1, 2012

Employee Assistance Program

Number of Sessions	3 Sessions per Incident per family member	
Frequency	No limit in frequency or time of telephone Counselling/Consultation Sessions	
Employee Services	Telephonic Counselling & Referral for Counselling Sessions	
Work Life	Life Management Services	
Legal	Legal Referral Service - Up to 30 minutes/session & 25% rate reduction off hourly fee	
Dependent Care	Child & Elder Care Referral Service	
Financial	Financial Consultations to include Pre-retirement and tax consultations	
Education Referrals	Education and Schooling Referrals	
Concierge	Concierge Services	
Employer Services		
Brown Bag Seminars	5 hours/year/member group	
CISD - Critical Incident Stress Debriefing	20 hours per Incident/member group	
Management Consultations	Unlimited	
Management Training	Unlimited	
On-site Orientation	No Limits	
Reports	Quarterly Utilization reports	
Newsletter and Collateral Materials	Yes, No Charge	
Internet Service	http://www.mhn.com	
Rates	SDRMA Member	Non-Member
EAP Rate (PEPM)	\$2.98	\$3.05

Ancillary Coverage Eligibility Requirements

1. Entities must be a public agency formed under California Government Code.
2. Entities must have a minimum of two (2) active full time employees to join. An active full time employee is an employee who is eligible for enrollment in employee sponsored benefits paid for by your Entity. Part time employees may be considered active employees only if they are currently part of the benefit eligible population and work a minimum of twenty (20) hours weekly.
3. Active Employees: Entities must contribute a minimum of 100% of the cost for active employees.
4. Public Officials: Entities' public officials (board members, etc) may participate in the program only if they are currently being covered and their own Entities' formation documents, government code and policies allow it. Entities are required to cover 100% of the cost for public officials when enrolling them for ancillary coverages. Participation for public officials is limited to the term of their office.
5. Retirees: Retirees are not eligible for coverage.
6. Entities must have at least 75% of eligible employees enrolled in the base package (dental and/or vision) in order for the Entity to participate (and public officials if they are covered).
7. To participate in our ancillary coverage program, your Entity must enroll in our base package; Delta dental and/or VSP vision. After enrolling in the base package, you can add any of the available additional coverages; life, LTD and employee assistance. If you are currently enrolled in Delta Dental, your entity will not be able to participate in the Delta Dental portion of our ancillary coverage program. This is a Delta Dental limitation. You are still required to enroll in VSP vision to be able to add any of the available additional coverages.
8. Entities choose the particular dental and/or vision plan option to offer their employees and the employees then enroll in the selected plan. The employees are only allowed to enroll in that particular plan. Employees who do not enroll themselves and/or their dependents in the dental plan upon initial group enrollment or upon hire will not be allowed to enter into the plan at a later date. Employees are allowed to make dependent election changes if they have an IRS Section 125 Qualifying Event.
9. The maximum dependent child age is 19. If the dependent is a full time student, they may be covered until age 25. Proof of student enrollment may be required. Once a dependent child is married, they are no longer covered. Disabled dependent children are not subject to the dependent age restrictions.
10. Ancillary coverage premiums are based on a full month. Ancillary coverage will begin the first day of the month following notification of enrollment. There are no partial months or prorated premiums. Each Entity can establish the waiting period for ancillary coverages to become effective.
11. Each prospective new Entity must complete and submit the SDRMA Interest Form and Entity Enrollment Form. Each entity is subject to underwriting review and may or may not be accepted for coverage. The underwriting process may take up to two (2) weeks for completion.
12. Entities are required to agree to a commitment to remain in the program for a period of at least three (3) years.
13. Entities' Governing Body must approve a Resolution authorizing participation in Special District Risk Management Authority's Ancillary Coverages Program and execute the Memorandum of Understanding (MOU).

Value Added Program Features

1. Easy Switch From Prior Plans
2. Simple Enrollment Process
3. Fixed Rates -- Not Based on Age
4. COBRA Administration Assistance
5. Consolidated Billing
6. Pooled Renewal Rating to Ensure More Predictable Rates



Medical, Ancillary and 457(b) Benefit Selection Employee Worksheet

The Town of Discovery Bay CSD (Town) offers certain Regular Part and Full Time Employees Medical and Ancillary Benefits (Benefits). These Benefits are offered through the Special Districts Risk Management Authority (SDRMA) through an agreement between the Town and SDRMA. Eligible employees may participate in this program if they wish to do so, with the exception that each eligible employee must elect basic medical coverage. Employees who possess proof of other medical insurance may choose to "Opt Out" of this plan and a maximum of \$250.00 monthly can be contributed towards their Deferred Compensation program.

For Employees who choose to accept Dental and/or Vision, the cost of coverage **must** be deducted from the \$250.00 monthly contribution. The remaining dollar amount must be applied to the Employee's Deferred Compensation program.

2012 Monthly Premium Schedule (Effective January 1, 2012 through January 1, 2013)

Carrier	Employee	Employee +1	Employee + 2 or More
Blue Shield PPO	\$570.87	\$1,141.75	\$1,484.27
Delta Dental	\$50.02	\$90.12	\$144.39
Vision Service Plan VSP	\$10.79	\$21.05	\$33.58

Monthly Town Contributions to Employee Health / Medical Benefits for 2012

Full Time Equivalency

1.00	\$527.00
.750 to .999	\$395.25

OR

Monthly Town Contributions to Deferred Compensation for 2012

Full Time Equivalency

1.00	\$250.00
.750 to .999	\$187.50

A 457(b) Deferred Compensation Program is available for all Eligible employees. This program is offered through ING. There is no Employer Contribution. Please refer to the ING 457(b) information worksheet to determine if this is a plan that will assist you in meeting your retirement goals. Please refer to your accountant or tax professional for financial direction that is applicable to your individual financial needs.

PLEASE COMPLETE THE OPTION BELOW THAT APPLIES TO YOU AND RETURN IT TO CALISTA NO LATER THAN TUESDAY, OCTOBER 25, 2011. IF YOU HAVE ANY QUESTIONS, PLEASE SEE CALISTA, CAROL OR RICK.

For Employee
Choosing - Medical Coverage

Medical Cost \$570.87
Dental Cost \$ _____
Vision Cost \$ _____
Total Cost \$ _____

Less Employer
Contribution \$527.00
*Balance \$ _____

*The amount over the \$527.00 will be deducted from Employee Paycheck

Employee Option
To Contribute to
ING 457(b) \$ _____

For Employee Choosing to
"Opt Out" of Medical
Choosing - Dental & Vision

Dental Cost \$ _____
Vision Cost \$ _____
Total Cost \$ _____

Less Employer
Contribution \$250.00
*Balance \$ _____

*The remaining amount balance must be applied to the Employee Deferred Compensation Program

Employee Option
To Contribute to
ING 457(b) \$ _____

For Employee Choosing to
"Opt Out" of Medical, Dental & Vision
Choosing - Deferred Compensation Program

Total Cost \$0

Less Employer
Contribution FT \$250.00 / PT \$187.50
Balance \$0

Employee Option
To Contribute to
ING 457(b) \$ _____

Employee Name: _____

* Please refer to the applicable SDRMA Worksheets



Town of Discovery Bay

"A Community Services District"
AGENDA REPORT

Meeting Date

January 04, 2012

Prepared By: Liz Hardy, Sr. Accounts Clerk
Submitted By: Rick Howard, General Manager

Agenda Title

District Invoices (from 12/21/11 meeting)

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 \$215,096.09

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 2011/2012
Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District # 8 2011/2012
Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District # 9 2011/2012

AGENDA ITEM: F-5

Request for authorization to pay Invoices (RFA)
 For the Meeting on December 21, 2011
 Town of Discovery Bay GSD
 For Fiscal Year's 7/11 - 6/12

Acct Code				
1	7011	RellaStar Inv#JR52 457(b) Benefits for 12/01-12/15/11		\$1,128.05
	7024	RellaStar Inv#JR52 457(b) Benefits for 12/01-12/15/11		<u>\$288.49</u>
			Sub-Total	\$1,416.54
2	7011	SDRMA Inv#0008977-IN, dtd 12/8/11 Employee Medical Benefits	January 2012	\$1,712.61
	7024	SDRMA Inv#0008977-IN, dtd 12/8/11 Employee Medical Benefits	January 2012	<u>\$570.87</u>
			Sub-Total	\$2,283.48
3	7030	SDRMA Inv# 38284, dtd 12/05/11 Workers Comp 3rd Qtr 11/12		\$3,574.00
4	7101	Brian Dawson Meeting Reimbursement	December 2011	\$300.00
5	7101	Kevin Graves Meeting Reimbursement	December 2011	\$600.00
	7102	Kevin Graves Mileage Reimbursement	December 2011	<u>\$62.72</u>
			Sub-Total	\$662.72
6	7101	Mark Simon Meeting Reimbursement	December 2011	\$300.00
7	7101	Chris Steele Meeting Reimbursement	December 2011	\$600.00
8	7101	Ray Tetreault Meeting Reimbursement	December 2011	\$400.00
9		<u>Cal Card - Statement Ending 11/25/11</u>		
	7430	Office Supplies		\$210.52
	7460	Memberships		\$265.00
	7490	Travel & Training		\$234.02
	7510	Info Systems Maintenance		\$178.98
	7520	Cellular Communications/Data		\$187.38
	7550	Telephone		\$618.30
	7670	Office Equipment/Software		\$376.80
	7685	Miscellaneous Small Tools		\$632.96
	7690	Equipment Maintenance/Fuel		\$759.22
	7950	Misc. Services & Supplies		\$132.52
	7951	Misc. Reimbursement		\$127.48
	7952	Landscape Related Reimb.		<u>\$438.76</u>
			Sub-Total	\$4,151.94
10	7210	A & L Western Agricultural Labs Inv# 138764, dtd 11/29/11 Munic/Indust Blossollids Package		\$275.00
11	7210	Stantec Inv# 548103, dtd 12/09/11 WWTP Master Plan		\$5,393.24
12	7215	Veolia Water Inv#00009185, dtd 12/2/11 Monthly O&M Contract for December 2011		\$94,744.16
13	7225	Caselle, Inc. Inv# 40443, dtd 12/01/11 Contract Support Charges 2/01/12-04/30/12		\$540.00
14	7225	Croce & Company Inv# 001114091, dtd 11/30/11 Finance Manager training		\$232.50
15	7301	American Retrofit Systems Inv#158, dtd 12/01/11 L Only - LS "I" clarifier 1		\$400.00
16	7690	American Retrofit Systems Inv#159, dtd 12/8/11 L Only - Wire battery lrg yellow trailer		\$150.00
17	7301	American Retrofit Systems Inv#160, dtd 12/8/11 L Only - Ck dewatering pump at Belt Press		\$100.00
18	7690	American Retrofit Systems Inv#161, dtd 12/8/11 L Only - Work on battery for Gen 3		\$150.00
19	7301	American Retrofit Systems Inv#162, dtd 12/14/11 L Only - Work @ WWTP2		<u>\$350.00</u>
			Sub-Total	\$1,150.00
20	7301	Antloch Plumbing Inv# 5583, dtd 12/12/11 Raise 3 RP Valves and install 2 curb stops		\$4,748.43
21	7301	Frank A. Olsen Company Inv# 224283, dtd 12/09/11 Gaskets, Spools, Nuts & Bolts		\$936.35
22	7301	Loprest Inv# 0911-22, dtd 9/26/11 Onsite tech service		\$2,000.00
23	7301	Solar Bee Inv # 72607, 12/09/11 Remove machine from lagoon for dredging.		\$1,726.00
24	7312	Veolia Water Inv# 00009521, dtd 12/12/11 M&R for September 2011		\$4,838.11
25	7330	Univar Inv# SJ258202, dtd 11/23/11 Chemicals for 1800 Newport Dr		\$793.76
26	7410	Ricoh Inv# 414066353, dtd 12/02/11 Copler Maintenance for Nov 2011		\$384.30
27	7414	Freedom Mailing Services, Inc. Inv# 19791, dtd 12/9/11 Bill Mailing		\$911.80
28	7430	Office Depot Inv# 588973474001, dtd 12/02/11 Office supplies		\$97.32

Request for authorization to pay invoices (RFA)
 For the Meeting on December 21, 2011
 Town of Discovery Bay CSD
 For Fiscal Year's 7/11 - 6/12

Acct Code				
29	7490	Dina Bretlstein Expense report for Mileage during Nov 11 and 12/1/11		\$135.20
30	7510	Big Dog Computer Inv# 20090930-20, dtd 12/14/11 IT Services		\$885.00
31	7510	CCC Dept. of Info Technology Inv# 7215, dtd 12/08/11 Set up to get online with County GL's		\$202.15
32	7520	Verizon Wireless Inv#1034578865, dtd 11/26/11 Monthly wireless service		\$414.88
33		WATER		
	7535	PG&E / Acct# 2943721807-5 Newport WTP	11/11/11 - 12/09/11	\$7,471.93
	7535	PG&E / Acct# 2990602600-9 Willow Lake WTP	11/09/11 - 12/08/11	\$4,293.10
	7535	PG&E / Acct# 3349549227-5 Well #3 DB Blvd & Edgeview	11/09/11 - 12/08/11	\$18.48
	7535	PG&E / Acct# 6760524303-8 Irr. Controller (Newport @ Well 4A)	11/10/10 - 12/09/11	\$14.78
	7535	PG&E / Acct# 7068319849-6 Well #5	11/08/11 - 12/07/11	\$4,046.92
	7535	PG&E / Acct# 8351173112-3 Well #2	11/09/11 - 12/08/11	\$38.93
	7535	PG&E / Acct# 8609981202-5 Well #1 (Gas)	11/09/11 - 12/08/11	\$30.02
	7535	PG&E / Acct# 8651647866-5 Well #1	11/09/11 - 12/08/11	\$2,350.25
		Sub-Total		\$18,264.41
34		SEWER		
	7537	PG&E / Acct# 0631986334-3 Newport Lift Station	11/11/11 - 12/09/11	\$1,959.53
	7537	PG&E / Acct# 1182741894-5 Pump Station D	11/09/11 - 12/08/11	\$118.81
	7537	PG&E / Acct# 1318320217-8 Pump Station A	11/09/11 - 12/08/11	\$63.54
	7537	PG&E / Acct# 2068717691-5 Pump Station G	11/11/11 - 12/09/11	\$29.11
	7537	PG&E / Acct# 2172798825-1 Pump Station R	11/10/11 - 12/09/11	\$63.69
	7537	PG&E / Acct# 3016215915-3 Pump Station F	11/08/11 - 12/07/11	\$708.10
	7537	PG&E / Acct# 3101013157-6 Lakes 4 Lift Station	11/09/11 - 12/08/11	\$103.30
	7537	PG&E / Acct# 3497478293-9 Lakeshore Lift Station	11/08/11 - 12/07/11	\$439.76
	7537	PG&E / Acct# 4193709211-6 Pump Station C	11/10/11 - 12/09/11	\$49.36
	7537	PG&E / Acct# 4225081240-3 Disc WWTP & Pump Station W	11/10/11 - 12/11/11	\$28.06
	7537	PG&E / Acct# 4516230421-1 Pump Station H	11/09/11 - 12/08/11	\$20.39
	7537	PG&E / Acct# 7234986505-4 Pump Station J	11/09/11 - 12/08/11	\$255.92
	7537	PG&E / Acct# 7312115758-7 SS/HWY 4 E/Disco Bay Blvd W/O Bridge	11/10/11 - 12/11/11	\$17,484.55
	7537	PG&E / Acct# 7630923070-4 Pump Station E	11/08/11 - 12/07/11	\$251.60
	7537	PG&E / Acct# 8343916134-6 Fern Rdge Circle/Hofmann	11/05/11 - 12/06/11	\$628.88
	7537	PG&E / Acct# 8440119997-5 Knightsen School Pump Station	11/09/11 - 12/08/11	\$27.34
		Sub-Total		\$22,231.94
35	7825	CCC Public Works Inv# 916257, dtd 12/02/11 3 Encroachment Permits		\$1,820.53
36	7825	CCC Public Works Inv# 916258, dtd 12/02/11 3 Encroachment Permits		\$1,264.66
37	7825	CCC Public Works Inv# 916259, dtd 12/02/11 4 Encroachment Permits		\$1,740.49
		Sub-Total		\$4,825.68
38	7950	Shred-It Inv# 7576179211, dtd 12/15/11 Recycling		\$54.40
39	7950	UPS Inv# 000012X417501, dtd 12/10/11 To Freedom Mail		\$12.09
40	7952	Gates & Associates Inv# 33348, dtd 12/07/11 Regatta Basketball Court plans	(Z-57 #2310)	\$467.50
41	7952	Bruce Jetts Assoc. Inv# 15823, dtd 11/01/11 Dog Park Studies	(Z-61 #2310)	\$3,708.79
42	7952	Bruce Jetts Assoc. Inv# 15824, dtd 11/01/11 Slifer Park Shade Structure	(Z-61 #2310)	\$630.00
		Sub-Total		\$4,338.79
43	7952	John Deere Landscapes #59922834, dtd 12/02/11 Antenna for Evolution system	(Z-35 #2282)	\$14.30
	7952	John Deere Landscapes #59922834, dtd 12/02/11 Antenna for Evolution system	(Z-57 #2282)	\$42.87
	7952	John Deere Landscapes #59922834, dtd 12/02/11 Antenna for Evolution system	(Z-61 #2282)	\$185.79
		Sub-Total		\$242.96
44	7952	My Bark Inv# 4673, dtd 11/17/11 Wood fiber for various parks	(Z-61 #2282)	\$2,343.23
45	7952	My Bark Inv# 4684, dtd 12/02/11 Wood fiber for various parks	(Z-57 & 61 #2282)	\$1,863.25
		Sub-Total		\$4,206.48
46	7952	Odyssey Landscape Co. Inv# 36036513, dtd 11/18/11 Monthly Contract	(Z-35 #2282)	\$215.00
	7952	Odyssey Landscape Co. Inv# 36036513, dtd 11/18/11 Monthly Contract	(Z-57 #2282)	\$2,635.00
	7952	Odyssey Landscape Co. Inv# 36036513, dtd 11/18/11 Monthly Contract	(Z-61 #2282)	\$4,280.00
		Sub-Total		\$7,130.00
47	7952	Ross Recreation Equipment Inv# 91000, dtd 12/08/11 Slifer Repair Parts	(Z-61 #2282)	\$2,686.66
48	7952	Upper Case Printing Inv# 5464, dtd 11/29/11 Dog Park Flyer	(Z-61 #2100)	\$58.20

Request for authorization to pay invoices (RFA)
For the Meeting on December 21, 2011
Town of Discovery Bay CSD
For Fiscal Year's 7/11 - 6/12

Acct Code				
49	7952	Valley Crest Inv# 3886774, dtd 11/28/11 Planting @ Hwy 4 & Porthole	(Z-57 #2282)	\$320.00
50	7952	W. J. Kirk Welding Inv# 43851, dtd 11/29/11 Repair 2 park benches		\$180.00
Total TODB				\$199,115.99

**Request For Authorization To Pay Invoices (RFA)
For the Meeting on December 21, 2011
Town of Discovery Bay, D.Bay L&L Park #8
For Fiscal Year's 7/11 - 6/12**

<u>Acct Code</u>			
1	2100	Office Depot Inv# 588293018001, dtd 11/29/11	Office Supplies \$98.38
2	2120	Discovery Bay Disposal Acct# 17-0001966, dtd 11/30/11	Service for Nov 2011 \$272.00
3	2120	PG&E / Acct# 0869258994-1 (Sprink Contr) DB Blvd. & Willow Lake	11/09/11-12/08/11 \$14.78
4	2120	PG&E / Acct# 2068897992-9 DB Blvd across from 510	11/10/11-12/09/11 \$5.55
5	2120	PG&E / Acct# 2249446019-3 (Sprinkler) Disco Point, Tr #4077, Lot 71	11/09/11-12/08/11 \$15.37
6	2120	PG&E / Acct# 2800977208-9 (Irr Contr) 9295Beacon PI @ Str Lite	11/10/11-12/09/11 \$15.52
7	2120	PG&E / Acct# 3736907925-8 (Sprink Contr) E/S Edgview Dr N/O DB Blvd	11/09/11-12/08/11 \$14.78
8	2120	PG&E / Acct# 4111412785-9 (Sprink Contr) DB Blvd & Seal Way	11/09/11-12/08/11 \$14.78
9	2120	PG&E / Acct# 4455555569-5 (Sprinkler) Disco Point, Tr #3653, Lot 17	11/09/11-12/08/11 \$15.37
10	2120	PG&E / Acct# 5465914049-2 (Sprinkler) DB Blvd. & Spinnaker	11/09/11-12/08/11 \$14.78
11	2120	PG&E / Acct# 7135420365-6 (Sprinkler) Disco Point, Tr# 4077, Lot 65	11/09/11-12/08/11 \$15.37
12	2120	PG&E / Acct# 7452568975-3 (Sprink Contr) S/E cnr DB Blvd & Willow Lk	11/09/11-12/08/11 \$14.78
13	2120	PG&E / Acct# 7696548482-7 (Sprinkler) DB Blvd, Tr# 4178, Lot 5	11/09/11-12/08/11 \$15.37
14	2120	PG&E / Acct# 8009270258-0 @ Clipper Dr w/o Cove Ct 7723 Marina Dr	11/09/11-12/08/11 \$29.56
15	2120	PG&E / Acct# 8101346815-2 (Irr Contr) Newport Dr. w/o Pier Ct	11/09/11-12/08/11 \$14.78
16	2120	PG&E / Acct# 8163719795-5 (Irr Contr) 9271 Newport Dr @ Str. Lite	11/10/11-12/09/11 \$15.52
17	2120	PG&E / Acct# 8167536097-8 (Irr Contr) @ Clipper Dr	11/09/11-12/08/11 \$14.78
18	2120	PG&E / Acct# 8399010651-6 (Sprink Contr) Willow Lake Ct, Lot 31	11/10/11-12/09/11 \$15.37
19	2120	PG&E / Acct# 8400813429-2 (Sprinkler) Laguna Ct, Tr# 4076, Lot 18	11/09/11-12/08/11 \$15.37
20	2120	PG&E / Acct# 8545920147-2 (Lites & Sprinklers) 2489 'A' DB Blvd.	11/09/11-12/08/11 <u>\$9.23</u>
		Sub-Total	\$271.06
21		<u>CalCard - Statement Date 11/25/11</u>	
	2100	Office Expenses	\$72.13
	2130	Small Tools & Instruments	\$111.62
	2270	Maintenance of Equipment	\$34.58
	2272	Gasoline/Fuel for Equipment	\$170.02
	2282	Grounds Maintenance	\$124.63
	2303	Other Travel Employee Expenses	\$55.00
	2479	Other Special Expenses	\$78.16
	4789	Cornell Park Playground Equipment	\$80.00
	4953	Vehicle Purchase	<u>\$291.19</u>
		Sub-Total	\$1,017.33
22	2282	Antloch Plumbing, Inc. Inv# 5574, dtd 12/08/11	Install Water Meter on S. Point Planter Island \$780.50
23	2282	Antloch Plumbing, Inc. Inv# 5575, dtd 12/08/11	Install Water Meter on Willow Lake Ct Planter Island <u>\$820.49</u>
		Sub-Total	\$1,600.99
24	2282	My Bark Inv# 4684, dtd 12/02/11	Wood fiber \$328.81
25	2282	Ross Recreation Inv# 90891, dtd 12/05/11	Replacement glass for message center \$60.55
26	2282	Valley Crest Inv# 3886769, dtd 11/28/11	Bark Installation \$420.00
27	2282	Valley Crest Inv# 3886770, dtd 11/28/11	Plantings \$600.00
28	2282	Valley Crest Inv# 3886772, dtd 11/28/11	Plantings \$180.00
29	2282	Valley Crest Inv# 3886773, dtd 11/28/11	Plantings \$350.00
30	2282	Valley Crest Inv# 3886775, dtd 11/28/11	Plantings <u>\$980.00</u>
		Sub-Total	\$2,530.00
31	2130	Watersavers Irrigation Inv# I1121999, dtd 12/01/11	Gloves \$8.18
	2282	Watersavers Irrigation Inv# I1121999, dtd 12/01/11	Lids for Irrigation boxes \$77.02
32	2282	Watersavers Irrigation Inv# I1122006, dtd 12/01/11	Irrigation repair parts <u>\$29.55</u>
		Sub-Total	\$114.75
33	4789	Community Playgrounds Inv# 8661, dtd 09/07/11	Retention pay out - Project complete \$5,812.60
		TOTAL	\$12,106.47

