



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

**SDLF Platinum-Level of Governance**



PLATINUM LEVEL

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

**NOTICE OF THE SPECIAL MEETING  
OF THE WATER AND WASTEWATER COMMITTEE  
OF THE TOWN OF DISCOVERY BAY  
Wednesday, January 17, 2024, 5:30 P.M.**

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

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

**TO ATTEND BY ZOOM WEBINAR:** <https://us06web.zoom.us/j/81370654114>

**TO ATTEND BY PHONE:** +1 (669) 444 9171 or +1 (719) 359 4580 **WEBINAR ID:** 813 7065 4114

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

**Water and Wastewater Committee Members**

*Chair Kevin Graves*

*Vice-Chair Ashley Porter*

**A. ROLL CALL**

1. Call business meeting to order 5:30 p.m.
2. Roll Call.

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

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

**C. DRAFT MINUTES TO BE APPROVED**

1. Approve Water and Wastewater DRAFT Meeting minutes of December 6, 2023.

**D. UPDATES**

1. Denitrification Update.
2. Willow Lake Filter Project Update.
3. Well 7 Repair Update.

**E. DISCUSSION**

1. Discussion Regarding Installation of Monitoring Well for the Cecchini Ranch Project.
2. Building Discussion.

**F. FUTURE DISCUSSION/AGENDA ITEMS**

**G. ADJOURNMENT**

1. Adjourn to the next Standing Water and Wastewater Committee meeting on February 7, 2024, at the Community Center located at 1601 Discovery Bay Boulevard.

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

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



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT



PLATINUM LEVEL

## SDLF Platinum-Level of Governance

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

### MINUTES OF THE REGULAR MEETING OF THE WATER AND WASTEWATER COMMITTEE OF THE TOWN OF DISCOVERY BAY Wednesday, December 6, 2023, 5:30 P.M.

#### Water and Wastewater Committee Members

Chair Ashley Porter  
Vice-Chair Kevin Graves

#### A. ROLL CALL

1. Called business meeting to order 5:30 p.m.
2. Roll Call was taken, and all members were present.

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

None.

#### C. DRAFT MINUTES TO BE APPROVED

1. Approve Water and Wastewater DRAFT Meeting minutes of November 1, 2023.

Vice-Chair Graves made a Motion to Approve the Draft Minutes of November 1, 2023.

Chair Porter seconded.

Vote: Motion Carried – AYES: 2, NOES: 0, ABSTAINED: 0, ABSENT: 0

#### D. DISCUSSION

1. Discussion and Possible Feedback Regarding Amendment of Professional Services Agreement with Luhdorff & Scalmanini for the Sand Point Trenchless Design Evaluation.

Presented by Projects Manager Mike Yeraka.

- The Sand Point waterline crosses under Newport Bay between Sand Point Court and Newport Lane within a 10-foot-wide easement.
- In order to determine if the Town can stay within the current 10-foot-wide easement, staff will need to have LSCE prepare a design evaluation and preliminary drawings at a cost of \$26,626.
- Staff requests Committee recommendation to bring to the Board of Directors.
- Committee agrees to recommend this item be moved forward.

2. Discussion and Possible Feedback Regarding Resolution 2023-22 Declaring Certain Property as Exempt Surplus Land and Authorizing its Sale.

Presented by Projects Manager Mike Yeraka.

- The Newport Pointe subdivision has been designed to drain into the ditch in front of the subdivision which is owned by the Town. Staff has told the developer that the Town does not want the responsibility of the storm water draining into the ditch and any associated liability and added maintenance costs.
- The Town would be granted two easements.

- Committee agrees with staff recommendation to bring this item to the Board of Directors.
3. Discussion and Possible Feedback Regarding Authorizing the General Manager to Enter into a Purchase Contract with Loprest for an 1,800 GPM Filter Vessel for the Well #8 Project.

Presented by Projects Manager Mike Yeraka.

