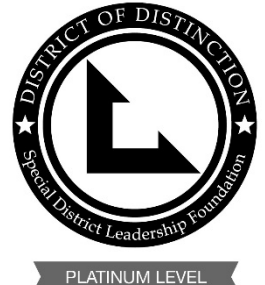




TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



PLATINUM LEVEL

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

**NOTICE OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY
Wednesday April 2, 2025 7:00 P.M.**

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

REMOTE TELECONFERENCE LOCATION:

4100 Bob Hope Drive
Rancho Mirage, CA 92270

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

TO ATTEND BY ZOOM WEBINAR: <https://us06web.zoom.us/j/85454370841>

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

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

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

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

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

C. CONSENT CALENDAR

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

1. Approve Regular Board of Directors DRAFT Meeting Minutes from March 19, 2025.
2. Approve SPECIAL Board of Directors DRAFT Meeting Minutes from March 20, 2025.
3. Direct Herwit Engineering to Prepare the 2025-2026 Annual Assessment Report for the Ravenswood Improvement District, Discovery Bay Landscape & Lighting Zone #9 by Resolution No. 2025-03.

D. AREA AGENCIES AND LIAISON REPORTS / PRESENTATIONS

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

E. MUNICIPAL ADVISORY COUNCIL

F. PRESENTATIONS

1. Presentation Regarding Water and Wastewater Rate Study and Proposition 218 Process Schedule.

G. DISCUSSION AND POSSIBLE ACTION

1. Discussion and Possible Action to Authorize General Manager to Execute the Contract Amendment with Mobile Modular Management Corporation, a Division of McGrath RentCorp ("Mobile Modular"), to Construct the Town of Discovery Bay's (Town) Office Administration Building Project, to include Project Site Work.

H. MANAGER'S REPORT

I. GENERAL MANAGER'S REPORT

J. DIRECTOR REPORTS

1. Standing Committee Reports.
 - a. Finance Committee Meeting (Committee Members Kevin Graves and Ashley Porter) April 2, 2025.
 - b. Water and Wastewater Committee Meeting (Committee Members Kevin Graves and Carolyn Graham) April 2, 2025.

K. DIRECTORS REGIONAL MEETING AND TRAINING REPORTS

L. CORRESPONDENCE

M. LEGAL REPORT

N. FUTURE AGENDA ITEMS

O. ADJOURNMENT

1. Adjourn to the next Regular Meeting of the Board of Directors on April 16, 2025 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.

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

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



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

SDLF Platinum-Level of Governance



PLATINUM LEVEL

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

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY
Wednesday, March 19, 2025 7:00 P.M.**

REGULAR MEETING 7:00 P.M.

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order 7:00 p.m.
2. Director Porter led the Pledge of Allegiance.
3. Roll Call was taken, and all members were present.

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

- The speaker asked if site tours were available. He also would like updates on solar project and administration building project.

C. CONSENT CALENDAR

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

1. Approve Regular Board of Directors DRAFT Meeting minutes from March 5, 2025.
2. Monthly Disbursement Report – February 2025.

Director Graves made a motion to approve the Consent Calendar.

Vice President Gutow seconded.

Vote: Motion carried – AYES: 5, NOES: 0, ABSTAINED: 0, ABSENT: 0.

D. PRESENTATIONS

1. Veolia.

Presented by Veolia Project manager Anthony Harper.

- 599 Safe working days.
- All wells are active.
- Well 5 is offline, plans to be abandoned in April.
- Hydrant flushing is ongoing.
- Valve exercising is ongoing.
- All lift stations are active.
- There were zero customer complaints or sewer overflows.
- Sewer line collection system mapping continued.
- Clogs/potential clogs were addressed and cleared.
- The Town had previously participated in the “No Wipes in the Pipes” campaign to raise awareness on sewer issues.

E. DISCUSSION AND POSSIBLE ACTION

None.

F. MANAGER'S REPORT

None.

G. GENERAL MANAGER'S REPORT

- There is a new page on the TODB website that highlights future Utility and Infrastructure Projects.
- Board Workshop will be held March 20, 2025 at 4:00p.m.

H. DIRECTOR REPORTS

None.

I. DIRECTORS REGIONAL MEETING AND TRAINING REPORTS

1. AB1234 Ethics Training – February 4, 2025 (Director Kevin Graves).
2. Contra Costa LAFCO – February 12, 2025 (Director Kevin Graves).
3. Byron Union School District – February 20, 2025 (Director Kevin Graves).
4. Sexual Harassment Prevention Training – February 6, 2025 (Director Carolyn Graham).

J. CORRESPONDENCE

None.

K. LEGAL REPORT

None.

L. FUTURE AGENDA ITEMS

None.

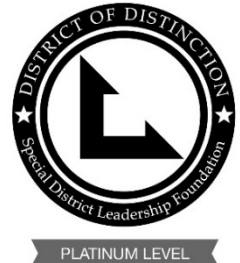
M. ADJOURNMENT

1. Adjourned at 7:23p.m. to the next Regular Meeting of the Board of Directors on April 2, 2025 beginning at 7:00 p.m. at the Community Center located at 1601 Discovery Bay Boulevard.



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT



SDLF Platinum-Level of Governance

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

**MINUTES OF THE SPECIAL ANNUAL
BOARD PLANNING MEETING
OF THE TOWN OF DISCOVERY BAY
THURSDAY, MARCH 20, 2025
SPECIAL BOARD PLANNING MEETING - 4:00 P.M.
Community Center
1601 Discovery Bay Boulevard, Discovery Bay, CA**

A. ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Call business meeting to order at 4:00 p.m.
2. Director Belcher led the Pledge of Allegiance.
3. Roll Call was taken, and all members were present.

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

- The speaker discussed setting goals, methods to organize long term goals, and using data to establish a framework for success.

C. PRESENTATION, DISCUSSION, AND ACTION ITEMS

Presented by General Manager Dina Breistein

1. Review of Mission, Vision, Values and Goals.
 - Director Belcher would like to inform the community members how to effectively have two-way communication with the Board. The Board would like this topic to be added to the next Communications Committee meeting.

2. Looking Back 2024 Year Review.

All Q1 Resolutions passed.

Q1 Accomplishments – Recreation

- Completion of the Community Center Patio Project
- Preparing for Summer activity and pool schedule

Q1 Accomplishments – Landscape

- Weed control, landscape clean-up

Q1 Accomplishments – Water

- Well 7 repaired
- Well 5 safe isolation from treatment completed

Q1 Accomplishments – Wastewater

- Denitrification Project Completed

Q1 Accomplishments – Administration

- Approval of Veolia MOU for the Energy Conservation & Renewable Energy Program Development

Q1 Accomplishments – Finance

- Evaluated software platforms
- Approval of Fiscal Year 2022-2023 Audited Financial Statements

All Q2 Resolutions passed.

Q2 Accomplishments – Recreation

- Approval for splash pad at Ravenswood Park
- Swim Lessons, Water Aerobics begin

Q2 Accomplishments – Landscape

- Completion of Slifer Park basketball court and wall ball resurfacing
- Streetscape and park clean-up
- New monument sign at Pacific Waterways

Q2 Accomplishments – Water

- Newport and Sand Point Underwater Crossing Information gathering
- Awarded construction of Marina/Marlin Pipeline as well as Liner Portion

Q2 Accomplishments – Wastewater

- Successful installation of Newport Lift Station Programmable Logic Controller

Q2 Accomplishments – Administration

- Participated in CSDA Legislative Days 2024 in Sacramento
- Collaborated with Contra Costa County regarding algae blooms

Q2 Accomplishments – Finance

- Fiscal Year 2024-25 Proposed Budget presented to the Board
- Completed implementation of new commercial credit card program with Umpqua Bank
- Selected CLA as financial auditors for fiscal years 2024, 2025 and 2026

All Q3 Resolutions passed.

Q3 Accomplishments – Recreation

- Paint Night classes, Flick 'N Float, Zumba, Swim, Movie in the Park, approval of new playground structure at Cornell Park

Q3 Accomplishments – Landscape

- Tree work
- Landscape work at Preston and Point of Timber Road
- Repave walking path to Sandy Cove Shopping Center
- Major tree work along Bixler Road

Q3 Accomplishments – Water

- Marlin/Marina Underwater Crossing Project completion

Q3 Accomplishments – Wastewater

- Awarded contract for construction of the Well 8 Pump Station Project

Q3 Accomplishments – Administration

- Approval of Tripepi Smith to provide communications support
- Denitrification Project closeout

Q3 Accomplishments – Finance

- FY 2024-2025 Budget approval
- Added Policy #34 – Capitalization Policy
- Amended Policy #31 – Financial Policy
- Public Hearing and adoption of Zone 9 Assessment

All Q4 Resolutions passed.

Q4 Accomplishments – Landscape

- Clipper Drive work
- New lawn at Cornell Park
- Streetscape deep clean
- Relandscape Bixler medians, Bixler Road and Regatta, Regatta park entrance, Yacht & Foghorn overflow parking, and Wilde Drive
- Approval of pilot program for WeatherTRAK smart irrigation system at Cornell Park

Q4 Accomplishments – Water

- Installation of Marina/Marlin Pipeline Project liner
- Completion of Willow Lake filter distribution pipe

Q4 Accomplishments – Wastewater

- Update began on the Town's Wastewater Operations and Maintenance (O&M) Manual

Q4 Accomplishments – Administration

- Workplace Violence Prevention Plan (Policy No. 35) approved
- Approval of classification and compensation study
- Approval of CoAct24 to manage the Town's Administration Building construction project

Q4 Accomplishments – Finance

- Approval of Tyler Technologies Software License Agreement for Financial Data Software
- Approval of FY 2024 Audited Financial Statement

Staffing Updates:

- Cindi Coats joined as Recreation Programs Coordinator
- Peter Celaya joined as Water Tech I
- Bryce Huff joined as Water Tech II
- Keith Denny joined as Maintenance Tech III
- Connor Stawicki joined as PL Maintenance Tech I

- Matt Bevers was promoted to Landscape/Maintenance Coordinator
- Alex Cassett Joined Finance Department as Account Clerk

3. Looking Forward 2025.

2025 Current Projects:

- Classification and Compensation Study
- Surplus Management – (GovDeals)
- Site-wide and specific training
- Policy Updates
- Hazard Meeting

2025 Looking Ahead:

- Implementation of new HRIS platform
- Website platform updates

Water & Wastewater Current Projects:

- Town-wide GIS System implementation
- Community Center Sewer Pipeline Replacement
- Village 2 & 4 Lift Station Rehab
- Well 5 demolition

Water & Wastewater looking ahead:

- Water: Cross Connection, Pipeline Project, Well 8
- Wastewater: Solar Dryer Project
- Water & Wastewater: Energy Project, Administration Building, Flow Meter Monitoring

Parks & Landscape Current Projects:

- Landscape: street clean-up, storm clean-up, relandscape Cabrillo, Discovery Point and South Point islands
- Park: Begin work at Cornell park play structure, Ravenswood Park Splash Pad

Parks & Landscape looking ahead:

- Streetscape work, WeatherTREK smart controller, summer aquatics, Newport Drive improvement, Splash Pad, Cornell Park

Finance Projects Presented by Finance Manager Margaret Moggia.

- Finalize 2025 Water & Wastewater Rate Study
- Classification and Compensation Study
- Budget
- Bond Reporting
- Utility Audits
- Vacancy Reporting – AB 2561
- ERP implementation
- FY 2025-2026 Budget
- Evaluate funding strategies to finance District's capital program
- Complete Tyler platform software implementation

Special thanks to 2024 Board President Michael Callahan.

General Manager Breitstein and Finance Manager Moggia were recognized by the Special District Leadership Foundation as Certified Special District Managers. Only 79 Special Districts out of 3,400

have this distinction.

The California Society of Municipal Finance Officers granted the Town the Operating Budget Meritorious Award. This recognizes agencies with well-presented budget documents, best practices, processes and procedures.

The Town received both the District Transparency Certificate of Excellence and the Platinum Level District of Distinction. Only 12 out of 3,400 Districts hold this designation.

Break was taken at 5:05p.m.

Return from break at 5:09p.m.

4. Legal Review and Updates.

Presented by Legal Counsel Andy Pinasco.

- Best Practices for Effective Boards
 - Community Services District Structure
 - Board of Directors
 - Appointed Chair and Vice Chair
 - Appointed General Manager
- Town Governance Overview
 - Board Composition
 - Chair and Vice Chair roles
 - Board-Manager form of Government
- Role of General Manager
 - Appointment, dismissal and management of Town employees
 - Budget preparation and financial oversight
 - Administrative head of the Town government
- Providing Clear Direction
 - Board's role in Governance
 - Setting realistic goals and priorities
 - Workshop for team building and goal setting
 - Establishing Board-directed goals process for clarity and transparency
- Communication
 - 1st Amendment
 - Social media
 - Serial meetings
 - Social Media and The Brown Act
- Practice Pointers for Highly Effective Governing Bodies
 - Think and act strategically
 - Understand and demonstrate teamwork
 - Honor the Board-staff partnership

D. **ADJOURNMENT**

Adjourned at 5:47p.m. to the Next Regular Board of Director's Meeting, April 2, 2025 beginning at 7:00p.m. at the Community Center located at 1601 Discovery Bay Boulevard.



Town of Discovery Bay

“A Community Services District”

STAFF REPORT

Agenda Title: Direct Herwit Engineering to Prepare the 2025-2026 Annual Assessment Report for the Ravenswood Improvement District, Discovery Bay Landscape & Lighting Zone #9 by Resolution No. 2025-03.

Meeting Date: April 2, 2025

Prepared By: Margaret Moggia, Finance Manager

Submitted By: Dina Breitstein, General Manager

RECOMMENDED ACTION:

Adopt Resolution No. 2025-03 authorizing the Annual Assessment of the Ravenswood Improvement District Landscape and Lighting Zone #9, and direct Herwit Engineering to prepare the Engineer's Assessment Report.

EXECUTIVE SUMMARY:

As part of the annual assessment process for the Ravenswood Improvement District – Discovery Bay Landscape and Lighting Zone #9, the Board must approve and direct an Engineer's Assessment Report to be prepared. This approval must be by Resolution.

Since its inception, the Engineer's assessment reports have been drafted and prepared by Herwit Engineering (Hervit). Due to their in-depth knowledge of the zone and access to historical data, staff recommends approving Resolution No. 2025-03, which directs Hervit to prepare the 2025-2026 Annual Assessment Report for Ravenswood Improvement District – Discovery Bay Landscape and Lighting Zone #9.

Hervit Engineering would perform this work under the current contract with the Town for an amount not to exceed \$2,500.

FISCAL IMPACT: \$2,500

PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

None.

ATTACHMENTS:

1. Resolution No. 2025-03.



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLUTION 2025-03

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY,
A CALIFORNIA COMMUNITY SERVICES DISTRICT,
REGARDING THE ANNUAL ASSESSMENT
OF THE RAVENSWOOD IMPROVEMENT DISTRICT
LANDSCAPE AND LIGHTING ZONE #9**

WHEREAS, the Board of Directors of the Town of Discovery Bay CSD, pursuant to a will-serve letter with the developer of that subdivision known as Ravenswood, has formed a landscaping, park, lighting and open space district, known as Ravenswood Improvement District — DB L&L Zone #9, for the purpose of providing for the operation and maintenance of landscaping, parks, streetlights and open space installed in said subdivision by developer; and

WHEREAS, the Board of Directors now desires to levy the annual assessment for Fiscal Year 2025-2026 for such district.

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

1. The Board of Directors of the Town of Discovery Bay Community Services District, to deter crime, provide traffic safety, aid law enforcement, and provide a better neighborhood environment has formed an assessment district pursuant to California Streets & Highway Code, Division 15, Part 2, sections 22500 and following, pursuant to Resolution 2005-03.
2. The improvements, the operation and maintenance of which are intended to be funded by the assessments levied by the proposed assessment district, include all expenses associated with the maintenance and operation of non-privately owned landscaping, parks, streetlights, and open space in the subdivision 8710 known as Ravenswood.
3. The assessment district consists of that property generally described as Subdivision 8710-Ravenswood being a subdivision of a portion of the Northwest quarter of Section 26, Township 1 North, Range 3 East, Mount Diablo Meridian as recorded in Book 458 of Maps, Pages 1-15, Contra Costa County Records.
4. HERWIT Engineering is hereby ordered to prepare a report for annual assessment for the assessment district in accordance with Article 4, of Chapter 1, of Part 2, of Division 15 (commencing with § 22565), of the California Streets and Highways Code, and to file it with the Secretary of the Board of Directors of the Town of Discovery Bay Community Services District.
5. The Board Secretary shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 2nd DAY OF April 2025.

Carolyn Graham
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at this regular meeting held on April 2, 2025, by the following vote of the Board:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dina Breitstein
Board Secretary

DRAFT



Town of Discovery Bay

“A Community Services District”

STAFF REPORT

Agenda Title: Presentation Regarding Water and Wastewater Rate Study and Proposition 218 Process Schedule.

Meeting Date: April 2, 2025

Prepared By: Margaret Moggia, Finance Manager

Submitted By: Dina Breitstein, General Manager

RECOMMENDED ACTION:

For information only.

EXECUTIVE SUMMARY:

The Town of Discovery Bay Community Services District (Town) provides water and wastewater service to about 6,200 customers. With the passage of Proposition 218, the California Constitution was amended to establish the requirements for imposing any new or increasing any existing property-related fees and charges.

The procedural requirements of Proposition 218 for all utility rate increases include noticing requirements, public hearing, and rate increases are subject to failure to meet majority protest. In addition, Proposition 218 also established substantive requirements that apply to water and wastewater rates and charges include cost of service, intended purpose, proportional cost recovery, availability of service and general government services.

The Town last conducted a water and wastewater rate study in 2020 which provided a schedule of rate adjustments through FY2024/2025. In July 2023, Lechowicz & Tseng was approved to provide consulting services to support the next five-year Water and Wastewater Rate Study. Work was initiated in the fall of 2023 and has continued through present to provide the final draft report (attached).

Staff met with the rate consultant to review current assumptions including anticipated sales, operating costs, and infrastructure project costs supported by the water and wastewater revenues. Due to the evolution and significance of the capital projects requested, staff have been in constant conversation with engineering consultants and staff to understand the timing, scope, costs, and priority of these projects to better understand the fiscal impact and provide a rate recommendation that meets the service delivery and reliability for our ratepayers and users. In addition, staff are anticipated in higher costs for operations and maintenance of the water and sewer system due to aging infrastructure, regulatory requirements, and general increase in the cost to provide service (i.e., cost of chemicals and electricity.)

Staff met with the Town’s municipal advisor to better understand and incorporate the necessary borrowing assumptions and the use of Town reserves to fund the more significant capital projects on the water and wastewater programs.

Lechowicz & Tseng Municipal Consultants will be present at the Board meeting to present the final draft rate recommendations and receive any Board feedback prior to bringing the report to next Board meeting.