Request For Authorization To Pay Invoices (RFA)
 For the Meeting on December 21, 2011
 Town of Discovery Bay, D.Bay L&L Park #9 (Ravenswood)
 For Fiscal Year's 7/11 - 6/12

Acct Code					
1		<u>CalCard - Statement 11/25/11</u>			
	2120	Utilities			\$6.66
	2272	Gasoline/Fuel for Equipment			<u>\$258.17</u>
			Sub-total		\$264.83
2	2120	PG&E / Acct# 0403377952-3 1445 Cullen Dr (Irrig Ctrlr)	11/09/11-12/08/11		\$20.10
3	2120	PG&E / Acct# 1066166716-1 829 Poe Dr. (Irrig Ctrlr)	11/09/11-12/08/11		\$10.34
4	2120	PG&E / Acct# 7705163630-4 1738 Wilde Dr. (Irrig Ctrlr)	11/09/11-12/08/11		<u>\$10.49</u>
			Sub-total		\$40.93
5	2282	John Deere Landscapes Inv# 59922834, dtd 12/02/11 Parts for Evolution System			\$42.87
6	2282	Odyssey Landscape Co, Inc. Inv# 36036513, dtd 11/18/11 Monthly contract Amount			\$2,725.00
7	2310	Zentner & Zentner Inv# 0022827-IN, dtd 11/30/11 Ravenswood Park Annual Engineering Report			\$800.00
			Total		\$3,873.63



Town of Discovery Bay

"A Community Services District"

AGENDA REPORT

Meeting Date

January 04, 2012

Prepared By: Liz Hardy, Sr. Accounts Clerk
Submitted By: Rick Howard, General Manager

Agenda Title

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 \$113,718.32

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 2011/2012
Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District # 8 2011/2012
Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District # 9 2011/2012

AGENDA ITEM F-5

For Fiscal Year's 7/11 - 6/12
 For the Meeting on January 4, 2012
 Request For Authorization To Pay Invoices (RFA)
 Town of Discovery Bay CSD

<u>Acct Code</u>				
1	7011	RellaStar	Inv#JR52 457(b) Benefits for 12/16-12/31/11	\$1,128.05
	7024	RellaStar	Inv#JR52 457(b) Benefits for 12/16-12/31/11	<u>\$288.49</u>
			Sub-Total	\$1,416.54
2	7011	SDRMA	Inv#0009058-IN, dtd 1/1/12 Ancillary Benefits for Jan 2012	\$339.72
	7024	SDRMA	Inv#0009058-IN, dtd 1/1/12 Ancillary Benefits for Jan 2012	<u>\$78.78</u>
			Sub-Total	\$418.50
3			<u>CalCard Statement Dated 12/26/11</u>	
	7301		General Repair - Water/Sewer	\$1,100.71
	7490		Travel & Training	\$79.71
	7510		Info Systems Maintenance	\$178.98
	7520		Cellular Communications/ Data	\$187.38
	7550		Telephone	\$738.37
	7620		Special Equipment	\$101.98
	7630		Facility Maintenance/Landscape	\$32.45
	7665		Office Buildings/Improvements	\$132.67
	7670		Office Equipment/Software	\$2,123.25
	7680		Office Furnishings	\$235.93
	7685		Misc. Small Tools	\$786.65
	7690		Equipment Maintenance / Fuel	\$751.80
	7950		Misc Services & Supplies	\$1,236.68
	7951		Misc. Reimbursables	\$127.53
	7952		Landscape Related Reimbursements	<u>\$37.72</u>
			Sub-Total	\$7,851.81
4	7205	Neumiller & Beardslee	Inv# 245534, dtd 12/16/11 Services thru 11/30/11	\$4,146.60
5	7205	Neumiller & Beardslee	Inv# 245044, dtd 12/07/11 Services thru 11/30/11	<u>\$2,128.50</u>
			Sub-Total	\$6,275.10
6	7301	Golden State Flow Measurement, Inc.	Inv# 1-033466, dtd 12/16/11 Reg Retaining Rings	\$287.95
7	0910-014	Golden State Flow Measurement, Inc.	Inv# 1-033467, dtd 12/16/11 Meters	<u>\$2,370.30</u>
			Sub-Total	\$2,658.25
8	7301	J.W. Backhoe & Constr. Inc.	Inv# 1631, dtd 12/09/11 work @ 710 Beaver & 5504 Marlin	\$9,004.24
9	7301	W.J. Kirk Welding	Inv# 43768, dtd 12/13/11 Add lid to Flow Meter Cover	\$100.00
10	7305	Kirby's Pump	Inv# 2657, dtd 12/22/11 Repair Spare pump for WWTP #1	\$3,203.25
11	7312	Veolia	Inv# 00009824, dtd 12/19/11 R&M for November 2011	\$22,931.39
12	7330	Univar	Inv# SJ261076, dtd 12/12/11 Chemicals 1800 Newport Drive	\$1,743.41
13	7330	Univar	Inv# SJ261075, dtd 12/12/11 Chemicals 1800 Willow Lake Road	<u>\$1,102.95</u>
			Sub-Total	\$2,846.36
14	7420	Mail Finance	Inv# N2978799, dtd 12/18/11 Lease for postage Machine 19-Jan-12	\$69.53
15	7420	Neopost	Closing Date 12/06/11 Acct# xxxx xxxx xxxx 4658	\$101.30
16	7670	Office Depot	Inv# 588973562001, dtd 12/05/11 Office Supplies	\$15.05
17	7430	Office Depot	CM# 587976171001, dtd 12/07/11 Office Supplies	-\$61.51
18	7430	Office Depot	Inv# 589964451001, dtd 12/09/11 Office Supplies	\$48.04
19	7430	Office Depot	Inv# 589964489001, dtd 12/09/11 Office Supplies	\$4.00
20	7430	Office Depot	Inv# 590876037001, dtd 12/16/11 Office Supplies	\$130.61
21	7430	Office Depot	Inv# 587868297001, dtd 11/23/11 Office Supplies	\$4.28
22	7430	Office Depot	Inv# 591502282001, dtd 12/22/11 Office Supplies	\$15.80
23	7430	Office Depot	Inv# 591502022001, dtd 12/22/11 Office Supplies	<u>\$50.13</u>
			Sub-Total	\$206.40
24	7480	Bay Area Air Quality Management Distr.	Inv# 2VV82, dtd 12/09/11 Plant# 13246 02/01/12-02/01/14	\$676.00

For Fiscal Year's 7/11 - 6/12
 For the Meeting on January 4, 2012
 Request For Authorization To Pay Invoices (RFA)
 Town of Discovery Bay CSD

Acct Code				
25		SEWER		
	7537	PG&E / Acct# 2527523613-8 Pump Station S	11/11/11-12/12/11	\$337.48
	7537	PG&E / Acct# 3881134135-3 WWTP #1	11/10/11-12/11/11	\$5,532.67
	7537	PG&E / Acct# 4201000159-4 Golf Course Valve Station	11/11/11-12/12/11	\$497.81
			Sub-Total	\$6,367.96
26		<u>Ace Hardware - Acct# 808 - Closing 11/30/11</u>		
	7301	General Repair - Water/Sewer		\$19.54
	7685	Misc. Small Tools		\$51.87
			Sub-Total	\$71.41
27	7665	American Retrofit Systems Inv#163, dtd 12/28/11 Repair heater at District Office		\$100.00
28	7301	American Retrofit Systems Inv#166, dtd 12/28/11 L & M - Install Fan (LS "F")		\$650.00
29	7301	American Retrofit Systems Inv#168, dtd 12/28/11 Purcashe part for WWTP2 Ox ditch rotor #2		<u>\$2,248.00</u>
			Sub-Total	\$2,998.00
30	7680	Uline Inv# 41240864, dtd 11/28/11 Convex Mirror for District Office		\$43.10
31	7685	Ferguson Enterprises, Inc. Inv# 0724620, dtd 12/05/11 Roadrunner Car Charger		\$171.04
32	7952	Odyssey Landscape Inv# 36036621, dtd 12/20/11 Monthly Maintenance Contract ** Z# 35, 57 & 61**		\$7,130.00
33	7952	Gates & Assoc. Inv# 33412, dtd 12/20/11 Regatta Basketball Court / services thru 12/04/11 (#57)		\$465.00
34	7952	Cleary Bros. Inv# l-83289, dtd 12/19/11 Tree pruning ** Z# 57 & 61**		\$15,156.00
			Total TODB	\$90,161.18

Request For Authorization To Pay Invoices (RFA)
 For the Meeting on January 4, 2012
 Town of Discovery Bay, D.Bay L&L Park #8
 For Fiscal Year's 7/11 - 6/12

Acct Code			
1	2120	PG&E / Acct# 5939734421-5 PG&E Owned Street & Highway Lighting	11/17/11-12/15/11 \$6,421.98
2		<u>Ace Hardware - Account #808 - Closing 11/30/11</u>	
	2282	Grounds Maintenance	\$51.47
3		<u>CalCard - Statement Date 12/26/11</u>	
	2200	Memberships	\$120.00
	2270	Maintenance of Equipment	\$204.67
	2272	Gasoline/Fuel for Equipment	\$269.01
	2282	Grounds Maintenance	\$108.14
	2479	Other Special Expenses	<u>\$277.17</u>
		Sub-Total	\$978.99
4	2281	Antioch Plumbing, Inc. Inv#5585, dtd 12/14/11 Cornell Park / Change Bladder Tank	\$240.00
5	2282	Antioch Plumbing, Inc. Inv#5598, dtd 12/21/11 Cornell Park / Repair leaky drinking fountain	<u>\$240.00</u>
		Sub-Total	\$480.00
6	2282	American Retrofit Systems Inv# 164, dtd 12/28/11 Work on lights a@ Cornell Park	\$670.00
7	2282	Cleary Bros. Inv# i-83289, dtd 12/19/11 Tree pruning	\$1,495.00
8	2282	Valley Crest Inv# 3896471, dtd 12/10/11 Landscape Maintenance for December 2011	\$8,457.00
9	2130	Watersavers Irrigation Inv# 11126174, dtd 12/21/11 Parts for irrigation	\$37.03
	2282	Watersavers Irrigation Inv# 11126174, dtd 12/21/11 Parts for irrigation	<u>\$54.06</u>
		Sub-Total	\$91.09
		TOTAL	\$18,645.53

Request For Authorization To Pay Invoices (RFA)
 For the Meeting on January 4, 2011
 Town of Discovery Bay, D.Bay L&L Park #9 (Ravenswood)
 For Fiscal Year's 7/11 - 6/12

Acct Code			
1	2100	Office Depot Inv# 588973563001, dtd 12/02/11 Office Supplies	\$6.07
2		<u>Brentwood Ace Hardware - Statement Closing 11/30/11</u>	
	2130	Small Tools & Instruments	\$32.13
3	2130	Watersavers Irrigation Inc., Inv# I1126430, dtd 12/22/11 irrigation supplies	\$54.11
4		<u>CalCard - Statement 12/26/11</u>	
	2120	Utilities	\$6.66
	2130	Small Tools & Instruments	\$7.35
	2270	Maintenance of Equipment	\$204.67
	2272	Gasoline/Fuel for Equipment	\$259.51
	2479	Other Special Expenses	\$91.11
		Sub-total	\$569.30
5	2282	Cleary Bros. Inv# I-83289, dtd 12/19/11 Tree pruning	\$1,525.00
6	2282	Odyssey Landscape Inv# 36036621, dtd 12/20/11 Landscape Contract	\$2,725.00
		Total	\$4,911.61



Town of Discovery Bay

"A Community Services District"

AGENDA REPORT

Meeting Date

January 4, 2012

Prepared By: Rick Howard, General Manager
Submitted By: Rick Howard, General Manager

Agenda Title

Authorize contract with Bartle Wells Associates to conduct an analysis with recommendations for the Town of Discovery Bay Community Services District Capacity Fee Program

Recommended Action

Approve agreement and authorize the General Manager to execute a contract with Bartle Wells Associates in the amount of \$23,000.00 to conduct an analysis with recommendations for the Town of Discovery Bay Community Services District Capacity Fee Program

Executive Summary

As the Board is aware, the District has been in the process of updating our Water and Wastewater Master Plans. Both of those plans have been presented to the Board in separate community workshops. In early 2012, staff will return to the Board with a workshop planned on identifying those projects that will be recommended to move forward in the foreseeable future.

On February 18, 2004, the Board adopted Resolution 2004-03 establishing capacity charges for water and wastewater services. There has not been an update to those fees since that time. On September 7, 2011 staff sought and received Board direction to proceed with soliciting several firms to conduct a capacity fee study. On November 16, 2011 RFP's were distributed to four (4) separate firms, as well as posted to the District's website. On December 8, 2011 two (2) firms submitted a proposal for the services outlined in the RFP (Attached).

After a thorough review of the two (2) proposals, staff recommends that the District contract with Bartle Wells Associates (BWA) to perform the tasks outlined in the RFP. BWA specializes in utility rates and financing programs and has developed over 2,500 utility rate studies and long-range financing plans for more than 500 California municipal utility agencies. They have experience with a variety of rate structures and have a proven track record of independent rate analysis across the state for the past 47 years.

Once the study nears completion, a formal presentation will be made to the Board with the study's findings, including recommended rate structures and fees.

Fiscal Impact:

Amount Requested \$23,000

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

September 7, 2011 Board direction to proceed with RFP (Report attached)

Attachments

Request for Proposal; Bartle Wells Proposal; Stantec Proposal; Proposed Contract

AGENDA ITEM: G-1

Town of Discovery Bay Community Services District

REQUEST FOR PROPOSALS
CAPACITY FEE STUDY

I. INTRODUCTION

A. General Information

The Town of Discovery Bay Community Services District is requesting proposals from qualified firms for an analysis and recommendations of its Capacity Fee Program.

There is no expressed or implied obligation for the Town of Discovery Bay Community Services District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Proposals submitted will be evaluated by a Selection Committee and the Town of Discovery Bay Community Services District reserves the right, where it may serve the Town of Discovery Bay Community Services District's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. Firms submitting proposals that are most responsive to this RFP may be requested to make oral presentations as part of the evaluation process.

The Town of Discovery Bay Community Services District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected, at no cost to the District. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, and of the District's Standard Contract, a copy of which is attached and marked Appendix A, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Discovery Bay Community Services District and the firm selected.

It is anticipated the selection of a firm will be completed in December 2011. Following the notification of the selected firm it is expected a contract will be ready to be executed between both parties with approval by the Board of Directors on January 4, 2012.

B. Term of engagement

A six (6) month contract is contemplated subject to the satisfactory negotiation of terms (including a price acceptable to both the Town of Discovery Bay Community Services District and the selected firm), and concurrence by the Board of Directors.

C. Subcontracting

Any proposed subcontracting shall be detailed in the firm's proposal. No additional subcontracting will be allowed without the express prior written consent of the Town of Discovery Bay Community Services District.

II. SCOPE OF WORK TO BE PERFORMED

A. Needs Assessment

Meet with District staff that work with capacity fees and/or ordinances and management, to gather information about current business processes designed to support capacity fee/ordinance administration, fee/rate assessment and collection. Receive input on how the current processes meets or does not meet Districts needs.

- Schedule individual and group meetings to receive input (as necessary)
- Summarize results and identify gaps in current procedures (as necessary)

B. Review Existing Processes and Documentation

- Capacity Fee Resolution
- District-wide Master Plan(s) (build-out projections) The Water Master Plan and the Wastewater Master Plan are posted on the District's Website at www.todb.ca.gov.
- Maximum Capacity Charge per EDU report for water and wastewater services
- Long-term Capacity capital improvement projects (10+ year)
- Unit rates charged by the District

Review other information necessary to understand current structure.

At completion of this task, meet with management to present findings and preliminary recommendations.

C. Recommendations

Using the information gathered in A and B, above, as well as the consultant's expertise, best practices, and compliance requirements develop draft recommendations to meet the needs of the District. Recommendations should also cover the following areas:

- Benchmark unit rates charged with other agencies in the surrounding areas for comparison purposes.
- Review and update (if needed) residential EDU assumptions.
- Analyze recent trends in domestic water and wastewater flow (from conservation or other factors) and discuss impact on long-term capacity needs and capacity fees considering existing available capacity (include how other agencies are dealing with this issue).
- Develop updated annual and build-out EDU growth projections by category (residential, commercial, industrial) and translate into capacity revenues.
- Compare growth projections with fund balances in Capacity Fund and recommend any changes to better align growth with funding.
- Develop a process to tie projected and actual growth to rate increases (including developing a rate model if needed)
- Review and comment on existing capacity rate justifications (AB1600 requirements – reporting, documentations, etc.)
- Any new policies needed to support recommendations

Work with management to identify any constraints and incorporate into final recommendations. Present final recommendations at District and Board meetings.

D. Report/Training

Compile the work elements above into a written report that will document the process and findings. Submit a draft and incorporate District comments to publish a final report. Draft a Capacity Fee Ordinance based on the final report.

For processes that are changed or newly developed, provide training to the staff responsible for their application.

E. Implementation Plan

Develop a time-phased implementation plan to carry out the final recommendations. The plan shall include timing and resources needed to implement the final recommendations.

III. DESCRIPTION OF TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

A. Name and Telephone Number of Contact Persons/Location of Offices

The firm's principal contact with the Town of Discovery Bay Community Services District will be Rick Howard, General Manager, who will coordinate the assistance to be provided by the Town of Discovery Bay Community Services District to the firm. He may be contacted at (925) 634-1131, rhoward@todb.ca.gov.

B. Background Information

The Town of Discovery Bay Community Services District is an independent special district which provides source water and treatment for its domestic drinking supply, and wastewater collection, treatment and disposal services to the residents and businesses of the Town of Discovery Bay. The District is governed by an elected Board of Directors, which is accountable to the public. The District recovers the cost of their service delivery through rates imposed on users of the service.

IV. RESPONDING TO THE RFP

The RFP shall contain:

- a) A brief description of the qualifications and experience of your firm. Include personnel qualifications, experience and availability;
- b) Descriptions of similar assignments completed by the proposer and include the name of the client, contact person, and telephone number;
- c) A written description of how your firm would proceed with developing the Rate Study;
- d) A cost estimate, including a fee schedule, for providing the services necessary to complete the proposed scope of work, and
- e) An estimated timeline for conducting the work.

We request that you limit your RFP Response to no more than ten (10) pages, including any project or client reference details or lists. Additionally, any company brochures relevant to the work may be included as appendices.

V. EVALUATION CRITERIA

The RFP Response will be reduced to a short list of three or four consultants who will be invited for an interview. The RFP Response and oral interview results shall be the basis of selection. A detailed scope of work and fee will be negotiated with the selected firm.

The selection criteria are as follows:

- a) Consulting firms that are the most qualified and experienced in the area of municipal utilities financing and rate-setting is highly desirable;
- b) The quality of the interview and the proposals presented;
- c) The experience of the project manager;
- d) The ability to perform the work in a timely manner (current and projected work load).

DUE DATE FOR RESPONSE

To be considered, three (3) hard copies of the proposal and one copy e-mailed in PDF format must be received by Rick Howard (rhoward@todb.ca.gov), General Manager, Town of Discovery Bay Community Services District, 1800 Willow Lake Road, Discovery Bay, CA 94505 **by 3:00 p.m. on Thursday, December 8, 2011**. Any proposal(s) submitted after 3:00p.m. on December 8, 2011 will be rejected.

TO BE FOUND ON THE DISTRICT WEBSITE:

http://www.todb.ca.gov/content/Master_Plans

- a) Water 10 Year Master Plan
- b) Wastewater 10 Year Master Plan

ENCLOSURES:

- a) Standard Professional Services Contract.
- b) Resolution 2004-03 - Establishing Capacity Charges for Water and Wastewater Service.
- c) Ordinance No. 19 – Establishing a Reimbursement Agreement for Discovery Bay West and Establishing Reimbursement Charges for Users of Excess Capacity (for informational and historical purposes only).