- The Well #8 pump station project includes the installation on an 1,800 gallon per minute (gpm) filter vessel to remove iron and manganese from the groundwater.
- By pre-purchasing the filter vessel, the Town will reduce the overall construction schedule and will save approximately \$80,000.
- Committee agrees with recommendation to bring item forward to the Board of Directors Meeting.

**E. FUTURE DISCUSSION/AGENDA ITEMS**

None.

**F. ADJOURNMENT**

1. Adjourned at 5:43p.m. to the next Standing Water and Wastewater Committee meeting on January 3, 2024, at the Community Center located at 1601 Discovery Bay Boulevard.

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

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# Town of Discovery Bay

*"A Community Services District"*

## STAFF REPORT

Meeting Date

January 17, 2024

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

### Agenda Title

Discussion Regarding Installation of Monitoring Well for the Cecchini Ranch Project.

### Recommended Action

- a. Discuss the proposed action to Authorize the General Manager to execute a Professional Services Agreement with LSCE to perform the work outlined in their proposal dated May 31, 2023.
- b. Discuss the proposed action to Authorize the General Manager to execute the attached Temporary Entry Permit with Hengli 10 LLC.

### Executive Summary

Attached is a conceptual site plan for the proposed Cecchini Ranch Project located East of Discovery Bay and North of Plant 2. The Town will need to install a monitoring well on the project site to determine if the quantity and quality of the groundwater is adequate to serve the proposed 2,200 housing units and other land uses. Attached is a Scope and Budget from Luhdorff and Scalmanini (LSCE) in the amount of \$180,257 to install the monitoring well and perform water quality analysis and groundwater yield estimates. The project budget includes 10% for contingencies.

The cost of installing the monitoring well and performing the analysis will be borne by the developer, Hengli 10 LLC, as noted in the attached Temporary Entry Permit. The developer will be paying the Town \$190,257 in advance prior to work starting on the project to cover the cost of LSCE's work and staff time. The agreement provides the Town with authorization to enter the developer's property to install the monitoring well.

### Specific Board Action:

- a. Discuss the proposed action to Authorize the General Manager to execute a Professional Services Agreement with LSCE to perform the work outlined in their proposal dated May 31, 2023.
- b. Discuss the proposed action to Authorize the General Manager to execute the attached Temporary Entry Permit with Hengli 10 LLC.