The anticipated next steps for the next rate study are noted below.

April 16, 2025:	Seek Board approval of final rate study report: Set the Public Hearing Date Seek Board approval to initiate Proposition 218 process
By May 2, 2025:	Mail Proposition 218 Notice to all ratepayers / property owners
June 2025:	Proposition 218 Hearing
July 1, 2025:	New rates go into effect in effect in FY 25/26 for water and wastewater on usage Fixed capital charges to be billed through the County (submit by August 2025 deadline)

FISCAL IMPACT:

The proposed rate and charges for the water and sewer/wastewater funds are to collect sufficient funds to cover the operations and maintenance, debt obligations for infrastructure additions and renewals, and maintain prudent reserves.

PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

July 5, 2023 - Discussion and Possible Action Regarding Approving the Scope of Work with Lechowicz & Tseng Municipal Consultants for the Water and Wastewater Rate Study.

ATTACHMENTS:

1. Draft Water and Sewer Rate Study Report.
2. April 2 Presentation.



TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT

Water and Sewer Rate Study

DRAFT REPORT
March 26, 2025



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

909 Marina Village Parkway #135
Alameda, CA 94501
(510) 545-3182
www.LTmuniconsultants.com

DRAFT

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SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Background

The Town of Discovery Bay Community Services District (Town or District) provides water and wastewater (sewer) service to about 6,100 customers. The Town last conducted a water and wastewater rate study in 2020 which provided a schedule of rate adjustments through fiscal year (FY) 2024/25. A rate update is needed to keep up with inflationary operating cost increases and to fund major utility system improvements, particularly water pipeline replacements.

1.2 Requirements of Proposition 218

Proposition 218, the “Right to Vote on Taxes Act”, was approved by California voters in November 1996 and is codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 establishes requirements for imposing any new or increasing any existing property-related fees and charges. For many years, there was no legal consensus on whether water and sewer service fees met the definition of “property-related fees.” In July 2007, the California Supreme Court essentially confirmed that Proposition 218 applies to water and wastewater service fees.

The Town must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. **Noticing Requirement** – The Town must mail a notice of the proposed rate increases to all affected property owners or ratepayers. The notice must specify the amount of the fees, the basis upon which they were calculated, the reason for the fees, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.
2. **Public Hearing** – The Town must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. **Rate Increases Subject to Majority Protest** – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the increases cannot be adopted.

In addition to filing a protest, property owners or ratepayers may file written objections prior to the public hearing to exhaust administrative remedies before filing a legal challenge. To be considered valid, any written objections must be submitted before the end of the public hearing and a failure to timely object in writing bars any right to challenge that fee or assessment through a legal proceeding. Pursuant to California Government Code 53759, a 120-day statute of limitations applies to any legal challenge to a new, increased, or extended fee.

Proposition 218 also established substantive requirements that apply to water and sewer rates and charges, including:

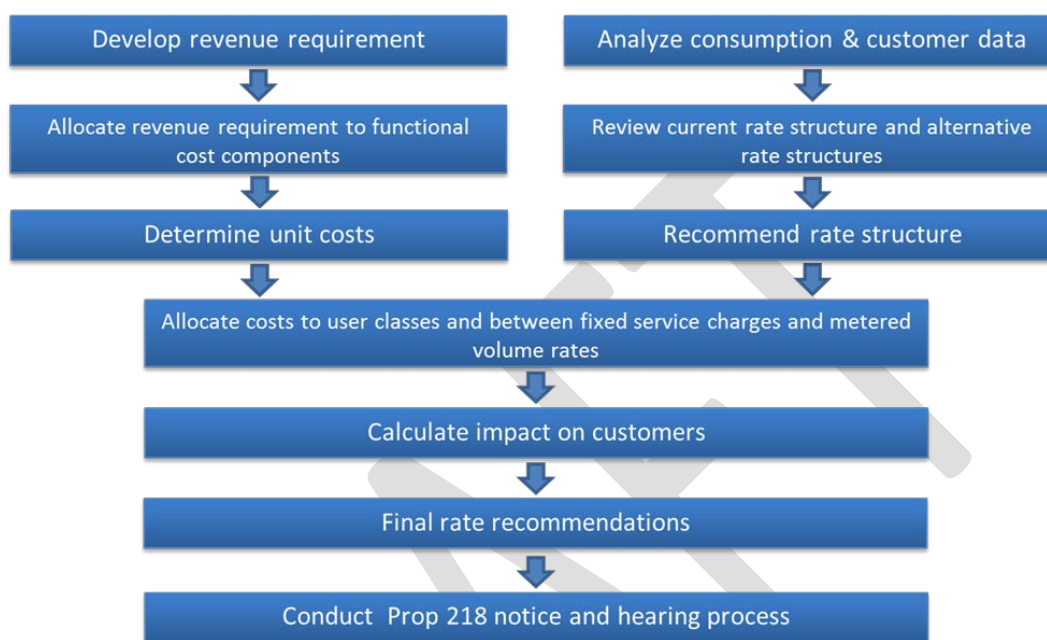
1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** – The amount of the fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of service attributable to that parcel. Caselaw allows this determination to be made customer class-by-customer class rather than parcel-by-parcel.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property. Standby charges are approved as assessments on real property.
5. **General Government Services** – No property-related fee or charge may be imposed for general governmental services available to the public at large, as police and some fire services are.

Charges for water and sewer service are exempt from additional voting requirements of Proposition 218 for other property-related fees, provided the charges do not exceed the cost of providing service and are adopted pursuant to procedural requirements of Proposition 218.

1.3 Rate Study Process

A summary of the rate study process is provided below in Figure 1.

Figure 1: Comprehensive Cost of Service Study Process



The following is a brief description of the rate study process:

- **Revenue Requirements** - Revenue requirements are analyzed via financial plans developed from the best information currently available, such as the Water and Wastewater Fund budgets, audits, historical operating results, and input from staff. The financial plans serve as a roadmap for funding the Town's future operating and capital programs while maintaining long-term fiscal stability, all of which is calculated in this study to produce rates that will be necessary to recover only the projected cost of service per parcel under these proposed rates.
- **Cost of Service Allocation** - The cost-of-service process builds on the revenue requirement analysis and assigns water and wastewater system costs to functional cost components: *meters and services, fire protection, customer service, base demand, and extra demand* for water, and *customer service and treatment/disposal* for sewer.
- **Rate Design** - Rate design involves developing a rate structure that proportionately recovers costs from customers but does not exceed the proportional cost of service attributable to each parcel. Final rate recommendations are designed to fund the Town's short- and long-term costs of providing service and fairly allocate costs to all customers.

The rates recommended in this report are based on the best available information gathered from the Town's budgets, audits, and input from Town staff, the Finance Committee, and the Board of Directors and the ratemaking consultant's professional opinion. The cost allocations proposed herein are based on industry standard practice. The proposed rates are based on the reasonable cost of providing service and do not exceed the proportional cost of service attributable to each parcel.

1.4 Proposed Rates and Bill Impacts

The current and proposed water and wastewater rates are provided in Table 1 and Table 2, respectively. Rate increases are proposed to go into effect July 1 of each year from 2025 through 2029. For water service, the Town charges a fixed meter fee based on the size of the meter plus a volume rate billed to each 100 cubic feet (ccf) of water used. By December 2017, about half of the Town was transitioned from unmetered to metered service. Newly metered customers pay \$8.01 per month in addition to the other rates and charges. The meter installation fee for these customers is not proposed to change and will be phased out at the end of the fiscal year (FY) 2026/27. For wastewater service, the Town bills residential customers a flat fee annually on the property tax roll. Commercial customers are billed volumetric wastewater rates based on estimated flow. Vacant parcels are charged a fee for the Town's water and sewer utilities. The vacant parcel fees are not proposed to change over the next five years.

Table 1: Current and Proposed Monthly Water Rates

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

ccf = 100 cubic feet = 748 gallons

1 – primarily indoor water use for health and sanitation

2 – dedicated meter solely for outdoor water use for landscape irrigation

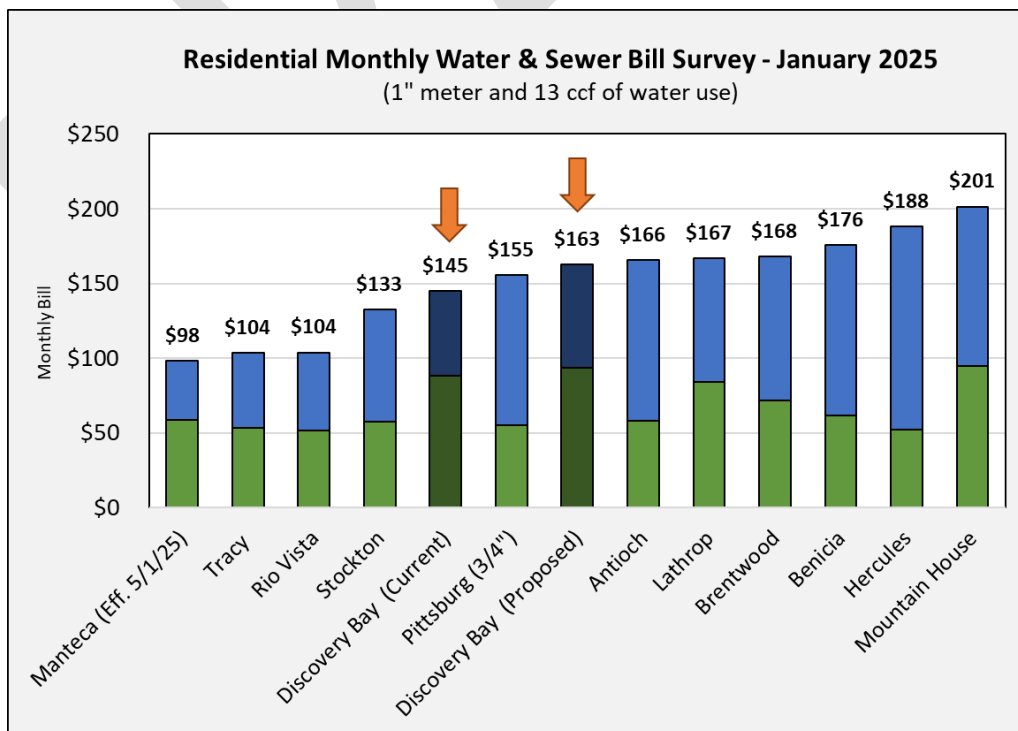
Table 2: Current and Proposed Monthly Wastewater Rates

WASTEWATER	Current	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Residential Unmetered	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Single Family	\$88.46	\$93.79	\$99.41	\$105.38	\$111.70	\$118.40
Multiple Family/Condos	\$72.40	\$76.69	\$81.29	\$86.17	\$91.34	\$96.82
Nonresidential Metered	Use (\$/ccf)	Use (\$/ccf)	Use (\$/ccf)	Use (\$/ccf)	Use (\$/ccf)	Use (\$/ccf)
Business/Government/Clubs	\$7.50	\$7.90	\$8.37	\$8.88	\$9.41	\$9.97
Restaurants/Bars/Dining	\$19.70	\$20.48	\$21.71	\$23.01	\$24.39	\$25.86
Schools	\$6.85	\$7.39	\$7.96	\$8.58	\$9.25	\$9.97
Other Domestic Strength Users	\$7.50	\$8.16	\$8.88	\$9.66	\$10.51	\$11.44

ccf = 100 cubic feet = 748 gallons

The typical monthly water use of a single-family customer is 13 ccf per month and the most common residential meter size is 1". Based on these parameters, the Town's current typical combined utility bill (water and sewer) is \$144.98 per month. Under the proposed rate increases, the typical single family residential customer bill will increase to \$162.55 per month, about a 12% increase. As shown in Figure 2 below, the Town's current and proposed bills are in the mid-range of utility bills charged by other local agencies.

Figure 2: Residential Monthly Water & Sewer Bill Survey



SECTION 2: CURRENT RATES AND CUSTOMER BASE

This section provides an overview of the Town's current water and wastewater rates, customer base, water usage statistics, and current rate revenues.

2.1 Current Water Rates

Customers are charged for water service based on the size of their water meter ranging from 5/8" up to 6" and the type of service - non-irrigation (domestic) or irrigation. Domestic meter service fees are slightly higher than irrigation meter fees to account for domestic users receiving fire protection benefits. All customers are charged these fixed charges regardless of water consumption to reflect costs the Town incurs associated with maintaining each connection and meeting capacity requirements. The Town charges a uniform volume rate of \$2.577/ccf for all water consumption.

Prior to 2017, approximately half the Town was unmetered and was billed a flat rate for water service. December 2017, the Town completed its meter roll-out and remaining unmetered customers were transitioned to metered service. To fund the installation of meters, the Town issued revenue bonds in addition to expending available reserves. Meter installation costs are repaid via a \$8.01 monthly service fee charged to newly metered customers over a ten-year period. The meter installation fee is not proposed to change and will be phased out by the end of fiscal year (FY) 2026/27.

2.2 Water Usage Statistics and Customer Base

Table 3 provides the current monthly water rates as well as estimated current water usage statistics, billing data, and service charge revenues. About 98.6% of meters are non-irrigation meters and 1.4% are irrigation meters. Most customers have 1" or smaller non-irrigation (domestic) meters, representing about 97% of the total customer base. The 1" meter is considered the standard meter in Discovery Bay and was the meter size provided to the newly metered customers in 2017. Less delinquency fees, the Town expects to collect about \$5 million in annual service charge revenues at current rates and water usage, of which about 42% will be collected from fixed meter fees (including the meter installation fees) and 58% will be collected from volume rates.

Based on Town billing records, the current average monthly residential water use is 13 ccf per month. Based on a typical home with a 1" meter and 13 ccf of water use, the average water bill is \$56.52 per month.

Table 3: Current Water Service Charge Revenues

Meter Size	# of Meters	Monthly Fee	Meter Fee Annual Revenue	Estimated Annual Water Use (ccf)	Annual Water Use Fees
				Metered Rate (\$/ccf)	\$2.577
Non-Irrigation					
Up to 1"	6,057	\$23.02	\$1,673,186		
1.5"	32	\$42.98	\$16,504		
2"	46	\$66.94	\$36,951		
3"	7	\$130.80	\$10,987		
4"	<u>10</u>	<u>\$202.64</u>	<u>\$24,317</u>		
Subtotal Non-irrigation	6,152		\$1,761,945	931,420	\$2,400,000
Irrigation					
Up to 1"	19	\$20.62	\$4,701		
1.5"	25	\$38.18	\$11,454		
2"	34	\$59.24	\$24,170		
3"	2	\$115.73	\$2,778		
4"	<u>7</u>	<u>\$180.27</u>	<u>\$15,143</u>		
Subtotal Irrigation	87		\$58,245	212,561	\$548,000
Meter Installation Fee	3,487	\$8.01	\$335,218		
Total Metered Customers	6,239		\$2,155,408	1,143,981	\$2,948,000
			42%		58%
Property Tax Roll	# of	Monthly	Total Annual		
Unmetered Water	Parcels	Fee	Revenues		
Vacant & Waterways	21	\$14.67	\$3,697		
Summary					\$1,820,190
			Metered	\$5,103,408	
			2% Delinquency	(\$102,000)	
			Vacant	<u>\$3,697</u>	
			Total	\$5,005,105	

2.3 Current Wastewater Rates

The Town's wastewater (sewer) utility provides service to about 6,100 single family, condominium (multiple family), and commercial parcels or accounts within the Town. Residential sewer customers are billed a flat annual fixed charge on a per dwelling unit basis collected on the annual property tax roll. Commercial customers are billed a volumetric wastewater rate based on estimated wastewater flow. There are four sub-categories of commercial wastewater customers: business/government/clubs, restaurants/bars/dining facilities, schools, and other domestic strength users. Current wastewater rates are provided in Table 4.

Table 4 also provides estimated current annual Wastewater Fund Revenues by rate category. The Town is projected to collect a total of about \$6.5 million in revenues from wastewater service charges. About \$6.4 million in revenues, or about 98%, is collected from fixed charges to residential and vacant parcel customers. Volumetric charges from commercial customers are estimated to generate about \$106,000, or about 2% of total wastewater rate revenue.

Table 4: Current Wastewater Service Charge Revenues

Unmetered Wastewater	Number of Parcels		Annual Fee	Annual Revenues
Single Family - Each DU	5,816		\$1061.52	\$6,174,000
Multiple Family/Condos - Each DU	224		\$868.00	\$195,000
Vacant	<u>30</u>		\$224.00	<u>\$7,000</u>
Subtotal	6,070			\$6,376,000
Metered Sewer	Number of Customers	Annual ccf	Rate \$/ccf	Annual Revenues
Business/Government/Clubs	22	1,043	\$7.501	\$7,821
Restaurants/Bars/Dining Facilities	11	4,663	\$19.696	\$91,851
Schools	3	800	\$6.853	\$5,482
Other Domestic Strength Users	<u>2</u>	<u>125</u>	\$7.501	<u>\$940</u>
Subtotal	38	6,631		\$106,094
Total Rate Revenues				\$6,482,094

DU - dwelling unit

SECTION 3: RESERVES

Proposition 218 requires that utility rates be based on the reasonable cost of providing service to customers. The cost of service includes annual operating expenses, debt service payments, capital projects, and the accumulation of appropriate reserves. The Town maintains Operating Reserves and Capital Reserves for each utility. In general, the Town's policy is to prudently use reserves to smooth cash flow and mitigate impacts to the ratepayers. Operating reserves are typically held at four months of operating expenses or greater. Operating reserves are intended to cover emergency operating costs and/or cover revenue shortfalls. The Town has capital reserves for general water and sewer improvements, pumps and motors, generators, facilities, and vehicles.

The Town is estimated to have approximately \$16.9 million in total utility reserves, with \$6.1 million allocated to water and \$10.8 million allocated to sewer as summarized in Table 5. Thus, the water utility comprises about 36% of total reserves, while the wastewater utility represents 64% of the total.

Table 5: Estimated Reserves

	Water	Sewer
Operations	\$1,774,815	\$1,740,799
Capital	<u>\$4,373,991</u>	<u>\$9,025,644</u>
Total	\$6,148,806	\$10,766,443

SECTION 4: WATER COST OF SERVICE

This section provides an analysis of the revenues and expenses that make up the water utility's total cost of service to be recovered via water rates. The cost of service is expressed in cash flow tables that illustrate revenue increases needed to keep up with operating and capital expenses and promote financial health. Over the five-year rate study period, water rate increases are proposed so that the Town can fund capital improvements, pay for operating costs, and maintain prudent reserves, all of which are calculated in this study to produce rates that will be necessary to recover only the actual cost of the water service per parcel under these proposed water rates.

