



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



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

**NOTICE OF THE REGULAR MEETING
OF THE STANDING FINANCE COMMITTEE
OF THE TOWN OF DISCOVERY BAY
Wednesday, December 4, 2024 4:30 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/82820740593>

TO ATTEND BY PHONE: +1 (669) 444 9171 or +1 (719) 359 4580 **WEBINAR ID:** 828 2074 0593

Download Agenda Packet and Materials at www.todb.ca.gov

Finance Committee Members

Chair Carolyn Graham
Vice-Chair Ashley Porter

A. ROLL CALL

1. Call business meeting to order 4:30 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 Finance DRAFT Meeting Minutes of June 5, 2024.
2. Approve Finance DRAFT Meeting Minutes of August 7, 2024.

D. PRESENTATIONS

1. Bi-Monthly Financial Report.

E. UPDATES

F. DISCUSSION

G. FUTURE DISCUSSION/AGENDA ITEMS

H. ADJOURNMENT

1. Adjourn to the next Standing Finance Committee meeting on February 5, 2025, 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."



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**MINUTES OF THE REGULAR MEETING
OF THE STANDING FINANCE COMMITTEE
OF THE TOWN OF DISCOVERY BAY
Wednesday, June 5, 2024 4:30 P.M.**

Finance Committee Members

Chair Carolyn Graham
Vice-Chair Ashley Porter

A. ROLL CALL

1. Called business meeting to order 4:30 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)

- Speaker has concerns over funding for upcoming large repairs. He also asked about raising rates to pay for upcoming expenses.

C. DRAFT MINUTES TO BE APPROVED

1. Approve Special Finance DRAFT Meeting Minutes of April 3, 2024.

Vice-Chair Porter made a Motion to Approve the April 3, 2024 Draft Meeting Minutes.
Chair Graham seconded.

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

D. PRESENTATIONS

1. Bi-Monthly Financial Report.

Presented by Finance Manager Margaret Moggia.

- Water expenses were lower than budgeted due to staffing vacancies, and lower than anticipated facility maintenance.
- Wastewater revenues came in higher than budgeted amount.
- Zone 8 earned approximately \$57,000 in interest income.
- Zone 8 Community Center expenses were lower than budgeted amount.
- Zone 8 Landscaping expenses were lower than budgeted amount.
- Zone 9 revenues were higher than budgeted amount.
- Capital Water projects include Marina, Newport and Willow filter repair, and Well 8.
- Capital Wastewater projects include diffuser, and denitrification.
- Capital Landscape projects include Cornell Park, Clipper Drive and the Patio Project.
- FY 2024/25 Finance activities include 2024-2025 Budget adoption, Zone 9 Assessment Report, Rate Study and updating of financial policies.

E. UPDATES

None.

F. DISCUSSION

1. Discussion and Possible Feedback for Financial Auditor selection for Fiscal Years ending June 30, 2024, June 30, 2025, and June 30, 2026.

Presented by Finance Manager Margaret Moggia.

- Staff requested proposals from twelve auditing firms.
 - Staff received two proposals.
 - Staff recommends using CLA due to their focus on local government with support of a national organization.
 - CLA is familiar with preparing an Annual Comprehensive Financial Report (ACFR) and the requirements of GFOA's Excellence in Financial Reporting.
 - Committee recommends bringing forward to a future Board of Directors Meeting.
2. Discussion and Possible Feedback to Adopt Resolution No. 2024-10 - Approving Amendment to District Financial Policy #031.

Presented by Finance Manager Margaret Moggia.

- Financial Policy #031 was established in September 2021.
 - Staff has several notable changes to the policy. Suggested edits include changes on bank accounts and cash management, internal controls, financial reporting, accounts payable, and accounting of fixed assets.
 - Committee recommends bringing forward to a future Board of Directors Meeting.
3. Discussion and Possible Feedback to Adopt Resolution No. 2024-11 – Add Policy #034 – Capitalization Policy.

Presented by Finance Manager Margaret Moggia.

- In review of District's approved policies, the Finance Manager noted there is no stand-alone capitalization policy.
- This policy is being established to provide the following goals and objectives:
 - Define capital assets
 - Clarify capitalizable costs versus expenses
 - Set the threshold of a capital asset
 - Determine the estimated minimum useful life of a capital asset
 - Determine the depreciation/amortization method of a capital asset
 - Describe procedures for impairment of capital assets
 - Describe procedure for replacement and retirement of capital assets
 - Describe procedure for disposal of capital assets
- Committee recommends bringing forward to a future Board of Directors Meeting.