### Previous Relevant Board Actions for This Item

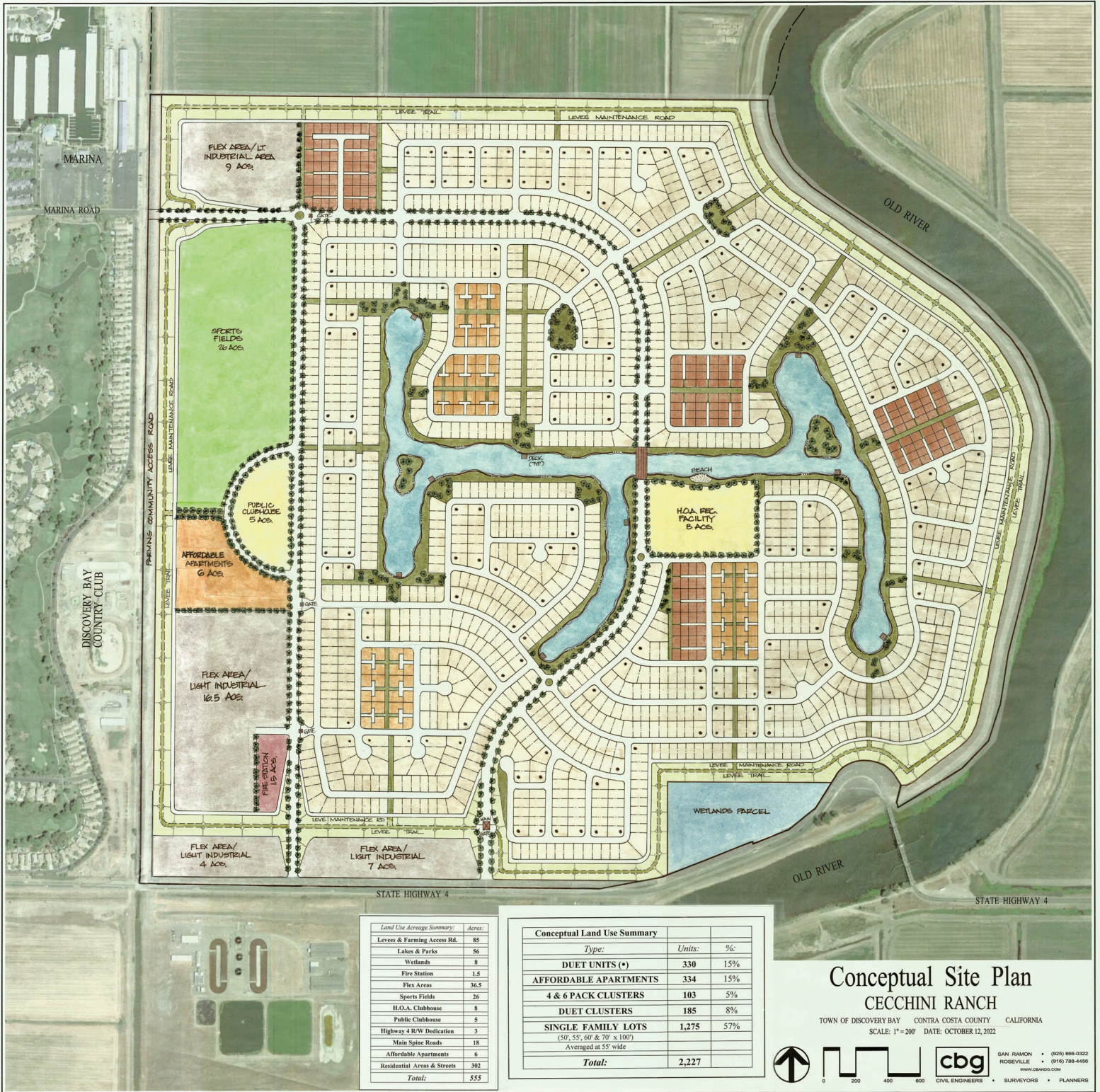
The Board has previously approved water and wastewater studies for the project.

**Fiscal Impact:** Funds are being provided by the developer  
**Amount Requested:** \$0  
**Sufficient Budgeted Funds Available?:** N/A  
**Prog/Fund # Category:** N/A

### Attachments

1. Conceptual Site Plan, Cecchini Ranch
2. LSCE Scope and Budget for Hydrogeologic Investigation dated May 31, 2023
3. Temporary Entry Permit with Hengli 10 LLC.

AGENDA ITEM: E1



Land Use	Acres
Leaves & Farming Access Rd.	85
Lakes & Parks	56
Wetlands	8
Fire Station	1.5
Flex Areas	36.5
Sports Fields	26
H.O.A. Clubhouse	8
Public Clubhouse	5
Highway 4 R/W Dedication	3
Main Spine Roads	18
Affordable Apartments	6
Residential Areas & Streets	302
<b>Total:</b>	<b>555</b>

Conceptual Land Use Summary		
Type:	Units:	%:
DUET UNITS (•)	330	15%
<b>AFFORDABLE APARTMENTS</b>	<b>334</b>	<b>15%</b>
4 & 6 PACK CLUSTERS	103	5%
DUET CLUSTERS	185	8%
<b>SINGLE FAMILY LOTS</b> (50', 55', 60' & 70' x 100') Averaged at 55' wide	<b>1,275</b>	<b>57%</b>
<b>Total:</b>	<b>2,227</b>	