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue
Berkeley, CA 94703
510 653 3399 fax: 510 653 3769
e-mail: bwa@bartlewells.com

December 7, 2011

Rick Howard, General Manager
Town of Discovery Bay Community Services District
1800 Willow Lake Road
Discovery Bay, CA 94505

Subject: Proposal to Conduct a Capacity Fee Study

Bartle Wells Associates is pleased to submit this proposal to conduct a water rate study for the Town of Discovery Bay Community Services District. In addition to performing the capacity study, we will also develop a 10-year financial plan for the District's Capacity Fee Program. This financial plan will project operating and capital revenues, expenses and the District's capital improvement projects with the incorporation of the new capacity fees. The result will be an easy-to-use rate model in MS Excel that can provide recommendations for a variety of scenarios.

BWA specializes in utility rates and financing programs and has developed over 2,500 utility rate studies and long-range financing plans for more than 500 California municipal utility agencies. Our experience with all manner of tiered rates, conservation rates, and drought rate structures is without peer and we have provided expert, independent rate analysis across the state for the past 47 years. We have a well-earned reputation for providing our clients with straightforward, practical advice and have a strong track record of building consensus for our final recommendations.

BWA is owned and managed by its principal consultants, all of whom are Certified Independent Public Finance Advisors. The firm provides expertise in the area of public works financing with an experienced professional staff whose education and backgrounds include finance, civil and environmental engineering, public administration and policy, business, accounting and economics. We are very familiar with the requirements state law places on the development of rates and charges and we closely monitor the latest Proposition 218 developments.

We propose to assign Tom Gaffney, as project manager and principal-in-charge for this project. He will be assisted by Catherine Tseng, a financial analyst with our firm. Tom has over 35 years of experience as a financial consultant and is an expert in working with community groups and citizen's advisory committees. Tom and Catherine have assisted many other agencies similar to the District, including the Selma-Kingsburg-Fowler County Sanitation District, Marina Coast Water District and the City of Vacaville. Resumes for Tom and Catherine are included in this proposal.

Our proposal includes a firm overview, including organizational structure and qualifications, staff resumes, experiences and references, a project approach with a proposed scope of work, and a preliminary schedule. We are flexible with regard to modifying the scope of services to meet your needs. The scope, fee, and schedule included in this proposal are drafts and we will be happy to sit down with you to refine them as necessary to meet your objectives and expectations.

We appreciate the opportunity to assist the District on this assignment and are prepared to begin work immediately. Please contact me at 510.653.3399 extension 106 or by email at tgaffney@bartlewells.com if you have any questions or would like any additional information.

Sincerely,

BARTLE WELLS ASSOCIATES

A handwritten signature in cursive script that reads "Thomas E. Gaffney".

Thomas E. Gaffney, PE, CIPFA
Principal

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Business Qualifications

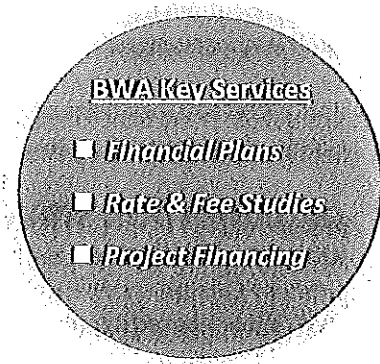


BARTLE WELLS ASSOCIATES

Bartle Wells Associates (BWA) is an independent financial advisor to public agencies with expertise in water and wastewater rates and finance. Our firm was established in 1964 and is owned and managed by its principal consultants. We have over 47 years of experience advising local governments on the complexities and challenges in public finance. We have advised over 500 public agency clients in the western United States and completed over 2,500 assignments. We have a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best and most-practical solutions.

Bartle Wells Associates has a stable, well-qualified professional team. Our education and backgrounds include finance, civil engineering, business, public administration, public policy, and economics. The firm is owned and managed by its principal consultants who have been with the firm for many years.

BWA specializes in three professional services: utility rate and fee studies, financial plans, and project financing. We are the only independent financial advisor providing *all three* of these interrelated services to public agencies.



RATE AND FEE STUDIES Our *rate studies* employ a cost-of-service approach and are designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We develop practical recommendations that are easy to implement and often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing impact fees that equitably recover the costs of infrastructure required to serve new development. BWA has completed hundreds of water and wastewater rate and fee studies. We have helped communities implement a wide range of water and sewer rate structures and are knowledgeable about the legal requirements governing rates and impact fees including Proposition 218 and Government Code 66000. We develop clear, effective presentations and have represented public agencies at hundreds of public hearings to build consensus for our recommendations.



Our offices are located in Berkeley, in a circa 1900 Victorian Building.

FINANCIAL PLANS Our *financial plans* provide agencies with a flexible roadmap for funding long-term operating and capital needs. We evaluate the wide range of financing options available, develop a plan that recommends the best financing approach, and clearly identify the sources of revenue for funding projects and repaying any debt. We also help agencies develop prudent financial policies, such as fund reserve targets, to support sound financial management. BWA has developed over 2,000 water and wastewater enterprise financial plans to help public agencies fund their operating and capital programs, meet debt service requirements, and maintain long-term financial health.

PROJECT FINANCING Our *project financing* experience includes over 300 bond sales and numerous bank loans, lines of credit, and various state and federal grant and loan programs. We generally recommend issuing debt via a competitive sale process to achieve the lowest cost financing possible. To date, we have helped California agencies obtain over \$5 billion of bond financing, \$350 million in low-rate SRF loans and grants, and hundreds of millions in bank loans and lines of credit. We work only for public agencies; we are independent financial advisors and do not buy, trade, or resell bonds. Our work is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.

Bartle Wells Associates is a charter member of the *National Association of Independent Public Finance Advisors* (NAIPFA), which establishes strict criteria for independent advisory firms. All of our lead consultants are *Certified Independent Public Finance Advisors*.



Bartle Wells Associates is committed to providing value and the best advice to our clients. Our strength is *quality*—the quality of advice, service, and work we do for all our clients.

ORGANIZATION STRUCTURE, CAPACITY, & RESOURCES

Although we are a small business with eight employees, we are a leader among utility rate consulting firms in California since we specialize exclusively in utility rates and finance. The following outlines BWA's team-based approach to this project.

BWA typically assigns one principal and one financial analyst to each project. Having a small team streamlines the startup phase of a project. BWA does not have the difficulty of "filling in" additional consultants on the details of the project or the expectations of the client. The client benefits by meeting our consultants in-person and getting to know the project team. With BWA, there are no surprises on the project billings of other consultants in other offices working on the project without the client's knowledge or approval.

All Bartle Wells staff work out of a single office in Berkeley, California. We find that this arrangement is efficient and keeps our travel costs low. Having a small team in a single office also facilitates communication. Our project team works together, in-person, every day. When the majority of consultants' project work is done via phone or email, important facts can be "lost in translation". Moreover, being geographically close to Vacaville, we can easily conduct meetings at the City's convenience.

Business Contact Information

Bartle Wells Associates
1889 Alcatraz Ave., Berkeley, CA 94703
Telephone: 510.653.3399
Fax: 510.653.3769
Website: www.bartlewells.com

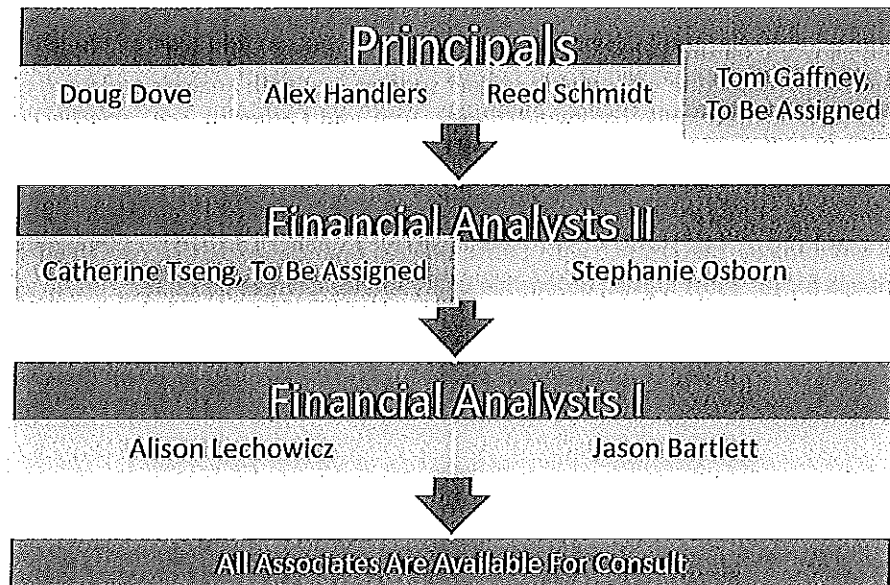
Bartle Wells Associates was established in 1964 and is a California Corporation and certified State of California Small Business. The Federal ID number is 94-1664409. BWA is also a certified Small, Local, Emerging Business by Alameda County; certification number 03-90344.

PROJECT TEAM & STAFFING

BWA proposes to assign Tom Gaffney as project manager and principal-in-charge for this engagement. Tom will be assisted by Catherine Tseng, a financial analyst. Because BWA is a small firm, we can pool our entire staff resources to assist the project team if ever needed. Please see below for a description of our staff and an organizational chart of our firm.

Professional Staff			Years With BWA	Years of Professional Experience
Name	Title	Academic Background		
Thomas E. Gaffney*	Principal Consultant	Engineering & Finance	35	36
Reed V. Schmidt*	Principal Consultant	Utility Economics	21	32
Douglas R. Dove*	Principal Consultant	Civil Engineering	21	22
Alex Handlers*	Principal Consultant	Public Administration	11	18
Stephanie Osborn*	Financial Analyst	Business Administration	7	9
Catherine Tseng*	Financial Analyst	Urban Planning	5	7
Alison Lechowicz	Financial Analyst	Public Administration	2	4
Jason Bartlett	Financial Analyst	Engineering & Public Policy	1	3

*Certified Independent Public Finance Advisor, and professional member of the National Association of Independent Public Finance Advisors



Our greatest resource is our experience. We have completed numerous capacity fee, rate and financing studies for regional agencies over the years, and we are currently performing financial studies with the Cities of Benicia and Dixon and Yolo County. In the past we have also conducted financing studies for the City of Woodland, City of Vacaville, San Francisco Public Utilities Commission, City of Petaluma and many other regional agencies. We are very familiar with the struggles facing Bay Area and Delta water agencies. Our experience and knowledge will inform the development of our fee structure alternatives.

Tom and Catherine have been selected for this project based upon their experience and expertise with the water utility needs of the Bay Delta's regional area. Together they bring over 40 years of experience in financial consulting services. Based upon the District's needs, we propose to assign Tom and Catherine to the following task subject areas:

Tom Gaffney, Project Lead

- Primary consultant on all tasks
- Lead on all tasks
- Focus on:
 - Project Team Orientation
 - Policy and Legal Requirements
 - Financing Strategies
 - Reserve Targets
 - Comprehensive Budget Assessment
 - Capital Project Financing
 - Best Recommendations

Catherine Tseng, Project Support

- Primary supporting consultant on all tasks
- Analytical support on all tasks
- Focus on:
 - Data Collection
 - Preliminary Model Review
 - Confirm Data Accuracy
 - Forecast Verification
 - Identifying Additional Elements
 - Recommend Improvements to Project Lead
 - Support Committee members

Tom will oversee all work, be the District's day-to-day contact person and lead all workshops with the District Board and staff. Catherine will provide project support, in-depth analysis and work closely with Tom and District staff to develop recommendations. Tom and Catherine are superbly qualified to conduct all work in-house and will not require any subconsultants. Other BWA staff members are available to assist the project team if ever needed.

The BWA team will provide the District with public utilities financial expertise combined with public outreach experience for the most logical, defensible utility service charges possible.

Tom's and Catherine's firm résumés are presented in Appendix A.

FINANCIAL STABILITY & LITIGATION

Bartle Wells Associates is owned and managed by its four principal consultants. During our 47 years in business we have consulted for over 500 agencies. Additionally, we have not been involved in litigation of any kind, since the inception of our company. Based on our experience, we are confident that we have the stability, credibility, and financial wherewithal to complete this project.

BARTLE WELLS ASSOCIATES' PROJECT MANAGEMENT

With our nearly 50 years of consulting experience, Bartle Wells recognizes that effective project management is a key element in delivering a successful project on time and within budget. The BWA Principal-in-charge begins each project by meeting with the client to review project goals, expectations, schedule, and key milestones. BWA closely monitors its time and expenses for each project and submits a monthly status report to the client to ensure that the approved fee will not be expended before the project is completed. BWA works closely with its clients to keep them informed of the progress and findings of each study. Our findings and recommendations are never released to the public until the client has reviewed and approved them.

RELATED EXPERIENCE & REFERENCES

Over the past five years, Bartle Wells Associates has conducted over 200 utility rate and fee studies including development of numerous water, wastewater, and solid waste rate studies, long-term utility enterprise financial plans, capacity fee studies, and cost-of-service updates of miscellaneous fees and charges. We have extensive, directly-applicable experience developing similar studies for a wide range of California cities, counties, special districts, and joint powers authorities.

The following examples include descriptions of recent local assignments which are comparable to Vacaville not only in region, but in operations as well. References are listed for each agency. Additional references for other agencies are available upon request.

Novato Sanitary District

Since 1966 BWA has served as financial consultant to the District on many projects. Our assignments have included a growth-responsive financing plan funded from District reserves and increases in connection and user charges. We have also assisted the District with the sale of bonds and notes. After the passage of Proposition 46 (restoring public agencies' ability to issue general obligation bonds), we assisted with a mailed-ballot election, which authorized bonds by a majority of over 80 percent. More recently we completed a reserve policy study in 2002, a capital financing plan in 2005 and a revenue program to secure a State Revolving Fund loan in 2006.

In 2007, BWA completed a comprehensive sewer service charge analysis to update the District's fees, including the annual service charges, connection fees, and charges for special services such as plan checking and inspection. The study focused on developing a method to equitably allocate expenses to various customer classes including residential and commercial customers based on the annual cost of providing service.

The study recommended no modification to the residential rates. Residential charges include a baseline charge covering fixed costs, with adjustments for extremely high or low flows to account for the variable cost. For non-residential customers, BWA's analysis determined that building square footage was the

most accurate way of allocating fixed costs for service and based the variable charge on both water usage and industry-standard strength factors.

In May 2010, BWA completed an engineer's report that updated the District's sewer service charges. BWA reviewed revenue and expense projections for the next fiscal year and recommended an increase in service charges to adequately fund operation and maintenance, replacements, capital and borrowing costs.

Financings: \$3,385,000 bond anticipation notes
\$10,725,000 grant anticipation notes
\$5,250,000 general obligation bonds (2 issues)

Milestone: First sale of general obligation bonds in California after passage of Proposition 46

Contact: Beverly James, General Manager 415.892.1694
E-mail: bevj@novatosan.com

Marina Coast Water District

In 2002 and again in 2008, Bartle Wells Associates prepared comprehensive water and wastewater rate studies and financing plans for Marina Coast Water District including the former Fort Ord service area. We recommended various capital financing methods including a new water rate structure for the district to fund operations and capital expenses, which included increasing block rates. We also developed new capacity fees for both water and sewer.

In 2003, we served as independent financial advisor to the District in connection with the funding of \$8 million of new facilities. We conducted a competitive bidding program to secure a line of credit and short-term tax exempt loan.

In 2006, we served as financial advisor when the District consolidated their long-term debt in a resale and issued new revenue certificates totaling \$42.3 million.

In 2008, we reviewed and updated the District's water and sewer rates and capacity fees. The District's water and sewer CIP forecast for Marina and the Ord Community is over \$110 million for the next five years and over \$209 million in total. New revenues from growth have declined due to the slowdown in housing, so we updated the District's comprehensive financial plan to account for the latest financial realities. The tier structure of Marina was adjusted and a third tier added to their existing block rate structure and appropriate rate and capacity fee increases were recommended.

Financing: \$8,000,000 - 2003 Line of Credit and Short-term Loan
\$42,310,000 -- 2006 Certificates of Participation

Contact: Suresh Prasad, Chief Financial Officer 831-658-5600
Currently at Monterey Peninsula Water Management District

City of Fresno

BWA has supported the City of Fresno's Wastewater and Sewer Enterprises on a number of different engagements over the last decade. In 1995 we served as a special consultant to the City of Fresno. The treatment plant was undergoing a \$90 million expansion to 80 mgd to meet the needs of its growing population. We developed a financing plan model to project the city's revenues and expenses to determine a revenue requirement from sewer service charges.

In January 2005, we completed a financing plan encompassing new wastewater treatment plant and collection system master plans along with the City's existing CIP. The plan recommended when and how much debt to issue to finance long term capital needs and presented corresponding rate increases required to meet the City's existing and future debt service coverage covenants.

BWA represented the Wastewater Management Division in its work with the Utility Advisory Committee. This committee of citizens was chartered by the City Council to review and recommend a five-year rate program that ensures that all utility enterprises in the City remain financially stable while minimizing the impact of any required rate increases on rate payers. BWA built a comprehensive rate model and presented the findings and implication to the Committee. After two months of close cooperation, the UAC recommended to the City Council a three year rate increase which was subsequently enacted by the City Council.

In October 2010, we updated the wastewater enterprise long-term financial plan and recommended the City' adopt a series of small, annual rate adjustments to keep rates in line with the cost of service and ensure adequate repayment security for planned debt issues. BWA again worked closely with staff and the City's Utility Advisory Committee to evaluate options and build consensus for final recommendations.

BWA is currently working with the City to update and restructure the City's water system development impact fees.

Contact: Steve Hogg
Wastewater Manager, Department of Public Utilities 559-621-5110
E-mail: Steve.Hogg@ci.fresno.ca.us

Scope of Services

This section presents a scope of services for a Water and Wastewater Capacity Fee Analysis Study for the District. For this project, Bartle Wells Associates will conduct a comprehensive review of the District's water and wastewater capacity fees and work with the District to provide a system of capacity charges that equitably recovers the costs of existing and future facilities benefiting new development.

1. Project Initiation (Meeting)

To initiate our work, hold a kickoff meeting with the District to accomplish the following:

- Identify members of District staff and others who will participate in the project
- Determine the roles and responsibilities of all project participants
- Establish project schedule and key milestone dates
- Discuss objectives and expectations of the project team
- Identify key issues that may impact the results of our work

2. Investigation & Data Collection

Assemble the information necessary to understand the current water and wastewater capacity fees and capital needs. Assistance and cooperation of District staff will be needed to assemble the background information. Information needs may include:

- Existing capacity fee ordinance and policies
- Historical capacity fee studies (we have)
- Latest capital improvement plan including cost estimates and schedule
- Historical and projected growth and anticipated development
- Growth projections and studies
- Financial statements and other historical financial data
- List of fixed assets and depreciation schedule
- Outstanding debt obligations
- Capacity fee customer classifications and wastewater strength characteristics
- Water and wastewater use data for District customers
- Any other relevant information

3. Review Current Water and Wastewater Capacity Charges

Review the District's current connection fee methodology for equity. Evaluate if the current fee structure recovers adequate costs to fund the allocated portion of infrastructure required to serve growth, and does not double count any costs, such as current facilities plus future replacement of those same facilities. Assess compliance with Government Code § 66000 et. seq. (AB1600).

4. Review Customer Classifications and Use Characteristics

Review the District's customer classes and underlying assumptions for capacity fee recovery. Recommend modifications, as appropriate, to help simplify the fee recovery classes and improve fee equity.

5. Evaluate Current & Historical Usage Data

Review current and historical District data on influent wastewater flows and water production and consumption. Evaluate wastewater flow and water consumption under a) current conditions, b) "normal year, conditions" and c) reduced flow scenarios due to conservation.

6. Evaluate Capacity Needs Under Appropriate Growth Alternative

Work with District to assess the capacity needs for serving projected growth. Evaluate impacts of various growth scenarios on the timing of future facility capacity requirements. For example, under a higher growth scenario, the District will recover more capacity charge revenues, but will also have to fund more expansion projects sooner than under a lower growth scenario. Additionally, some projects will need to be constructed before growth can occur.

7. Determine Cost & Capacity of Existing Infrastructure

Determine the capacity of infrastructure required by existing customers and that are available for growth based on input from District staff and engineers. Calculate the current value of the water and wastewater system infrastructure that has capacity to serve growth based on an inventory of fixed assets and original facility costs. The purchase price of facilities can be brought into current dollars using the Engineering News Record Construction Cost Index to account for construction cost inflation.

8. Allocate CIP Costs & Capacities to Existing Customers & Growth

Allocate the cost of future capital needs and their capacities between existing customers and growth. Some projects may benefit both existing customers and growth. For example, replacement of a sewer main may also provide benefit to future connections.

9. Calculate Unit Charges to Recover Costs of Existing Infrastructure

Based on the cost and capacity of existing water and wastewater system facilities, determine a buy-in cost per each unit of capacity. To the extent that debt financing was used to fund existing facilities, discuss options for including financing costs in fee structure. These unit charges of the fee will be sized to recover an equitable share of costs for existing infrastructure to serve new development

10. Calculate Unit Charges for Future Facility Needs Benefiting Growth

Based on cost and capacity of anticipated capital needs, calculate unit charges for future water and wastewater users. These unit charges will be sized to recover an equitable share of costs for future capital projects to serve growth. To the extent that debt financing was used to fund existing facilities, discuss options for including financing costs in fee calculations.

11. Calculate Updated Water and Wastewater Capacity Charges

Calculate updated connection fees for each customer class under the key capacity charge methodologies identified earlier in the process.

12. Review Findings with Project Team (Meeting)

Meet with the project team and review charge calculations with District staff. Based upon input from this meeting, make updates and prepare charges for recommendations.

13. Recommend a Method for Future Capacity Charge Updates

Propose a method to annually or periodically adjust the District's capacity charge, such as by the change in the Engineering News Record (ENR) Construction Cost Index from a base year. Future fee updates may be based on changes in the District's master plan, capital improvement program, project cost estimates, construction cost inflation, or other appropriate method.

14. Develop a Capacity Charge Financial Model

Develop a user-friendly Excel-based capacity charge financial model for future fee updates. The model will include the ability to allow underlying assumptions to be modified based on future data. The model can also be used to evaluate various 'what-if' scenarios to allow staff to evaluate alternative fee recommendations. BWA generally recommends that financial models be relatively simple and straightforward to use to enable them to be useful to staff. BWA will first develop a draft model for staff review and feedback. The final model will incorporate staff input.

15. Draft a Report Summarizing Findings & Recommendations

Prepare a report summarizing study objectives, key findings, and capacity charge recommendations. The summary report will present a clear and concise explanation of key findings and recommendations, discuss alternatives evaluated, and provide a clear rationale for final recommendations. The final report will reflect input received from the District's project team.