G. FUTURE DISCUSSION/AGENDA ITEMS

None.

H. ADJOURNMENT

1. Adjourned at 5:22p.m. to the next Standing Finance Committee meeting on August 7, 2024, at the Community Center located at 1601 Discovery Bay Boulevard.

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PLATINUM LEVEL

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

**MINUTES OF THE SPECIAL MEETING
OF THE STANDING FINANCE COMMITTEE
OF THE TOWN OF DISCOVERY BAY
Wednesday, August 7, 2024 4:30 P.M.**

Finance Committee Members

Chair Carolyn Graham
Vice-Chair Ashley Porter

A. ROLL CALL

1. Called business meeting to order 4:30 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. None

D. PRESENTATIONS

1. Fiscal Year 2024 Finance Presentation and Annual Reserve Report.

Presented by Finance Manager Margaret Moggia.

- Water revenues: Total revenues came in higher than budget.
- Water expenses: Salary came in under budget due to staffing changes.
- Water fund balance is \$7,361,933 with \$5,349,779 being in reserves.
- Wastewater revenues: Interest income and capacity fees led to the revenues being higher than budgeted amount.
- Wastewater expenses: Salary came in under budget due to staffing changes.
- Wastewater fund balance is \$12,929,505 with \$9,408,945 being in reserves.
- Zone 8: revenues surpassed budgeted amount due to property tax, community center fees, rentals and interest income.
- Zone 8 fund balance is \$1,973,546 with \$1,612,247 being in reserves.
- Zone 9: \$11,430 interest income was earned.
- Zone 9 fund balance is \$412,919 with \$267,919 being in reserves.
- Capital Projects:
 - Water: Marina, Newport and Willow Filter Repair, Cathodic Protection, Well 5 Decommissioning, Well 8.
 - Wastewater: Diffuser, Denitrification.
 - Landscape: Cornell Park, Clipper Drive.
 - Community Center: Patio Project.
- Debt Portfolio:
 - 2017 Bond: Current outstanding balance of \$7,640,000.
 - 2022 Bond: Current outstanding balance of \$16,400,000.

- 2022B Bond: Current outstanding balance of \$10,768,000.
- Fiscal Year 2025 Fiscal Year Activities: Update rate study, update of Financial Policies, evaluation of new financial software.

E. UPDATES

1. Auditor Communications Update.

Finance Manager Margaret Moggia introduced Daphne Munoz, a principal with CLA Global.

- CLA is a National firm with over 60 years of experience,
- CLA will handle the annual audit for the District, as well as assist in preparation of the SCO report.
- Interim Audit will be in August 2024.
- Year-end audit will be in August 2024.
- Firm will also handle the Annual Comprehensive Financial Report (ACFR).

F. DISCUSSION

1. Discussion and Possible Feedback Regarding the Approval of the Capacity and Connection Accounting Report for Fiscal Year 2023-2024.

Presented by Finance Manager Margaret Moggia.

- Each year the District must report fees collected during the fiscal year.
- District collected \$ 517,350.00 in capacity fees.
- District collected \$6,100.00 in connection fees.
- Balance as of June 30, 2024 was \$2,577,893.07.

G. FUTURE DISCUSSION/AGENDA ITEMS

None.

H. ADJOURNMENT

1. Adjourned at 5:13p.m. to the next Standing Finance Committee meeting at the Community Center located at 1601 Discovery Bay Boulevard.



Finance Committee Meeting December 4, 2024

Financial Results through October 2024

Fiscal Year 2025 Finance Activities



Fiscal Year 2025 Financial Results (through October 31)

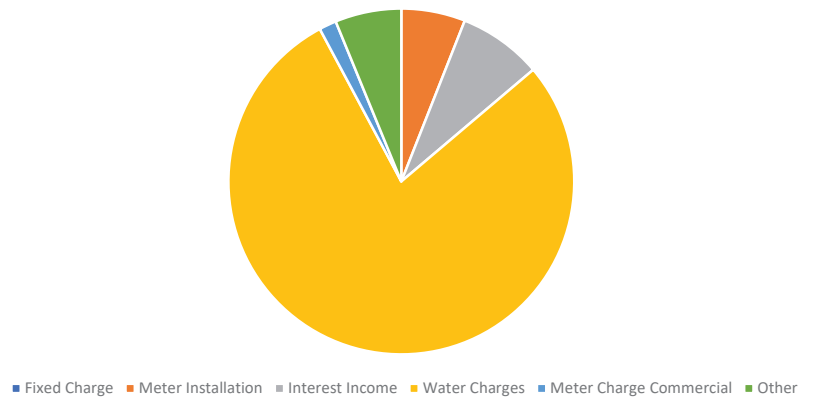
| | Fund 20 (Water) | Fund 21 (Wastewater) | Fund 40 (Zone 8) | Fund 41 (Zone 9) |
|-------------------|--------------------|-------------------------|---------------------|---------------------|
| Revenues | \$1,871,446 | \$320,240 | \$148,400 | \$10,130 |
| Expenses | \$2,051,263 | \$1,536,644 | \$355,698 | \$38,000 |
| Net Income (loss) | (\$179,818) | (\$1,216,404) | (\$207,298) | (\$27,870) |