## Conceptual Site Plan CECCHINI RANCH

TOWN OF DISCOVERY BAY CONTRA COSTA COUNTY CALIFORNIA  
SCALE: 1" = 200' DATE: OCTOBER 12, 2022

**cbg**  
SAN RAMON • (925) 866-0322  
ROSEVILLE • (916) 788-4466  
WWW.CBGC.COM  
CIVIL ENGINEERS • SURVEYORS • PLANNERS



May 31, 2023  
File No. 23-2-025

Mr. Mike Yeraka  
Town of Discovery Bay CSD  
1800 Willow Lake Road  
Discovery Bay, CA 94514

**Subject: Scope and Budget for Hydrogeologic Investigation of the Cecchini Ranch - Town of Discovery Bay Community Services District**

Dear Mr. Yeraka,

Luhdorff and Scalmanini, Consulting Engineers (LSCE) has prepared this detailed work plan and budget to provide the Town of Discovery Bay Community Services District (District) with site-specific hydrogeologic investigation and well design services for a new municipal well to be constructed in the planned Cecchini Ranch development.

Our workplan to investigate the potential well site includes a hydrogeologic investigation, test hole drilling, monitoring well construction, water quality sampling, and development of a new well design. Our workplan and budget are based on our current understanding of the Districts project goals and objectives and our experience working on similar projects for the District and other clients throughout California.

The Scope of Work outlined below includes the tasks required to investigate a well site in the Cecchini Ranch development area and prepare a design for a new municipal water supply well.

## **SCOPE OF WORK**

The Scope of Work is outlined in the following tasks:

- Task 1 – Project Coordination, Meetings, and Administration
- Task 2 – Hydrogeologic Investigation and Well Site Evaluation
- Task 3 – Comprehensive Site Investigation

### **Task 1 – Project Coordination, Meetings, and Administration**

LSCE's work on the project will begin with a kickoff meeting with the District and key LSCE team members to discuss the various aspects of the project. Items such as contact information, chain of command, the Districts' project expectations, respective roles and responsibilities, schedule, and site constraints shall be discussed at the kick-off meeting.

Key LSCE team members will attend regular design meetings with the District to discuss various aspects of the project. For each meeting, LSCE will prepare and distribute meeting agendas, minutes, and action item summaries. LSCE will also provide frequent updates via email or telephone throughout the project

as needed. This task also provides for project management and administrative activities such as: (a) Contractual Arrangements, (b) Ongoing Examination Regarding Adherence to the Scope, Budget, and Schedule, (c) Coordination of Staff Resources (d) Internal Review of Work Products, (e) Management of Subcontractors, (f) Billing Review, and (g) Scoping and Budgeting.

## **Task 2 - Hydrogeologic Investigation and Well Siting Evaluation**

The goals of Task 2 are:

- Project the current conceptual hydrogeologic model of the Discovery Bay area through the Cecchini Ranch development area
- Conduct an environmental review to identify any real or potential sources of contamination that may impact siting of a future water supply well

### **Task 2.1 Hydrogeologic Investigation**

LSCE will collect, review, and utilize available data and information to refine our conceptual hydrogeologic model of the Project area and to preliminarily characterize site specific conditions (well depth, water quality, yield) at the proposed well site. LSCE will utilize the following sources of data and information to refine our understanding of the project area:

- Well construction details, water quality, water levels, and well performance of the Districts wells and other wells in the vicinity of the project area
- State of California Water Well Drillers Completion Reports
- Hydrogeologic reports prepared by California Department of Water Resources (DWR), United States Geological Survey (USGS), California Department of Oil and Gas, and Others
- California State Water Resources Control Board, Division of Drinking Water (DDW)
- Previous work completed by LSCE

LSCE will investigate potential sources of groundwater contamination at and in the vicinity of the well site. LSCE will evaluate available information on possible sources of contamination and use this information and other references to address source water protection as required by the DWSAP program.