16. Meet with Project Team to Discuss Findings & Receive Input (Meeting)

Meet with the District's project team to present findings and preliminary recommendations as well as discuss key assumptions and their impacts.

Proposed Project Schedule

The following table provides a proposed schedule timeline for each task component outlined in the proposed Scope of Services and includes two meetings. This timeline is flexible and can be adjusted to meet the District's needs.

TASK	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
1. Project Initiation Meeting						
2. Investigation & Data Collection						
3. Review Current Capacity Charges						
4. Review Classifications & Characteristics						
5. Evaluate Current & Historical Usage						
6. Evaluate Growth Alternatives						
7. Determine Cost & Capacity of Infrastructure						
8. Allocate Costs & Capacities to Customers						
9. Calculate Unit Charges for Existing Facilities						
10. Calculate Unit Charges for Future Facilities						
11. Calculate Updated Capacity Charges						
12. Review Findings Meeting						
13. Recommend Charge Updates						
14. Develop Financial Model						
15. Draft Report of Findings & Recommendations						
16. Meet to Discuss Findings & Input						

Town of Discovery Bay Community Services District
 Capacity Fee Study
 Proposed Project Timeline

Proposed Project Budget

The following table outlines an estimated breakdown of costs per task and hours allocated for both Tom and Catherine. The table also includes estimated direct expenses included in the "Not to Exceed" estimate, including all meeting expenses.

Town of Discovery Bay Community Services District Capacity Fee Study Cost Proposal			
TASK	T. Gaffney @\$225/hr	C. Tseng @\$125/hr	Total Cost
1. Project Initiation Meeting	2	2	\$700
2. Investigation & Data Collection	2	4	\$950
3. Review Current Capacity Charges	4	8	\$1,900
4. Review Classifications & Characteristics	4	8	\$1,900
5. Evaluate Current & Historical Usage	4	8	\$1,900
6. Evaluate Growth Alternatives	4	8	\$1,900
7. Determine Cost & Capacity of Infrastructure	2	4	\$950
8. Allocate Costs & Capacities to Customers	4	8	\$1,900
9. Calculate Unit Charges for Existing Facilities	4	4	\$1,400
10. Calculate Unit Charges for Future Facilities	4	4	\$1,400
11. Calculate Updated Capacity Charges	4	4	\$1,400
12. Review Findings Meeting	2	2	\$700
13. Recommend Charge Updates	2	4	\$950
14. Develop Financial Model	2	8	\$1,450
15. Draft Report of Findings & Recommendations	4	8	\$1,900
16. Meet to Discuss Findings & Input	2	2	\$700
TOTAL ESTIMATED CONSULTING HOURS & COSTS	50	86	\$22,000
Estimated Direct Expenses			
Travel			\$700
Copies/binding/phone/fax/mail/miscellaneous			100
Phone/fax/mail			100
Miscellaneous			100
Total Estimated Expenses			1,000
NOT TO EXCEED TOTAL COST			\$23,000

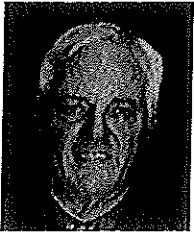
Proposed Fee Schedule

The following table outlines a payment schedule based upon the proposed project budget and timeline. Each billing amount is based upon the percentage of work performed on each task during each billing cycle. This schedule is flexible and can be adjusted along with the schedule and proposed budget.

Town of Discovery Bay Community Services District Capacity Fee Study Proposed Payment Schedule		
Date of Invoice	Date of Expected Payment	Approximate Billing Amount
5-Feb-12	20-Feb-12	\$1,300
5-Mar-12	20-Mar-12	\$5,400
5-Apr-12	20-Apr-12	\$6,400
5-May-12	20-May-12	\$4,700
5-Jun-12	20-Jun-12	\$4,200
5-Jul-12	20-Jul-12	\$1,000
Total Billing		\$23,000
Billing is in monthly cycles based upon percentage completed of each task		

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Appendix A: Staff Résumés



Tom Gaffney, P.E., CIPFA
Principal Consultant

Thomas E. Gaffney is a principal consultant with BWA and has over 35 years of utility finance experience. He is an expert in developing rates, financing plans, connection and impact fee studies, institutional programs, contract negotiations and bond marketing. He has worked extensively developing wastewater revenue programs conforming to the State Water Resources Control Board's Revenue Program

Guidelines. Tom is a recognized expert in California utility rate law and has provided expert witness testimony in numerous rate cases.

Education:

M.B.A., Finance, University of California, Berkeley
B.S., Civil Engineering, University of California, Berkeley

Certifications:

Certified Independent Public Finance Advisor (CIPFA)
Professional Civil Engineer, California, #19371

Recent Relevant Projects:

- **City of Fresno:** Sewer rate and fee analysis; support to Utility Advisory Commission (in-progress).
- **Marina Coast District:** Updated the District's water and sewer rates and capacity fees. Served as financial advisor for \$8 million line of credit and \$42 million COP issue.
- **Novato Sanitary District:** Wastewater rate and connection charge studies. Financing plan to finance \$125 million treatment plant upgrade with a combination of SRF loans, pay-as-you-go and bonds.
- **Napa Sanitation District:** Cost allocation study for capital improvement projects; wastewater rate study, connection fee analysis, reserve fund analysis.
- **City of Vacaville:** Water and wastewater rate studies and wastewater capital facilities financing plan. Developed wastewater connection charge.
- **Marina Coast Water District:** Prepared water and wastewater rate studies for the District and the former Fort Ord community.
- **City of Woodland:** Prepared water, wastewater, and storm drain rate studies. Developed a fully pay-as-you-go financing plan for each of the three City enterprises.
- **City of Petaluma:** Developed financing plan for \$125 million Ellis Creek wastewater treatment plant. Assisted with securing \$115 million of SRF loans and \$100 million line of credit.
- **City of Menlo Park:** Water rate study including new tiered rates. We developed a pass-through plan to allow rate adjustments without an additional Proposition 218 notification when Hetch Hetchy water supply costs are increased.
- **City of Fresno:** Prepared financial plan and rate study to finance \$600 million of wastewater facilities. Worked with citizen's Utility Advisory Board to secure approval of rate recommendations.
- **Selma-Kingsburg-Fowler CSD:** Prepared a Financial Policies and CIP Update for \$28 million of capital facilities. Recommended connection charges for the district and its member cities.



Catherine Tseng, CIPFA
Financial Analysis Support

Catherine Tseng is a financial analyst with BWA and works closely with team members and public agency staff to develop financial projections and long-term financial plans with wastewater, water and recycled water rates as well as connection and capacity fees. She is an expert in designing equitable rate structures and the evaluation of financial impacts. She also helps agencies assess financing options for public works projects and issue debt via bonds, bank loans and various state and federal subsidized programs. Prior to joining BWA, Ms. Tseng worked in the City of Oakland Planning Department.

Education:

M.S.U.P. (Master of Science In Urban Planning), Columbia University, New York
B.A., University of California, Berkeley

Certifications:

Certified Independent Public Finance Advisor (CIPFA)

Recent Relevant Projects:

- **City of Benicia:** Completed raw water cost of service study for negotiations between the City and Valero Refinery. 10-year financing plan and 5-year water rate study (in-progress)
- **Sonoma County Water Agency:** Developed recommendations for operating and capital fund reserve levels and uses. Currently evaluating water use tier structure (in-progress)
- **El Dorado Irrigation District:** Updated connection fees for the District's wastewater, water and recycled water utilities. Worked with a local task force, including building industry representatives, throughout the process.
- **City of Escalon:** Performed wastewater, water and stormwater rate studies.
- **Elk Grove Water Service:** Developed a long-term financing plan and water rates to fund operating and capital needs. Worked with staff and a citizen's advisory committee to build consensus.
- **Selma-Kingsburg-Fowler County Sanitation District:** Reviewed and updated 10-year financial plan and rate component for capital repair and replacement. Currently updating District's connection fees.
- **Olivehurst Public Utility District:** Helped develop water and wastewater long-term financial plans and rate studies.
- **Montara Water and Sanitary District:** Update rates, charge, and connection fees for District's water and sewer systems. Helped District secure a \$2 million low-rate loan through the California Infrastructure and Economic Development Bank.
- **Town of Hillsborough:** Participated in water and sewer rate analysis and connection fee study.
- **Coastside County Water District:** Prepared long-range financing plan and water conservation study.
- **Humboldt Bay Municipal Water District:** Comprehensive financing plan for water projects
- **City of Patterson:** Prepared long-term financing plan and water and wastewater study based on the City's 20-year capital improvement program.

Appendix B: Pricing & Billing

**BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2011
Rates Effective 1/1/2011**

Professional Services

Financial Analyst I	\$95 per hour
Financial Analyst II	\$125 per hour
Senior Financial Analyst	\$165 per hour
Senior Consultant	\$195 per hour
Principal Consultant	\$225 per hour

The professional time rates include all overhead and indirect costs. Bartle Wells Associates does not charge for secretarial support services and internal computer time. Expert witness, legal testimony or other special limited assignment will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through December 31, 2011 at which time they will be subject to change.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Word processing and computer-assisted services related to official statement production are charged as direct expenses at \$60 per hour. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Long distance telephone and fax
- Printing and report binding
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Photocopying
- Graphic design and photography
- Special legal services
- Legal advertisements

Insurance

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

Payment

Fees will be billed monthly for the preceding month, and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

Appendix C: Availability & Fees

1. We are prepared to begin work upon your authorization to proceed.
 - The project will be completed by June, 2012 or other mutually agreeable date preferred by the District.
 - The fee is based on a total of 3 trips to the District for meetings and/or presentations.
2. During the project development period, we will be available at all reasonable times and on reasonable notice for meetings and for consultation with the District, its staff, attorneys, consulting engineers, and others as necessary. Our proposal includes two meeting at the District.
3. Bartle Wells Associates will perform all work. Thomas E. Gaffney, one of our principals, will be placed in charge of the work, and will devote time and effort to the project as needed.
4. For services as requested by the District we will be reimbursed on a time and materials basis and payable as provided in our Billing Rate Schedule 2011.
5. Our fee will not exceed \$23,000, including direct expenses not exceeding \$1,000 without prior written authorization of the District.
6. In addition to the services provided under this proposal, the District may authorize BWA to perform additional services for which the District will compensate us based on consultants' hourly rates at the time the work is performed, plus direct expenses. Additional services may include, but are not limited to:
 - Meetings or presentations in excess of 3 scheduled meetings
 - Changes in project scope
 - Delays in project schedule
 - Any other services not specified
7. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in the Schedule of Insurance attached.

Appendix D: Schedule of Insurance

SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of this increase will be added to the contract price.

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ■ \$2,000,000 General Aggregate ■ \$2,000,000 Products Comp/Op Aggregate ■ \$1,000,000 Personal & Advertising Injury ■ \$1,000,000 Each Occurrence 	6/1/12
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> ■ \$1,000,000 Combined Single Limit 	6/1/12
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	<p>Workers' Compensation: Statutory Limits for the State of California. Employers' Liability:</p> <ul style="list-style-type: none"> ■ Bodily Injury by Accident - \$1,000,000 each accident ■ Bodily Injury by Disease - \$1,000,000 each employee ■ Bodily Injury by Disease - \$1,000,000 policy limit 	6/1/12
Professional Liability	Chubb & Son, Inc. BINDO94045	<p>Solely in the performance of services as municipal financing consultants for others for a fee.</p> <p>Limit: \$2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses)</p>	6/1/12

Proposal for

TOWN OF DISCOVERY BAY **Capacity Fee Study**



Submitted to
Town of Discovery Bay
Submitted by
Stantec Consulting Services Inc.



Stantec

One Team. Infinite Solutions.

DECEMBER 8, 2011



Stantec Consulting Services Inc.
3875 Atherton Road
Rocklin CA 95765
Tel: (916) 773-8100
Fax: (916) 773-8448

Stantec

December 8, 2011

Mr. Rick Howard
Town of Discovery Bay CSD
1800 Willow Lake Road
Discovery Bay, CA 94505

Re: Proposal to Provide Professional Services – Capacity Fee Study

Dear Mr. Howard:

Stantec Consulting Services Inc. and G Aronow Consulting are pleased to submit our Capacity Fee Study proposal for the Town of Discovery Bay Community Services District (the District) that will update the District's water and wastewater capacity fees for the recently updated Master Plans.

Our project team has significant experience in assisting public agencies in assessing and updating their utility fee structures in a manner that provides for the long-term financial health of the capital funds. We will work closely with the District in reviewing the existing fee program and structure and in recommending any changes. Changes will be recommended if they are projected to result in positive outcomes to meet the overall goals and priorities of the District.

Steve Beck, PE, of Stantec, will be the Principal-In-Charge and responsible for ensuring that the project work stays on time and on budget. Jeff Hauser, PE, also of Stantec will be on the project team and will provide engineering support focused on the infrastructure capacity and use assumptions. Stantec recently completed the District's draft Wastewater Treatment Master Plan.

Georgette Aronow, owner and Principal of G Aronow Consulting, will provide the financial analysis and fee program recommendations. Georgette has a broad background in public finance, with experience in the areas of revenue bond issuance, establishment of credit ratings for public entities, urban economics, land use planning and the financing mechanisms used to fund public infrastructure. Georgette was most recently Senior Finance Director at ECO:LOGIC (now Stantec) before leaving to start her own consulting business. She brings over 18 years experience in public finance, specializing in preparing utility rate studies and nexus studies for agencies in Northern California.

Our team brings solid capacity fee study and implementation experience along with local knowledge of the District's water and sewer infrastructure capacity and projects. We are confident that the District and the capacity fee study will benefit from this local knowledge and expertise.

We look forward to having the opportunity to discuss this important project with the District. If you have any questions regarding this proposal, please don't hesitate to contact me at (916) 773-8100 or via email at steven.beck@stantec.com

Sincerely,

Stantec Consulting Services Inc.

Steven L. Beck, PE
Practice Leader
steven.beck@stantec.com

Georgette Aronow
G Aronow Consulting (Principal)
garnowconsulting@att.net

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1 FIRM OVERVIEW

Stantec and G Aronow Consulting are pleased to provide this proposal in response to the Request for Proposals to provide consulting services for a Capacity Fee Study for the Town of Discovery Bay Community Services District (the District).

Stantec and G Aronow Consulting have a unique relationship and have teamed on similar projects, giving us the benefit of established relationships, lessons learned, and ability to streamline our processes. Prior to establishing her own consulting firm, Georgette worked with ECO:LOGIC Engineering (now Stantec) and served as the leader for projects involving financing and funding of water and sewer infrastructure, such as utility rate and fee studies and other public planning projects.

STANTEC OVERVIEW

Stantec has played an integral role in helping shape local communities for more than 50 years. The ability to work cooperatively with municipal agencies and most importantly, City staff, has helped develop our reputation as a leader in water and wastewater planning and design and a proud partner in the creation of quality facilities. Stantec, founded in 1954, has matured to become a leading global design firm. Our services are provided on projects around the world through approximately 11,000 employees operating out of more than 170 locations in North America.

Stantec provides professional design and consulting services and is a recognized leader and innovator in the delivery of sustainable solutions. Our multi-disciplinary practice areas serve public- and private-sector clients in a diverse range of markets.

Stantec has prepared capacity fee studies, water master plans, and sewer master plans for similar-sized communities. Each master plan had its own unique philosophy, approach, and challenges, as it should, since each community has its own identity and site-specific conditions. We pride ourselves on preparing custom plans; we don't take the "one size fits all" approach. We'd love the opportunity to assist the District in preparing practical, well thought out fee studies. Our familiarity with District staff and the District's systems will increase our efficiency and provide the highest value.

TOWN OF DISCOVERY BAY - CAPACITY FEE STUDY

G ARONOW CONSULTING

G Aronow Consulting was founded in 2010 by Georgette Aronow. Georgette, a Harvard graduate, has over 18 years experience in public finance and economic consulting. Most recently, Georgette was Senior Finance Director of ECO:LOGIC Engineering (now Stantec), an award winning group of professional engineers and consultants that assisted municipal water and wastewater utilities with creative and practical solutions that responded to complex, engineering, regulatory and operational issues.

G Aronow Consulting provides a high level of service to water and wastewater agencies that seek our expertise. She aims to find creative, financially responsible solutions to difficult water and wastewater issues.

G Aronow Consulting's municipal finance consulting experience includes:

- Water, sewer, and storm drainage cost of service rate studies and revenue programs
- Development impact, connection fees and other service charge studies, including Nexus studies
- Water demand forecasts and evaluation of water conservation programs on operating budgets
- Asset replacement valuation analyses
- Fiscal impact studies, including impacts to rates of alternative supply and treatment capital projects
- Mello-Roos and assessment district formation and administration
- Helping communities to assess and obtain the best low-cost and grant financing for planned capital improvements

G Aronow Consulting is well positioned to assist the District to update its sewer and water fees in a comprehensive and streamlined manner. As a firm specializing in utility rate and fee studies, we have depth of knowledge and expertise in the critical aspects of fee setting policy.

2 PROJECT TEAM QUALIFICATIONS

PROJECT TEAM BACKGROUND AND EXPERIENCE

We believe that our project team will provide you with the four critical elements identified below to ensure a successful Capacity Fee Study.

Principal-In-Charge. *Steve Beck, PE* will ensure that the study remains on schedule and within budget, is developed in accordance with District goals and needs, that the technical information is accurate and correct (QA/QC), and that it is prepared in a way that is easy to understand and transparent.

Fee Expertise. As the project's fee expert, *Georgette Aronow*, will be in charge of collecting city data and developing the model to review and calculate updated water and sewer capacity fees. Georgette has over 18 years of experience in public finance consulting and her specialty is almost exclusively conducting sewer and water rate and fee studies. She is able to integrate complex financial and engineering data into a simple Microsoft Excel model that calculates rates in an equitable way. Her models are developed so that each step in the calculation is clearly shown and the math is transparent. There are no "black boxes" in the models Georgette prepares. Instead, the District will be able to understand all the assumptions and the steps taken to arrive at a revised rate structure.

Specialized Engineering Expertise. As the project's engineering advisor, *Jeff Hauser, PE* will provide input on engineering issues as needed throughout the study. As principal at Stantec, Jeff specializes in water and wastewater solutions. With our involvement in the District's wastewater planning and infrastructure development, we have detailed knowledge of the District's infrastructure. This involvement will help to maximize the efficiency and accuracy of the fee studies.

Local Knowledge. Stantec is currently providing engineering consulting services for the District's WWTP Master Plan.

STANTEC TEAM ORGANIZATION

Team organization is more than a chart continually modified with little relevance to consistency or client needs. Commitment to you means commitment to this and future projects. That's inherent in our character. The Stantec/G Aronow Consulting team wants you to be confident that each integral team member has the skills necessary to complete your project and will remain in place and flexible to your needs from start to finish. Additionally, the project team is seasoned at effectively utilizing various communication technologies in order to collaboratively provide a high quality of service to the District.

Our proposed organization is shown in Figure 2-1, following brief descriptions of the project team proposed for your project. Detailed resumes have been provided in Appendix A.

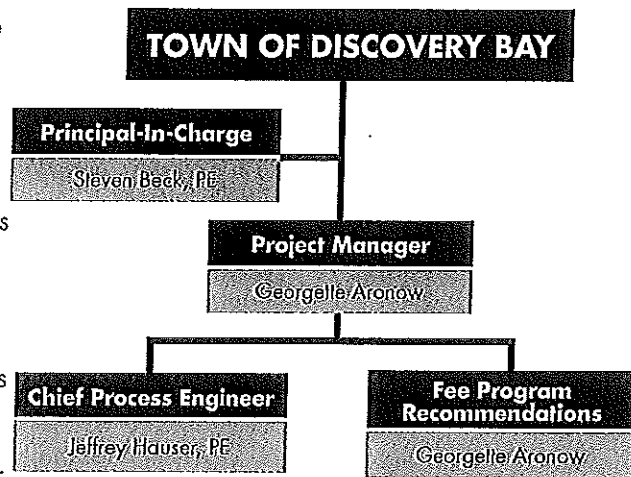


Figure 2-1
Project Team Organization

Steven Beck, PE - Principal-In-Charge										
Years of Experience: 26 Availability: 25%	<p>Throughout his 26-year career, Steve has served as Project Manager and Principal-in-Charge on many large and complex wastewater treatment plant design projects. He was the Principal-In-Charge for the Discovery Bay WWTP Master Plan Project, served as the Project Manager for the \$61 million City of Lincoln WWTRF, served as the Principal-In-Charge and Project Manager for the \$63 million Merced WWTF Upgrade and Expansion Projects, and served as the Project Manager for the City of Rio Vista Northwest WWTF New MBR plant, and the Reno-Stead Water Reclamation Facility Expansion.</p> <p>Steven will have overall responsibility for the project and will ensure that sufficient resources are committed to assignments.</p>									
License/Registration:	<table border="0"> <tr> <td>Professional Engineer, #43799, CA</td> <td>Education</td> <td>M.S., Civil Engineering</td> </tr> <tr> <td>Professional Engineer, #014588, NV</td> <td></td> <td>B.S., Civil Engineering</td> </tr> <tr> <td></td> <td></td> <td>B.S., Construction Management</td> </tr> </table>	Professional Engineer, #43799, CA	Education	M.S., Civil Engineering	Professional Engineer, #014588, NV		B.S., Civil Engineering			B.S., Construction Management
Professional Engineer, #43799, CA	Education	M.S., Civil Engineering								
Professional Engineer, #014588, NV		B.S., Civil Engineering								
		B.S., Construction Management								

Georgette Aronow - Project Manager (G Aronow Consulting)	
Years of Experience: 18 Availability: 90%	<p>Georgette is the Principal and owner of G Aronow Consulting, which specializes in utility rate analyses. Georgette will be responsible for the day-to-day oversight of the project as well as conducting the water and wastewater rate analyses. Georgette has a broad background in public finance, with experience in the areas of finance planning, revenue bond issuance, establishment of credit ratings for public entities, urban economics, land use planning and the financing mechanisms used to fund public infrastructure. She brings over 18 years experience in public finance, with the past 12 years specializing in preparing utility rate studies and financing plans for entities in Northern California. Most recently, Georgette was Senior Finance Director of ECO:LOGIC (now Stantec).</p> <p>As Project Manager, Georgette will be the day-to-day contact and will conduct the capacity rate studies.</p>
Education	<p>M.P.P., Public Policy, Harvard University, 1994 B.A., Government, Harvard University</p>

Jeffrey Hauser, PE - Chief Process Engineer							
Years of Experience: 30 Availability: 25%	<p>Jeff is a recognized expert in process design and the design of wastewater treatment plants requiring advance treatment. He is keenly focused on detail and ensures that every conceivable alternative is thoroughly evaluated in an effort to find the best solution in plant design. He has managed wastewater facilities plan studies and designs since 1978. Jeff has designed complex wastewater treatment systems requiring advanced treatment (including nutrient removal and membrane filtration) with various effluent disposal methods including golf course, crop, and spray irrigation; and discharge into streams with limited dilution capacity. Jeff will be responsible for secondary process and hydraulic analyses.</p>						
License/Registration:	<table border="0"> <tr> <td>Professional Engineer, #31744, CA</td> <td>Education</td> <td>M.S., Civil Engineering</td> </tr> <tr> <td>Professional Engineer, #012321, NV</td> <td></td> <td>B.S., Civil Engineering</td> </tr> </table>	Professional Engineer, #31744, CA	Education	M.S., Civil Engineering	Professional Engineer, #012321, NV		B.S., Civil Engineering
Professional Engineer, #31744, CA	Education	M.S., Civil Engineering					
Professional Engineer, #012321, NV		B.S., Civil Engineering					

3 RELEVANT EXPERIENCE & REFERENCES

Stantec and G Aronow Consulting are proud to have played a role in shaping this vital, burgeoning region. The following projects describe recent similar projects the proposed project team has completed.