Fiscal Year 2025 Financial Results (Water)

| | Actual | Budget |
|-------------------------|--------------------|--------------------|
| Fixed Charge * | 0 | 586,000 |
| Meter Installation | 111,973 | 112,000 |
| Interest Income | 146,562 | 141,667 |
| Water Charges | 1,466,669 | 1,334,460 |
| Meter Charge Commercial | 30,318 | 30,000 |
| Other | 115,924 | 23,333 |
| Total Revenues | \$1,871,446 | \$2,227,460 |

Fiscal Year 2025 - Through October 2024
Revenues



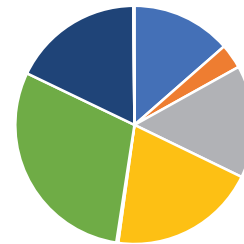
* First receipt expected in December 2024



Fiscal Year 2025 Financial Results (Water)

| | Actual | Budget |
|-----------------------|--------------------|--------------------|
| Salary and Benefits | 277,910 | 420,702 |
| Consulting | 69,137 | 175,000 |
| Contract Operations | 313,397 | 342,000 |
| Utilities | 409,903 | 298,400 |
| Chemicals | 5,393 | 33,333 |
| Facility Maintenance | 608,770 | 289,667 |
| Administrative Costs | 363,796 | 299,000 |
| Debt Service | 0 | 0 |
| Permits | 2,958 | 16,667 |
| Total Expenses | \$2,051,263 | \$1,874,769 |

Fiscal Year 2025 - Through October 2024
Expenses



- Salary and Benefits
- Consulting
- Contract Operations
- Utilities
- Chemicals
- Facility Maintenance
- Administrative Costs
- Debt Service
- Permits

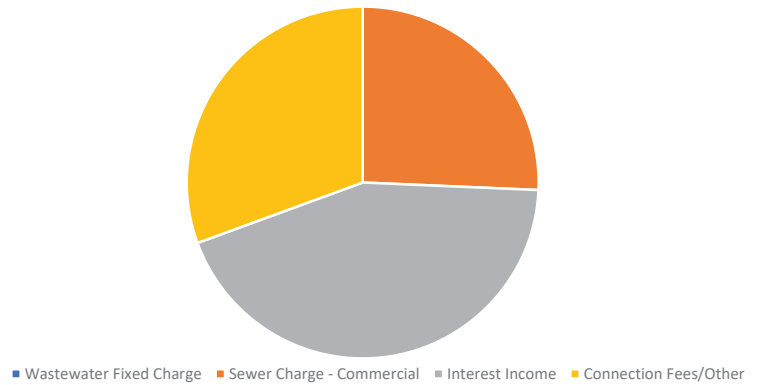


December 1 Bond Payment – Principal and Interest

Fiscal Year 2025 Financial Results (Wastewater)

| | Actual | Budget |
|-----------------------|------------------|--------------------|
| Fixed Charge * | 0 | 2,162,167 |
| Sewer Charge | 82,244 | 40,000 |
| Interest Income | 140,048 | 133,333 |
| Capacity Fees/Other | 97,948 | 7,333 |
| Total Revenues | \$320,240 | \$2,342,833 |

Fiscal Year 2025 - Through October 2024
Revenues



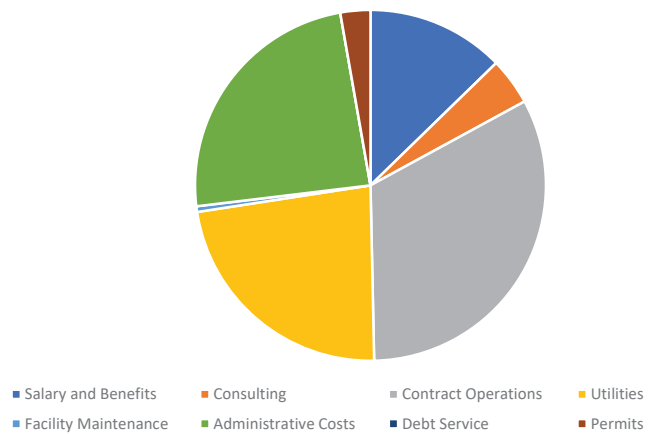
* First receipt expected in December 2024