Information on contaminate sources (real or potential), if identified, will be used to exclude the site from consideration for a new well, to design a well with features to mitigate the potential for contamination, or recommend treatment options. In addition to the information sources listed under Task 2.1, LSCE will review information from the following sources:

- Geo Tracker
- California Department of Toxic Substance Control (DTSC)
- Environmental Data Resources, Inc. (EDR)

## **Task 3 – Comprehensive Site Investigation**

Task 3 includes a comprehensive field investigation that will include exploratory drilling to characterize subsurface materials, identification of potential aquifer units, collection of lithologic and geophysical data, and collection of water samples for analysis of Title 22 drinking water constituents.



### **Task 3.1 Test Hole and Monitoring Well Evaluation**

Task 3.1 will include test hole drilling and monitoring well installation at the project site. A test hole will be drilled to collect lithologic samples for analysis and to conduct a down hole geophysical survey that will be used to design the new production well. Based on favorable results from test hole drilling, LSCE will recommend converting the test hole to a multiple completion monitoring well that will allow for the collection of zone-specific water levels and water quality samples. The preliminary test hole depth will be based on the information developed as part of Task 2.

LSCE will provide subcontracted test hole drilling services from a licensed drilling contractor and will oversee the work to ensure that it is performed in accordance with our stringent specifications and high expectations.

LSCE will provide documentation and sampling services during the drilling process including a drilling log, geological samples at a minimum of 10-foot intervals, geophysical (electric) logs, and sieve (grain size) analysis. If the nature, depth, and thickness of aquifer materials from the test hole are favorable, LSCE will recommend converting the test hole to a multiple completion monitoring well. A typical monitoring well may include up to three, 2-inch diameter polyvinyl chloride (PVC) piezometers, completed in different zones. The screen section(s) of each piezometer will be isolated from one another using intermediate bentonite seals allowing for discrete water level measurements and water quality sampling. LSCE will oversee the construction and development of the monitoring well. After development of the monitoring well, LSCE will collect water samples from each piezometer and submit to a state certified laboratory for Title 22 Drinking Water analysis and other constituents of concern in the area.

If the results of the test hole investigation are not favorable for the construction of a municipal supply well, and after discussions with the District, the test hole will be abandoned in compliance with all State and local standards.

LSCE will compare the lithology encountered during drilling, geophysical logs, and zonal water quality to that of existing District wells. The performance of existing District wells will be used to estimate the yield of a water supply well constructed at the Cecchini Ranch site. Based on favorable results from the test hole and monitoring well phases, a preliminary production well design will be prepared and submitted to the District.

### **Task 3.2 Investigation Summary and Preliminary Well Design**

LSCE will prepare and deliver to the District an Investigation Summary and Preliminary Well Design Report that will summarize the findings of site assessment and site characterization work performed as part of Tasks 3.1. The report will include:

- A summary of all field activities associated with test hole drilling, monitoring well construction and development, and water quality testing
- A lithologic log based upon interpretation of collected lithologic samples and geophysical logs
- Geophysical logs
- Grain size distribution charts of selected formation samples
- Monitoring well as-built diagram
- Daily inspection sheets
- A summary of water quality results and analytical reports
- Copies of all project permits

- Copy of Well Completion Report

LSCE will prepare a preliminary production well design based on data gathered during test hole and monitoring well evaluation and our experience in the area. The principal design elements to achieve a hydraulically efficient and sand-free wells include:

- Borehole and casing depths and diameters
- Casing material type(s)
- Screen placements
- Screen type and material
- Casing and screen wall thickness
- Gravel pack gradation
- Screen slot size
- Seal depths
- Accessory pipe depth, material, and diameter

The report will include a preliminary well design profile. The elements of the well design and yield estimation will be discussed in the report. An engineer’s estimate for the construction and testing of the well will be included in the report. LSCE will meet with the District to discuss the results and findings of the test hole/monitoring well investigation and new well design recommendations. LSCE will incorporate the District’s design comments into the final well design.

## **COST ESTIMATE**

The estimated budget to complete the Scope of Work described above is based on our current understanding of the project and the effort that would be reasonably expected for a project of this size and scope. The table below summarizes the estimated costs per Task.