4.1 Capital Improvement Plan

As part of the rate study process, the Town developed a capital improvement project list and determined the timeline and cost of each project. A summary of project costs through FY 2029/30 is provided in Table 6. The Town intends to fund \$31.76 million in capital projects over the next five years. The highest cost items are pipeline replacements and the pipeline underwater crossing. As shown below, the Town intends to fund \$3.5 million per year of pipeline replacements – this equal about one mile per year of line replacements. The Town will also install a solar system at the water treatment plant (WTP) which will provide energy savings once completed. In FY 2025/26, the Town will construct a new Administration Building. The construction cost allocated to the Town's utilities is about \$5 million which is split 50%/50% between the water and sewer utilities.

Table 6: Summary of Water Capital Projects

Project Categories	Projected FY 2025/26	Projected FY 2026/27	Projected FY 2027/28	Projected FY 2028/29	Projected FY 2029/30	5-Year Total
Mainline Pipe	650,000	3,500,000	3,500,000	3,500,000	3,500,000	14,650,000
Underwater Crossing	0	0	764,000	4,992,000	0	5,756,000
Solar System at WTP	3,340,000	1,344,000	941,000	0	0	5,625,000
Admin Building	2,508,000	0	0	0	0	2,508,000
Well 8	1,000,000	0	0	0	0	1,000,000
Other Projects	<u>505,000</u>	<u>389,000</u>	<u>407,000</u>	<u>393,000</u>	<u>528,000</u>	<u>2,222,000</u>
Total Projects	8,003,000	5,233,000	5,612,000	8,885,000	4,028,000	31,761,000

WTP – water treatment plant

4.2 Capital Cash Flow

The projects shown in Table 6 will be funded through a combination of reserves, capacity fees, rate revenues, loan proceeds, and new debt. Table 7 lists the capital revenue sources through FY 2029/30. The Town is projected to use about \$4.1 million in existing capital fund reserves. The water utility has reserves beyond its minimum targets. These reserves were accumulated over time from service charge revenues and should be used judiciously for the benefit of the ratepayers. The Town is expected to experience growth over the next five years. For planning purposes, it is assumed that the Town will collect capacity fee revenues from approximately 10 new homes annually.¹ This rate plan assumes the Town will fund \$1.7 million of project costs from rate revenues, \$5.7 million with subsidized state loans, and \$20 million from market rate bonds. To fund the solar system at the water treatment plant, the Town expects to secure a \$2.9 million loan at 1% interest over 16 years from the California Energy Commission plus a second loan of about \$2.7 million at 4% interest over 20 years from the California Infrastructure Bank (iBank). At current rate revenues, the water utility generates positive net revenues which can be used to fund capital improvements and/or provide additional debt capacity. L&T worked closely with Town staff, the Finance Committee, and the Town's bond underwriting team to develop debt service estimates.

Table 7: Water Capital Funding Sources

Revenue Source	5-Year Total	% of Total
Existing Capital Reserves	\$4,116,000	13%
Capacity Fees	\$280,000	1%
Rate Revenues	\$1,740,000	5%
New Debt		
CEC Loan	\$2,937,000	9%
iBank Loan	\$2,688,000	8%
Market Rate Bonds	<u>\$20,000,000</u>	<u>63%</u>
Total Funding	\$31,761,000	100%
Total Capital Projects	\$31,761,000	

Table 8 provides water capital cash flows over the next five years. It is anticipated that the Town will issue bonds annually from FY 2026/27 through FY 2029/30 primarily to fund the long-term pipeline replacement program and the underwater crossing project. By issuing bonds in tranches (rather than in one large issuance), the Town's debt service obligation will slowly increase over time and allow the Town to phase-in rate increases more gradually. FY 2025/26 through FY 2027/28, it is projected that the Town will fund both phases of the solar system project through loan proceeds. By the end of FY 2029/30, it is projected that the capital reserves will be drawn down by about \$4.1 million relative to the beginning balance in FY2025/26.

¹ Capacity fee revenues can only be used to fund facilities that benefit growth. L&T did not conduct an independent evaluation to determine which projects are growth-related.

Table 8: Water Capital Cash Flow

	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Beginning Balance	4,374,000	3,000	1,168,000	2,553,000	226,000
Revenues					
Capacity Fees	52,000	54,000	56,000	58,000	60,000
Transfer from Operating	240,000	0	0	500,000	1,000,000
CEC Loan Proceeds	2,937,000	0	0	0	0
IBank Loan Proceeds	403,000	1,344,000	941,000		
New Debt Proceeds	<u>0</u>	<u>5,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,000,000</u>
Total Revenues	3,632,000	6,398,000	6,997,000	6,558,000	4,060,000
Capital Improvements					
Water Supply Capacity					
Well 8	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Water Supply Capacity	1,000,000	0	0	0	0
Upgrades for Existing Water Supply					
Filter Replacement (Newport Filter A)	0	389,000	0	0	0
Stabilization Soils- Willow Lake WTP	0	0	0	0	176,000
Well 2 Upgrade Electrical Panel	259,000	0	0	0	0
Install Filter 2	0	0	0	0	352,000
Newport WTP Valve Replacement	112,000	0	0	0	0
Well 6 Upgrade from SSRV to VFD	<u>0</u>	<u>0</u>	<u>0</u>	<u>393,000</u>	<u>0</u>
Total Existing Water Supply	371,000	389,000	0	393,000	528,000
Distribution/Pipeline Replacements					
Mainline Pipeline	650,000	3,500,000	3,500,000	3,500,000	3,500,000
Newport & Sandpoint Crossing	<u>0</u>	<u>0</u>	<u>764,000</u>	<u>4,992,000</u>	<u>0</u>
Total Distribution/Pipeline Replacements	650,000	3,500,000	4,264,000	8,492,000	3,500,000
Additional Distribution Improvements					
Solar System at WTP	2,937,000	0	0	0	0
Solar System at WTP Phase II	403,000	1,344,000	941,000		
Willow Lake WTP SCADA	0	0	407,000	0	0
Cathodic Protection System	<u>134,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Distribution Improvements	3,474,000	1,344,000	1,348,000	0	0
Other Projects					
Town Administration Building	<u>2,508,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Building Rehab/Relocation	2,508,000	0	0	0	0
Total Capital Improvements	8,003,000	5,233,000	5,612,000	8,885,000	4,028,000
Total Net Revenues	(4,371,000)	1,165,000	1,385,000	(2,327,000)	32,000
Ending Balance	3,000	1,168,000	2,553,000	226,000	258,000

4.3 Operating Cash Flow

The water fund operating cash flows beginning in FY 2025/26 and spanning the next five years are provided in Table 9. The Town is projected to begin FY 2025/26 with an operating balance of about \$1.8 million. The minimum fund balance target for the end of each year is based on four months of O&M expenses. This rate plan is intended to both maintain a balanced budget with positive net revenues and to meet the minimum fund balance target in each year except FY 2025/26.

Rate increases annually over the five-year rate study period are proposed to fund capital projects, fund operating costs, fund debt service costs, maintain necessary debt service coverage, and maintain necessary fund reserves. The first proposed rate revenue increase is an increase of 20% on July 1, 2025. Following the first rate increase, 12% annual revenue increases are proposed to go into effect each July 1 from 2026 through 2029. The proposed annual revenue increases represent the water system average revenue increases. Not every customer will receive a rate increase equal to the percentage shown. The rate change for individual customers will depend on customer meter sizes, service type (domestic or irrigation), and water use.

The Town's main revenue source for the Operations Fund is water rate revenues. Rate revenues are estimated at \$5.7 million in FY 2025/26, making up nearly 92% of total revenues. Rate revenue estimates also include projections for customer growth in each year. Major expenses include staffing, administration, utilities, and the service contract with Veolia Water. Most operating expenses are projected to increase 3% annually due to inflation, apart from staffing and consulting services which are projected to increase 5% annually and utilities which are projected to decrease until FY 2027/28 due to savings realized from the solar project before increasing 10% annually thereafter.

Other expenses include debt service for the 2017 and 2022 bonds and new debt service estimated to begin in FY 2027/28. For financial planning purposes, it is assumed that debt service costs for the new state loans will begin the year after project completion. For market rate bonds, debt service payments are assumed to begin the year after issuance.

Table 9: Water Operating Cash Flow

	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Beginning Operating Balance	\$1,775,000	\$1,774,000	\$2,531,000	\$3,277,400	\$3,521,300
Proposed Rate Revenue Increase	20%	12%	12%	12%	12%
Revenues					
Rate Revenue	5,722,000	6,409,000	7,178,000	8,039,000	9,004,000
New Customers	<u>3,000</u>	<u>6,000</u>	<u>9,000</u>	<u>12,000</u>	<u>15,000</u>
Rate Rev Subtotal	5,725,000	6,415,000	7,187,000	8,051,000	9,019,000
Less Delinquency (2%)	(114,000)	(128,000)	(144,000)	(161,000)	(180,000)
Vacant Parcel	4,000	4,000	4,000	4,000	4,000
Meter Reimbursements	336,000	336,000	0	0	0
Interest Income	204,000	100,000	100,000	100,000	100,000
Other & Misc	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
Total Revenues	6,225,000	6,797,000	7,217,000	8,064,000	9,013,000
% increase in operating expenses [1]	3.0%	3.0%	3.0%	3.0%	3.0%
Expenses					
Operating Expenses					
Admin & Inter Govt. & Board	465,000	479,000	493,000	508,000	523,000
Staffing & Consulting Serv [2]	1,860,000	1,953,000	2,051,000	2,154,000	2,262,000
Meters Reading	124,000	128,000	132,000	136,000	140,000
Operations & Maint	1,109,000	1,142,000	1,176,000	1,211,000	1,247,000
Utilities [3]	827,000	706,000	587,000	646,000	711,000
Service Contract & Pass Through	<u>1,057,000</u>	<u>1,089,000</u>	<u>1,122,000</u>	<u>1,156,000</u>	<u>1,191,000</u>
Total Operating Expenses	5,442,000	5,497,000	5,561,000	5,811,000	6,074,000
Net Operating Revenues	783,000	1,300,000	1,656,000	2,253,000	2,939,000
Debt Service					
2017 Bonds	171,000	168,000	0	0	0
2022 Bonds	290,000	291,000	292,000	292,000	292,000
2022B (2012 refinance) Bonds	83,000	84,000	83,000	83,000	83,000
New CEC Loan (1% over 16 years)	0	0	200,000	200,000	200,000
New Ibank Loan (4% over 20 years)	0	0	0	198,000	198,000
New Debt Service Phase I [4]	<u>0</u>	<u>0</u>	<u>334,600</u>	<u>736,100</u>	<u>1,137,600</u>
Total Debt Service	544,000	543,000	909,600	1,509,100	1,910,600
Debt Service Coverage	1.44	2.39	1.82	1.49	1.54
Total O&M + Debt	5,986,000	6,040,000	6,470,600	7,320,100	7,984,600
Total Net Revenues	239,000	757,000	746,400	743,900	1,028,400
Transfer to Capital	240,000	0	0	500,000	1,000,000
O&M Ending balance	1,774,000	2,531,000	3,277,400	3,521,300	3,549,700
Minimum balance target [5]	1,814,000	1,832,000	1,854,000	1,937,000	2,025,000

1 - Most operating expenses are projected to increase by 3% annually

2 - New additional staff member cost of \$150,000 in FY2025/26; 5% annual increases to the total staffing cost per year

3 - Chemicals and electric; 10% annual increases; savings begin in first year of operation from solar project

4 - 5.25% interest, 30-year term for all new debt and \$250,000 in issuance costs

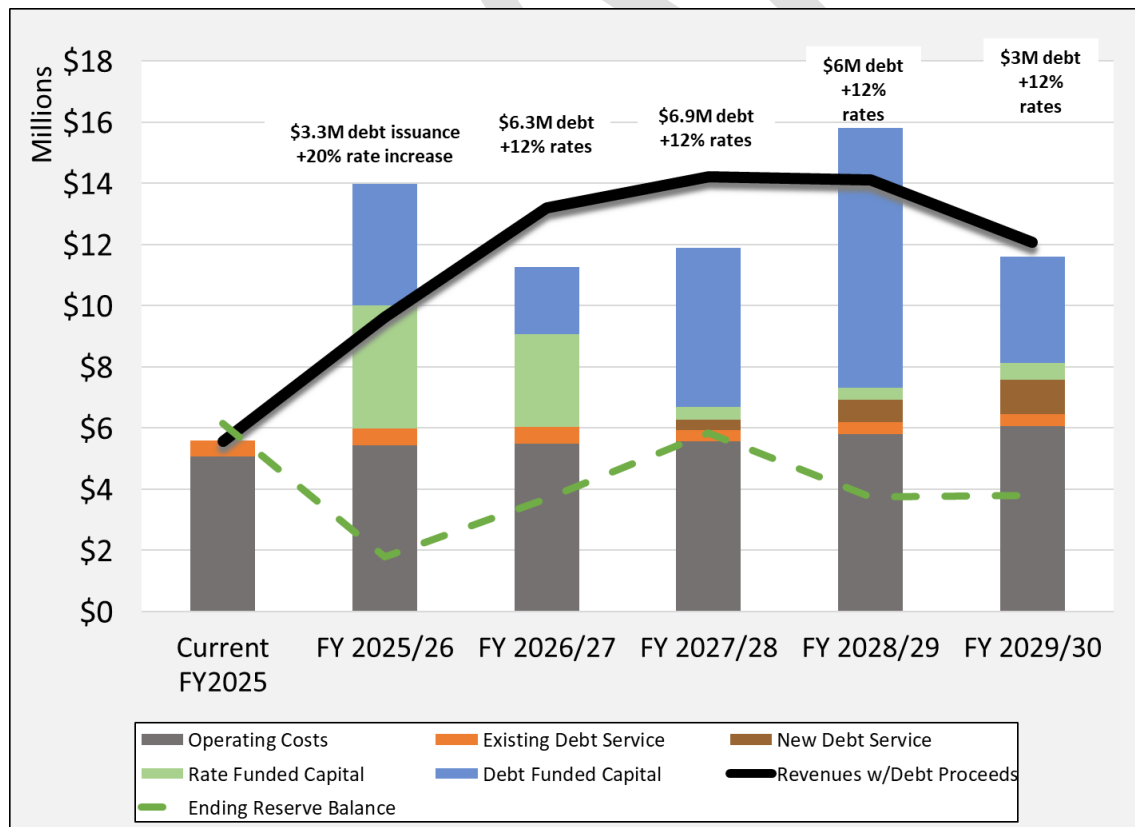
5 - 4 months O&M expenses

Table 10 and Figure 3 summarize the water utility's projected combined Operating and Capital cash flows over the five-year rate study period. It is projected that the water utility will have total reserves of about \$3.8 million at the end of FY 2029/30.

Table 10: Water Fund Summary

	Rate Study Projection					
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Fiscal Year Ending Balance						
Operations	\$1,775,000	\$1,774,000	\$2,531,000	\$3,277,400	\$3,521,300	\$3,549,700
Capital	<u>\$4,374,000</u>	<u>\$3,000</u>	<u>\$1,168,000</u>	<u>\$2,553,000</u>	<u>\$226,000</u>	<u>\$258,000</u>
Total Water Fund	\$6,149,000	\$1,777,000	\$3,699,000	\$5,830,400	\$3,747,300	\$3,807,700
Debt Coverage		1.44	2.39	1.82	1.49	1.54
Rate Revenue Increase		20%	12%	12%	12%	12%

Figure 3: Water Cash Flow Summary



SECTION 5: WATER COST ALLOCATION

The revenue requirement detailed in the previous section determines the amount of revenue to be recovered from water rates. The cost of service allocation determines how revenues will be recovered from customers based on how they use the water system. Proposition 218 requires that agencies providing “property-related services” (including water utility service) set rates and charges that are based on the cost of providing those services.

5.1 Methodology

The American Water Works Association (AWWA) recommends methods to classify costs among various customers. Using the Base-Extra Capacity Method as recommended by the AWWA, water operating expenses are allocated to the following categories: (a) Base, (b) Extra, (c) Meters, (d) Fire Protection, and (e) Customer Service. The Base and Extra categories are intended to recover the costs to deliver water to customers, while the Customer Service, Fire Protection, and Meters categories are intended to recover expenses related to maintaining infrastructure in the system to supply water at all times under the proposed water service rates in this study. A summary of the cost allocation categories is provided below:

- *Base:* Base costs include the expenses related to providing water under average (“base”) demand conditions.
- *Extra:* The extra category includes costs related to providing water above the system average demand (i.e., related to peak, “extra” usage).
- *Meters:* These include costs related to maintaining infrastructure and operating capacity to provide service at any time under the proposed water service fee rates in this study.
- *Fire Protection:* This category includes costs related to providing direct fire protection service.
- *Customer Service:* This category contains costs associated with serving customers, such as billing and answering customer inquiries.

5.2 Proposed Cost Allocation

This section determines the percentage of the annual revenue requirement to be collected from each rate or charge (consisting of the volume rate and the meter fee) based on the actual costs attributable to each rate or fee and establishes that each parcel’s total water bill will not exceed the proportional cost of service for that parcel.

Table 11 provides the proposed cost allocation based on FY 2025/26 operating costs and a five-year average of annual debt service. For this rate study, it is proposed that the AWWA recommended cost

categories of *Base* and *Extra* be combined as the proposed volume rate is a uniform tier applied to all levels of usage. The volume rate is intended to recover operations & maintenance, utilities as well as 90% of the water utility service contract and pass-through expenses and 10% of staffing costs.

The meter fee for non-irrigation meters will be made up of the AWWA recommended cost categories of *Meters*, *Customer Service*, and *Fire Protection*. For the meter fee for irrigation customers, *Fire Protection* costs will be omitted according to the Town policy. The meter fee will recover expenses for administration, debt service, 90% of staffing costs, and 10% of service contract and pass-through expenses.

Current engineering estimates indicate that maximum day demand (MDD) of the water system is 6,000 gallons per minute (gpm). Maximum day demand plus fire flow is 8,000 gallons per minute. 2,000 gpm attributable to fire flow demand represents 25% of MDD + fire flow demand. Operating and capital costs related to maintaining capacity in the system to serve customers at any time are determined by MDD + fire flow demand. Therefore, staffing & consulting service costs and capital costs (i.e. debt service costs) are allocated 75% to the *Meters* category and 25% to *Fire Protection*.

As shown in Table 11, the volume rate is proposed to recover 52.1% of costs and the meter fees are proposed to recover the remaining 47.9% of costs. The volume rate is intended to recover the costs of delivering water to customers. The meter fees are intended to recover fixed operating costs as well as debt service costs. The meter fees for fixed operating costs are correlated with the actual costs regardless of the amount of each customer's water use and the volume rate for water delivery is correlated with the actual costs of water service at those levels, respectively.