Fiscal Year 2025 Financial Results (Wastewater)

| | Actual | Budget |
|-----------------------|--------------------|--------------------|
| Salary and Benefits | 195,394 | 316,269 |
| Consulting | 66,828 | 96,667 |
| Contract Operations | 500,992 | 615,000 |
| Utilities | 351,940 | 266,000 |
| Facility Maintenance | 8,015 | 30,000 |
| Administrative Costs | 371,002 | 346,967 |
| Debt Service | 0 | 0 |
| Permits | 42,473 | 41,667 |
| Total Expenses | \$1,536,644 | \$1,712,569 |

Fiscal Year 2025 - Through October 2024 Expenses



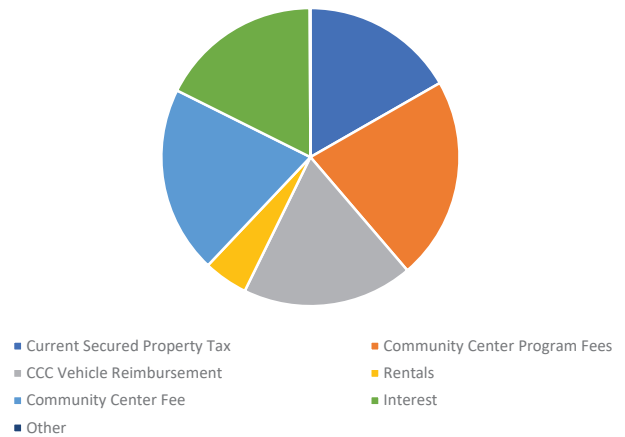
December 1 Bond Payment – Principal and Interest



Fiscal Year 2025 Financial Results (Zone 8)

| | Actual | Budget |
|-----------------------|------------------|------------------|
| Property Tax * | 24,820 | 283,760 |
| Community Center | 32,665 | 26,333 |
| County Reimburse | 27,491 | 22,333 |
| Rentals | 7,130 | 13,333 |
| Community Center Fee | 30,135 | - |
| Interest | 26,055 | 25,000 |
| Other | 103 | 8,000 |
| Total Revenues | \$148,400 | \$378,760 |

Fiscal Year 2025 - Through October 2024 Revenues



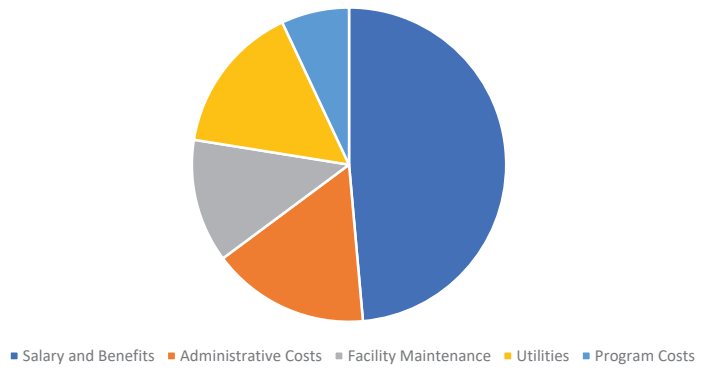
* First FY 2025 receipt expected in December 2024



Fiscal Year 2025 Financial Results (Zone 8)

| Community Center | Actual | Budget |
|-----------------------|------------------|------------------|
| Salary and Benefits | 79,901 | 119,931 |
| Administrative Costs | 26,706 | 22,867 |
| Facility Maintenance | 20,897 | 21,000 |
| Utilities | 25,452 | 19,667 |
| Program Costs | 11,488 | 18,000 |
| Total Expenses | \$164,444 | \$201,464 |