Live Oak Water and Wastewater Utility Rate and Fee Studies

The City of Live Oak has historically been a small agricultural community. As a result of projected population growth and with the desire of maintaining current levels of service for water, sewer, and storm drainage facilities, the City conducted studies to update its revenue program and explore ways of funding or financing necessary capital projects. Stantec was hired by the City to update its water and sewer utility service charges and the water and sewer connection fees as well as to assist the City in determining the most cost-effective methods of funding water and sewer capital projects. Georgette worked with the City to review the existing rate structure for water and sewer and recommended revisions to the rate structures that would streamline the billing process and, at the same time, improve rate equity. Georgette also completed a review of the City's utility connection fees and recommended revised fees for adoption. Revised water rates were adopted in 2008 and revised wastewater rates were adopted in August 2009. Stantec also assisted the City in obtaining a funding commitment from the State Water Resources Control Board of \$10 million in ARRA grant funds and a \$6 million 1 percent CWSRF loan for its WWTP upgrade project completed in 2011.

Reference: Satwant Takhur
City of Live Oak
(530) 695-2112
email: stakhar@liveoakcity.org

Live Oak Development Impact Fee Nexus Study

In 2009, the City of Live Oak updated its General Plan. With the updated General Plan, the City also wanted to update the development impact fees for transportation, police, fire, general facilities, and parks and recreation. Georgette worked with the City to identify and quantify the future capital needs to serve future development. Facility needs were in large part based on maintaining the same level of service or higher for each facility, depending on the General Plan. Facility costs were estimated based

on City experience as well as a survey of capital costs of other nearby jurisdictions. The assumptions, analysis, and calculated fees were summarized in a comprehensive report to the City. Revised fees were adopted in spring of 2011.

Reference: Jim Goodwin, City Manager
City of Live Oak
(530) 695-2112
email: ctymgr@liveoakcity.org

South Placer Municipal Utility District Wastewater Charges Analysis

The South Placer MUD updates its monthly rates and participation charges every five to six years with the update of its master plan. In January 2009, the updated Master Plan was accepted by the Board of Directors and Stantec incorporated the cost estimates for infrastructure improvements detailed in the master plan into the projected five-year annual costs of the District. In addition to CIP costs, annual recurring costs and sources of revenues were projected for both the general (operating) and capital improvement funds. Customers were allocated total annual costs based on their share of total annual flow to the regional treatment plant.

Reference: Charles Clark, General Manager
SPMUD
(916) 786-8555
email: cclark@spmud.ca.gov

Colusa Wastewater Rate and Fee Study

Stantec completed the City of Colusa's design improvements to its wastewater facilities that allow the City to comply with state discharge requirements. As part of this effort, Stantec worked with the City to update its current monthly sewer user charges and development impact fees. The current rate structure had been established in the 1970s and was based on water meter size. The City updated the billing rate structure such that rates charged are based more directly on the actual impact to the sewer facilities by customer category. The City anticipated significant new development over the next five to ten years. The City sewer impact fees were updated by Stantec to reflect the anticipated costs to expand the sewer facilities to serve new growth.

The Wastewater Master Plan improvement project was estimated at \$19 million. In order to construct the project in a timely fashion, the City needed to finance

the project costs. Stantec worked with the City to develop a funding strategy that will most likely combine a number of revenue sources including state and federal loans and grant funding to the extent it is available. Stantec assisted the City in preparing the grant/loan applications to various potential lenders.

Reference: Jan McClintock, City Manager
City of Colusa
(530) 458-4740
citymanager@cityofcolusa.com

Riverbank Wastewater Charges Analysis

Over the past several years, the City has faced growing difficulties to fund State-mandated improvements to the wastewater treatment plant, meet existing bond debt service coverage requirements and other enterprise fund annual costs. With a sunset of automatic inflation rate adjustments in 2009, the City of Riverbank hired Stantec to characterize the \$1.7 million capital improvement costs necessary over the next three years, estimate financing costs to fund the improvements, and calculate wastewater charges (monthly rates and connection fees) to meet projected near-term revenue requirements.

Reference: Dave Melilli, Public Works Director
City of Riverbank
(209) 869-7128

Newman Water Rate and Connection Fee Study

The City of Newman is facing very large future water capital expenditures within the next 10 years, including a new well, tank, and other associated facilities, and construction of a new surface water treatment plant, which is estimated to be online by 2017. The City of Newman required a Water Rate Study that details how these facilities will be financed and the impact to ratepayers and the development community. A specific challenge for the City was determining equitable and reasonable rates and fees because the primary driver to switch to a surface water supply is salinity compliance at the wastewater treatment plant. As part of the study, it was recommended that a portion of costs be allocated to the wastewater enterprise fund.

Reference: Garner Reynolds
City of Newman
(209) 862-4448
email: greynolds@cityofnewman.com

Yuba City Water and Sewer Rate Studies

Georgette is currently working with the City of Yuba City to update its water and sewer user rates and charges. The City is currently planning for the long term provision of water and sewer services and the necessary or required capital infrastructure to do so. In order to provide adequate revenues to allow for new capital facilities as well as to maintain existing levels of service for current residents, the City recognizes that it needs to increase monthly service charges. Georgette reviewed the City's existing rate structure for water and sewer and recommended revisions to the rate structures that would streamline the billing process and at the same time improve rate equity. A revenue model was created for both enterprise funds that accounted for projected operations, maintenance and capital needs over a ten-year time horizon. Based on the projected funding needs, costs have been allocated and rates calculated based on the relative demand on the utility system by each user group.

Reference: Diana Langley, Principal Engineer
City of Yuba City
(530) 822-4300
email: dlangley@yubacity.net

Rio Linda/Elverta Community Water District

The Rio Linda/Elverta Community Water District (RLECWD) is currently under a state compliance order to improve its water supply volume and increase fire flow capacity. To meet the terms of this state mandate, the District is planning to drill and construct three new wells with a projected capital cost of \$7.5 million. The CDH has agreed to finance the project through its SRF program, however, RLECWD must increase its water revenues in order to support this additional debt service. To address the need to provide for the additional debt service as well as the longer term financial viability of the District, the RLECWD hired G Aronow Consulting to conduct a detailed water rate analysis. Georgette prepared a Water Rate Study with rate recommendations for a five-year time horizon. The study/analysis not only carefully evaluated the anticipated additional impact from the well project, but also the on-going operations and maintenance requirements, including the need to provide for monthly cash flow fluctuations by building up an operating reserve. Rate recommendations were presented to the RLECWD and were subsequently adopted in March 2011, with a phase-in plan, via the Proposition 218 rate hearing and adoption process.

Reference: Ravi Mehta, Rio Linda/
Elverta Community Water District
(916) 718-4877
email: rmehta@capitol-advocates.com

Manteca Sewer Rate and Fee Study

The City of Manteca recently expanded and upgraded its Wastewater Quality Control Facility (WQCF), a regional facility serving the cities of Manteca and Lathrop. The project, estimated at \$46 million, was needed to expand the treatment capacity to serve new development as well as comply with discharge requirements as mandated by the Regional Board. In addition, as a result of the last major rate increase occurring in 1991, the Sewer Enterprise Fund was estimated to have a negative fund balance due to user rates not being sufficient to fully fund operations.

Georgette assisted the City in updating the monthly wastewater fee structure and its wastewater connection fee charges in 2003. A revenue model was created that assigned operating and capital costs to each land use type in the City and projected future operating costs. Revised rates were calculated, and presented to the City Council, such that the Enterprise Fund was fully funded and allowed for conventional financing of the WQCF expansion and upgrade. The proposed connection fees were adjusted based on the additional capital costs related to the project, allocated on an equivalent dwelling unit basis to new development within the City.

Reference: Phil Govea
City of Manteca
(209) 239-8463
email: pgovea@ci.manteca.ca.us

Ceres Wastewater Rate Analysis and Update

The City of Ceres was concerned about the financial stability of the wastewater utility fund given recent cost increases, particularly those costs related to services provided by the cities of Modesto and Turlock. In addition, there were additional operational expenses, such as personnel needs, that the City wanted to fund, but for which the existing revenues were insufficient.

Stantec reviewed and updated the wastewater revenue program and calculated rates that would allow the City to maintain operations and fund several capital projects that they needed to move

forward with to meet state regulations. As part of this process, Georgette reviewed the City's existing rate structure and proposed some modifications. For example, the City had been charging commercial customers all one rate. We proposed that it would be more equitable if the City separated out users by type and charge them based on estimated use or demand of the sewer system. In addition, we proposed that a separate rate be charged to residents in North Ceres as their cost structure was different from the remaining City. We prepared a detailed rate study for the City and revised rates were adopted by the City through a Proposition 218 hearing process in January 2009.

Georgette is currently updating the sewer rate analysis and projected rates based on a Sewer Master Plan prepared by Stantec. It is anticipated that revised sewer rates will be implemented by spring 2012.

Reference: Michael Brinton
City of Ceres
(209) 538-5748
email: Michael.Brinton@ci.ceres.ca.us

Turlock Water Rates Study

After successful completion of the rates and fees study, and implementation of revised charges in 2005, the City of Turlock again chose Georgette and Stantec to perform a water rate study in 2009. Working with staff, a financial model was developed based on historical and projected operating, maintenance and capital costs which calculated rates and fees that would fully fund the water enterprise system going forward. A major consideration in the study is the potential to change from a groundwater system to a surface water system.

Two financial projections were made, one assuming the existing groundwater system continues with additional improvements, and the other assuming surface water becomes the primarily drinking water source. In addition, as required by AB2572, the City must move from a predominantly flat water rate structure, based on number of fixture units, to a metered rate structure.

Reference: Michael Cooke
Regulatory Affairs Manager
City of Turlock
(209) 668-5599
email: MCooke@turlock.ca.us



PROJECT UNDERSTANDING/SCOPE OF WORK

PROJECT UNDERSTANDING

The Town of Discovery Bay Community Services District has recently completed water and wastewater master plans for the District. A critical aspect of implementing the master plans will be the funding for identified capital improvement projects. One of the primary means of financing capital improvement projects that are associated with new growth are capacity or development impact fees. The District currently charges capacity fees for water and wastewater, but these fees need to be reassessed in light of current planning and the capital improvement projects currently identified by the District.

The following scope of work focuses on developing revised water and sewer fees and an updated Capacity Fee Program. The project team will also look at the water and sewer rates charged to existing development in the context of the overall funding of the District's CIP program. However, it does not include a rate study analysis to justify updated user rates. If the District wishes to update the user rates, a separate task and scope can be prepared for that item if so desired.

SCOPE OF WORK

The workplan or scope of services outlined below allows for a customized approach to establishing a fee program analysis that meets the needs of the District. The workplan discusses the methodology for both water and sewer fee analyses. These analyses will be separate, but will have a parallel process.

Task 1: Needs Assessment and Review of Existing Program

Under this task, the project team will coordinate with staff to collect necessary data and review the existing documentation on the existing Capacity Fee Program. The project team will also meet with District staff to gather information about current business process designed to support capacity fee/ordinance administration and fee/rate assessment and collection. The objective of this task will be to gain a solid understanding of the existing program and how it can be improved, based on staff input, going forward.

Task 2: Develop Updated Capacity Fee Program Recommendations

Based on information gathered under this task as well as the project team's consulting expertise, best practices, and compliance requirements, the project team will develop a recommendation(s) as to an updated Capacity Fee Program.

2.1 - Develop List of Priority Capital Improvement Projects (CIP)

The District has recently completed updated Master Plans for its water and wastewater infrastructure. Fundamentally, the Capacity Fee Program should be constructed so that future development is paying its share of needed capital improvements going forward. The project team will work with the District to identify those priority projects to be funded over the next 10 to 15 years. The project team will also determine what portion of those CIP projects are of benefit to future development. Only the portion of costs that will benefit new development can be included in the Capacity Fee Program.

2.2 - Future Growth and Equivalent Dwelling Unit Assumptions

The project team will work with the District to develop updated annual and build-out EDU growth projections by category (residential, commercial, industrial). In addition, under this task, the project team will review and update (if needed) the underlying water or wastewater use assumptions for a single-family EDU based on water and wastewater flow.

2.3 - Assessment of Existing Capacity for Future Growth

It is not uncommon to include a portion of the costs of existing infrastructure that benefit future growth in the fee calculations. This is often referred to as a "system buy-in" component. This is typically based on the value of existing infrastructure, less accumulated depreciation, which is then allocated to new development based on remaining capacity or a distribution of existing versus future growth. The project team will work with the District to develop a system buy-in fee component, depending on the availability of underlying data for existing infrastructure.

2.4 - Calculate Capacity Fees

The project team will calculate updated capacity fees based on the information gathered in prior tasks. The project team will also recommend ways to update the fees annually, if so desired by the District.

2.5 - Develop Cash Flow Analysis for Water and Wastewater CIP Funds

The project team will develop a pro forma cash flow analysis that will incorporate growth projections and corresponding fee collection with the timing of capital improvement projects over a 10- to 20-year period. This analysis will incorporate existing fund balances in the Capacity Fund. The cash flow model will help the District assess the funding capacity for annual CIP projects over time.

Funding capacity can vary depending on how the District intends to pay for capital projects going forward. For example, if the District intends to pay for projects on a cash or pay-as-you-go basis, the annual fee collections may limit the ability of the District to take on projects, particularly in times of slow growth. The District also has the ability to pay for projects through loans or bonds, which would allow for the District to build the projects up front and pay for them at a fixed amount annually over 20 to 30 years. This is often a policy decision by the District Staff or Board. The cash flow model will allow the District to assess varying assumptions on funding of the projects over time.

2.6 - Fee Comparisons with Other Jurisdictions

The project team will prepare a fee comparison for the District that will measure the current and proposed fees for the District with those charged by at least five (5) other nearby or similar jurisdictions approved by the District. This specific analysis is often regarded as a particularly useful tool when presenting proposed fees to public officials and constituents.

Task 3: Meetings, Report Preparation, and Implementation Plan

This scope of work anticipates six meetings at the District over the course of the project as follows:

- Kick-off and project initiation meeting (one)
- Progress meetings with staff (three)
- Public Workshops/ Hearings/District Board meetings (two)

The fee study analysis, assumptions, recommendations and findings will be summarized in a detailed report. The report will include the necessary justifications for adoption of the fees pursuant to AB1600.

The Capacity Fee Study reports will initially be provided in PDF format as an administrative draft for staff review. After receiving feedback on this draft, the project team will prepare a near-final report for public review and comment. Based on staff, Board, and public comments, the near-final report will be revised. The final report will also be produced in PDF format (hard copies can also be provided if so desired by the District).

At the public meetings, Steven Beck and Georgette Aronow will provide clear communication of the Capacity Fund and the fee calculations and recommendations. Steven and Georgette are both skilled communicators and are able to break down and present complicated financial information in a manner easily understood by a layperson.

Also under this task, the project team will work with District to develop a time-phased implementation plan to carry out the final recommendations. This plan will include timing and anticipated resources needed to implement the final recommendations. The project team will also assist the District in preparing an updated ordinance for fee adoption.

5 COST ESTIMATE

The following table provides an estimated breakdown of costs by hour and task to complete the workplan as described in Section 4. The total budget for the Capacity Fee Study is estimated at \$21,600.00.

Task/Description	Steven Beck Principal-In- Charge	Jeff Hauser Chief Process Engineer	Georgette Aronow Finance Specialist	Admin/ Production Support	Project Budget		
					Staff Budget	Direct Costs	Task and Grand Total
Task 1: Needs Assessment and Program Review	2	4	8	-	\$2,588.00		\$2,588.00
Task 2: Develop Capacity Fee Recommendations	4	10	22	-	\$6,572.00		\$6,572.00
Task 3: Meetings, Report Preparation, & Implementation Plan							
Project Kick-off Meeting (1)	4	-	4			\$1,512.00	\$1,512.00
Progress Meetings (3)		-	12			\$1,920.00	\$2,120.00
District Board/Public Presentations (2)	4	-	9	5		\$2,767.00	\$2,967.00
Report Preparation	2	4	16	10		\$4,778.00	\$4,941.00
Implementation Plan		-	5	-		\$800.00	\$800.00
TOTAL HOURS	16	18	76	15			
Billing Rate	\$218.00	\$218.00	\$160.00	\$91.00			
TOTAL PROJECT COSTS					\$20,937.00	\$663.00	\$21,600.00



Appendix A

Project Team Resumes

responsible for planning, design and construction management of water and wastewater treatment and collection systems.

EDUCATION

Bachelor of Science, Construction Management,
California State University, Fresno, California, 1980

Bachelor of Science, Civil Engineering, California State
University, Sacramento, California, 1985

Master of Science, Civil Engineering, California State
University, Fresno, California, 1990

REGISTRATIONS

Professional Engineer #14588, State of Nevada
Professional Engineer #43799, State of California

PROJECT EXPERIENCE

Wastewater Treatment

Town of Discovery Bay Community Services District
(Principal-In-Charge)

Master Plan for wastewater treatment plant expansion. Project included evaluation of existing facilities, analysis of alternatives, and development of a recommended plan of improvements for this plant, including influent pump station, headworks, secondary process with oxidation ditches, future effluent filtration, UV disinfection, and export pump station.

Donner Summit Public Utility District Wastewater
Treatment Plant (QA/QC Reviewer)

Studies and design of improvements and expansion of this plant, including advanced biological nitrogen removal facilities. Nitrogen removal is a particular challenge because of highly variable flows and loads and cold temperatures in this resort community. The project includes biomass augmentation through ammonia addition during low load periods to enhance nitrification, carbon addition to enhance denitrification and reactor heating when needed because of extreme cold temperatures. A membrane bioreactor system with a four-stage reactor configuration is being used. Extensive steady state and long-term dynamic process simulations were completed to develop and confirm the biological process design. Jeff was also the Project Manager and Primary Designer of a previous expansion of this plant, including advanced treatment, sludge handling, and disposal facilities.

City of Merced Wastewater Treatment Facility Phase IV
Upgrade and Expansion (Principal-In-Charge and Project
Manager)

Design of 12 mgd upgrade and expansion to existing wastewater treatment facility. Projects included new headworks with influent pumps, screens and grit removal equipment, secondary treatment process improvements for simultaneous nitrification/denitrification, new blower for aeration basins, rehabilitation of primary and secondary clarifiers, primary effluent equalization basin, tertiary pump station, tertiary flocculation basins and filters, UV disinfection system, outfall with cascading aerator, chemical building and storage facility, standby generator, plant water pump station, and improvements to existing operations building.

City of Dinuba Wastewater Reclamation Facility Phase 1
Improvements Project (Principal-In-Charge and Project
Manager)

Design of \$6.4 million improvement project. The upgraded facilities include headworks screens, influent pumps, odor control system, primary clarifier and primary sludge pump station rehabilitation, aeration basin improvements, new aerobic digester, solids dewatering facility with screw press, and two active solar dryers.

City of Woodlake Wastewater Treatment Facility
Upgrade and Expansion (Principal-In-Charge and Project
Manager)

Design of new \$12 million wastewater treatment facility to replace existing pond plant. The new facilities include headworks screening, influent pump station, two oxidation ditches with anoxic basins for removing nitrogen, two secondary clarifiers, return activated sludge and scum pump stations, solids stabilization lagoons, percolation ponds, standby generator and operations building.

City of Lincoln Wastewater Treatment and Reclamation
Facility (Project Manager)

This new \$61 million Title 22 tertiary treatment plant includes an influent pump station and headworks, oxidation ditches with anoxic basins, and secondary clarifiers and maturation basins. The tertiary treatment facilities include dissolved air flotation, chemical coagulation, flocculation, filtration, ultraviolet (UV) disinfection, and effluent re-aeration for surface water discharge. The project also includes solids handling facilities with solids holding tank, solids pump station, and centrifuges.

Steven L. Beck P.E.

Principal

City of Los Banos Wastewater Treatment Plant New Headworks Project (Principal-In-Charge)

This project included a facility plan, new headworks and influent pump station design and miscellaneous improvements to the existing pond treatment system.

City of Lathrop Water Recycling Plants No 1 and 2 (Principal-In-Charge)

Facility planning, pre-design and design. These facilities are membrane bioreactor (MBR) plants designed for full Title 22 reclamation and future river discharge. The plants combined have a treatment capacity of 3 mgd. New facilities included headworks with screening, grit removal and pumping, equalization tanks, emergency storage basins, MBRs with anoxic basins for nitrification/denitrification, UV disinfection systems, standby generators, solids dewatering facilities, and active solar dryers.

Reno-Stead Water Reclamation Facility Expansion (Principal-In-Charge)

Two plant expansion projects, increasing the capacity from 1.0 to 4.0 mgd. Included in both projects are a new headworks with screening and grit removal equipment, biofilter for odor control, extended activated sludge aeration and anoxic basins for nitrification/ denitrification, secondary clarifiers, sand filtration and pressure membrane filtration, disinfection with sodium hypochlorite and a parallel UV disinfection system. Project also included pilot testing of ozone coupled with biological activated carbon (BAC) for advanced treatment of the effluent for indirect potable water reuse.