Table 11: Water Cost Allocation

Category	FY 2025/26 Estimated Costs	Usage Rate	Total Fixed Meter Fee		
		Base/Extra	Meters	Fire Protection [1]	Customer Service
Operating Expenses					
Admin & Inter Govt. & Board	465,000	0%	25%	0%	75%
Staffing & Consulting Serv	1,860,000	10%	68%	23%	0%
Meter Reading	124,000	0%	0%	0%	100%
Operations & Maintenance	1,109,000	100%	0%	0%	0%
Utilities	827,000	100%	0%	0%	0%
Service Contract & Pass Through	<u>1,057,000</u>	<u>90%</u>	<u>10%</u>	<u>0%</u>	<u>0%</u>
Total Operating Expenses	5,442,000	3,073,300	1,477,450	418,500	472,750
Debt Service					
2017 Bonds Debt Service (5yr Avg)	85,000	0%	75%	25%	0%
2022 Bonds Debt Service (5yr Avg)	291,000	0%	75%	25%	0%
2022B Bonds Debt Service (5yr Avg)	<u>83,000</u>	<u>0%</u>	<u>75%</u>	<u>25%</u>	<u>0%</u>
Total Debt Service	459,000	0	344,000	115,000	0
Proposed Cost Allocation	5,901,000 100.0%	3,073,300 52.1%	1,821,450 30.9%	533,500 9.0%	472,750 8.0%

1 – Irrigation customers do not pay fire protection costs

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SECTION 6: WATER RATE DESIGN

Following the allocation of costs, the next step is to derive the total cost responsibility for each customer class by developing unit costs of service for each cost function and then assigning those costs to each customer class based on the respective service requirements of each.

6.1 Billing Units

AWWA guidelines recommend using meter equivalents to assign capacity-related costs to larger meter sizes. Utility infrastructure is typically designed to meet peak demands associated with the maximum flow rate of each meter, and larger meters have higher maximum flow rates. Therefore, customers with larger meters are charged based on their ability to place a greater demand on the water system. The flow rate of larger meters compared to the 1" meter determines the number of meter equivalents for each meter size. For example, based on the AWWA meter capacity ratios, a customer that has a 2" meter has 3.2 times the capacity equivalency of a customer with a 1" meter. Meter equivalents for FY 2025/26 are calculated in Table 12 based on AWWA standards. The total number of water meters is 6,239 while the total number of meter equivalents is approximately 6,674.

Table 12: Meter Equivalents for FY 2025/26

Meter Size	# of Meters	Meter Ratio	Meter Equivalents
Non-Irrigation			
Up to 1"	6,057	1.0	6,057.0
1.5"	32	2.0	64.0
2"	46	3.2	147.2
3"	7	6.4	44.8
4"	<u>10</u>	10.0	<u>100.0</u>
Subtotal Non-irrigation	6,152		6,413.0
Irrigation			
Up to 1"	19	1.0	19.0
1.5"	25	2.0	50.0
2"	34	3.2	108.8
3"	2	6.4	12.8
4"	<u>7</u>	10.0	<u>70.0</u>
Subtotal Irrigation	87		260.6
Total	6,239		6,673.6

6.2 Meter Fee Calculation

Unit costs of service for each fixed cost function are calculated in Table 13. Of the FY 2025/26 water rate revenue requirement of \$5.72 million (i.e. the amount recovered from rates in FY 2025/26 as shown in Table 9), 47.9% is attributed to the fixed meter fee consisting of the *Meters*, *Customer Service*, and *Fire Protection* rate categories from Table 11. The *Base/Extra* category is allocated 52.1% of the revenue requirement and it is proposed to be recovered from the volume rate. Further discussion of volumetric rate design is provided in the subsequent section.

The *Meters* revenue requirement is proposed to be recovered based on the number of meter equivalents calculated in Table 12. The *Customer Service* revenue requirement is proposed to be recovered from each customer on a per-meter basis regardless of meter size. The *Fire Protection* revenue requirement is also proposed to be recovered based on the number of meter equivalents but will only be recovered from non-irrigation accounts.

Table 13: Water Fixed Unit Cost Calculation

FY 2025/26 Revenue Requirement	Base/Extra	Meters	Cust. Service	Fire Protection
\$5,722,000	\$2,980,075 52.1%	\$1,766,198 30.9%	\$458,410 8.0%	\$517,317 9.0%
		6,674 meter equiv	6,239 # of meters	6,413.0 non-irrigation meter equiv
		\$22.05 \$/meter equivalent/mo	\$6.12 \$/meter/mo	\$6.72 \$/domestic equivalent/mo

Using the *Meters* and *Fire Protection* unit costs from Table 13, Table 14 determines the total cost per meter equivalent. The *Fire Protection* cost is omitted from the irrigation meter equivalent fee per Town policy.

Table 14: Meter Equivalent Charges

Cost Category	Non-Irrigation Meter Equivalent	Irrigation Meter Equivalent
Meters	\$22.05	\$22.05
Fire Protection	<u>\$6.72</u>	<u>NA</u>
Total (\$/meter equiv./mo)	\$28.77	\$22.05

To calculate the total fixed monthly meter fee for each meter size, the meter equivalent fees from Table 14 are scaled by the meter ratios shown in Table 12. The customer service fee of \$6.12 per month is then added to the meter equivalent fees. The total fixed monthly fee for a 1" domestic (non-irrigation) meter is \$34.89, see Table 15.

Table 15: Total Fixed Water Charges

Non-Irrigation Customers										
Meter Size	Ratio		Meter Equiv. Cost		Meter Equiv. Charge			Meter Equiv. Charge	Customer Service Charge	Total Fixed Monthly Fee
5/8"	1.0	X	\$28.77	=	\$28.77			\$28.77	+	\$34.89
3/4"	1.0	X	\$28.77	=	\$28.77			\$28.77	+	\$34.89
1"	1.0	X	\$28.77	=	\$28.77			\$28.77	+	\$34.89
1.5"	2.0	X	\$28.77	=	\$57.54			\$57.54	+	\$63.66
2"	3.2	X	\$28.77	=	\$92.06			\$92.06	+	\$98.18
3"	6.4	X	\$28.77	=	\$184.13			\$184.13	+	\$190.25
4"	10.0	X	\$28.77	=	\$287.70			\$287.70	+	\$293.82
6"	20.0	X	\$28.77	=	\$575.40			\$575.40	+	\$581.52
Irrigation Customers										
Meter Size	Ratio		Meter Equiv. Cost		Meter Equiv. Charge			Meter Equiv. Charge	Customer Service Charge	Total Fixed Monthly Fee
5/8"	1.0	X	\$22.05	=	\$22.05			\$22.05	+	\$28.17
3/4"	1.0	X	\$22.05	=	\$22.05			\$22.05	+	\$28.17
1"	1.0	X	\$22.05	=	\$22.05			\$22.05	+	\$28.17
1.5"	2.0	X	\$22.05	=	\$44.10			\$44.10	+	\$50.22
2"	3.2	X	\$22.05	=	\$70.56			\$70.56	+	\$76.68
3"	6.4	X	\$22.05	=	\$141.12			\$141.12	+	\$147.24
4"	10.0	X	\$22.05	=	\$220.50			\$220.50	+	\$226.62
6"	20.0	X	\$22.05	=	\$441.00			\$441.00	+	\$447.12

6.3 Proposed Volume Rates

The proposed volume rates are calculated in Table 16. The revenue allocated to the *Base/Extra* category is divided by projected annual water use in ccf to calculate the rate per ccf. For FY 2025/26, approximately \$3.0 million is allocated to the *Base/Extra* category as shown in Table 13. To be conservative, it is projected that annual water consumption will remain the same as current over the next five years.

Table 16: Water Volume Rate Cost Calculation

	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Rate Revenue Increase					
Base/Extra Revenue	\$2,980,075	\$3,337,684	\$3,738,206	\$4,186,791	\$4,689,206
Total ccf	1,143,981	1,143,981	1,143,981	1,143,981	1,143,981
Rate (\$/ccf)	\$2.605	\$2.918	\$3.268	\$3.660	\$4.099

6.4 Proposed 5-Year Schedule of Rates

The proposed 5-year schedule of water rates is provided in Table 17. The rates are proposed to go into effect each July 1 from 2025 through 2029. The vacant parcel charge is proposed to remain the same over the next five years and the meter install fee is proposed to remain the same until it is phased out at the end of FY 2026/27. The rates are calculated in this study as described above to produce rates that will be necessary to recover only the actual cost of the water service per parcel. If the rates are adopted, then the rates for the water service fees shown in Table 17 will also apply to any additional connections built out in the Town in the future.

Table 17: Current and Proposed Monthly Water Service Rates

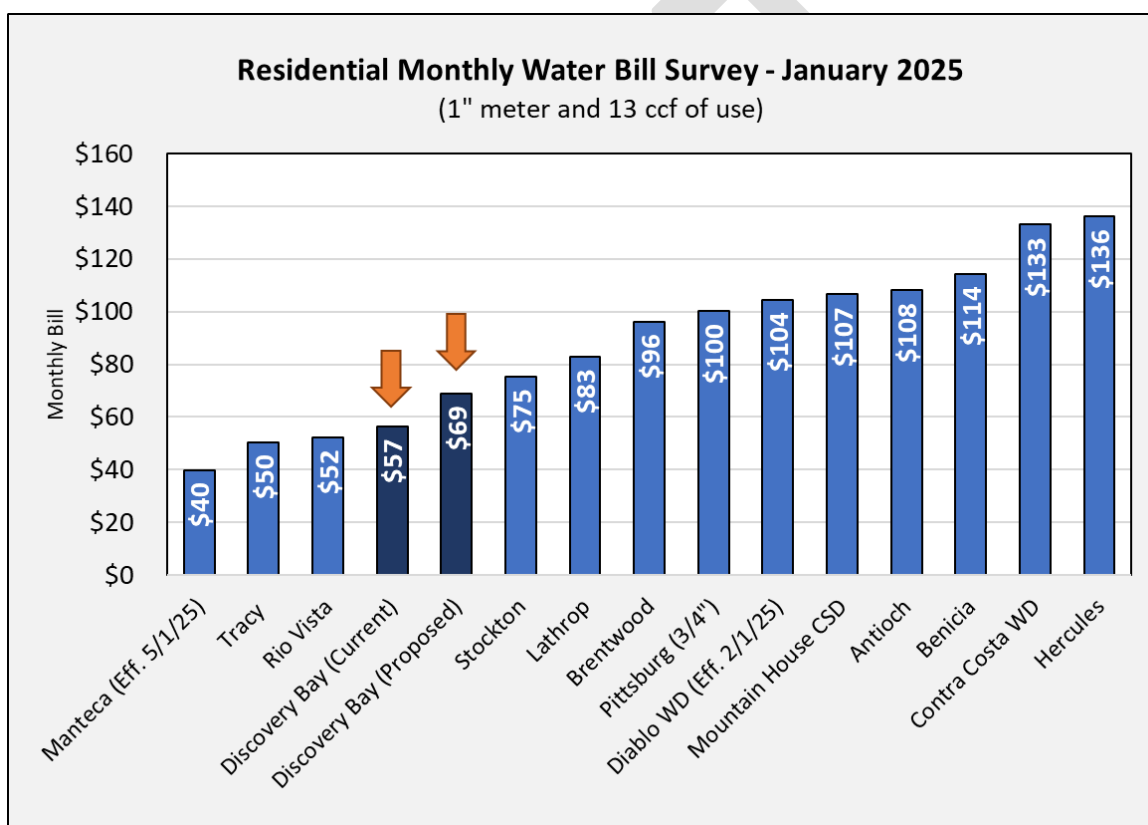
WATER	Current 1-Jul-24	PROPOSED				
		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)	Monthly (\$/month)
Vacant	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67	\$14.67
Non-irrigation Account Charge:						
5/8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

ccf = 100 cubic feet = 748 gallons

6.5 Bill Impacts

The average single family residential customer in the Town of Discovery Bay uses 13 ccf of water monthly and is served by a 1" meter. Currently, the average equivalent monthly bill is \$56.52 and will increase to \$68.76 under the FY 2025/26 proposed rates assuming no water conservation. Figure 4 below compares the Town's current and proposed typical water bills with the bills of other local agencies for customers using 13 ccf of monthly consumption. Even with the proposed FY 2025/26 increase, the Town's water bill will remain at the low-end of surveyed agencies.

Figure 4: Residential Monthly Water Bill Survey



SECTION 7: WASTEWATER REVENUE REQUIREMENT

Similar to the water utility, the wastewater utility's cost of service and revenue requirement is comprised of operating costs, capital costs, debt service obligations, and the need to maintain reasonable emergency reserves.

7.1 Capital Improvement Plan

The wastewater utility is a capital-intensive enterprise. Through FY 2029/30, the Town expects to fund \$15.9 million in capital improvements, see Table 18. Of this total, about \$8.6 million represents costs to the Town Administration Building and Solar Project Phase II. The remaining \$7.2 million will go towards maintenance, equipment, and other projects. The wastewater utility is responsible for 70% of the costs of Phase II of the solar project.

Table 18: Summary of Wastewater Capital Projects

Project Categories	Projected FY 2025/26	Projected FY 2026/27	Projected FY 2027/28	Projected FY 2028/29	Projected FY 2029/30	5-Year Total	% of Total
Lift Station Improvements	224,000	251,000	281,000	315,000	352,000	1,423,000	9%
Wastewater System & Maintenance	2,620,000	0	0	0	0	2,620,000	16%
Solar Project Phase II	941,000	2,459,000	2,754,000	0	0	6,154,000	39%
Town Admin Building	2,508,000	0	0	0	0	2,508,000	16%
Equipment	<u>2,872,000</u>	<u>314,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,186,000</u>	<u>20%</u>
Total Projects	9,165,000	3,024,000	3,035,000	315,000	352,000	15,891,000	100%

The projects shown in Table 18 will be funded through a combination of reserves, capacity fees, rate revenues, and loan proceeds. Table 19 lists capital revenue sources through FY 2029/30. The Town is projected to use \$3.0 million in existing operating and capital fund reserves. As shown in Table 5, the wastewater utility has reserves beyond its minimum targets. These reserves were accumulated from service charge revenues and should be used judiciously for the benefit of the ratepayers. The Town is expected to experience growth over the next five years. For planning purposes, it is assumed that the Town will collect capacity fee revenues from approximately 10 new homes annually.² \$6.7 million of capital improvement funding is provided by rate and capacity fee revenues. This rate plan assumes the Town will fund \$6.15 million of projects from loan proceeds for Solar Phase II via the same loan program as the water solar project.

Table 19: Wastewater Capital Funding Sources through FY 2029/30

Revenue Source	5-Year Total	% of Total
Existing Capital Reserves	\$3,037,000	19%
Capacity Fees	\$700,000	4%
Rate Revenues	\$6,000,000	38%
New Debt (iBank Loan)	<u>\$6,154,000</u>	<u>39%</u>
Total Revenues	\$15,891,000	100%
 Total Capital Projects	 \$15,891,000	

7.2 Capital Cash Flows

Table 20 provides the wastewater capital fund cash flows over the next five years. The projected costs and timeline of each project were determined by the Town as part of the capital improvement plan. Major projects include the Town Administration Building and Phase II of the Solar Project. The Operations Fund is expected to make transfers to the Capital Improvements Fund to help cover expenses for these major projects. Projects will also be funded from available revenues, including capacity fee revenues and capital reserves.

FY 2026/27 to FY 2029/30, it is anticipated that the Operations Fund will provide transfers of \$1 million to \$1.7 million of rate revenues annually. By the end of FY 2025/26, it is projected that the ending balance will drop to \$934,000. By FY 2027/28 and onwards, this reserve will steadily grow by about \$1.5 million annually.

² Capacity fee revenues can only be used to fund facilities that benefit growth. L&T did not conduct an independent evaluation to determine which projects are growth-related.

Table 20: Wastewater Capital Cash Flow

	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Beginning Balance	9,026,000	934,000	1,505,000	2,864,000	4,443,000
Revenues					
Capacity Fees +10 new cust./year	132,000	136,000	140,000	144,000	148,000
Transfer from Operating	0	1,000,000	1,500,000	1,750,000	1,750,000
Ibank Loan Proceeds	<u>941,000</u>	<u>2,459,000</u>	<u>2,754,000</u>	<u>0</u>	<u>0</u>
Total Revenues	1,073,000	3,595,000	4,394,000	1,894,000	1,898,000
Capital Improvements					
Annual Lift Station Improvements	224,000	251,000	281,000	315,000	352,000
Wastewater System & Maintenance					
Dewatering Return Pipe & Settling Box	358,000	0	0	0	0
Belt Press WWTP#2	1,680,000	0	0	0	0
Decant Station	560,000	0	0	0	0
Pipe Leak Seals @ ML Pump Stations	<u>22,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total System & Maintenance	2,620,000	0	0	0	0
Mainline Piping Replacement	0	0	0	0	0
Other Projects					
Solar Project Phase II	941,000	2,459,000	2,754,000	0	0
Town Administration Building	<u>2,508,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Projects	3,449,000	2,459,000	2,754,000	0	0
Equipment					
Solar Dryer Panel Replacement	368,000	0	0	0	0
Cable Tray in Solar Dryers A & B	560,000	0	0	0	0
Fence Portions Around Plant No. 2	1,245,000	0	0	0	0
Dredge Anchors on Pond #2	22,000	0	0	0	0
Rehab Solar Circulators	134,000	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Gate WWTP#1	56,000	0	0	0	0
Upgrade Remaining Radio to Cell/Net Service	95,000	0	0	0	0
Vac Truck Garage/Cover	392,000	0	0	0	0
Stationary Liftstation Generators	<u>0</u>	<u>314,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment	2,872,000	314,000	0	0	0
Total Capital Improvements	9,165,000	3,024,000	3,035,000	315,000	352,000
Total Net Revenues	(8,092,000)	571,000	1,359,000	1,579,000	1,546,000
Ending Balance	934,000	1,505,000	2,864,000	4,443,000	5,989,000

7.3 Operating Cash Flows

Table 21 provides the wastewater fund operating cash flow, including rate and non-rate revenues, operating costs, debt service costs, and transfers to the capital fund. The Town is projected to begin FY 2025/26 with an operating balance of \$1.74 million. The minimum fund balance target for the end of each year is based on four months of O&M expenses.

In FY 2025/26, the Town estimates about \$7.3 million will be collected in total year-end revenues, with rate revenues making up about \$6.8 million (including vacant service fees). About \$400,000 per year is collected from interest and about \$22,000 annually is collected from miscellaneous service fees such as permits, inspections, etc.

For FY 2025/26, operating expenses are estimated at \$4.7 million. Major costs include administration, staffing, operations, and service contract and pass through. Operating expenses are projected to increase to about \$5.11 million over the next 5 years. Most expenses projected from FY 2025/26 onward are based on the FY 2024/25 expenses escalated by 3% annually. However, staffing and consulting services are projected to increase 5% annually and utilities are projected to increase 10% annually, though utilities will decrease in FY 2027/28 due to savings realized from the solar project before continuing to increase 10% annually thereafter. The Town's service contract cost with Veolia Water was estimated by staff. The Operations Fund also pays the cost of the annual debt service of about \$1.8 million for the 2017 and the 2022 bonds. In FY 2028/29, loan repayment will start for Solar Project Phase II for a yearly amount of \$453,000.