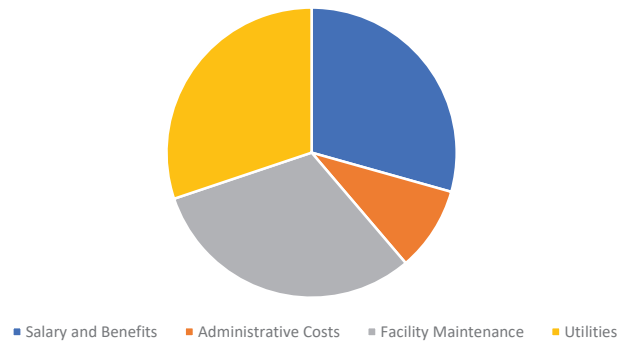
Fiscal Year 2025 - Through October 2024
Expenses - Community Center



Fiscal Year 2025 Financial Results (Zone 8)

| Landscape | Actual | Budget |
|-----------------------|------------------|------------------|
| Salary and Benefits | 56,147 | 78,565 |
| Administrative Costs | 17,999 | 19,797 |
| Facility Maintenance | 59,449 | 27,333 |
| Utilities | 57,659 | 50,000 |
| Total Expenses | \$191,665 | \$175,665 |

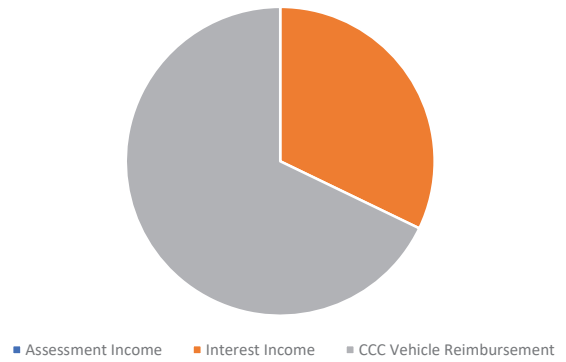
Fiscal Year 2025 - Through October 2024
Expenses - Landscape



Fiscal Year 2025 Financial Results (Zone 9)

| | Actual | Budget |
|-----------------------|-----------------|-----------------|
| Assessment Income * | 0 | 57,000 |
| Interest Income | 3,257 | 3,333 |
| County Reimburse | 6,873 | 5,667 |
| Total Revenues | \$10,130 | \$66,000 |

Fiscal Year 2025 - Through October 2024
Revenues



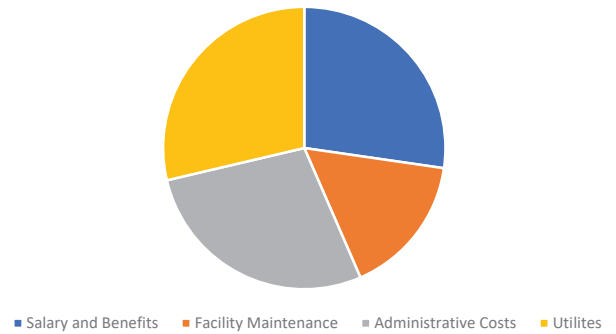
* First receipt expected in December 2024



Fiscal Year 2025 Financial Results (Zone 9)

| | Actual | Budget |
|-----------------------|-----------------|-----------------|
| Salary and Benefits | 10,369 | 21,737 |
| Facility Maintenance | 6,155 | 21,500 |
| Administrative Costs | 10,580 | 13,600 |
| Utilities | 10,895 | 8,400 |
| Total Expenses | \$38,000 | \$65,237 |

Fiscal Year 2025 - Through October 2024
Expenses





FY 2025 Capital Projects

Administration Building

Mobile Modular Design \$ 112,975

Water Capital Improvement Projects

Willow Filter Repair \$1,670,617

Well 8 \$1,452,222

Marina Underwater Crossing \$ 210,528

Cathodic Protection \$ 20,312

Wastewater Capital Improvement Projects

O&M Manual \$ 1,740



FY 2025 Debt Portfolio

December 1 Bond Payment – Principal and Interest

| | 2017 | 2022 | 2022B (Refunded 2012) |
|------------------------------|-------------|--------------|--------------------------|
| Original Debt Issuance | \$8,825,000 | \$16,860,000 | \$11,650,000 |
| Current Debt Outstanding | \$7,640,000 | \$16,400,000 | \$10,768,000 |
| All In Total Interest Cost % | 3.9281% | 4.1924% | 3.6837% |
| Final Maturity | 12/1/2047 | 12/1/2052 | 12/1/2042 |



Water Construction Proceeds - \$4.7M
Wastewater Construction Proceeds - \$0M



Upcoming Fiscal Year 2025 Finance Activities

- State Reporting – Financial Transaction Report
- Classification and Compensation Study
- Rate Study
- Financial Software Implementation