City of Rio Vista Northwest Wastewater Treatment Facility (Project Manager in charge of planning, preliminary design and final design)

This \$30 million MBR plant includes an influent pump station, headworks, standby generator, emergency storage basin, MBR process, blower building, UV disinfection, effluent pump station, outfall pipeline, and diffuser into the Sacramento River. Solids handling includes belt filter presses and active solar drying process.

Reno-Stead Water Reclamation Facility Solids Pumping Station (Project Manager)

This \$1.6 million project replaced the existing solids handling facilities with a new pump station equipped with three progressive cavity pumps for transferring waste activated sludge and raw wastewater to the Truckee Meadows Water Reclamation Facility regional wastewater treatment plant.

South Truckee Meadows Water Reclamation Facility Expansion Project, Reno, Nevada (Project Manager)

This \$17 million project provided new secondary and tertiary wastewater treatment facilities including oxidation ditches, secondary clarifiers, RAS pump station, tertiary filters, chlorine contact basins, and a chemical building.

Wastewater Treatment Plant Expansion, Lindsay, California (Project Manager)

This \$4 million expansion project included a new oxidation ditch, secondary clarifier, headworks improvements, screening structure and standby generator.

Water Pollution Control Facility Sludge Drying Bed Project, Hayward, California (Project Manager)

This \$2 million expansion project provided approximately 6 acres of asphalt solar beds with decanting pump station.

Water Conservation Plant Digester Project, Visalia, California (Project Engineer for design)

This project includes a digester, boiler building and modifications to an existing ferric chloride storage and feed facility.

City of Bakersfield Wastewater Treatment Plant No. 3 Expansion (Project Engineer for design and construction)

This \$14 million plant included primary clarifiers, trickling filters, secondary clarifier, digesters, and odor control facility.

City of Tulare Water Pollution Control Facilities

Expansion Project (Project Engineer) *This \$11 million plant expansion included primary sedimentation basins, activated biofilters, aeration basins, secondary sedimentation basins, and biosolids facilities with gravity belt thickener.*

Water Conservation Plant, Trickling Filters Upgrade Project, Visalia, California (Project Engineer)

Design and construction. This \$4 million plant upgrade included new plastic media and distributors for four trickling filters, and rehabilitation of the filter recirculation pump station.

Wastewater Treatment Plant Improvement Project, Lindsay, California (Project Engineer)

Design and construction. This 1.24 mgd plant upgrade included rehabilitation of an oxidation ditch and return activated sludge pump station.

Fresno/Clovis Regional Wastewater Treatment Plant 68 MGD Expansion (Project Engineer)

Responsible for design of four 140 foot-diameter primary clarifiers, sludge pumping station, and flow splitting structure. Also provided assistance on other related projects, including laboratory and field testing of ferric chloride to enhance primary sludge settling.

* denotes projects completed with other firms



Aronow Consulting

ECONOMICS & PUBLIC FINANCE

Georgette Aronow

Principal/Owner

Education

M.P.P., Public Policy, Harvard University, 1994

B.A., Government, Harvard University

Georgette has a broad background in Public Finance, with experience in the areas of revenue bond issuance, establishment of credit ratings for public entities, urban economics, land use planning and the financing mechanisms used to fund backbone infrastructure, including sewer and water facilities. Georgette was previously a Vice President of Economic & Planning Systems, Inc.

Over the past 7 years, while at ECO:LOGIC Engineering, Georgette focused on water and wastewater rate and fee studies, including facilitating the implementation of revised utility rates via the Proposition 218 process in California.

In 2010, Georgette founded G Aronow Consulting and continues to provide economic and public finance consulting services to public agencies and municipalities in Northern California.

Experience

Utility Rate Studies. Prepared water and wastewater revenue program analyses for communities in Northern and Central California. User rates were calculated based on fair share allocation of capital and/or operations and maintenance costs. Assisted in implementing revised utility rate structures through the Proposition 218 process, including preparing public notices and giving public presentations at public workshops and hearings. Many of the rate studies have facilitated the awarding of state or federal loans or grants to fund necessary public projects.

Connection Fee and Development Impact Fee Studies. Prepared both utility connection fee studies and comprehensive development impact fee nexus studies to facilitate the construction of backbone infrastructure to serve new development.

Grant and Loan Application Assistance. Worked with clients to facilitate the application process and ultimately the awarding of grants and loans through the State Revolving Fund (SRF) loan program and ARRA monies.

Public Finance. Prepared financing plans, development impact fee nexus studies, and fiscal analyses to assist developers and public agencies fully assess the financial or economic impacts of new development on communities and to help ensure that new development adequately funds its share of the public infrastructure.

Financing District Formation. As a special tax consultant, assisted in the formation of Mello-Roos and assessment financing districts to facilitate construction of infrastructure in a timely manner.

Land Use Planning and Demographic Projections. Developed residential and non-residential land use projections for public jurisdictions' General Plan planning processes. Translated demographic projections into estimated water demand for clients.

Market Studies. Conducted market research on proposed real estate development projects to assess market feasibility and demand for land use types. Consulted on strategies for economic development in developing jurisdictions.

Economic Benefit Analyses. Analyzed the economic benefits of a variety of projects, for example, expansion of airport cargo facilities, expansion of high-tech manufacturing facilities, benefits of age-restricted communities, development of resort communities and amenities, etc. Analyses focused on fiscal revenue generation, the creation of new jobs, and increased income related to the projects.

Economic and Litigation Consulting. Assisted in the preparation of expert testimony for several litigation cases across multiple industries involving issues such as: transfer pricing, fair market value of natural resource commodities, anti-trust, and price fixing-conduct.

Bond Finance & Debt Issuance. Coordinated over \$150 million in tax-exempt bond transactions issued by the Massachusetts Industrial Finance Agency on behalf of non-profit, environmental, and corporate borrowers for the purposes of capital expansion programs. Prepared RFPs on behalf of borrowers to assist in the selection of underwriter, bond counsel, and trustee. Developed financial models to assist borrowers in evaluating cost-effectiveness of tax-exempt financings versus conventional sources of funding.

Public Finance - Ratings Analyst. While at Standard and Poor's credit rating agency, Georgette analyzed the credit worthiness of municipal issuers in the area of special revenue bonds, such as port revenue, airport, sales tax, public service tax and gas tax bonds. Prepared and presented credit analyses to rating committees comprised of associate directors and directors. Participated in meetings with municipal issuers. Authored weekly credit analysis write-ups for publication in *Creditweek Municipal*.

construction.

EDUCATION

M.S., Environmental Engineering, University of California, Davis, California, 1978

B.S., Civil/Environmental Engineering (Summa cum laude), University of California, Irvine, California, 1977

REGISTRATIONS

Professional Engineer #12321, State of Nevada
Professional Engineer #31744, State of California

PROJECT EXPERIENCE

Wastewater Treatment

Wastewater Treatment Plant Energy Optimization Projects (Project Engineer)

Secondary process capacity evaluations and determination of aeration requirements for new energy-efficient aeration systems for Selma-Kingsburg-Fowler (SKF) County Sanitation District, City of Manteca, and City of Barstow. Jeff was also responsible for design of a new fine bubble aeration system for SKF.

Town of Discovery Bay Community Services District (Project Engineer)

Master Plan for wastewater treatment plant expansion. Project included evaluation of existing facilities, analysis of alternatives, and development of a recommended plan of improvements for this plant, including influent pump station, headworks, secondary process with oxidation ditches, future effluent filtration, UV disinfection, and export pump station.

City of Ceres

Responsible for studies and preliminary design of various wastewater reclamation facilities for the City of Ceres, including effluent filters and review of oxidation ditch and secondary clarifier.

City of Merced Wastewater Treatment Plant (Process Engineer and Principal Designer)

Secondary treatment improvements to provide nitrification and denitrification for 12 MGD (expandable to 16 and 20 MGD) and on sidestream equalization and return flow timing facilities to mitigate the impacts of the sidestreams on the mainstream process. Project design involved extensive wastewater characterization as well as steady state and dynamic process simulation studies. Jeff also had primary oversight responsibility for all aspects of this \$80 million project. The project includes a new headworks, modifications to existing clarifiers and reactor basins, primary effluent equalization basin, tertiary effluent pump station, tertiary filters and UV disinfection system. Plans for future addition of anaerobic digesters, centrifuge sludge dewatering, centrate equalization and active solar drying to produce Class A biosolids have been completed also.

Donner Summit Public Utility District Wastewater Treatment Plant (Process Engineer and Principal Investigator)

Studies and design of improvements and expansion of this plant, including advanced biological nitrogen removal facilities. Nitrogen removal is a particular challenge because of highly variable flows and loads and cold temperatures in this resort community. The project includes biomass augmentation through ammonia addition during low load periods to enhance nitrification, carbon addition to enhance denitrification and reactor heating when needed because of extreme cold temperatures. A membrane bioreactor system with a four-stage reactor configuration is being used. Extensive steady state and long-term dynamic process simulations were completed to develop and confirm the biological process design. Jeff was also the Project Manager and Primary Designer of a previous expansion of this plant, including advanced treatment, sludge handling, and disposal facilities.

City of Reno, Reno Stead Water Reclamation Facility Expansion (Process Engineer)

Two plant expansion projects, increasing capacity from 1 to 2 and 2 to 4 MGD. Included in one or both projects were a new

Jeffrey Hauser P.E.

Process Design Engineer

headworks, nitrification and denitrification reactors, secondary clarifiers, conventional sand filtration and pressure membrane filtration, disinfection with sodium hypochlorite and a parallel UV disinfection system. Ozone treatment coupled with biological activated carbon (BAC) and UV disinfection to produce effluent that is potentially suitable for aquifer storage and reuse was investigated, leading to pilot testing of these technologies under the supervision of Stantec.

City of Lathrop Wastewater Treatment Facilities (Process Engineer and Design Engineer)

Three wastewater treatment facilities. Projects included two membrane bioreactor plants (one new and one expansion with a permitted capacity of 6.0 MGD) with nitrification, denitrification, and UV disinfection, as well as the upgrade of an industrial wastewater treatment facility to increase aeration capacity. The effluent from all three plants is to be reused for crop and/or landscape irrigation.

City of Rio Vista Northwest Wastewater Treatment Facility (Principal Engineer)

Process and detail design on this new 1.0 MGD facility, expandable to 2.0 MGD. This project included an influent pump station, headworks, a membrane bioreactor process designed to provide nitrification and denitrification, UV disinfection, effluent pump station, and outfall and diffuser to and in the Sacramento River. Solids handling facilities included belt filter presses and active solar drying beds to produce Class A biosolids. The project also included an operations building with a water quality laboratory and a new City corporation yard and maintenance facility.

City of Brentwood Wastewater Treatment Plant Expansion (Manager and Principal Engineer)

Study of expansion of this plant from 5 to 7.5 MGD, with provisions for subsequent expansion to 10 MGD. Recommended plant improvements include anoxic basins and oxidation ditches to provide nitrification and denitrification, sand filtration, UV disinfection, sludge dewatering and active solar drying to produce Class A biosolids. Effluent is partially reused for landscape irrigation.

Grass Valley Wastewater Treatment Plant (Manager and Primary Design Engineer)

A number of studies and designs all related to the systematic upgrade and expansion of the wastewater treatment plant. Jeff completed major design efforts in 1992 and 1999 for a total of approximately \$17 million in improvements. Included in the projects were new headworks facilities with grit removal and screening, primary clarification expansion, a new activated sludge system with nitrification and denitrification, secondary clarifiers and return sludge pumping facilities, filters, chlorination and dechlorination systems, equalization and pumpback facilities, a cascade aerator, a gravity belt thickener,

new operations building and laboratory, and related improvements.

Kirkwood Meadows Public Utilities District Wastewater Treatment Plant (Manager and Primary Design Engineer)
Expansion of the wastewater treatment plant. This project included a membrane bioreactor system with nitrogen and phosphorous removal. Additional plant features designed include an influent pump station, equalization facilities, aerobic digestion and centrifuge sludge dewatering.

City of Lincoln Wastewater Treatment Plant (Principal Engineer)

Responsible for process and detailed design quality control on 4.2 MGD tertiary wastewater treatment plant. Project includes an oxidation ditch system with provisions for nitrogen removal, advanced treatment facilities, sludge dewatering and lime stabilization, storage and reclamation facilities and related systems.

City of Woodland Wastewater Treatment Plant (Manager and Primary Design Engineer)

Improvement and expansion of the wastewater treatment plant, including two projects. The first project included a 130-foot secondary clarifier with spiral scraper, return and waste sludge pumping facilities, major modifications to the chlorine and sulfur dioxide feed systems for expansion and fire code compliance, a chlorine contact basin expansion, and other improvements. The second project involved pre-design of a subsequent plant expansion, including influent pumping, grit removal, oxidation ditches, secondary clarifiers, return sludge pumping, chlorine contact basin, effluent pumping and piping, and related work. Effluent filtration and ultraviolet disinfection were evaluated as options.

Mountain House Community Services District Wastewater Treatment and Disposal Facilities (Manager and Primary Design Engineer)

Planning and design of new wastewater treatment and disposal facilities. Efforts included the planning and pre-design of an ultimate 6 mgd Title 22 tertiary treatment plant with influent pumping, screening, grit removal, activated sludge, filters, chlorination and dechlorination facilities, belt filter press sludge dewatering and lime stabilization. Final design completed on an initial phase of plant construction with pond treatment followed by dissolved air floatation, coagulation, flocculation, filtration, storage reservoirs and irrigation facilities.

* denotes projects completed with other firms

PROFESSIONAL SERVICE AGREEMENT
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT/Bartle Wells Associates

CAPACITY FEE STUDY

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the Town of Discovery Bay, a Community Services District formed under the laws of the state of California ("District"), and Bartle Wells Associates ("Consultant").

RECITALS

A. District has determined that it requires the following professional services from a consultant: CAPACITY FEE STUDY

B. Consultant represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, District and Consultant agree as follows:

AGREEMENT

1. DEFINITIONS

- 1.1. "Scope of Services": Such professional services as are generally set forth in THE District's Request for Proposal which is attached hereto as Exhibit A and incorporated herein by this reference.
- 1.2. "Approved Fee Schedule": \$23,000.00
- 1.3. "Commencement Date": January 5, 2012
- 1.4. "Expiration Date": 175 days from Commencement Date and all Final deliverables by June 30, 2012.

2. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 15 ("Termination") below.

3. CONSULTANT'S SERVICES

- 3.1. Consultant shall perform the services identified in the Scope of Services. District shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of \$23,000 Dollars (\$23,000.00) unless specifically approved in advance and in writing by District.
- 3.2. Consultant shall complete all services relating to the Project no later than June 30, 2012.
- 3.3. Consultant shall perform all work to the highest professional standards of Consultant's profession and in a manner reasonably satisfactory to District. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.).
- 3.4. Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. The District Board of Directors shall be Consultant's project administrators and shall have direct responsibility for management and coordination of Consultant's performance under this Agreement. District shall not direct, control or supervise Consultant's employees or sub-consultants in the performance of the Scope of Work set forth in this Agreement.
- 3.5. Consultant shall provide progress copies of drawings, reports, specifications and other necessary information to the District and other engineers for coordination and review.
- 3.6. Consultant shall strictly observe and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on the safety of persons or properties or their protection from damage, injury, or loss. Without limiting the foregoing, Consultant shall comply with all requirements, regulations, orders, and directives promulgated under the Federal Occupational Safety and Health Act, the California Occupational Safety and Health Act, and the California Safe Drinking Water and Toxic Enforcement Act of 1988.

4. COMPENSATION

- 4.1. District agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule.
- 4.2. Consultant shall submit to District an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten business days of receipt of each invoice, District shall notify Consultant in writing of any disputed amounts included on the invoice. Within thirty (30) calendar days of receipt of each invoice, District shall pay all undisputed amounts included on the invoice. District shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.
- 4.3. Additional services requested by District and not included in the Scope of Services may be required by the District. Such additional services shall be performed only in accordance with Change Orders, authorized and issued by District or District's designated representative. Each Change Order shall list the scope of services to be performed, state the time within which the work is to be completed, and designate any special conditions. Payments for any additional services requested by District shall be made to Consultant by District on a time-and-materials basis using the Approved Fee Schedule, unless otherwise stated in the Change Order.

5. OWNERSHIP OF WRITTEN PRODUCTS

- 5.1. All reports, documents or other written material ("written products") developed by Consultant in the performance of this Agreement shall be and remain the property of District without restriction or limitation upon its use or dissemination by District. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant. District shall indemnify Consultant from any liability arising from use of documents not in connection with the Scope of Services identified in this agreement.

6. RELATIONSHIP OF PARTIES

- 6.1. Consultant is, and shall at all times remain as to District, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of District or otherwise to act on behalf of District as an agent. Neither District nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant

shall not represent that it is, or that any of its agents or employees are, in any manner employees of District. Consultant is not entitled to the rights or benefits afforded District employees, including, but not limited to, disability, unemployment or other insurance, or workers' compensation.

7. CONFIDENTIALITY

7.1. All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by District. District shall grant such consent if disclosure is legally required. Upon request, all District data shall be returned to District upon the termination or expiration of this Agreement.

8. INDEMNIFICATION

- 8.1. To the fullest extent permitted by law, Consultant shall indemnify, hold harmless and defend District, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property to the extent caused by any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subcontractors in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of District's choice.
- 8.2. District shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due District from Consultant as a result of Consultant's failure to pay District promptly any indemnification arising under this Section 8 and related to Consultant's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 8.3. The obligations of Consultant under this Section 8 will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives any statutory immunity under such statutes or laws as to District, its officers, agents, employees and volunteers.
- 8.4. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 8 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend District, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property to the extent caused by any alleged intentional, reckless, negligent, or

otherwise wrongful acts, errors or omissions of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of District's choice.

- 8.5. District does not, and shall not; waive any rights that it may possess against Consultant because of the acceptance by District, or the deposit with District, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

9. INSURANCE

- 9.1. During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:
- 9.1.1. Commercial General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000), per occurrence and in the aggregate, including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.
 - 9.1.2. Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
 - 9.1.3. Worker's Compensation insurance as required by the laws of the State of California.
 - 9.1.4. Professional Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per occurrence.
- 9.2. Consultant shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.
- 9.3. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.
- 9.4. Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, District may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.
- 9.5. At all times during the term of this Agreement, Consultant shall maintain on file

with District a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the District and its officers, employees, agents and volunteers as additional insureds under Commercial General Liability. Consultant shall, prior to commencement of work under this Agreement, file with District such certificate(s).

- 9.6. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.
- 9.7. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming District and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to District.
- 9.8. Commercial General Liability insurance provided by Consultant shall be primary to any coverage available to District. Any insurance or self-insurance maintained by District and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.
- 9.9. All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the District.
- 9.10. Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of District, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to District, or Consultant shall procure a bond guaranteeing payment of losses and expenses.
- 9.11. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 8 of this Agreement.

10. MUTUAL COOPERATION

- 10.1. District shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.
- 10.2. In the event any claim or action is brought against District relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that District may require.

11. RECORDS AND INSPECTIONS

11.1. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. District shall have the right to access and examine such records, without charge, during normal business hours. District shall further have the right to audit such records, to make transcripts there from and to inspect all program data, documents, proceedings, and activities.

12. NOTICES

12.1. Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and District's regular business hours; or (ii) on the fifth business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to District:

Town of Discovery Bay CSD
1800 Willow Lake Road
Discovery Bay, CA 94505
Telephone: (925) 634-1131
Facsimile: (925) 513-2705

With courtesy copy to:

Dan Schroeder, Attorney for Town of Discovery Bay CSD
Neumiller & Beardslee
P.O. Box 20
Stockton, CA 95201
Telephone: (209) 948-8200

If to Consultant:

Tom Gaffney, PE, CIPFA
Bartle Wells Associates
1889 Alcatraz Avenue
Berkeley, CA 94703
Telephone: (510) 653-3399

13. SURVIVING COVENANTS

13.1. To the extent required by applicable law, the parties agree that the covenants contained in Section 7, Section 8, Paragraph 10.2 and Section 11 of this Agreement shall survive the expiration or termination of this Agreement.

14. TERMINATION

14.1. District shall have the right to terminate this Agreement for any reason on five calendar days' written notice to Consultant, or immediately if the assigned principal, Tom Gaffney, is changed without the written consent of the District. Consultant shall have the right to terminate this Agreement for any reason on thirty (30) calendar days' written notice to District. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All District data, documents, objects, materials or other tangible things shall be returned to District upon the termination or expiration of this Agreement.

14.2. If District terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

15. GENERAL PROVISIONS

15.1. Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without District's prior written consent, and any attempt to do so shall be void and of no effect. District shall not be obligated or liable under this Agreement to any party other than Consultant.

15.2. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.

15.3. Consultant agrees to comply with the regulations of District's "Conflict of Interest Code." Said Code is in accordance with the requirements of the Political Reform Act of 1974.

Consultant covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of service required hereunder. The term "conflict" shall include, as a minimum, the definition of a "conflict of interest" under the

California Fair Political Practices Act and the Town of Discovery Bay
Conflict of Interest Code, as that term is applied to consultants.

- 15.4. The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).
- 15.5. The waiver by District or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by District or Consultant unless in writing.
- 15.6. Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in District's sole judgment that such failure was due to causes beyond the control and without the fault or negligence of Consultant.
- 15.7. Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Contra Costa County, California.
- 15.8. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 15.9. This Agreement shall be governed and construed in accordance with the laws of the State of California.

15.10. All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between District and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by District and Consultant.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below:

Signatures contained on next page

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DRAFT

“District”
Town of Discovery Bay CSD

“Consultant”

By: _____
Richard J. Howard, General Manager

By: _____

Date: _____, 2012

Print Name: _____

Date: _____, 2012

DRAFT



Town of Discovery Bay

"A Community Services District"

AGENDA REPORT

Meeting Date

January 4, 2012

Prepared By: Dina Breitstein, Finance Manager
Submitted By: Rick Howard, General Manager

Agenda Title

Award of Independent Audit Services for Fiscal Year 2010-11 through the completion of Fiscal Year 2014-15

Recommended Action

Staff recommends that the Board approve a five-year (5) engagement with Croce and Company for independent financial audit services for the period Fiscal Year 2010-11 through the completion of Fiscal Year 2014-15

Executive Summary

Each year, the Town of Discovery Bay CSD accounting systems are required to be independently audited. Croce and Company has audited the Districts financials for the past several years.