Currently, the Wastewater Operations Fund is in good financial health and is generating positive net revenues, estimated at about \$829,000 for FY 2025/26. The Town's financial strategy for the sewer utility is to generate enough revenues to fund capital improvements through a combination of debt and cash on hand. The net operating revenues will be used to maintain reserves and partially fund capital improvements over the next five years.

To support capital improvements, it is recommended that rate revenues increase by 6% annually over the next five years. This rate plan maintains operating reserves more than the target of four months of operating expenses. These additional reserves provide financial security should operating costs exceed the estimates provided herein.

Table 21: Wastewater Operating Cash Flow

	FY 2025/26	FY 2026/27	Projected FY 2027/28	FY 2028/29	FY 2029/30
Beginning balance	\$1,741,000	\$2,570,000	\$2,597,000	\$2,788,000	\$2,542,000
Rate Increase	6.0%	6.0%	6.0%	6.0%	6.0%
Revenues					
Wastewater service					
Rate Revenues (less vacant)	6,864,000	7,276,000	7,713,000	8,176,000	8,667,000
Other & Misc	22,000	22,000	22,000	22,000	22,000
Interest Income	400,000	400,000	400,000	400,000	400,000
New Customers	21,000	32,000	43,000	54,000	65,000
Vacant	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
Total revenues	7,314,000	7,737,000	8,185,000	8,659,000	9,161,000
% increase in expenses [1]	3.0%	3.0%	3.0%	3.0%	3.0%
Expenses					
Operating Expenses					
Admin & Inter Govt. & Board	516,000	531,000	547,000	563,000	580,000
Staffing & Consulting Serv	1,072,000	1,126,000	1,182,000	1,241,000	1,303,000
Operations & Maintenance	311,000	320,000	330,000	340,000	350,000
Utilities [2]	878,000	966,000	610,000	671,000	738,000
Service Contract & Pass Through	<u>1,900,000</u>	<u>1,957,000</u>	<u>2,016,000</u>	<u>2,076,000</u>	<u>2,138,000</u>
Total Operating Expenses	4,677,000	4,900,000	4,685,000	4,891,000	5,109,000
Net Operating Revenues	2,637,000	2,837,000	3,500,000	3,768,000	4,052,000
Debt Service [2]					
2017 Bonds	356,000	357,000	357,000	358,000	358,000
2022 Bonds	756,000	756,000	755,000	758,000	758,000
2022B (2012 refinance) Bonds	696,000	697,000	697,000	695,000	695,000
New iBank Loan (4% over 20 years)	<u>0</u>	<u>0</u>	<u>0</u>	<u>453,000</u>	<u>453,000</u>
Total Debt Service	1,808,000	1,810,000	1,809,000	2,264,000	2,264,000
Debt Service Coverage	1.46	1.57	1.93	1.66	1.79
Total Expenses	6,485,000	6,710,000	6,494,000	7,155,000	7,373,000
Net Revenues	829,000	1,027,000	1,691,000	1,504,000	1,788,000
Transfer to Capital Fund	0	1,000,000	1,500,000	1,750,000	1,750,000
O&M Ending balance	2,570,000	2,597,000	2,788,000	2,542,000	2,580,000
O&M Minimum balance target [3]	1,559,000	1,633,000	1,562,000	1,630,000	1,703,000

1 - Most operating expenses are projected to increase by 3% annually

2 - Chemicals and electric; 10% annual increases; savings begin in first year of operation from solar project

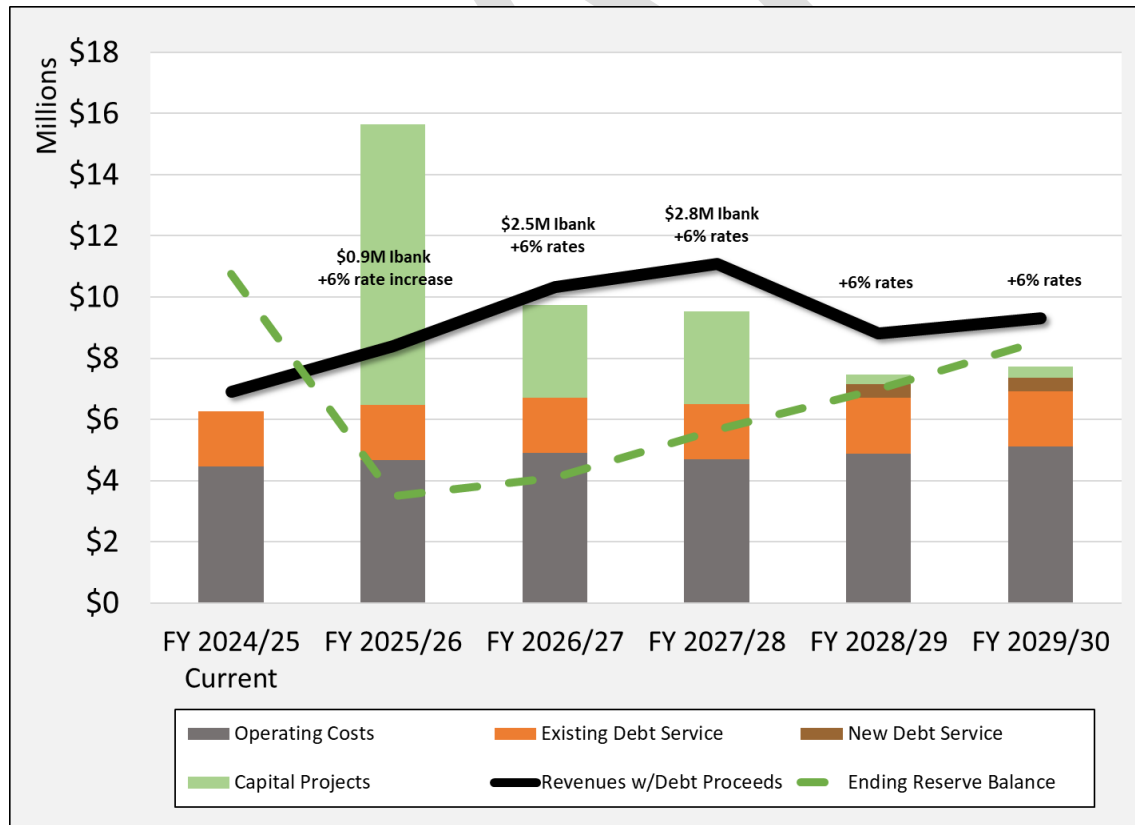
3 - 4 months O&M expenses

Table 22 and Figure 5 summarize the wastewater utility’s projected combined Operating and Capital cash flows over the five-year rate study period. It is projected that the wastewater utility will have total reserves of about \$8.57 million at the end of FY 2029/30.

Table 22: Wastewater Fund Summary

	Rate Study Projection					
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Fiscal Year Ending Balance						
Operations	\$2,380,600	\$2,570,000	\$2,597,000	\$2,788,000	\$2,542,000	\$2,580,000
Capital	<u>\$9,026,000</u>	<u>\$934,000</u>	<u>\$1,505,000</u>	<u>\$2,864,000</u>	<u>\$4,443,000</u>	<u>\$5,989,000</u>
Total Wastewater	\$11,406,600	\$3,504,000	\$4,102,000	\$5,652,000	\$6,985,000	\$8,569,000
Debt Coverage		1.46	1.57	1.93	1.66	1.79
Rate Increase		6%	6%	6%	6%	6%

Figure 5: Wastewater Cash Flow Summary



SECTION 8: WASTEWATER COST ALLOCATION

To fairly recover costs from customers, a wastewater cost allocation was conducted, see Table 23. Operating, debt service, and capital expenses were allocated to *customer service* and *treatment/disposal* cost categories. The *customer service* category is intended to recover costs associated with general utility management and administration that do not vary significantly with the amount of wastewater discharged into the sewer system. The *treatment/disposal* category recovers costs more closely associated with operations, maintenance, and infrastructure. *Treatment/disposal* costs are attributed to customers based on their flow and wastewater strength. In total, about 34% of wastewater utility costs are related to customer service and administration. About 66% of costs are related to sewer treatment and disposal.

Table 23: Wastewater Cost Allocation

Cost	FY 2025/26 Estimated Costs	Customer Service/Admin	Treatment and Disposal
Operating Expenses			
Admin & Inter Govt. & Board	516,000	100%	0%
Staffing & Consulting Serv	1,072,000	100%	0%
Operations & Maint	311,000	0%	100%
Utilities	878,000	0%	100%
Service Contract	<u>1,900,000</u>	<u>33%</u>	<u>67%</u>
Total Operating Expenses	4,677,000	2,221,333	2,455,667
Debt Service			
2017 Bonds Debt Service (5yr Avg)	357,200	0%	100%
2022 Bonds Debt Service (5yr Avg)	756,600	0%	100%
2022B Bonds Debt Service (5yr Avg)	<u>696,000</u>	<u>0%</u>	<u>100%</u>
Total Debt Service	1,809,800	0	1,809,800
Proposed Cost Allocation	6,486,800	2,221,333 34.24%	4,265,467 65.76%

SECTION 9: WASTEWATER RATE DESIGN

The Town proposes to maintain its current wastewater rate structure. The Town will continue to charge residential customers a fixed annual sewer charge, while commercial customers will be charged for sewer flow based on metered water use. The amounts of each rate are proposed to be updated.

9.1 Flows and Pollutant Strength

Wastewater flow is about 9 ccf/month per single family home. In the Town of Discovery Bay, the average single-family home has 2.74 occupants. It is assumed that the typical multiple family dwelling unit has 2 occupants and 6.5 ccf of monthly sewer flow. Based on these parameters, total annual residential flow is estimated in Table 24.

Table 24: Estimated Residential Sewer Flows

	Single Family Residential	Multiple Family	Units
Residential Winter Water Use	9	6.5	ccf/month
Annualized	108	78	ccf/year
Number of Parcels	5,816	224	
Estimated Annual Sewer Flow	628,128	17,472	ccf/year

The cost of service for each parcel depends on the parcel's flow (i.e. the amount discharged into the sewer system) and pollutant loading. Pollutant loading is expressed as concentrations of biochemical oxygen demand (BOD) and total suspended solids (TSS). Wastewater flow that has higher concentrations of BOD and TSS is more costly for the Town to treat and dispose of. Table 25 establishes the pollutant strength factors applicable to each customer class using the equation listed below. Based on industry typical estimates, it is assumed that 50% of wastewater utility costs recovered in the *treatment/disposal* category are attributable to flow, 25% are attributable to biochemical oxygen demand (BOD) and 25% are attributable to total suspended solids (TSS). Based on this calculation, each ccf of restaurant flow is 2.67 times more costly to treat than each ccf of domestic strength flow (not including customer service costs).

Table 25: Pollutant Strength Factors

$$\text{Strength Factor Estimate} = 50\% + [25\% \times \frac{BOD}{SF \text{ BOD}}] + [25\% \times \frac{TSS}{SF \text{ TSS}}]$$

Customer Class	Wastewater Strength (mg/L)		Strength Factor (see equation above)
	BOD	TSS	
Single Family Residential	230	230	1.00
Multiple Family	230	230	1.00
Business/Government/Clubs	150	150	0.83
Restaurants/Bars/Dining Facilities	1000	1000	2.67
Schools	150	150	0.83
Other Domestic Strength Users	230	230	1.00

BOD and TSS concentrations are based on industry typical values

BOD – biochemical oxygen demand

Mg/l – milligrams per liter

SF – single family

TSS – total suspended solids

Table 26 estimates the Town's total wastewater flow adjusted by the strength factors from Table 25. Residential flows are taken from Table 24 and commercial flows are taken from Table 4.

Table 26: Estimated Total Sewer Flow with Strength Factors

Customer Category	Total Flow (ccf)	Strength Factor	Flow w/Strength Factor (ccf)
Single Family Residential	628,128	1.00	628,128
Multiple Family	17,472	1.00	17,472
Business/Government/Clubs	1,043	0.83	865
Restaurants/Bars/Dining Facilities	4,663	2.67	12,451
Schools	800	0.83	664
Other Domestic Strength Users	<u>125</u>	1.00	<u>125</u>
	652,231		659,706

9.2 Unit Cost Calculation and Rate Design

Table 27 provides the wastewater unit cost calculation. The FY 2025/26 rate revenue requirement of \$6.86 million from the operating cash flow is allocated to the *customer service* and *treatment/disposal* categories based on the percentages in Table 23. The *treatment/disposal* revenue requirement is divided by the flow adjusted by strength factors from Table 26 and the *customer service* revenue requirement and rate design is provided in Table 28.

Table 27: Wastewater Unit Cost Calculation

	Customer Service/Admin	Treatment and Disposal	Total
Cost Allocation % from Table 23	34.24%	65.76%	100.00%
FY2025/26 Revenue Requirement	\$2,350,501	\$4,513,499	\$6,864,000
			[1]
Billing Units	(see Table 28)	Flow w/Strength Factor	
		659,706	
Total Rate (\$/ccf)		\$6.84	

1 – Rate revenue requirement for FY2025/26 from the cash flow in Table 21

The Town bills commercial customers volume sewer rates based on metered water use. Instead of billing the customer service fee as a fixed charge, the commercial *customer service* revenue requirement is recovered from the commercial volume rates. Table 28 calculates the customer service rates for residential and commercial customers. The total customer service revenue requirement is sub-allocated between residential and commercial classes based on the number of customers. The residential revenue requirement is divided by the number of customers to determine a \$/account charge, and the commercial revenue requirement is divided by annual commercial flows (without the strength factor) to determine a \$/ccf charge.

Table 28: Customer Service Rate Calculation

	Residential	Metered Commercial	Total
# of Customers [1]	6,040	38	6,078
	99.4%	0.6%	100.0%
Customer Service Revenue Requirement	\$2,335,806	\$14,695	\$2,350,501
	99.4%	0.6%	100.0%
Billing Units	6,040	6,631	
	# of Customers	Annual ccf	
Rate	\$32.23	\$2.22	
	\$/month	\$/ccf	

1 - Does not include vacant parcels; from Table 4

9.3 Residential Rate Calculation

Table 29 calculates the single family and multiple family sewer bills for FY 2025/26 based on the unit costs developed in Table 27 and Table 28. Each residential dwelling unit is assigned a monthly customer service fee of \$32.23. The flow rate of \$6.84/ccf is multiplied by the typical single family flow of 9 ccf/month and the typical multiple family flow of 6.5 ccf/month.

Table 29: FY2025/26 Residential Wastewater Bill Calculation

	Count		Rate	Total Bill
Single Family Residential				
Customer Service Fee	1	X	\$32.23	\$32.23
Sewer Rate	9	X	\$6.84	<u>\$61.56</u>
Total Monthly Bill				\$93.79
Multi-Family Residential				
Customer Service Fee	1	X	\$32.23	\$32.23
Sewer Rate	6.5	X	\$6.84	<u>\$44.46</u>
Total Monthly Bill				\$76.69

9.4 Commercial Rate Calculation

Table 30 calculates the total FY 2025/26 commercial rates. The customer service rate is added to the strength-adjusted treatment/disposal rate to calculate the total rate in \$/ccf. The rates shown below represent the full cost of service for these customers. To mitigate rate impacts, it is proposed that school and other domestic strength user rates be phased in.

Table 30: Full Cost Commercial Wastewater Rate Calculation FY2025/26

Customer Class	Strength Factor		Base Treatment/ Disposal Rate		Treatment/ Disposal Rate	Treatment/ Disposal Rate		Cust. Service Rate		Total Rate (\$/ccf)
Business/Government/Clubs	0.83	X	\$6.84	=	\$5.68	\$5.68	+	\$2.22	=	\$7.90
Restaurants/Bars/Dining	2.67	X	\$6.84	=	\$18.26	\$18.26	+	\$2.22	=	\$20.48
Schools	0.83	X	\$6.84	=	\$5.68	\$5.68	+	\$2.22	=	\$7.90
Other Domestic Strength Users	1.00	X	\$6.84	=	\$6.84	\$6.84	+	\$2.22	=	\$9.06

9.5 Proposed 5-year Schedule of Rates

Table 31 provides the proposed 5-year wastewater rate plan based on full cost rates. As shown below, the rate impacts for schools and other domestic strength users are significant.

Table 31: Full Cost 5-Year Wastewater Rate Plan

Customer Class	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Single Family	\$88.46	\$93.79	\$99.41	\$105.38	\$111.70	\$118.40
Multiple Family/Condos	\$72.40	\$76.69	\$81.29	\$86.17	\$91.34	\$96.82
Business/Government/Clubs	\$7.50	\$7.90	\$8.37	\$8.88	\$9.41	\$9.97
Restaurants/Bars/Dining Facilities	\$19.70	\$20.48	\$21.71	\$23.01	\$24.39	\$25.86
Schools	\$6.85	\$7.90	\$8.37	\$8.88	\$9.41	\$9.97
Other Domestic Strength Users	\$7.50	\$9.06	\$9.60	\$10.18	\$10.79	\$11.44
Single Family		6.02%	6.0%	6.0%	6.0%	6.0%
Multiple Family/Condos		5.92%	6.0%	6.0%	6.0%	6.0%
Business/Government/Clubs		5.32%	6.0%	6.0%	6.0%	6.0%
Restaurants/Bars/Dining Facilities		3.98%	6.0%	6.0%	6.0%	6.0%
Schools		15.2%	6.0%	6.0%	6.0%	6.0%
Other Domestic Strength Users		20.78%	6.0%	6.0%	6.0%	6.0%

Table 32 provides the proposed phased-in rate plan. By the end of the fifth year, all rates will be equal to the full cost of service.

Table 32: Proposed 5-Year Wastewater Rate Plan

Customer Class	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Single Family	\$88.46	\$93.79	\$99.41	\$105.38	\$111.70	\$118.40
Multiple Family/Condos	\$72.40	\$76.69	\$81.29	\$86.17	\$91.34	\$96.82
Business/Government/Clubs	\$7.50	\$7.90	\$8.37	\$8.88	\$9.41	\$9.97
Restaurants/Bars/Dining Facilities	\$19.70	\$20.48	\$21.71	\$23.01	\$24.39	\$25.86
Schools	\$6.85	\$7.39	\$7.96	\$8.58	\$9.25	\$9.97
Other Domestic Strength Users	\$7.50	\$8.16	\$8.88	\$9.66	\$10.51	\$11.44
Single Family		6.0%	6.0%	6.0%	6.0%	6.0%
Multiple Family/Condos		5.9%	6.0%	6.0%	6.0%	6.0%
Business/Government/Clubs		5.3%	6.0%	6.0%	6.0%	6.0%
Restaurants/Bars/Dining Facilities		4.0%	6.0%	6.0%	6.0%	6.0%
Schools		7.8%	7.8%	7.8%	7.8%	7.8%
Other Domestic Strength Users		8.8%	8.8%	8.8%	8.8%	8.8%

Highlighted rows indicate phased-in rate adjustments.