<b>Task</b>	<b>Description</b>	<b>Engineering Services</b>	<b>Outside Services</b>
1	Project Coordination, Meetings, and Administration	\$2,680	
2.1	Hydrogeologic Investigation	\$4,150	
3.1	Test Hole and Monitoring Well Evaluation	\$24,420	\$127,250
3.2	Investigation Summary and Preliminary Well Design	\$5,370	
<b>Subtotals</b>		\$36,620	\$127,250
<b>Total Estimated Cost</b>			<b>\$163,870</b>
<b>Estimated Cost with 10% Contingency</b>			<b>\$180,257</b>

LSCE proposes to perform the work described in this proposal for a sum of \$180,257. The proposed project budget includes LSCE’s labor under each task as delineated in this proposal and subcontractor and service providers costs. LSCE will bill monthly for labor and materials, only as incurred, in accordance with LSCE’s 2023 Schedule of Fees (attached).

Mr. Mike Yeraka  
May 31, 2023  
Page 5

In preparing the cost estimate, LSCE assumed that drill cuttings can be contained onsite for disposal by others and that drilling fluids can be disposed of in the vicinity of the test hole/monitoring well location.

In the event that the District directs LSCE to deviate from the proposed scope of work, or as dictated by unforeseen conditions, LSCE will provide notification of any potential changes in the estimated cost to complete the work. LSCE will not proceed with any work that deviates from the approved scope and budget until approval to proceed is granted by the District.

We appreciate the opportunity to provide you with this scope and budget. We would be pleased to respond if you have any questions regarding our work plan or budget.

Sincerely,

LUHDORFF AND SCALMANINI  
CONSULTING ENGINEERS

A handwritten signature in black ink that reads "Scott Lewis". The signature is written in a cursive, slightly slanted style.

Scott Lewis, P.G.  
Senior Principal Geologist

**Attachments:** 2023 Schedule of Fees for Engineering and Field Services



500 FIRST STREET • WOODLAND, CA 95695

## 2023 SCHEDULE OF FEES

### ENGINEERING AND RELATED FIELD SERVICES

**Professional\***

Senior Principal .....	\$247/hr.
Principal Professional.....	\$236/hr.
Supervising Professional .....	\$228/hr.
Senior Professional .....	\$190 to 210/hr.
Project Professional .....	\$165 to 175/hr.
Staff Professional .....	\$145 to 160/hr.

**Technical**

Engineering Inspector .....	\$145/hr.
ACAD DMS/GIS.....	\$145/hr.
Engineering Assistant.....	\$120 to 145/hr.
Scientist.....	\$120 to 145/hr.
Technician.....	\$120 to 145/hr.

**Project Admin Support**

Word Processing, Clerical.....	\$94/hr.
Digital Communications Specialist .....	\$105/hr.
Project Admin/Accounting Assistant .....	\$110/hr.

Vehicle Use	\$0.655/mi(or curr. IRS rate)
Subsistence	Cost Plus 15%
Groundwater Sampling Equipment (Includes Operator)	\$170.00/hr
Copies	\$0.20 ea.
Professional or Technical Testimony	200% of Regular Rates
Technical Overtime (if required)	150% of Regular Rates
Outside Services/Rentals	Cost Plus 15%
Services by Associate Firms	Cost Plus 15%

\* Engineer, Geologist, Hydrogeologist, and Hydrologist

## TEMPORARY ENTRY PERMIT

PERMITTEE: Town of Discovery Bay Community Services District

PERMITTOR: Hengli 10LLC, a limited liability company

AFFECTED PROPERTY: Assessor's Parcel Numbers 004-500-004 and 004-500-005.

PERMITTOR desires the Town to provide PERMITTOR services and information regarding the PERMITTEE's water distribution and wastewater collection facilities, and capacity in relation to the PERMITTOR's planned development of the Affected Property.