On November 7, 2011, staff distributed a Request for Proposals (RFP) for independent audit services to seventeen (17) qualified audit firms (the list of firms is attached). Three (3) firms submitted letters declining to submit a proposal, and thirteen (13) firms did not respond to the RFP. By the December 9, 2011 submittal deadline, one (1) proposal was received. That proposal was from Croce and Company.

A copy of the RFP and the Response from Croce and Company is attached as a part of this report, as is the contract to perform independent financial audits for fiscal years 2010-11 through 2014-15. As indicated in the attached Cost Proposal, the fee for each year's audit is locked in for the five (5) year term.

The fee for the FY 2010-11 Audit is \$21,650. The total contract fee for this service for the five (5) year period totals \$113,250.

Fiscal Impact:

- Amount Requested \$113,250.00 for FY 2010-11 through 2014-15
- Sufficient Budgeted Funds Available?: Yes (If no, see attached fiscal analysis)
- Prog/Fund: Category: Operating Expenses

Previous Relevant Board Actions for This Item

Attachments

- Copy of original RFP
- List of Firms RFP distributed
- Croce & Company response to the RFP and DRAFT Contract
- GFOA Audit Best Practice Recommendation

AGENDA ITEM: G-2



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Kevin Graves • Vice-President - Chris Steele • Director - Brian Dawson • Director - Mark Simon • Director - Ray Tetreault

November 7, 2011

Town of Discovery Bay CSD
1800 Willow Lake Road
Discovery Bay, CA 94505

TO ALL PROPOSERS:

You are invited to submit a Proposal to provide Auditing services as described herein. All Proposals shall be submitted in sealed envelopes or packages. Please resend your proposal the name and address of the proposer and addressed to:

Town of Discovery Bay CSD
1800 Willow Lake Road
Discovery Bay, CA 94505
Attention: Dina BreiStein

1. Questions from Vendors are due by November 20, 2011.
2. Responses to Questions will be provided by December 1, 2011
3. Final Vendor Proposals must be received by The Town of Discovery Bay no later than 3:00 p.m. (Pacific Time) on December 9, 2011.

Should you have any questions concerning the preparation of your Proposal, please do not hesitate to contact us.

Contact: Dina BreiStein
Phone: 925.634.1131
Fax: 925.513.2705
Email: dbreitstein@todb.ca.gov

Please note that this Request for Proposal letter does not constitute a guarantee on the part of The Town of Discovery Bay CSD that a contract will be awarded. No payment will be made for costs incurred.

Sincerely,

Dina BreiStein
Finance Manager
Town of Discovery Bay CSD

REQUEST FOR PROPOSAL

Certified Public Accounting Firm

Prepared by: **TOWN OF DISCOVERY BAY CSD**
1800 WILLOW LAKE ROAD
DISCOVERY BAY, CA. 94505
(925) 634-1131

1. Introduction

1.1 Proposed Solicitation

The Town of Discovery Bay Community Services District, hereinafter referred to as the "District" is soliciting proposals for qualified CPA firms to complete quarterly and annual audits of their financials for a potential five (5) year engagement.

The primary point of contact for questions regarding this Request for Proposal at the Town of Discovery Bay is Ms. Dina Breitstein. Ms. Breitstein can be reached at (925) 634-1131, Monday through Friday, 8:30am – 5:00pm.

1.2 Description of the Town of Discovery Bay CSD

The Town of Discovery Bay CSD is a Community Service District. The governing board is made up of 5 elected directors. The staff is made up of 13 employees. The district contracts out to Veolia Water for the operation and maintenance of the Town's Water and Wastewater Facilities, and also contracts out to Valley Crest and Cleary Bros Landscaping companies for the maintenance of our parks and common areas. The District is responsible for the operation and maintenance of a Water and Wastewater District, Recreation District for a Community Center and Park and Landscaping District.

2. Scope of Services

2.1 Description of Town CPA Service Needs

The primary functions of the CPA firm are to relate to assurance services, or public accounting. In assurance services, the Town of Discovery Bay CSD, would like assistance in the adherence to the applicable generally accepted accounting principles (GAAP) in financial statements. The Town of Discovery Bay CSD would like guidance in improving their overall financial reporting processes. The expectation is that the selected CPA firm continually informs the Financial

Town of Discovery Bay CSD

Services Department all year long of accounting, financial and regulatory developments that may impact their business. Audit partners should emphasize partner involvement in the planning and risk assessment process to ensure the audit effort is focused on financial statement areas that represent the greatest risk and provide valuable advice and recommendations.

2.2 Objective

The objective of this Request for Proposal (RFP) is to provide qualified CPA firms with the necessary information for preparing Year End Financial Reporting and Audits for the Town of Discovery Bay CSD.

Specific requirements for the services requested are listed in Section 2.3 "Scope of Work".

2.3 Scope of Work

1. CPA firm must help in our efforts to deliver complete and accurate financials to the State Controller of California and to the citizens of Discovery Bay CSD through unprecedented efficiency, accountability and responsiveness.
2. Provide insights into effective strategies other government bodies have adopted to be utilized and may be implemented by the Town of Discovery Bay CSD.
3. To provide audit and assurance with only those services that are compatible with what is permitted by our regulators and standard setters, the Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB), American Institute of Certified Public Accountants (AICPA), International Federation of Accountants (IFAC), Government Accountability Office (GAO) and various other state and local regulatory bodies.
4. Assist in the preparation of a comprehensive Management Report including legislative analysis, funding history, funding projections, etc.
5. Provide education of law changes in regards to government accounting.
6. Provide financial statement audits and reviews.
7. Provide audits of employee benefits plan.
8. Provide internal control reviews.
9. Provide financial analysis of business operations.
10. Knowledge of QuickBooks, Caselle or like software.

Town of Discovery Bay CSD

11. Experience working with at least 3 or more public agencies with specific emphasis in working with Community Service Districts.

Prior to issuing the final reports, the auditors will be requested to meet with the representatives of the Town of Discovery Bay CSD and discuss the reports and any findings. The annual audits should be completed and report delivered to the Town within 90 days after the closing of each fiscal year. Any exceptions will need to be approved by the General Manager.

2.4 Services to be conducted by CPA Firm

1. Conduct initial discussion with the District to develop an in-depth understanding of Financial Processes.
2. Submit written data or other requests for information to the District.
3. Implement all services described in Section 2.3 "Scope of Work".

2.5 Services to be conducted by the Town of Discovery Bay CSD

District staff will provide the supplier with all relevant information necessary for Audit Services

3. Conditions and Requirements

3.1 Cost Proposal and Pricing

The CPA firm will provide detailed costs of all services pertaining to Section 2.3 "Scope of Work" Prices quoted by the CPA firm will be firm prices, not subject to increase during the term of the contractual agreement arising with the District as a result of this proposal. Firms are to stipulate the expiration date of their quoted proposal.

3.2 Evaluation Criteria

The District's final selection will not be dictated on any single factor including price. The District's RFP team will evaluate proposals and will include both objective and subjective analysis. Proposals will be evaluated on the basis of experience; qualifications, technology and resources, and any innovative ideas presented for making the utility billing process proceed quickly and smoothly.

1. **Comprehensiveness of Services Provided:** The CPA firm must have the capability to meet the required service levels described in this RFP.
2. **Public Sector Experience and References:** The CPA firm experience in providing services to the public sector as well as client references.

3. Assigned Relationship Management Team: The credentials and experience of staff assigned to our relationship.

4. Technology and Resources: The available technology and resources necessary to perform all financial reporting and auditing functions. Final selection will be based on the evaluation of proposals unless it is deemed necessary by the RFP team to conduct interviews of closely scored firms. The supplier determined best qualified to perform this project will be recommended to the District Board of Directors for contract award.

3.3 Right to Request Additional Information

During the evaluation process, the RFP team and the District reserve the right, where it may serve the best interest of the District, to request additional information and clarification from suppliers.

3.4 Right to Reject Any or All Proposals

The District reserves the right to reject any or all proposals, to waive technicalities or formalities and to accept any proposal deemed in the best interest of the District.

3.5 Contracts

It is recognized that the formal basis of any agreement between the District and the CPA firm is a contract rather than a proposal. In submitting proposals, suppliers must indicate that they are prepared to complete a contract containing all the information submitted in their proposals. The proposal will become part of the contract between the District and the successful supplier.

3.6 Undue Influence

The supplier declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the District in connection with the award or terms of the Contract that will be executed as a result of this RFP, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of District will receive compensation, directly or indirectly, from the supplier, or from any officer, employee or agent of the supplier, in connection with the award of the Contract or any work to be conducted as a result of the RFP. Violation of this Section shall be a material breach of the Contract entitling the District to any and all remedies by law or in equity.

4 Vendor Proposal Format

4.1 Proposal Format:

To assist the District in its evaluation of submitted proposals, it is required that each proposal adheres to the following format:

1. Summary Sheet - The first page of the proposal must be a completed CPA firm Summary Sheet (see Appendix A)
2. Letter of Transmittal - In the letter of transmittal the supplier shall describe their understanding of the work to be performed and why the vendor is the best qualified to perform the services requested. This letter of transmittal must state the names of the individual(s) authorized to negotiate with the District and sign contracts on behalf of the supplier.
3. Company Overview: Provide a brief background and history of the company.
4. Experience: Describe the CPA firm's experience in providing services to the public sector and any exclusive resources dedicated to the public sector. Supplier should list at least three (3) references with similar requirements to the Town of Discovery Bay CSD. Include a brief description of the services provided, how long such services have been provided and a contact person and telephone number for each client described.
5. Data Requirements: List all data requirements, other than what has been identified in the RFP, that will be required to implement the requested services and in what type of format the data must be provided.
6. Pricing Schedule: The CPA firm must provide a per statement fee that includes all necessary financial documentations.
7. Pricing Terms & Conditions: Describe all proposed terms and conditions.
8. References: The CPA firm should provide a list of relevant references.
9. Additional Information: The CPA firm should describe any information not previously mentioned that the supplier believes should be considered.

Town of Discovery Bay CSD

5 Proposal Schedule

5.1 Distribution of RFP:

November 7, 2011

5.2 Final Date for Receipt of Proposals:

Decemberr 9, 2011 3:00 PM

Proposals must be received by the District no later than 3:00 PM on Friday December 9, 2011. Proposals received in the mail after this deadline will not be accepted regardless of their postmarked date. Facsimiles will not be accepted. Please include the original proposal and two (2) copies. The Town of Discovery Bay CSD will award the contract on December 21, 2011.

Town of Discovery Bay CSD

CPA Firm Services RFP

Appendix A

Supplier Summary Sheet

Supplier Name: _____

Supplier Address: _____

Supplier Phone Number _____

Supplier Fax Number _____

Management person responsible for direct contact with the District and the services required for this Request for Proposal (RFP):

Name: _____

Title: _____

Phone Number _____

Email Address: _____

Person responsible for day-to-day servicing of the account:

Name: _____

Title: _____

Phone Number: _____

Email Address: _____

Town of Discovery Bay CSD

Appendix B

Certification of Proposal to the Town of Discovery Bay CSD

1. The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to the District in accordance with the Request for Proposal (RFP) and to be bound by the terms and conditions of the RFP.
2. This firm has carefully reviewed its proposal and understands and agrees that the District is not responsible for any errors or omissions on the part of the supplier and that the supplier is responsible for these.
3. It is understood and agreed that the District reserves the right to accept or reject any or all proposals and to waive any informality or irregularity in any proposal received by the District.
4. The proposal includes all the commentary, figures and data required by the Request for Proposal.
5. This firm has carefully read and understands all of the items contained in Section 3, Conditions and Requirements.
6. The proposal by this firm is an irrevocable offer and shall be valid for 120 days from date of submission.

Name of Supplier: _____

By (Authorized Signature): _____

Date: _____

Name: _____

Title: _____

Address: _____

Phone Number: _____

Fax number: _____

Email Address: _____

Financial Audit RFP

Bidders List

	Name	Address	City & Zip
1	Croce & Company, CPA's	501 W. Weber Suite 500 or P.O. Box 1607	Stockton, CA 95203 Stockton, CA 95201-1607
2	Brown Armstrong, CPA's	4200 Truxtun Ave Suite 300	Bakersfield, CA 93309
3	Richard Callister CPA	2029 Main Street	Oakley, CA 94561
4	Deloitte & Touche	1111 Broadway Suite 2100	Oakland, Ca 94607
5	ERNST & Young	560 Mission St Suite 1600	San Francisco, CA 94105
6	Pricewaterhouse Coopers	3 Embarcadero Ctr. F120	San Francisco, CA 94111
7	KPMG	55 2nd St. Suite 1400	San Francisco, CA 94105
8	Rothstein KASS & Co	500 Ygnacio Valley Rd	Walnut Creek, CA 94598
9	Armanio MC Kenna LLP	12667 Al Costa Blvd Ste 500	San Ramon, CA 94583
10	Gallina LLP	1331 N California Blvd Suite 350	Walnut Creek, CA 94596
11	Rina Accountancy Corporation	1220 Oakland Blvd	Walnut Creek, CA 94596
12	Bohn & Bradtrude	5700 Stonridge Mall Rd Suite 380	Pleasanton, CA 94588
13	Cropper Accountancy Corporation	2977 Ygnacio Valley Rd #460	Walnut Creek, CA 94598
14	Armstrong Bonn & Feeney LLP	3201 Danville Blvd Suite 150	Alamo, CA 94507
15	Mann Urrutia Nelson & Associates	2515 Venture Oaks Way Suite 135	Sacramento, CA 95833
16	Nicholson & Olson LLP	729 Sunrise Ave. Suite 303	Roseville, CA 95661
17	Charles Z. Fedak & Company	6081 Orange Ave	Cypress, CA 90630

**PROPOSAL TO PROVIDE
PROFESSIONAL SERVICES**

**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

**YEARS ENDING
JUNE 30, 2011, 2012, 2013, 2014 AND 2015:**

CROCE & COMPANY
Accountancy Corporation

PROPOSAL TO PROVIDE PROFESSIONAL SERVICES

Firm name and address of
responsible office:

Croce & Company Accountancy Corporation
501 West Weber, Suite 500
Stockton, CA 95203

Contact Persons:

Mark Croce, Audit Partner
mcroce@croceco.com
Telephone: (209) 943-2222
Facsimile: (209) 943-2220

Pauline Sanguinetti, Senior Audit Manager
psanguinetti@croceco.com
Telephone: (209) 943-2222
Facsimile: (209) 943-2220

Date of proposal:

November 30, 2011

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November 30, 2011

Ms. Dina Breitstein, Finance Manager
Town of Discovery Bay
Community Service District
1800 Willow Lake Road
Discovery Bay, California 94505

Dear Ms. Breitstein:

Thank you for allowing us the opportunity to present this letter outlining the nature and scope of services we propose to provide as the independent auditors for the **Town of Discovery Bay Community Services District** (the District). We believe our proposal is responsive to your request, and we are delighted about the prospect of providing professional services for the District.

When appointed, we will perform an audit of the annual financial statements of the **Town of Discovery Bay Community Services District** for the years ending June 30, 2011, 2012, 2013, 2014 and 2015 in accordance with auditing standards generally accepted in the United States of America for the purpose of expressing an opinion on the financial statements, as presented, in accordance with accounting principles generally accepted in the United States of America. We will also prepare the Special Districts Financial Transactions Report which must be submitted to the State Controller. In the event that the District requires an Organization-Wide Audit (single audit) due to expenditure of federal funds in excess of \$500,000, we will perform such an audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996, and the provisions of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Services rendered in order to meet the single audit requirements will be billed to you separately.

We expect to provide draft financial statements to the **Town of Discovery Bay Community Services District** within 90 days of year end for the years ended June 30, 2011, 2012, 2013, 2014 and 2015. Final statements will be made available upon acceptance by the District.

CROCE & COMPANY

Accountancy Corporation

Croce & Company was formed on November 1, 1987 with thirteen accountants and support staff, all formerly with a national certified public accounting firm. The firm has experienced growth in all areas of service; audit, tax, accounting and consulting, resulting in increased volume necessitating the addition of staff members, bringing the total employees to 36. We attribute this growth to increased market recognition within the community as a firm dedicated to providing high quality services.

Croce & Company has been performing audits for governmental agencies since inception. We believe that our experience with governmental agencies and the dedication of our experienced personnel to producing only the highest quality audits for our clients provides us with a unique opportunity to serve the **Town of Discovery Bay Community Services District**.

Shareholders of Croce & Company are as follows:

Duane Bulthuis, CPA
Jerry W. Butterfield, CPA
Mark Croce, CPA

Kevin Jones, CPA
Anna Lovecchio, CPA
Larry Solari, CPA

Croce & Company maintains one office located at 501 West Weber, Suite 500, Stockton, California 95203, where all of the above shareholders maintain offices and are available by calling (209) 943-2222.

Our proposal, as outlined in the Proposal to Provide Professional Services, will remain a firm and irrevocable offer as of and up to March 31, 2012.

We view the opportunity to provide professional services to the **Town of Discovery Bay Community Services District** as an exciting one and hope that our discussions and this proposal convey our interest. If you have any questions regarding our firm, qualifications or contents of this proposal, please feel free to contact us at (209) 943-2222.

Yours very truly,

CROCE & COMPANY
Accountancy Corporation

Mark Croce
Certified Public Accountant

Pauline Sanguinetti
Certified Public Accountant

TECHNICAL PROPOSAL

Independence

We affirm that Croce & Company meets the independence requirements of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions published by the United States General Accounting Office.

License to Practice

We affirm that Croce & Company is a properly licensed certified public accountancy corporation and has met the specific qualification requirements in accordance with governmental auditing standards generally accepted in the United States of America. Our engagement team assigned to the audit will include engagement partner, Mark Croce, and senior audit manager, Pauline Sanguinetti, both licensed by the California Board of Accountancy and one additional team member working towards licensure.

Firm Qualifications and Experience

Croce & Company is a local firm with one office located at 501 West Weber, Suite 500, Stockton, California. The firm has 36 personnel; of these, there are six partners, three senior managers, seven managers, three supervisors, one senior, and four professional staff. The firm's governmental audit staff includes two partners, two senior managers, one manager, three supervisors, one senior, and three professional staff. Of our governmental audit staff, we anticipate our audit team to include one partner, one manager and one professional staff.

Participation in the American Institute of Certified Public Accountants (AICPA) peer review program ensures that we deliver only the highest quality product to our accounting and audit clients. The program requires a practice monitoring review of a firm's accounting and auditing practice every three years. During this process, a firm's quality control policies and procedures are reviewed to determine compliance with professional standards. We are confident that our quality control system is appropriately comprehensive and suitably designed in relation to our firm's size, organization structure, operating policies, and the nature of our practice, and that it meets the objectives of quality control standards established by the AICPA.

Our most recent peer review occurred in November 2009. The peer review included a specific review of governmental engagements. A copy of our most recent peer review report is included for your reference.

We affirm that Croce & Company has not been the object of any disciplinary action in the past three years.

Audit working papers shall be retained for at least seven years from the date of submission. Such working papers shall be available for review and audit by the **Town of Discovery Bay Community Services District**, representatives of the federal and/or state governments, and any other individuals designated by the District.

Partner/Supervisory/Staff Qualifications and Experience

Our audit team will include Mark Croce, audit partner, and Pauline Sanguinetti, senior audit manager, who will be responsible for coordinating and managing all audit and accounting services required by the **Town of Discovery Bay Community Services District**. Both have an extensive background in serving governmental entities both large and small. Mark and Pauline will supervise the audit team and ensure that we deliver a quality product in a timely manner, with minimal disruption of your staff. We present biographical sketches of each Croce & Company individual that will be assigned to your account, delineating in greater detail the credentials each one brings to the **Town of Discovery Bay Community Services District**.

Similar Engagements with Other Governmental Entities

Croce & Company provides an array of services for its clients, which includes over 40 governmental and non-profit entities. The following represents five of our governmental engagements.

1. **Tamalpais Community Services District**

Scope of work: Audit and preparation of statements of financial transactions of special districts.

Fiscal year ended: June 30, 2011

Engagement partner: Anna Lovecchio

Client served since 2007

Client contact: Jerry Taylor, Finance Manager

Client telephone: (415) 388-6393

2. Reclamation District No. 800 -- Byron Tract and Discovery Bay Reclamation and Drainage Maintenance District

Scope of work: Audit and preparation of statements of financial transactions of special districts.

Fiscal year ended: June 30, 2011

Engagement partner: Mark Croce

Client served since 1995

Client contact: Jeff Conway, General Manager

Client telephone: (925) 634-2351

3. City of Ripon

Scope of work: Single audit (financial and compliance audit), redevelopment agency audit, pension plan audit, preparation of all required statements of financial transactions for the State of California.

Fiscal year ended: June 30, 2011

Engagement partner: Anna Lovecchio

Client served since 1991

Client contact: Leon Compton, City Administrator

Client telephone: (209) 599-2108

4. Wallace Community Services District

Scope of work: Audit and preparation of statements of financial transactions of special districts.

Fiscal year ended: June 30, 2011

Engagement partner: Anna Lovecchio

Client served since 2010

Client contact: Gerald Zedlitz

Client telephone: (209) 763-2746

5. Valley Springs Public Utility District

Scope of work: Audit and preparation of statements of financial transactions of special districts.

Fiscal year ended: June 30, 2011

Engagement partner: Anna Lovecchio

Client served since 2005

Client contact: Dee Myshrall

Client telephone: (209) 772-2650

Specific Audit Approach

We intend to provide the **Town of Discovery Bay Community Services District** with the highest quality audit in the most cost-effective manner possible. To do that, we will emphasize:

- **Overall control and direction.** We place responsibility for control, direction, and decision-making at the top of the team. Mark and Pauline will take the lead in formulating our audit planning and strategy.
- **Orientation.** The members of the engagement team have an understanding of governmental accounting and reporting. That knowledge was acquired during their involvement in past audit engagements for governmental entities and will allow them to quickly gain a thorough understanding of the District's current accounting system. Once we gain this perspective, we will tailor our audit approach based on understanding the significant audit issues – where areas of risk are likely to be higher and where they will be lower. We will not waste time on standardized audit formats that do not fit the District. Our work will be customized – fitting the areas of judgment that characterize the District.
- **Communication.** We believe in maintaining an ongoing dialogue with our clients. We will be communicating frequently with you about our audit planning and progress, and if there are significant audit issues that require resolutions, we will discuss those issues with you at the point when they can be handled and resolved effectively. We will make the decisions that are required based on an understanding of your perspective and your business. We listen to our clients, and we provide the financial direction and advice our clients expect and deserve from their auditors.
- **Cost control.** We believe in performing quality audits at a reasonable cost. We do not achieve that by cutting corners, but rather through careful planning, close direction from the top, and precise monitoring of progress. We understand the importance of budgets, and we see to it that we deliver quality within agreed-upon fees.