Table 33 shows the difference in revenues between the full cost rates and the phased-in rates for the schools and domestic strength users. The difference is de minimis and can be easily absorbed by non-rate sewer revenues.

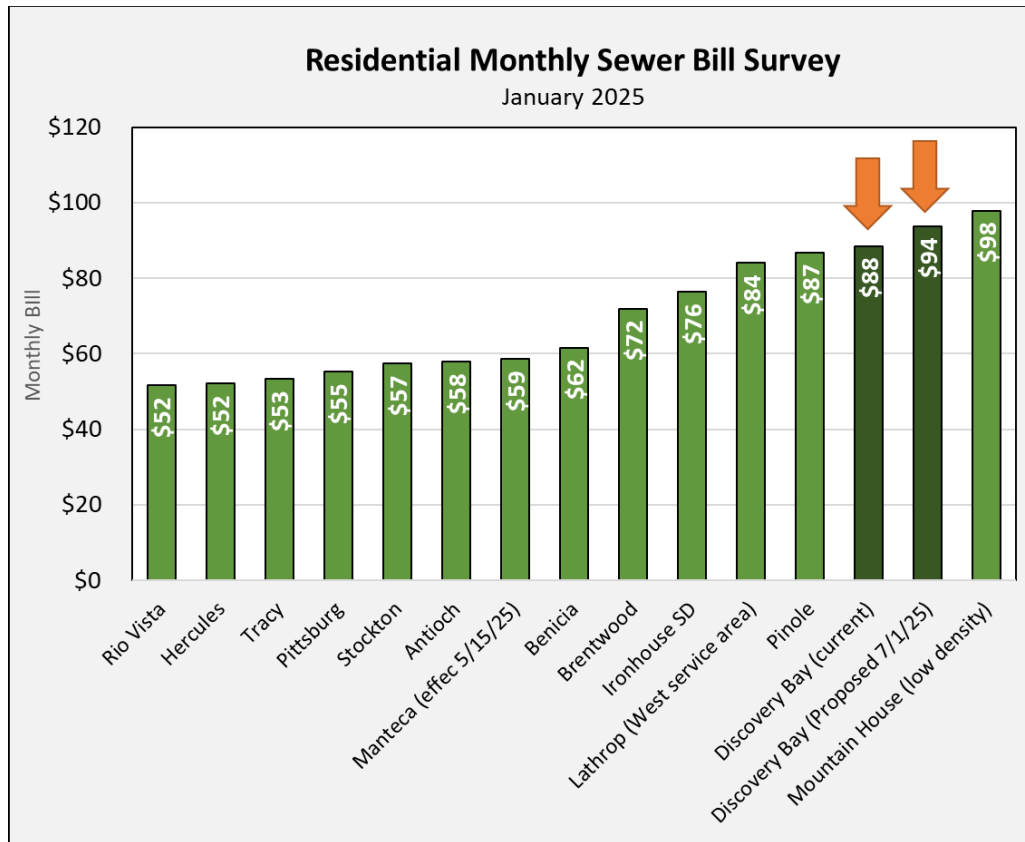
Table 33: School and Domestic User Wastewater Rate Revenues

	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Full Cost Rates					
Schools	\$6,319	\$6,698	\$7,100	\$7,526	\$7,978
Other Domestic Strength Users	\$1,136	\$1,204	\$1,276	\$1,353	\$1,434
Phased-in Rates					
Schools	\$5,908	\$6,368	\$6,864	\$7,398	\$7,978
Other Domestic Strength Users	\$1,023	\$1,113	\$1,211	\$1,318	\$1,434
Difference					
Schools	(\$411)	(\$330)	(\$236)	(\$128)	\$0
Other Domestic Strength Users	<u>(\$113)</u>	<u>(\$91)</u>	<u>(\$65)</u>	<u>(\$35)</u>	<u>(\$0)</u>
Loss of revenue due to phase-in	(\$523)	(\$421)	(\$301)	(\$163)	(\$0)

9.6 Bill Impacts

Figure 4 below compares the Town's current and proposed single family residential wastewater bills with those of other local agencies. Though customers are billed annually in the Town of Discovery Bay, bills are expressed here in monthly terms to allow for better comparisons across local agencies. The Town's bill is currently at the upper end of the surveyed agencies and will remain as such following the proposed rate increases.

Figure 6: Residential Monthly Sewer Bill Survey



SECTION 10: CONCLUSIONS AND RECOMMENDATIONS

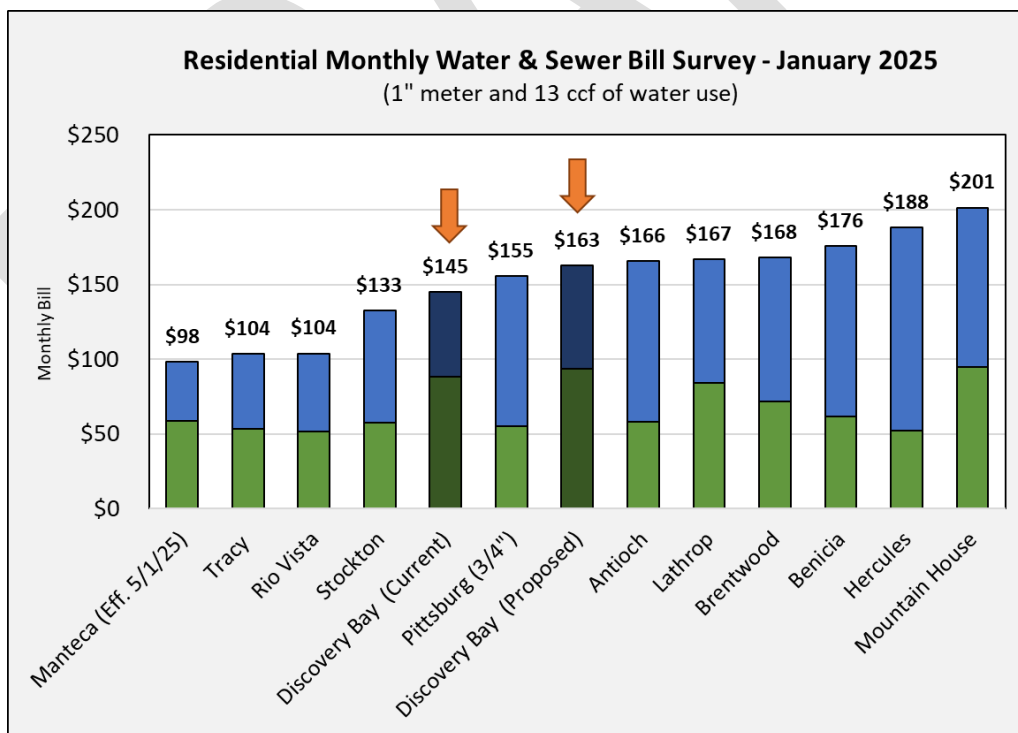
10.1 Rate Study Conclusions

The rates developed in this report were based on the best available information gathered from Town audits, budgets, and input from staff, the Finance Committee, and the Board of Directors and the ratemaking consultant's professional opinion. The cost allocations proposed herein are based on American Water Works Association methodologies and industry standard practice. The proposed rates are based on the reasonable cost of providing service and are proportional to the benefits received by each customer.

10.2 Rate Impacts

The chart below compares the Town's current and proposed combined water and sewer utility bill of the typical single family residential customer to the bills of other local agencies. The average single family residential customer is served by a 1" meter and uses 13 ccf of water per month. Under the proposed rate increases, the typical single family residential customer will experience a bill increase from \$144.98 to \$162.55 per month, about a 12% increase.

Figure 7: Residential Monthly Water & Sewer Bill Survey



10.3 Future Recommendations

It is recommended that the Town update its rates and cost of service at least every five years to account for cost increases, operational changes, and growth in the customer base.

DRAFT

Town of Discovery Bay CSD

Water and Wastewater Rate Adjustments



April 2, 2025



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

Alison Lechowicz
Project Manager



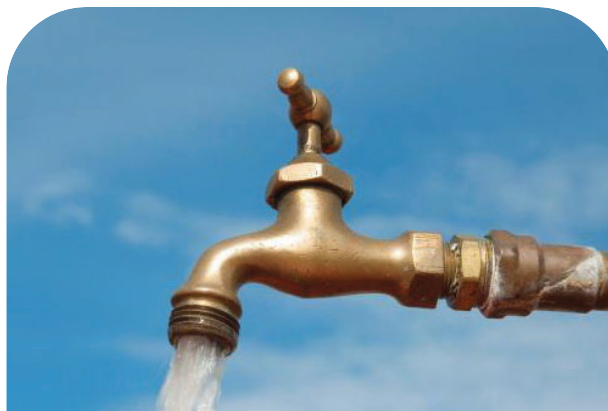
Background

- Water and sewer utilities are enterprise funds and should be self-supported by rate revenues
- Water and sewer rates are subject to Proposition 218
 - Rates must be based on the reasonable cost of service
 - Rates must proportionally recover costs based on how customers take service
 - Covers rates over a maximum 5-year period
 - Procedural requirements: conduct a rate study, mail a notice to property owners/tenants, hold a hearing a minimum of 45 days later, protest vote
- Last rate study was conducted in 2020



Rate Study Goals

- Update the cost of service
- Collect sufficient funds to cover:
 - Operations and maintenance (maintenance has increased significantly in recent years)
 - Debt obligations
 - Repair and replacement of infrastructure (main driver of the rate increases)
 - Maintain prudent reserves
- New rates effective July 1 (concurrent with the fiscal year and property tax submittal)



WATER FUND



Current Monthly Water Rates

	Monthly (\$/month)
Vacant	\$14.67
Non-irrigation Account Charge:	
up to 1 Inch Meter	\$23.02
1 1/2 Inch Meter	\$42.98
2 Inch Meter	\$66.94
3 Inch Meter	\$130.80
4 Inch Meter	\$202.64
6 Inch Meter	\$402.22
Irrigation Account Charge:	
up to 1 Inch Meter	\$20.62
1 1/2 Inch Meter	\$38.18
2 Inch Meter	\$59.24
3 Inch Meter	\$115.73
4 Inch Meter	\$180.27
6 Inch Meter	\$359.54
Metered Usage Charge:	
All Usage (\$/ccf)	\$2.58
Newly Metered Customers	
Meter Install Fee (10-year payback)	\$8.01

ccf = 100 cubic feet = 748 gallons

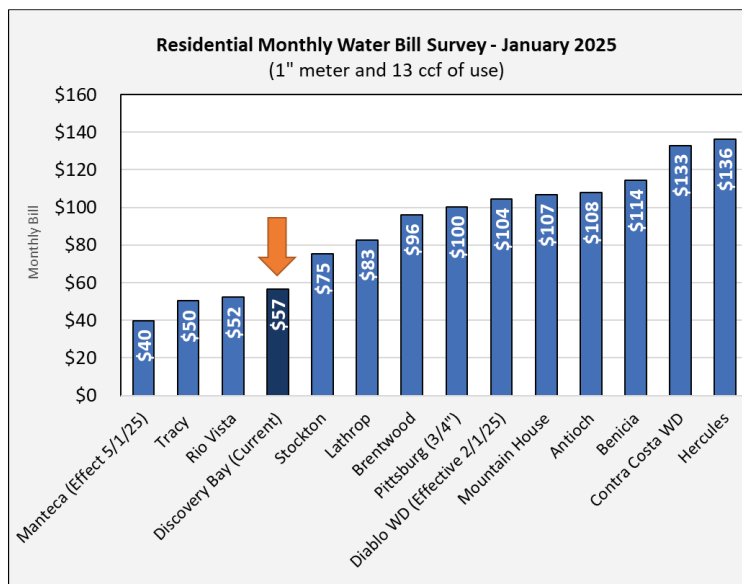
	Current Revenues
Meter Fees	\$2.15M
Install Fee	\$0.34M
Volume (Usage)	\$2.95M
Less Delinquencies	<u>(\$0.10M)</u>
Total Rate Revenue	\$5.4M

Expires July 2027



Water Bill Survey

- Typical single family residential Town customer is served by a 1" meter, uses 13 ccf monthly, and pays a monthly bill of \$56.52 (does not include the meter installation fee)





Water Fund Current Financial Position

- Rate revenues of about \$5.0M plus additional water revenues of \$0.5M total about \$5.5M
- Operating costs and existing debt service total about \$5.6M
- However, maintenance and repairs have increased significantly in recent years
- New recommended employee for regulatory compliance
- About \$6.1M in existing cash reserves
- Financial challenge is to keep up with recent operating cost increases and fund necessary capital projects



Water Capital Funding (\$M)

Project Categories	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	5-Year Total
Solar System at WTP I	2.94	0.00	0.00	0.00	0.00	2.94
Solar System at WTP II	0.40	1.34	0.94	0.00	0.00	2.68
Admin Building	2.51	0.00	0.00	0.00	0.00	2.51
Well 8	1.00	0.00	0.00	0.00	0.00	1.00
Other Projects I	0.51	0.39	0.41	0.39	0.18	1.88
Other Projects II	0.00	0.00	0.00	0.00	0.35	0.35
Mainline Pipe	0.65	3.50	3.50	3.50	3.50	14.65
Underwater Crossing	0.00	0.00	0.76	4.99	0.00	5.75
Total Projects	8.01	5.23	5.61	8.88	4.03	31.76

CA Energy Commission loan of \$2.94 million paid back over 16 years at 1%; debt service cost is intended to be covered by energy savings

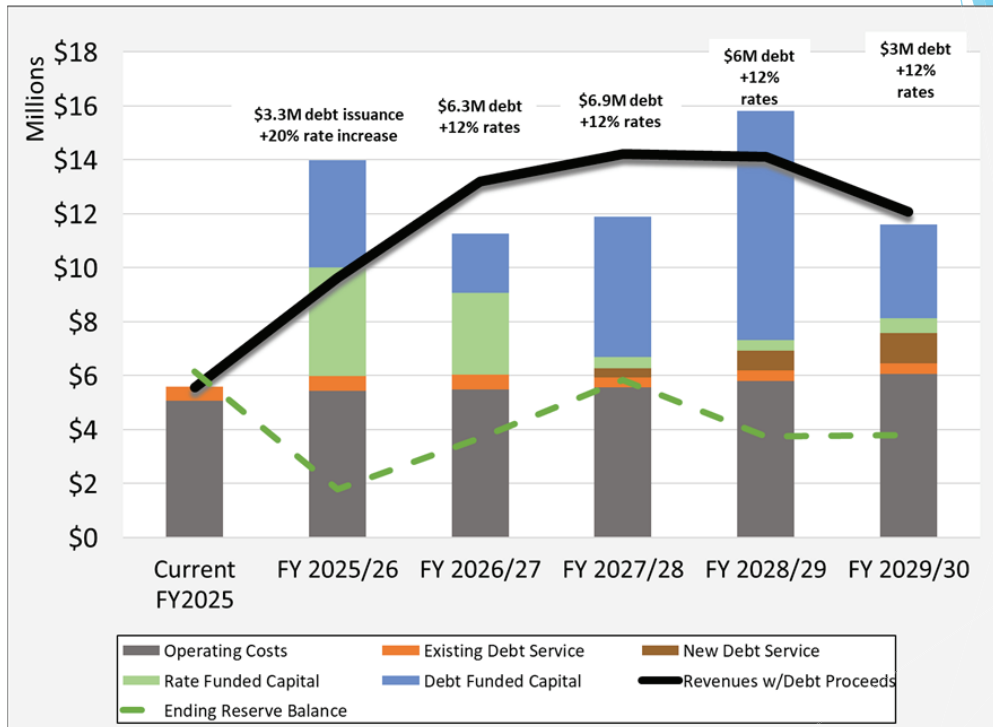
Bank loan of \$2.68 million paid back over 20 years at 4%; debt service cost is intended to be covered by energy savings

All other projects + \$400k of pipelines total about \$6.14 million and will be funded by District funds

Funded via market rate bonds totaling \$20 million paid back over 30 years at 5.25%; new annual debt service of \$1.14 million



Water Cash Flow



*Not every customer will receive exactly the % rate increase due to their water usage characteristics and breakdown in costs between meter fees and volume rates



Proposed Water Rates

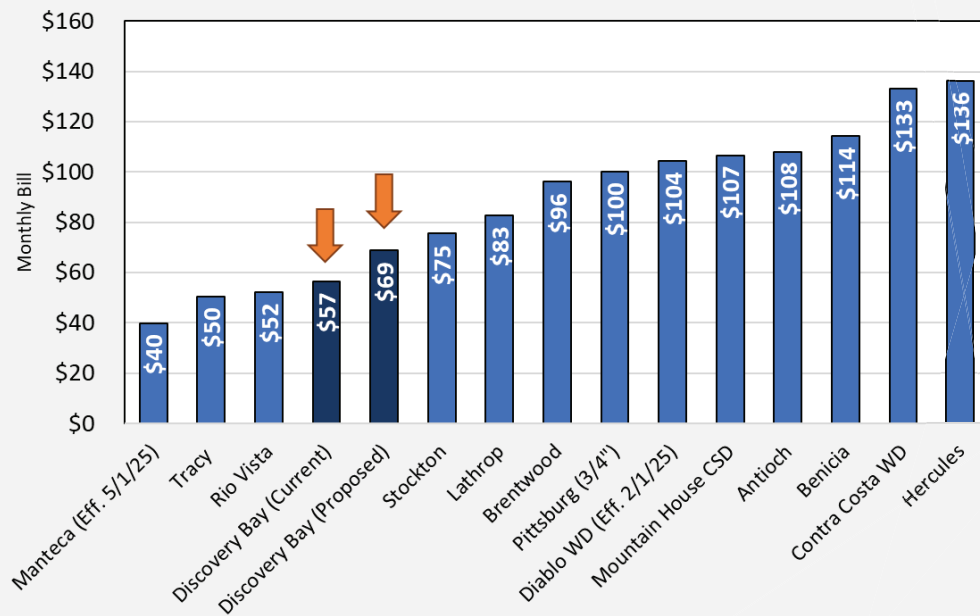
	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Meter Fee up to 1"	\$23.02	\$34.89	\$39.08	\$43.77	\$49.02	\$54.90
Meter Replacement Fee	\$8.01	\$8.01	\$8.01	\$0.00	\$0.00	\$0.00
Volume Rate (\$/ccf)	\$2.577	\$2.605	\$2.918	\$3.268	\$3.660	\$4.099
Avg Bill (13ccf)*	\$56.52	\$68.76	\$77.01	\$86.25	\$96.60	\$108.19
		22%	12%	12%	12%	12%



Water Bill Survey

Residential Monthly Water Bill Survey - January 2025

(1" meter and 13 ccf of use)



WASTEWATER FUND



Current Wastewater Rates

Residential Unmetered	Monthly	Yearly
Single Family - Each DU	\$88.46	\$1,061.52
Multiple Family/Condos - Each DU	\$72.40	\$868.80
Vacant	\$18.67	\$224.00

Nonresidential Metered	Use (\$/ccf)
Business/Government/Clubs	\$7.501
Restaurants/Bars/Dining Facilities	\$19.696
Schools	\$6.853
Other Domestic Strength Users	\$7.501

DU = Dwelling Unit

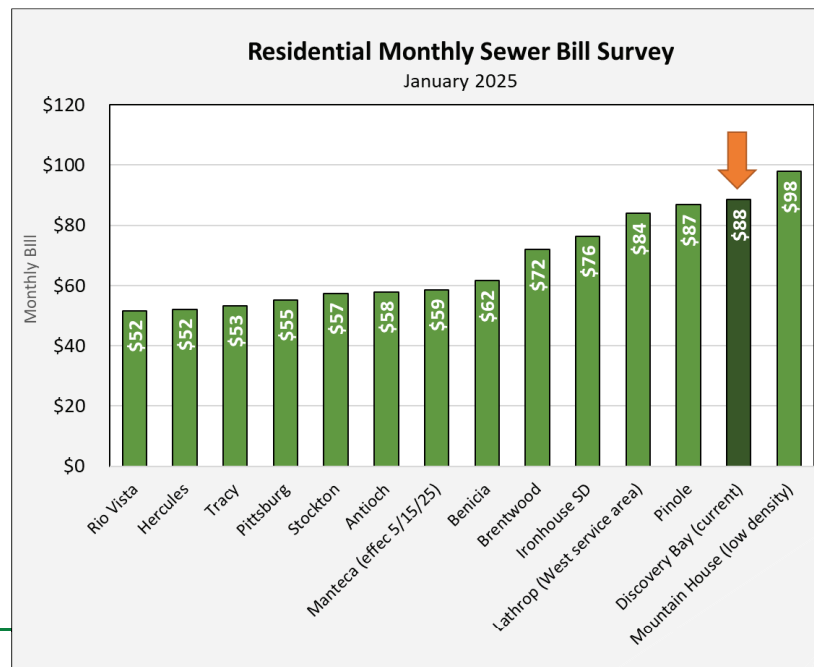
ccf = 100 cubic feet = 748 gallons

FY2025 Est. Revenues	
Fixed Fees	\$6.38M
Metered Flow	<u>\$0.11M</u>
Total Rate Revenue	\$6.49M



Wastewater Bill Survey

- Residential customers are billed on the tax roll. Monthly equivalent costs are shown below.