PERMITTEE desires to be reimbursed by PERMITTOR for all costs incurred by the PERMITTEE associated with the Project (defined below), including but not limited to drafting of this Agreement, General Manager and Town Engineer providing information related to Town water distribution and wastewater collection facilities and capacity, Town review of Project (defined below) drawings, and any other cost to the Town arising from this Permit.

PERMITTOR does hereby grant to PERMITTEE, its Engineer Luhdorff & Scalmanini Consulting Engineers ("LSCE"), LSCE's contractors (collectively referred to as "PERMITTEE") permission to enter upon the above referenced property for the purpose(s) of access, installing a monitoring well, collection of water samples, ongoing monitoring of the well after its completion, and for such other incidental purposes as may be required, more specifically identified in Exhibit "A" (the "Project").

This Temporary Entry Permit (hereinafter referred to as the "Permit") is granted upon the following conditions, which, by acceptance of this Permit, PERMITTEE agrees to observe and perform:

1. PERMITTEE will exercise reasonable precautions to avoid damages and to protect persons and Affected Property. Soil exploration locations will be properly marked so that they do not pose a safety hazard for wildlife or people as applicable. PERMITTEE's surveys and investigation team members shall read and heed all signs posted as notification of underground pipelines and hazardous conditions or materials on the Affected Property.
2. This Permit is subject to the following terms and conditions:
  - a. The initial term of this Permit shall expire on December 31, 2024, or upon the completion of the Project, whichever occurs first.
  - b. PERMITTEE shall notify PERMITTOR, seventy-two (72) hours before initiating any construction or maintenance activity at the Affected Property and when there is no activity for a period of five (5) working days, then twenty-four (24) hours prior to resumption of operations.
  - c. PERMITTEE shall maintain, and shall assure that its contractors maintain, public liability and property damage insurance in amounts (but in no events less than Two Million Dollars (\$2,000,000.00) with respect to any liability insurance) and in form and substance adequate to insure against all liability of PERMITTEE and its agents, employees or contractors, arising out of any entry or investigations of the Property pursuant to the provisions hereof, and PERMITTOR shall be named as additional insured on such insurance.

- d. PERMITTEE shall indemnify and hold PERMITTOR harmless from and against any damages, liabilities, losses, liens or claims (including, without limitation, court costs and reasonable attorneys' fees and disbursements) arising out of or relating to any entry on the Property by PERMITTEE, its agents, employees or contractors in the course of performing the inspections or testings provided for in this PERMIT, including, without limitation, any release of Hazardous Materials or any damage to the Property; provided that PERMITTEE shall not be liable to PERMITTOR solely as a result of the discovery by PERMITTEE of a pre-existing condition on the Property to the extent the activities of PERMITTEE, its agents, representatives, employees, contractors or consultants do not exacerbate the condition.
  - e. PERMITTOR will provide staking performed by a professional land surveyor to identify the desired location of the monitoring well on the Affected Property.
  - f. PERMITTEE shall be allowed to dispose of any drill cuttings, drilling fluids, or any resulting spoils arising from or related to the Project, on the Affected Property.
  - g. PERMITTEE shall be allowed temporary storage of vehicles, equipment and materials on the Affected Property arising from or related to Project work.
  - h. All tools, equipment, and other property taken upon or placed upon the land by the PERMITTEE, or its employees, contractors, or agents shall remain the property of such parties. PERMITTEE gives express approval for such tools, equipment, or other property to remain at Affected Property beyond the end of such day.
3. As a condition of PERMITTEE performing Project, PERMITTOR agrees to reimburse PERMITTEE for all costs incurred by PERMITTEE associated with any PERMITTEE efforts that arise from or are related to the Project subject to the following terms:
- a. PERMITTOR agrees to deposit, in cash, or by PERMITTOR's check, with the PERMITTEE General Manager upon execution of this Permit, the sum of Ten Thousand dollars (\$10,000.00) (the "Initial Deposit"). PERMITTOR agrees to deposit the remaining One Hundred Eighty Thousand Two Hundred Fifty-Seven dollars (\$180,257.00) (the "Second Deposit") no later than 30 days before the commencement of drilling operations on the property. Any remaining balance on Deposit after payment of all such costs shall be refunded to PERMITTOR upon 30 days' written notice that Project is complete.
  - b. Any time the balance of the Deposit with PERMITTEE falls below Two Thousand Five Hundred dollars (\$2,500.00), and upon seven (7) calendar days' written notice by PERMITTEE, PERMITTOR agrees to place an additional deposit in the amount of Ten Thousand dollars (\$10,000.00) with PERMITTEE prior PERMITTEE performing further work on the Project.
  - c. In the event that PERMITTOR shall fail or refuse to remit any Deposit to or at the direction of PERMITTEE, all efforts the by PERMITTEE related to the Project, at the discretion of the PERMITTEE's General Manager, shall cease until such time as the Deposits so required are paid. Additionally, PERMITTOR may, by written request executed and delivered by PERMITTOR, direct PERMITTEE to cease work on the Project and to not incur any additional costs under the Permit.
  - d. PERMITTOR shall have the right to review all costs submitted by PERMITTEE for which PERMITTOR may be responsible, and the right to a review by the PERMITTEE's Board of Directors. To that end, PERMITTEE will provide PERMITTOR with documentation supporting costs incurred by PERMITTEE in connection with this Permit concurrently with the PERMITTEE's notice requesting additional deposits, if any, and within a reasonable period of