Our audit of the **Town of Discovery Bay Community Services District's** financial statements will be carried out in two phases:

1. **Transition, planning and establishing audit scope.**

During the initial stages of the audit, we will gain a full understanding of the District's objectives, people, operations and systems. This process will be greatly enhanced by our prior experience with governmental entities and with Town of Discovery Bay. During this phase, we will review the predecessor auditor's work papers in order to obtain knowledge of the District from their audit documentation.

As part of our audit, we will obtain an understanding of the District's internal control to plan the audit and to determine the nature, timing, and extent of auditing procedures necessary for expressing our opinion concerning the financial statements. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards. In addition, we will prepare an audit engagement and testing plan which describes our audit approach in detail and establishes the audit scope. The plan will be reviewed with management to be sure that your audit concerns are reflected in our approach.

2. **Field work.**

At the conclusion of the planning phase, we will test account balances and apply analytical review procedures as defined in our audit plan.

We will work closely with your personnel during the field work phase to ensure that our testing and analytical procedures are performed in the most effective and efficient manner. This work will begin once the District records are closed and ready for us to audit.

At the conclusion of our audit field work, we will continue to work with the **Town of Discovery Bay Community Services District** in connection with the following:

- **Financial statements/Special Districts Financial Transactions Report.** We will assist District personnel in the preparation of the financial statements and Special Districts Financial Transactions Report of the **Town of Discovery Bay Community Services District** as of and for the years ended June 30, 2011, 2012, 2013, 2014 and 2015.
- **Significant deficiencies/material weaknesses.** During the audit, if conditions are discovered which lead to the belief that material errors and/or fraud may exist, or if any other circumstances are encountered that require extended services, we will promptly advise the President of the Board of Directors. We will provide the District with all readily ascertainable facts relative to such extraordinary circumstances together with an estimate for the additional costs of investigation. No extended services will be performed unless they are authorized by the District.

- **Management letters.** Our goal is to assist the District in every way we can. Our management letter is one vehicle through which we will advise you of possible operational enhancements.

In our management letter, we identify internal accounting control conditions that may be significant to you. Although auditing standards do not require us to evaluate administrative controls or to assess operating efficiencies, our approach to auditing leads us to consider these matters and to cover them in our management letters.

Our management letters are a formal method of communicating. On an informal basis, we will communicate with management throughout the course of the audit. Many times, this process has resulted in the timely adoption of recommendations beneficial to the client before the final letter has been issued.

Identification of Anticipated Potential Audit Problems

We have reviewed the June 30, 2010 financial statements and have communicated with District personnel as specified in the request for proposal. In connection with such activities, we have made every effort to anticipate any audit problems. We believe that we will be able to complete our audit of the June 30, 2011, 2012, 2013, 2014 and 2015 financial statements without encountering any significant audit problems.

COST PROPOSAL

Our fees are based upon the time expended on an engagement at hourly rates according to the levels of experience of the professional staff involved. Our experience with governmental entities enables us to assure you of optimum efficiency in the performances of our services resulting in a minimum amount of time being required.

We anticipate a continuing relationship of our organizations and, therefore, are excluding from our fees expenses which are normally incurred on first-year engagements. Fees for the June 30, 2011, June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2015 engagements are as follows:

	<u>Year ending June 30,</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Estimated fee for the Audit of the Annual Financial Statements, Management Letter and presentation to the Board Members	\$ 20,250	\$ 20,700	\$ 21,150	\$ 21,600	\$ 22,050
Management Discussion and Analysis	<u>1,050</u>	<u>1,100</u>	<u>1,150</u>	<u>1,200</u>	<u>1,250</u>
	21,300	21,800	22,300	22,800	23,300
Special Districts Financial Transactions Report	350	350	350	350	350
Out-of-pocket expenses	<u>No charge</u>	<u>No charge</u>	<u>No charge</u>	<u>No charge</u>	<u>No charge</u>
Total fee	<u>\$ 21,650</u>	<u>\$ 22,150</u>	<u>\$ 22,650</u>	<u>\$ 23,150</u>	<u>\$ 23,650</u>

We anticipate our fees to remain stable over the next three years except as affected by inflation and scope of services. Since it is impossible to predict the future, the above stated fees are based on current regulatory requirements in effect for ensuing audits. Fee increases would be expected for any significant change in the scope of the work due to changes in the reporting entity and/or additional regulatory requirements as covered by Government Accounting Standards Board and Statement on Auditing Standards. We would review any proposed changes to the fee structure affecting ensuing audits with you prior to commencement of the engagement. Such revisions would be mutually agreed upon in advance.

In addition, our fees quoted above assume a reasonable level of participation on the District's part in preparing schedules, gathering data, etc. Providing this assistance is vital to a cost-effective relationship. We will give you sufficient advance notice of audit schedules needed in order to minimize the disruption of your operations.

BIOGRAPHICAL INFORMATION

Mark J. Croce, CPA
Audit Partner

Mark Croce is an audit partner with the firm. Prior to joining our firm, Mark practiced public accounting in the audit division of a national certified public accounting firm for four years, where he was involved in the audits of SEC registrants, public and private clients. A partial list of governmental clients served by Croce & Company includes the following:

- City of Ripon -- Single Audit
- Crush District #11
- 30+ Reclamation and Irrigation Districts
- Knightsen Town Community Services District
- Linden-Peters Rural County Fire Protection District
- San Joaquin County Mosquito and Vector Control District
- Woodbridge Sanitary District
- Valley Springs Public Utility District
- Waterloo-Morada Rural County Fire Protection District
- Oakwood Lake Water District

Mark keeps apprised of industry developments through the American Institute of Certified Public Accountants (AICPA) the California Society of Certified Public Accountants (CSCPA), and through attendance of various continuing education courses offered by the AICPA and CSCPA annually.

Mark is available throughout the year to answer any accounting or financial reporting questions for his clients. Mark emphasizes good client communication, as it is his firm belief that maintaining open communication with clients leads to a mutually beneficial relationship.

Mark received a Bachelor of Science in Commerce with a concentration in accounting from Santa Clara University.

Pauline M. Sanguinetti, CPA
Senior Audit Manager

Pauline Sanguinetti is a senior audit manager and has more than fifteen years experience in public accounting. She has obtained a variety of experience since joining Croce & Company, having been involved in audits related to the following industries:

- Nonprofit organizations
- Employee benefit plans
- Manufacturers
- Service
- Government
- Agriculture
- Construction contractors
- Wineries

Pauline received a Bachelor of Science in Commerce with a concentration in accounting from Santa Clara University.

ALLEN & COOK, INC.

CERTIFIED PUBLIC ACCOUNTANTS

System Review Report

November 30, 2009

To the Owners

Croce & Company Accountancy Corporation
and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Croce & Company Accountancy Corporation (the firm) in effect for the year ended May 31, 2009. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by standards, engagements selected for review included engagements performed under the Government Auditing Standards; audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Croce & Company Accountancy Corporation in effect for the year ended May 31, 2009, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable standards in all material respects. Firms can receive a rating of pass, pass with deficiency (ies) or fail. Croce & Company Accountancy Corporation has received a peer review rating of pass.

Allen & Cook, Inc.

Allen & Cook, Inc.

PROFESSIONAL SERVICE AGREEMENT
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT /
Croce and Company Accountancy Corporation

Financial Audit Services for period Fiscal Year 2010-2011 Through 2014-2015

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the Town of Discovery Bay, a Community Services District formed under the laws of the state of California ("District"), and Croce and Company Accountancy Corporation

RECITALS

District has determined that it requires the following professional services from a consultant: Croce and Company Accountancy Corporation for Financial Audit Services for period Fiscal Year 2010-2011 Through 2014-2015

A. Consultant represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, District and Consultant agree as follows:

AGREEMENT

1. DEFINITIONS

- 1.1. "Scope of Services": Such professional services as are generally set forth in Consultant's November 30, 2011 proposal which is attached hereto as Exhibit A and incorporated herein by this reference.
- 1.2. "Approved Fee Schedule": Such compensation rates as set forth in Consultant's November 30, 2011 fee schedule attached hereto as part of Exhibit A and incorporated herein by this reference.
- 1.3. "Commencement Date": January 4, 2012
- 1.4. No later than June 30, 2016

2. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 15 ("Termination") below.

3. CONSULTANT'S SERVICES

- 3.1. Consultant shall perform the services identified in the Scope of Services. District shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of \$113,250 unless specifically approved in advance and in writing by District.

- 3.2. Consultant shall complete all services relating to the Project no later than June 30, 2016.
- 3.3. Consultant shall perform all work to the highest professional standards of Consultant's profession and in a manner reasonably satisfactory to District. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.).
- 3.4. Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. The District Board of Directors shall be Consultant's project administrators and shall have direct responsibility for management and coordination of Consultant's performance under this Agreement. District shall not direct, control or supervise Consultant's employees or sub-consultants in the performance of the Scope of Work set forth in this Agreement.
- 3.5. Consultant shall provide progress copies of drawings, reports, specifications and other necessary information to the District and other engineers for coordination and review.
- 3.6. Consultant shall strictly observe and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on the safety of persons or properties or their protection from damage, injury or loss. Without limiting the foregoing, Consultant shall comply with all requirements, regulations, orders, and directives promulgated under the Federal Occupational Safety and Health Act, the California Occupational Safety and Health Act, and the California Safe Drinking Water and Toxic Enforcement Act of 1988.

4. COMPENSATION

- 4.1. District agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule.
- 4.2. Consultant shall submit to District an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten business days of receipt of each invoice, District shall notify Consultant in writing of any disputed amounts included on the invoice. Within forty-five (45) calendar days of receipt of each invoice, District shall pay all undisputed amounts included on the invoice. District shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.
- 4.3. Additional services requested by District and not included in the Scope of Services may be required by the District. Such additional services shall be performed only in accordance with Change Orders, authorized and issued by District or District's designated representative. Each Change Order shall list the scope of services to be performed, state the time within which the work is to be completed, and designate any special conditions. Payments for any additional services requested by District shall be made to Consultant by District on a time-and-materials basis using the Approved Fee Schedule, unless otherwise stated in the Change Order.

5. OWNERSHIP OF WRITTEN PRODUCTS

5. OWNERSHIP OF WRITTEN PRODUCTS

5.1. All reports, documents or other written material ("written products") developed by Consultant in the performance of this Agreement shall be and remain the property of District without restriction or limitation upon its use or dissemination by District. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant. District shall indemnify Consultant from any liability arising from use of documents not in connection with the Scope of Services identified in this agreement.

6. RELATIONSHIP OF PARTIES

6.1. Consultant is, and shall at all times remain as to District, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of District or otherwise to act on behalf of District as an agent. Neither District nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of District. Consultant is not entitled to the rights or benefits afforded District employees, including, but not limited to, disability, unemployment or other insurance, or workers' compensation.

7. CONFIDENTIALITY

7.1. All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by District. District shall grant such consent if disclosure is legally required. Upon request, all District data shall be returned to District upon the termination or expiration of this Agreement.

8. INDEMNIFICATION

8.1. To the fullest extent permitted by law, Consultant shall indemnify, hold harmless and defend District, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property to the extent caused by any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subcontractors in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of District's choice.

8.2. District shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due District from Consultant as a result of Consultant's failure to pay District promptly any indemnification arising under this Section 8 and related to Consultant's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

8.3. The obligations of Consultant under this Section 8 will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives any statutory immunity under such statutes or laws as to District, its officers, agents, employees and volunteers.

- 8.4. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 8 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend District, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property to the extent caused by any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of District's choice.
- 8.5. District does not, and shall not; waive any rights that it may possess against Consultant because of the acceptance by District, or the deposit with District of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

9. INSURANCE

- 9.1. During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:
- 9.1.1. Commercial General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000), per occurrence and in the aggregate, including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.
- 9.1.2. Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- 9.1.3. Worker's Compensation insurance as required by the laws of the State of California.
- 9.1.4. Professional Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per occurrence.
- 9.2. Consultant shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.
- 9.3. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.
- 9.4. Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, District may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.
- 9.5. At all times during the term of this Agreement, Consultant shall maintain on file with District a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the District and its officers, employees, agents and volunteers as additional insureds under Commercial General Liability. Consultant shall, prior to commencement of work under this Agreement, file with District such certificate(s).

- 9.6. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.
- 9.7. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming District and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to District.
- 9.8. Commercial General Liability insurance provided by Consultant shall be primary to any coverage available to District. Any insurance or self-insurance maintained by District and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.
- 9.9. All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the District.
- 9.10. Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of District, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to District, or Consultant shall procure a bond guaranteeing payment of losses and expenses.
- 9.11. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 8 of this Agreement.

10. MUTUAL COOPERATION

- 10.1. District shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.
- 10.2. In the event any claim or action is brought against District relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that District may require.

11. RECORDS AND INSPECTIONS

- 11.1. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. District shall have the right to access and examine such records, without charge, during normal business hours. District shall further have the right to audit such records, to make transcripts there from and to inspect all program data, documents, proceedings, and activities.

12. NOTICES

12.1. Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and District's regular business hours; or (ii) on the fifth business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to District:

Town of Discovery Bay CSD
1800 Willow Lake Road
Discovery Bay, CA 94505
Telephone: (925) 634-1131
Facsimile: (925) 513-2705

With courtesy copy to:

Dan Schroeder, Attorney for Town of Discovery Bay CSD
Neumiller & Beardslee
P.O. Box 20
Stockton, CA 95201
Telephone: (209) 948-8200

If to Consultant:

Croce & Company Accountancy Corporation
501 West Weber, Suite 500
Stockton, CA 95203
Telephone: (209) 943-2222
Facsimile: (209) 943-2220

13. SURVIVING COVENANTS

13.1. To the extent required by applicable law, the parties agree that the covenants contained in Section 7, Section 8, Paragraph 10.2 and Section 11 of this Agreement shall survive the expiration or termination of this Agreement.

14. TERMINATION

14.1. District shall have the right to terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant shall have the right to terminate this Agreement for any reason on thirty (30) calendar days' written notice to District. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All District data, documents, objects, materials or other tangible things shall be returned to District upon the termination or expiration of this Agreement.

14.2. If District terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

15. GENERAL PROVISIONS

15.1. Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without District's prior written consent, and any attempt to do so shall be void and of no effect. District shall not be obligated or liable under this Agreement to any party other than Consultant.

15.2. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.

15.3. Consultant agrees to comply with the regulations of District's "Conflict of Interest Code." Said Code is in accordance with the requirements of the Political Reform Act of 1974.

Consultant covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of service required hereunder. The term "conflict" shall include, as a minimum, the definition of a "conflict of interest" under the California Fair Political Practices Act and the Town of Discovery Bay Conflict of Interest Code, as that term is applied to consultants.

15.4. The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

15.5. The waiver by District or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by District or Consultant unless in writing.

15.6. Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence in District's sole judgment that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

15.7. Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced

to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Contra Costa County, California.

- 15.8. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 15.9. This Agreement shall be governed and construed in accordance with the laws of the State of California.
- 15.10. All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between District and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by District and Consultant.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below:

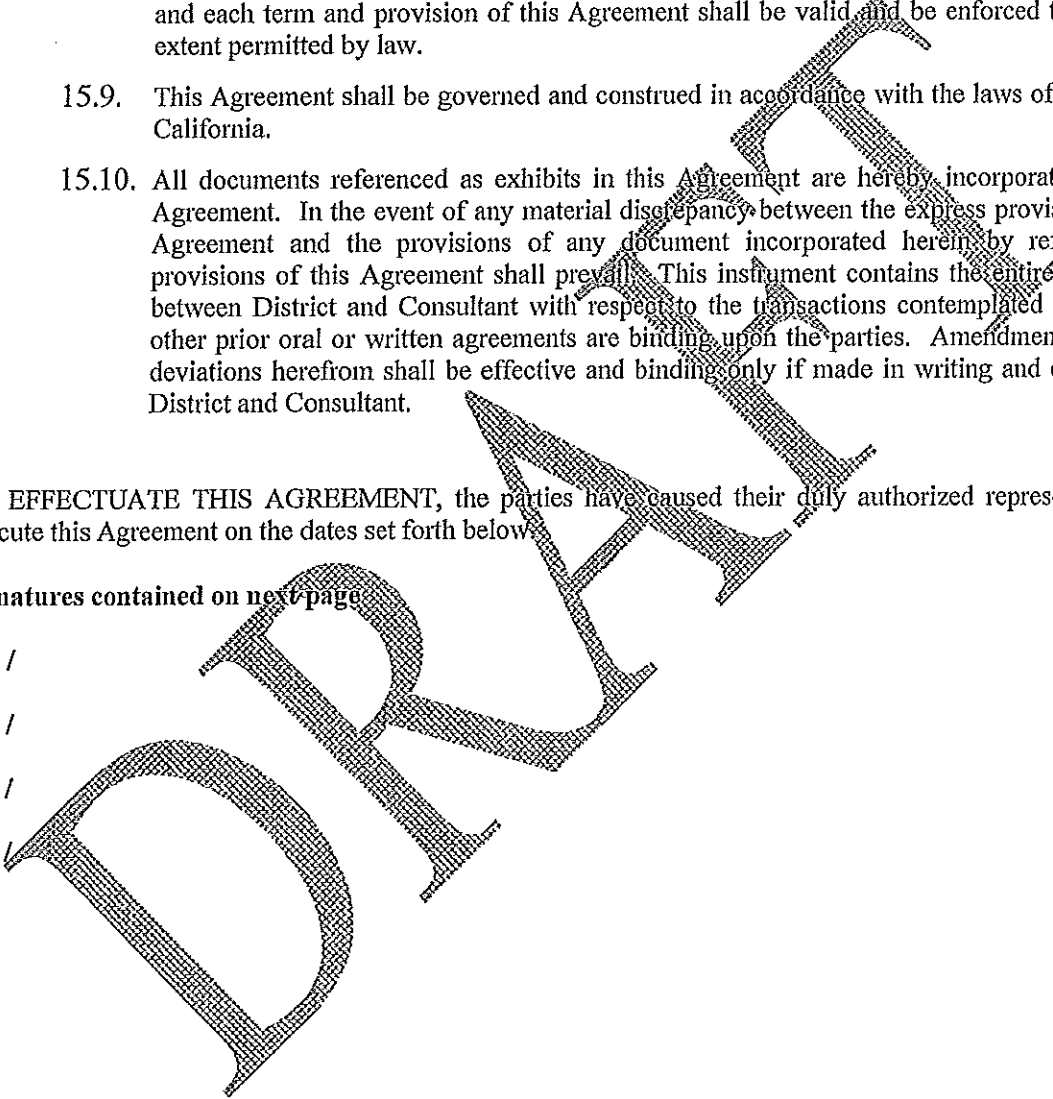
Signatures contained on next page:

/ / /

/ / /

/ / /

/ / /



"District"
Town of Discovery Bay CSD

"Consultant"
Croce & Company Accountancy Corporation

By: _____
Richard Howard, General Manager

By: _____

Date: _____, 2011

Print Name: _____

Date: _____ 2011

DRAFT



BEST PRACTICE

Audit Procurement (1996 and 2002)

Background. The Government Finance Officers Association (GFOA) has long recommended that state and local governmental entities obtain independent audits of their financial statements performed in accordance with the appropriate professional auditing standards. Properly performed audits play a vital role in the public sector by helping to preserve the integrity of the public finance functions and by maintaining citizens' confidence in their elected leaders.

Recommendation. GFOA makes the following recommendations regarding the selection of auditing services:

- The scope of the independent audit should encompass not only the fair presentation of the basic financial statements, but also the fair presentation of the financial statements of individual funds and component units. The cost of extending full audit coverage to the financial statements of individual funds and component units can be justified by the additional degree of assurance provided. Nevertheless, the selection of the appropriate scope of the independent audit ultimately remains a matter of professional judgment. Accordingly, those responsible for securing independent audits should make their decision concerning the appropriate scope of the audit engagement based upon their particular government's specific needs and circumstances, consistent with applicable legal requirements.
- Governmental entities should require in their audit contracts that the auditors of their financial statements conform to the independence standard promulgated in the General Accounting Office's *Government Auditing Standards* even for audit engagements that are not otherwise subject to generally accepted government auditing standards.
- Governmental entities should enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors. Such multiyear agreements can take a variety of different forms (e.g., a series of single-year contracts), consistent with applicable legal requirements. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain "startup" costs over several years, rather than over a single year.
- Governmental entities should undertake a full-scale competitive process for the selection of independent auditors at the end of the term of each audit contract, consistent with applicable legal requirements. Ideally, auditor independence would be enhanced by a policy requiring that the independent auditor be replaced at the end of the audit contract, as is often the case in the private sector. Unfortunately, the frequent lack of competition among audit firms fully qualified to perform public-sector audits could make a policy of mandatory auditor rotation counterproductive. In such cases, it is recommended that a governmental entity actively seek the participation of all qualified firms, including the current auditors, assuming that the past performance of the current auditors has proven satisfactory. Except in cases where a multiyear agreement has taken the form of a series of single-year contracts, a contractual provision for the automatic renewal of the audit contract (e.g., an automatic second term for the auditor upon satisfactory performance) is inconsistent with this recommendation.

- Professional standards allow independent auditors to perform certain types of nonaudit services for their audit clients. Any significant nonaudit services should always be approved in advance by a governmental entity's audit committee. Furthermore, governmental entities should routinely explore the possibility of alternative service providers before making a decision to engage their independent auditors to perform significant nonaudit services.
- The audit procurement process should be structured so that the principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit. In no case should price be allowed to serve as the sole criterion for the selection of an independent auditor.

References

- *CPA Audit Quality: A Framework for Procuring Audit Services*, General Accounting Office, August 1987.
- *Audit Management Handbook*, Stephen J. Gauthier, GFOA, 1989.
- *An Elected Official's Guide to Auditing*, Stephen J. Gauthier, GFOA, 1992.
- *Governmental Accounting, Auditing and Financial Reporting (GAAFR)*, Stephen J. Gauthier, GFOA.
- Model Audit RFP Diskette, GFOA.

Approved by the GFOA's Executive Board, October 25, 2002