Wastewater Fund Current Financial Position

- Rate revenues of about \$6.5M plus additional sewer revenues of \$0.5M total about \$7M
- Revenues adequately cover operating costs and existing debt service of about \$6.3M
- Positive net revenues of about \$640,000
- \$15.9M of capital projects planned over the next five years
- About \$10.8M in existing cash reserves; recommended spend down of about \$3M on capital projects over the next five years
- Proposed annual rate increase of 6% consisting of
 - 4% is needed absent any capital projects for inflationary operating cost increases and to maintain strong coverage on existing debt
 - 2% to fund projects



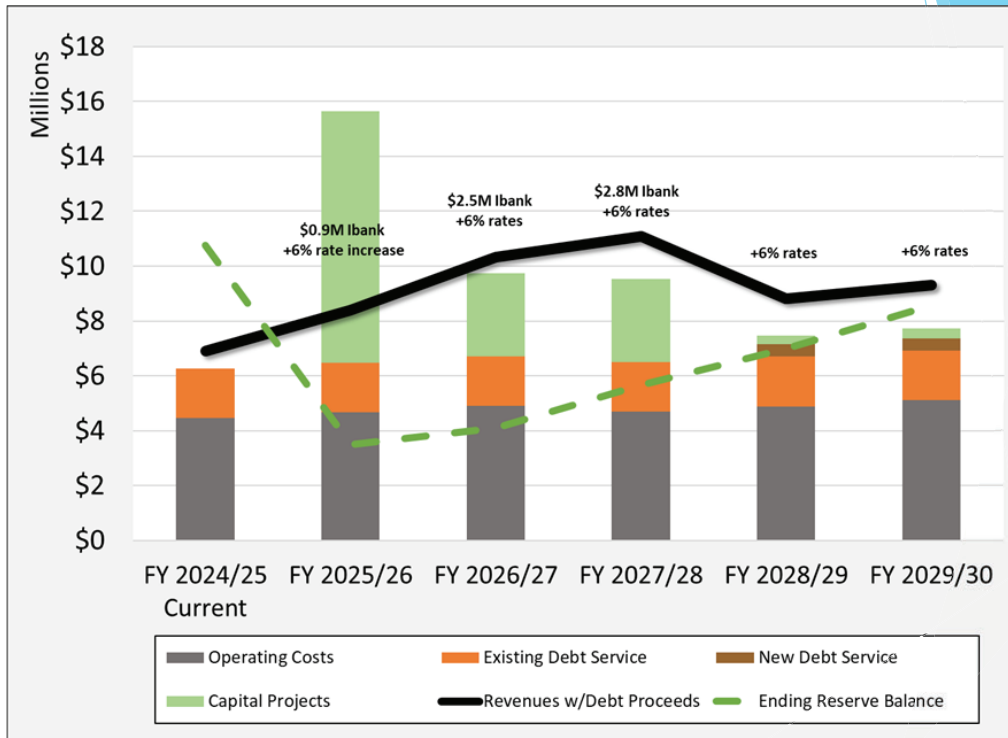
Wastewater Capital Funding (\$M)

Project Categories	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	5-Year Total
Solar Project Phase II	0.94	2.46	2.75	0	0	6.15
Admin Building	2.51	0	0	0	0	2.51
Belt Press WWTP#2	1.68	0	0	0	0	1.68
Decant Station	0.56	0	0	0	0	0.56
Fencing at Plant 2	1.25	0	0	0	0	1.25
Equipment	1.08	0	0	0	0	1.08
Lift Stations	0.22	0.25	0.28	0.32	0.35	1.42
Other Projects	0.93	0.31	0	0	0	1.24
Total	\$9.17	\$3.02	\$3.03	\$0.32	\$0.35	\$15.89

Capacity Fees	0.70
Spend Down of Existing Reserves	3.04
New Debt (iBank 20yrs @ 4%)	6.15
Rate Revenue	6.00
5-Year Total (\$M)	\$15.89



Wastewater Cash Flow



Proposed Residential Bill Impacts

	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Residential Sewer Bill	\$88.46	\$93.79	\$99.41	\$105.38	\$111.70	\$118.40
		6%	6%	6%	6%	6%

	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Water Bill (13ccf)*	\$56.52	\$68.76	\$77.01	\$86.25	\$96.60	\$108.19
Sewer Bill	<u>\$88.46</u>	<u>\$93.79</u>	<u>\$99.41</u>	<u>\$105.38</u>	<u>\$111.70</u>	<u>\$118.40</u>
Total Bill	\$144.98	\$162.55	\$176.42	\$191.63	\$208.30	\$226.59
		12%	9%	9%	9%	9%

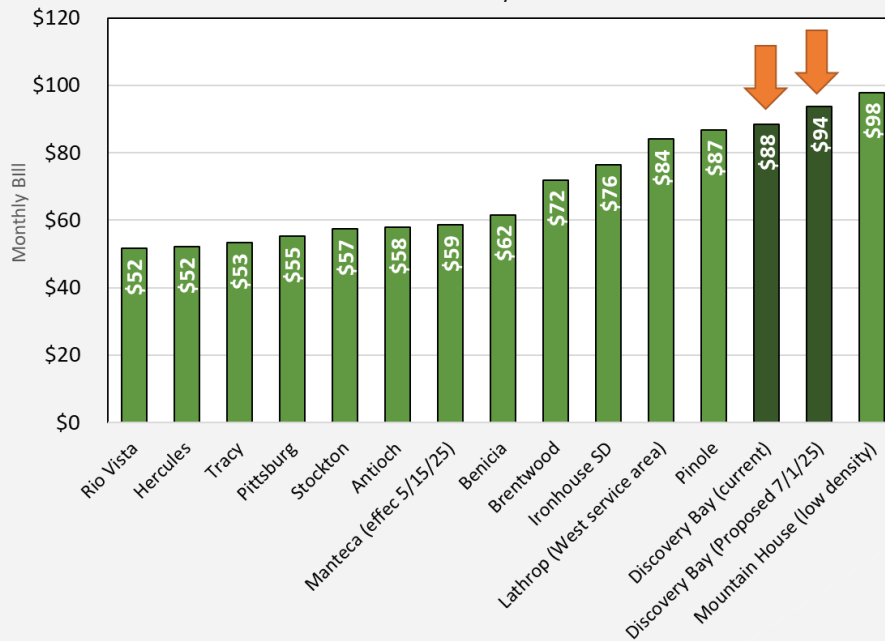
Ccf = hundred cubic feet; 1 ccf = 748 gallons
* Does not include the meter replacement fee



Wastewater Bill Survey

Residential Monthly Sewer Bill Survey

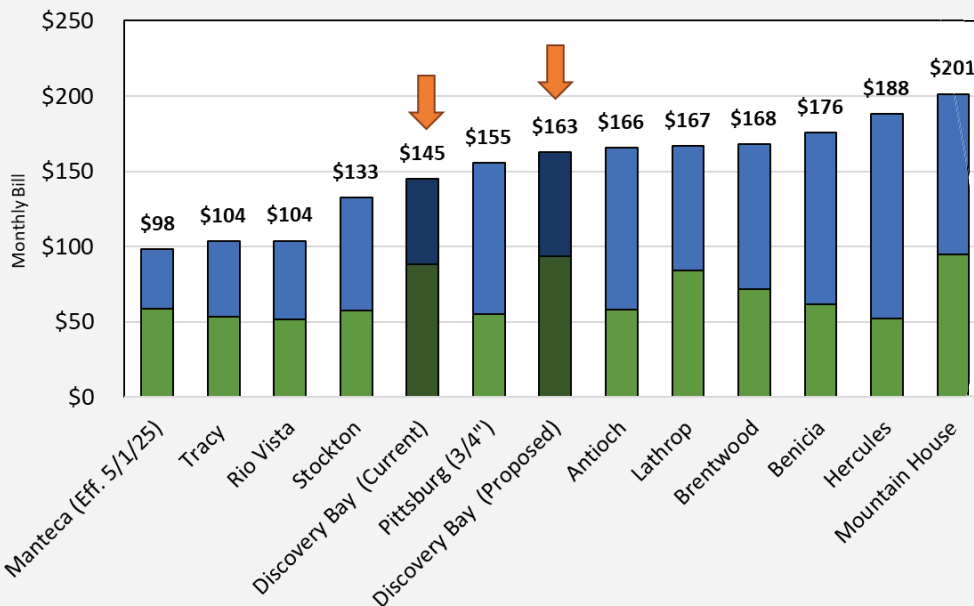
January 2025



Combined Bill Survey

Residential Monthly Water & Sewer Bill Survey - January 2025

(1" meter and 13 ccf of water use)





Rate Study Schedule

- Present the Rate Study Report to the Board on April 2
- Follow-up presentation to the Board on April 16
- Proposition 218 notices mailed to customers by May 2
 - Customers have the right to protest the water rates, sewer rates, or both
 - Protests must be in writing and be received by the end of the public hearing
 - If more than 50% of property owners protest, rates cannot be implemented
 - Customers can also file Written Objections
- Public hearing is planned for June 18
- If approved, rates will go into effect July 1
- Each year, Board will review the budget and rates (if approved). Board has the option to adopt lower rates without additional hearings.



Conclusion





Town of Discovery Bay

"A Community Services District"

STAFF REPORT

AGENDA ITEM:
G1

Agenda Title: Discussion and Possible Action to Authorize General Manager to Execute the Contract Amendment with Mobile Modular Management Corporation, a Division of McGrath RentCorp ("Mobile Modular"), to Construct the Town of Discovery Bay's (Town) Office Administration Building Project, to include Project Site Work.

Meeting Date: April 2, 2025

Prepared By: Dina Breitstein, General Manager

Submitted By: Dina Breitstein, General Manager

RECOMMENDED ACTION:

It is recommended that the Board take the following Actions:

- A. Approve the contract amendment for Mobile Modular to construct the Town of Discovery Bay's Office Administration Building in the amount of \$3,080,997. (site work)
- B. Authorize the General Manager to execute the contract amendment with Mobile Modular to construct the Town of Discovery Bay's Office Administration Building Project.
- C. Authorize the General Manager to execute any additional change orders to Mobile Modular for up to 15% of the contract value.

EXECUTIVE SUMMARY:

In June of 2021, Luhdorff & Scalmanini (LSCE), the Town's water engineering consultant, completed a Risk and Resilience Assessment Report for the Town of Discovery Bay. The report was requested and submitted to the American Water Works Association (AWWA). The report identified that the Town Office shared a site with the Well 6 Water Treatment Facility. Water and wastewater treatment plants are security sites and should have restricted access. The report found that allowing public access to the Town's process facilities increases the risk of accidental or intentional malevolent acts and poses a relatively high vulnerability to the water system and liability for the Town.

Due to the findings in this report, in February 2022, staff began exploring relocating the Town's office administration operations.

The tasks accomplished to date are listed below:

- Identify a new site location.
- Interview and recommend architectural firms and/or modular companies to develop design concepts.
- Advise and review design necessities and features.
- Bring the recommended concept(s) to the Board of Directors.
- Contract with modular company in a phased approach design submittal.
- Mobile Modular completed phases 1 and 2 of the contract.

Staff researched nine potential options and concluded that the modular office progressive design-build method would be the most equitable and cost-effective. To begin the search, Staff explored various competitive bid sites to find modular companies to consider. Staff reached out to Mobile Modular Management Corporation.

Mobile Modular is a modular or prefab building manufacturer. Modular buildings are made from prefabricated off-site components and then assembled at the construction site. This building method is a greener and faster way to build. There are many benefits to using a modular building. Modular buildings create less waste as they are recycled, are environmentally sound, and can be built and installed quickly and for less money than a permanent structure.

At the June 5, 2024, Board of Directors meeting, Mobile Modular presented its company and contract to the Board. The Board voted to contract with Mobile Modular to design and prepare construction cost estimates and plans following a phased approach outlined below.

Programming Response Phase Services:

(RP-1) Retainer Payment (25% of total Compensation at execution): \$112,975.00

(PP-1) Upon Completion of Programming Phase Services: \$45,190.00

Schematic Design Phase Services:

(PP-2) Upon Completion of Schematic Design Services: \$83,735.00

Design Development Phase Services:

(PP-3) Upon Completion of Schematic Design Services: \$105,000.00

Construction Documents Phase Services:

(PP-4) Upon Completion of Construction Document Design Services: \$105,000.00

Total compensation for services: \$451,900.00

Mobile Modular has completed the above phases in the administration building process. The design concept and estimated costs were approved by the Board of Directors at December 4, 2024, Board of Directors meeting. That work is outlined below.

The schematic design, the estimated cost proposal for the building, and the site work are listed below. Contra Costa County ("the County") must approve the site work plan, subject to the building codes required by the County. The site work plans have been submitted to the county for review and approval.

The Building Schematic Design *(approved, June 5, 2024, Board of Directors Meeting)*

The Design is 8826 square feet and must follow the Contra Costa County building code requirements for a Government Facility.

The Administration Building is comprised of:

Board of Directors Meeting Room/Training Room

Equipment/Storage Room

Lobby

Information Technology Room

Copy Room

File Room

Break Room

One Conference/Safe Room

Two Briefing Rooms

Staff Offices (with room for growth)

Cubical Workspaces (with room for growth)

Staff Restrooms and Public Restrooms

The Building Construction Scope of Work and Cost Estimate *(approved, December 4, 2024, Board of Directors Meeting)*

The Project Scope of Work, Building Specifications, Clarification documents, and a financial overview.

Scope of Work:

Building

- New Modular Building
- State of California Titling

Transportation

- Delivery of new modular units

Building Setup

- Building set up (crane)
- Building Seams
- Foundation layout
- Excavation
- Welding

Division 1 General Requirements

- Drawings
- Testing
- Permits, Fees, Bonds, Labor and Labor Facilities
- Equipment Rentals
- Project Safety (PPE)
- Site Controls & Utilities
- Project Management

Division 2 Site Construction

Division 3 Concrete

Division 4 Masonry

Division 5 Metals

Division 6 Woods & Plastics

Division 7 Thermal & Moisture Protection

Division 8 Doors & Windows

Division 9 Finishes

Division 10 Specialties

Division 12 Furnishings

Division 13 Special Construction

Division 15 Mechanical

Division 16 Electrical

Divisions 11 (Equipment) and 14 (Conveyor Systems) do not apply to this project.

Mobile Modular Building Cost Estimate

Building Delivery and Installation \$2,053,690

Building Divisions Items 1-16 *(excludes Divisions 11 & 14)* \$1,941,130

Site Preparation and Foundation *(demolition of area, excavation & haul away, foundation):* \$308,260

Legal Contract Review \$130,292.62 *(incremental increase from previous MM estimate on 12/4/2024)*

Estimated Total Cost \$4,287,293

The Site Work Scope of Work and Cost Estimate *(pending approval, April 2, 2025, Board of Directors Meeting)*

The Board must approve the site work proposal before the project can progress towards completion. The cost estimate has risen to \$3,080,000, up from the previous estimate provided by Mobile Modular in the staff report dated December 4, 2024, of \$2,500,000. The increase is due to current administrative tariffs, increased costs to labor, and building materials. The estimated site work includes the following:

Division 1 General Requirements
Division 2 Site Construction
Division 3 Concrete
Division 4 Masonry
Division 5 Metals
Division 7 Thermal & Moisture Protection
Division 8 Doors & Windows
Division 9 Finishes
Division 10 Specialties
Division 13 Special Construction
Division 15 Mechanical
Division 16 Electrical

(Note: division numbers are out of sequence due to the site work necessary for each division, as outlined in the construction documents.)

Mobile Modular Site Work Cost Estimate

The site-work estimated cost is \$3,080,000.

Estimated Total Mobile Modular Project Costs

Design \$451,900
Building \$4,287,293
Site Work \$3,080,997

Estimated Mobile Modular Project Cost \$7,820,190 *(total cost excludes contingency)*

Site Location

Town of Discovery Bay Community Center – Open Space – Side Lot *(see picture yellow thumbtack below)*



CEQA (Environmental) Summary *(see attached CEQA Memo and Determination)*

The Town of Discovery Bay's proposed administrative office building at the Discovery Bay Community Center qualifies for a Class 3 Categorical Exemption under CEQA guidelines, specifically Section 15303, which covers the construction of small, new structures in urbanized areas. The project involves the construction of an 8,862-square-foot modular office building, well within the 10,000-square-foot maximum allowed for Class 3 exemptions.

The following findings support the determination that this project is exempt from further environmental review:

1. **Urbanized Area Status:** Based on the 2020 U.S. Census, the Town of Discovery Bay has a population of 15,362, which is below the 50,000 threshold for an urbanized area. However, according to the U.S.