time upon PERMITTEE's Board of Directors' review. The determination of PERMITTEE's Board of Directors will be final and binding.

4. PERMITTEE shall acquire no additional easement or property right in or to the property or right of way of PERMITTOR by virtue of this Permit and PERMITTOR does not hereby relinquish any right or title therein.
5. Except as herein otherwise provided, all costs of maintenance, repair, abandonment and/or replacement of the above described Project shall be borne by PERMITTOR.
6. Upon the failure of PERMITTOR to conform to any of the covenants and conditions herein specified, this Permit shall, at the option of PERMITTEE, cease and terminate.
7. The grant of this Permit shall not be deemed to include the right to pass over property not belonging to or under the control of PERMITTEE, it being specifically understood and agreed that the PERMITTEE shall obtain the approval of all necessary other landowners before entering and/or passing over private property.
8. All covenants of PERMITTEE herein shall also be deemed conditions of this permit.
9. The terms and conditions herein shall bind the heirs, assigns, executors, administrators and transferees of PERMITTOR and PERMITTEE and shall run with the permit.
10. Time is of the essence in this agreement.
11. Any notice to be given by one party to this Permit to the other shall be in writing and addressed to the party as set forth following its signature on this Permit and shall be either personally delivered, mailed or faxed (with a mailed copy to follow) and shall be deemed delivered when actually received by the party to whom it is addressed.

ACCEPTANCE BY PERMITTEE

PERMITTEE HEREBY ACCEPTS THE ABOVE PERMIT AND AGREES TO COMPLY WITH ALL OF THE REQUIREMENTS THEREOF. THIS PERMIT DOES NOT RELIEVE THE PERMITTEE FROM OBTAINING ANY AND ALL OTHER APPROPRIATE PERMITS REQUIRED BY OTHER PUBLIC AGENCIES.

Dated: \_\_\_\_\_, 2023.

TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

By \_\_\_\_\_  
Dina Breitstein, General Manager

PERMITTEE's Address, Telephone and Fax Numbers:  
1800 Willow Lake Road  
Discovery Bay, CA 94505  
Telephone: (925) 634-1131

APPROVED BY PERMITTOR

Date: \_\_\_\_\_, 2023.

HENGLI 10LLC

By \_\_\_\_\_  
Shizao Zheng, President

PERMITTOR's Address, Telephone and Fax Numbers:  
400 Concar Dr  
San Mateo, CA 94402  
Telephone: (626) 710-4272

EXHIBIT "A"  
Description of Project