Census Bureau's urban area maps, the Town is classified as "urbanized," meeting the criteria for dense residential, commercial, and non-residential development. Therefore, the Town qualifies as an urbanized area under CEQA, allowing the project to be exempt as it falls within the specified floor area limits for such areas (less than 10,000 square feet).

2. **Exceptions to Categorical Exemptions:** The CEQA Guidelines (Section 15300.2) outline several exceptions to categorical exemptions. The analysis found that none of these exceptions apply to this project:
 - **Location:** The project site is not in a sensitive environmental area. It is located within an already developed area of the Community Center and will not have a significant environmental impact due to the existing disturbed conditions.
 - **Cumulative Impact:** The project's temporary construction impacts, such as dust, noise, and traffic, are minimal and will not lead to significant cumulative effects. There are no other major foreseeable projects in the area that would create a significant combined environmental impact.
 - **Significance Effects:** There are no unusual circumstances that would lead to significant effects on the environment. The project's environmental impacts will be typical of construction and are mitigated through best management practices (BMPs) such as erosion control and dust management.
 - **Scenic Highways:** The project is not located along any official scenic highway, so there will be no impact on scenic resources.
 - **Hazardous Waste Sites:** The project site is not located on or near any active hazardous waste sites. While two closed Leaking Underground Storage Tank (LUST) sites are nearby, they are not currently active or a concern, and the project site is not listed on the Cortese List of hazardous waste sites.
 - **Historical Resources:** The site does not contain historical resources, as it has been graded and developed since the late 1970s. The probability of finding archaeological resources is low, and the project will not cause significant impacts to historical or cultural resources.
3. Based on the findings above, the Town of Discovery Bay's proposed project qualifies for a Class 3 Categorical Exemption under CEQA, and no exceptions to this exemption apply. Therefore, the project is exempt from further environmental review and does not require an environmental impact report (EIR).

Financing Plan

The Town has calculated its savings for future infrastructure needs and will use its reserve funds to cover the costs of building the administrative offices.

Progressive Design-Build

California law authorizes special districts, including those providing water services, to utilize Progressive Design-Build (PDB) for public works projects exceeding \$5 million. This method offers a streamlined, phased approach to project delivery, encouraging collaboration, risk reduction, and efficiency.

The PDB process begins with the special district conducting a process to select a design-builder based on qualifications. Upon selection, the project proceeds in two phases:

- **Phase One:** Preconstruction services, including cost modeling, design development, and budget alignment.
- **Phase Two:** Final design, construction, and commissioning.

The design-builder is engaged early in the process to collaborate on developing the design and ensuring adherence to the owner's project goals and budget. The law emphasizes transparency and allows agencies to adapt the scope as the design progresses, ensuring alignment with project objectives before finalizing construction costs.

Conclusion

It is recommended that the Board take the following Actions:

- A. Approve the contract amendment for Mobile Modular to construct the Town of Discovery Bay's Office Administration Building in the amount of \$3,080,997.
- B. Authorize the General Manager to execute the contract amendment with Mobile Modular to construct the Town of Discovery Bay's Office Administration Building Project.
- C. Authorize the General Manager to execute any additional change orders to Mobile Modular for up to 15% of the contract value.

FISCAL IMPACT: \$ 3,080,000 + 15% Contingency

PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

June 5, 2024, Mobile Modular Design Contract
December 4, 2024, Mobile Modular CEQA
December 4, 2024, Sales Agreement and Construction Contract

ATTACHMENTS:

- 1. Contract Amendment.
- 2. Site Plan.
- 3. Presentation.



**SECOND AMENDMENT TO PHASE II AGREEMENT BETWEEN
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT AND
MOBILE MODULAR MANAGEMENT CORPORATION
FOR PHASE II TOWN ADMINISTRATION BUILDING**

This SECOND AMENDMENT to the Town of Discovery Bay Phase II Administration Building Contract (the “Amendment”) dated April 2, 2025 (“Effective Date”) is entered into by and between the Town of Discovery Bay Community Services District (the “District”) and Mobile Modular Management Corporation a Division of McGrath RentCorp (“Supplier”).

WHEREAS, the District and Contractor previously entered into the Phase I – Modular Design Consulting Agreement, dated June 10, 2024 for the purpose of developing design documents for the new Town Administration Building project.

WHEREAS, the District and Contractor proceeded with a portion of Phase II, which included the construction and delivery of the Project building to the Project site, as described in Exhibit A of the Phase II Town Administration Building Agreement dated February 21, 2025 (the “Agreement”).

WHEREAS, the Parties now wish to proceed with the remaining scope of work for Phase II which includes the installation, construction, and site improvements of the Project buildings in accordance with the approved design documents and specifications developed under Phase I.

WHEREAS, the parties desire to amend the Phase II Agreement to include the scope of work, terms, and conditions for Phase II as set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and mutual agreements here and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereof agree as follows:

1. Definitions. Terms defined in this Amendment shall have the definitions ascribed in this Amendment or, if not defined in this Amendment, in the Agreement.
2. Amendments.
 - 2.1 Exhibit A - Scope of Services. Contractor shall provide all labor, materials, equipment, and services necessary for the construction, delivery, installation of the Project Buildings and improvements to the Project Site, as further detailed in

Exhibit A (Scope of Work) and Exhibit C (100% Construction Documents) attached hereto.

2.2 Exhibit B – Approved Fee Schedule. Such compensation rates as set forth in Contractor's fee schedule attached hereto as Exhibit B and incorporated herein by this reference.

2.3 Exhibit C – 100% Construction Documents. As submitted to Contra Costa County under record number BISUB25-00866 and as previously submitted to the District are hereby incorporated in full by reference.

2.4 Section 3.1 shall be revised to include an increase to the total compensation agreed to by the Parties in the amount of three million eighty thousand nine hundred ninety-seven dollars and thirty-six cents (\$3,080,997.36), fully set forth as follows:

Section 3.1.

Contractor shall perform the work identified in the Scope of Work. District shall have the right to request, in writing, changes in the Scope of Work. 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 Contractor under this Agreement exceed the sum of seven million three hundred sixty-eight thousand two hundred eighty-nine dollars and ninety-nine cents (\$7,368,289.99) unless specifically approved in advance and in writing by District.

3. Ratification. Except as modified by this Amendment, all other terms and conditions of the Agreement are hereby ratified and remain in full force and effect.
4. Successors and Assigns. The provisions herein shall be binding upon, and shall inure to the benefit of, the respective heirs, legal representatives, and successors and permitted assigns of the parties hereof.
5. Counterparts. This Amendment may be executed in counterparts.
6. Severability. If any provision of this Amendment is held unenforceable by a court or tribunal of competent jurisdiction because it is invalid or conflicts with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected. In such event, the parties shall negotiate a substitute provision that, to the extent possible, accomplishes the original business purpose.

[Signature Page Follows]



IN WITNESS WHEREOF, The District and Supplier have executed this Amendment by their duly authorized representatives to be effective as of the Effective Date.

DISTRICT:

**The Town of Discovery Bay Community
Services District**

By: _____

Name: _____

Title: _____

Date: _____

SUPPLIER:

**Mobile Modular Management
Corporation**

By: _____

Name: _____

Title: _____

Date: _____

SCOPE OF WORK			
Description	Details	Mobile Modular	ToDB
DIVISION 1 - GENERAL REQUIREMENTS			
County Easement fees	Contra Costa County permitting and easment fees in accordance with applicable codes and project requirements.		X
Surveying	Complete a survey with a topo map of the required project area including survey limits, range, contours, all surface features and underground utilities within the area to be surveyed shall be shown and identified on the maps. In addition, these features shall be located by sufficient distance ties and labeled on the sheets to permit accurate scaling and identification. Establish project benchmarks and corner locations of the building(s).	X	
Concrete Testing	Provide labor and materials to complete slump and compressive testing in accordance with code and project requirements		X
Permits, Fees, Bonds, Labor			
Performance Bond		X	
Prevailing Wage	Non-Union Prevailing Wage to Include Certified Payrolls Submitted Weekly.	X	
Temporary Labor & Facilities			
Dumpsters	For use by Mobile Modular and their Sub-Contractors only, per OSHA	X	
Portable Restroom Stalls	For use by Mobile Modular and their Sub-Contractors only, per OSHA	X	
Equipment			
Equipment Rental w/ Fuel	For Mobile Modular scope of work only	X	
Trench Plate Rental	For Mobile Modular scope of work only	X	
Project Safety			
Site Safety During Construction	All work on site is to be performed safely in accordance with all OSHA and Mobile Modular standards. It is the responsibility of the Contractor to inform and educate all personnel working onsite of the aforementioned requirements and ensure that these policies are enforced each day.	X	
Site Controls & Utilities			
Construction Fencing	6' Chain link construction fence with a minimum of (1) locked double gate	X	
Traffic Control	Provide vehicular and/or pedestrian traffic control during work on Discovery Bay Blvd. This includes, but is not limited to, parking restrictions, sidewalk closures, roadway closures, flaggers, & signage.	X	
Construction Entrance	Establish a construction entrance/exit area with stone and wash down area	X	
Soil Erosion & Storm Water Control	Furnish labor and materials to install soil erosion and storm water control measures per SWPPP plan. This contractor also to regular inspect and maintain during construction	X	
Project Management			
Project Manager	Mobile Modular Project Manager has overall responsibility of the project budget and schedule. The Project Manager will be the POC for the client with any specific clarifications, change orders, schedule adjustments, etc.	X	
Project Superintendent	Mobile Modular's Project Superintendent will be on site daily when any work is being performed by Mobile Modular or their contractors. The Project Superintendent is responsible for managing day to day Mobile Modular project activities, coordination and communication with Mobile Modular Project Manager and Other Project Superintendents	X	
Site Security	Surveillance/Security Trailer Unit	X	
DIVISION 2 - SITE CONSTRUCTION			
Storm water, Erosion and Sediment Control	Provide all labor, materials and equipment necessary to install and maintain storm water, erosion and sediment control measures per drawings	X	
Grading	Cut and fill shall be left sufficiently high to require cutting by fine grading. Grade to subgrade depths required for construction of finished surface materials and for controlled internal drainage of site.	X	
Bioretention Basins	Work consists of furnishing all labor, equipment and materials and performing all operations in connection with creating 4 Bioretention Basins per the plan. Soil and plants will be part of the Landscaping Contractor.	X	

SCOPE OF WORK			
Description	Details	Mobile Modular	ToDB
Foundation Excavation, Backfill and Compaction	Assigned contractor shall excavate for foundation, backfill and compact after installation and inspections. Any excessive excavated material that cannot be used in the backfill will be stockpiled on site and removed	X	
Utility Services Trenching/Excavation, Compaction and Backfill in Street	Work consists of furnishing all labor, equipment and materials and performing all operations in connection with any trench excavation, backfilling and compaction required to install the pipe and appurtenances shown on the Drawings and as specified.	X	
Export Dirt	Removal of excess dirt from site. Designated contractor shall test soil to insure that it is not contaminated	X	
Import Dirt / Fill	Import Class II Roadbase to meet compaction testing.	X	
Asphalt Paving	Furnish all materials, equipment, labor, and related items necessary to complete the work shown on the Drawings and as specified in the Specifications for Asphaltic Concrete Paving. The items of work to be performed shall include but are not limited to; Subgrade preparation, Base course and pavement surfacing and all other related items required to complete the work shown on the Drawings and as specified.	X	
Pavement Marking and Striping	The work shall consist of furnishing and placing colored reflectorized paint pavement markings, center and edge lines in locations as directed.	X	
Landscaping/Irrigation modification	The Contractor shall reroute main irrigation lines and sprinklers currently installed in site work area.	X	
Other Sidewalks	Topsoil shall be removed to a depth as outlined by the designing engineer. Pathway final grade shall be leveled and compacted per drawings. Contractor shall furnish and install materials per design including inspections. All forms and debris shall be removed once concrete has cured.	X	
DIVISION 3 - CONCRETE			
Foundation and Footing Layout	Surveyor shall identify the building corners, the foundation contractor shall layout the complete foundation	X	
Foundation Forming Installation and Removal	Labor and Materials as required to Install and Remove Forms. Includes Inspections	X	
Decomposed Granite Surface	Topsoil shall be removed to a depth as outlined by the designing engineer. Final grade shall be leveled and compacted per drawings. Contractor shall furnish and install materials per design	X	
4" Concrete Sidewalks	Topsoil shall be removed to a depth as outlined by the designing engineer. Walkway final grade shall be leveled and compacted per drawings. Contractor shall furnish and install materials per design including inspections. All forms and debris shall be removed once concrete has cured.	X	
Concrete Drives	Topsoil shall be removed to a depth as outlined by the designing engineer. Drive final grade shall be leveled and compacted per drawings. Contractor shall furnish and install materials per design including inspections. All forms and debris shall be removed once concrete has cured.	X	
Curbs and walls in Retention Basins	Furnish all labor, materials and equipment to install curbs and concrete walls within Bioretention Areas per Drawings	X	
Concrete ADA Sidewalk Dimple Sidewalk Pads	Provide all necessary labor, materials and equipment to install ADA sidewalk pads as required	X	
Concrete Curbs	Concrete curb shall be excavated to design depth. Contractor shall furnish and install forms as required. Excavations shall be free from all organic matter, loose soil/dirt and/or water as outlined in Division 2. All forms shall be removed and disposed once curbs are cured.	X	
DIVISION 4 - MASONRY			
CMU Wall and Trash Enclosure	Provide labor, materials and equipment to install CMU Wall and Trash Enclosure per Approved Drawings	X	
DIVISION 5 - METALS			
Fencing and gates	Provide labor, materials and equipment to design, ship, unload, layout on site, install fencing and gates as required. Includes auto opener for Vehicle Gate and ADA accessibility on 2 man gates. All welding on or off site shall be completed by a certified welder.	X	
DIVISION 7 - THERMAL & MOISTURE PROTECTION			

SCOPE OF WORK			
Description	Details	Mobile Modular	ToDB
Vapor Barrier in Crawl Space	Furnish and install 6Mil plastic vapor barrier with a minimum 12" overlap and seams taped.	X	
DIVISION 8 - DOORS AND WINDOWS			
Card Key Locking Hardware	The Contractor shall supply all required expertise, labor, tools, equipment, materials, and services required to provide a complete card key locking hardware installation in accordance with the prepared plans, specifications.	X	
DIVISION 10 - SPECIALTIES			
Exterior Signage	All labor and materials to supply and install interior signage shall be by the designated contractor on-site.	X	
DIVISION 13 - SPECIAL CONSTRUCTION			
Landscape Sprinkler and Irrigation System	Provide all necessary labor, materials and equipment to supply and install the components required for a complete automatic irrigation system to deliver supplemental water to the intended landscape efficiently and uniformly per plans and specifications.	X	
DIVISION 15 - MECHANICAL			
Plumbing Water Service - Site Water Supply	Provide labor, materials and equipment to load, deliver, install and inspect the plumbing water supply from the existing source to a 3 designated locations in the building crawl space for the project. All work shall be in accordance with applicable codes and include but not limited to layout, excavation, backfill, compaction.	X	
Plumbing Water Backflow Preventer	Furnish and Install plumbing backflow as required by code	X	
Plumbing Water Pressure Reducing Valve	Furnish and Install plumbing pressure reducing valve as required by code	X	
Plumbing - Sanitary Sewer			
Plumbing Sanitary Sewer Service - Site Sanitary Service	Provide labor, materials and equipment to load, deliver, install and inspect the plumbing sewer line from the existing source to 3 points designated in the proposed building crawl space for the project. All work shall be in accordance with applicable codes and include but not limited to layout, excavation, backfill, compaction.	X	
Fire Suppression			
Fire Sprinkler Main Service Line	Provide labor, materials and equipment to load, deliver, unload, install and inspect the fire water from the existing source to a single designated location in the proposed building riser flange 1'-0" AFF. All work shall be in accordance with applicable codes and include but not limited to layout, excavation, backfill, compaction.	X	
Hot Tap 12" Main	The Contractor shall supply all required expertise, labor, tools, equipment, materials, and services required to provide a 6" and 2" Hot tap into 12" Concrete Water Main under Discovery Bay Blvd	X	
DIVISION 16 - ELECTRICAL			
Electrical Service			
Trenching and Materials	The Contractor shall supply all required expertise, labor, tools, equipment, materials, and services required to Trench Electrical and Comm. Backfill and compaction in accordance with the prepared plans, specifications.	X	
Electrical Service - Site Power	Complete electrical service from existing power source to the proposed building. Includes, excavation, conduit, wire, transformers, disconnects, switchgear, inspections and tie-ins.	X	
Electrical Service Switchgear	The Contractor shall supply all required expertise, labor, tools, equipment, materials, and services required to install 1200A 3P Metered Panel in accordance with the prepared plans, specifications.	X	
Electric Charging Stations	The Contractor shall supply all required expertise, labor, tools, equipment, materials, and services required to install 4 Dual Charging Stations in accordance with the prepared plans, specifications.	X	
Site Lighting			
Site Area Lighting	The Contractor shall supply all required expertise, labor, tools, equipment, materials, and services required to install site lighting in accordance with the prepared plans, specifications.	X	
Telephone and Data			
Data	Labor and Materials to provide a conduit pathway from Splice Box at Discovery Bay Blvd to Pull Box within 5' from Foundation. Continue conduit through foundation and into Data Room within Modular. Final cable/fiber pull to be completed by others.	X	
Sound/Video			

SCOPE OF WORK			
Description		Details	Mobile Modular ToDB
Intrusion Detection System	The Contractor shall supply all required expertise, labor, tools, equipment, materials, and services required to provide a complete intrusion detection system installation in accordance with the prepared plans, specifications.		X
Video Surveillance System	Design, furnish and installation of surveillance system to be provided by Discovery Bay's security contractor.		X
Temporary Site Video Surveillance System	The Contractor shall supply a Video Surveillance Trailer to monitor Site activities during the course of construction.		X

EXCLUSIONS	
<ul style="list-style-type: none"> • Testing (concrete, compaction, special inspections) • Master Keying (Cylinders) • Communication Connections • Data Room Buildout • Audio Video Equipment • Appliances • Fire Alarm Monitoring • Utility Fees (PG&E, Comcast, AT&T, etc.) • Burglar Alarm/Security Cameras 	



PROPOSED PRICING - PURCHASE

DIVISION 1 - GENERAL REQUIREMENTS	\$	408,390.00
DIVISION 2 - SITE CONSTRUCTION	\$	599,920.00
DIVISION 3 - CONCRETE	\$	424,730.00
DIVISION 4 - MASONRY	\$	161,690.00
DIVISION 5 - METALS	\$	135,020.00
DIVISION 7 - THERMAL & MOISTURE PROTECTION	\$	4,880.00
DIVISION 8 - DOORS AND WINDOWS	\$	11,420.00
DIVISION 10 - SPECIALTIES	\$	11,290.00
DIVISION 13 - SPECIAL CONSTRUCTION	\$	347,980.00
DIVISION 15 - MECHANICAL	\$	457,520.00
DIVISION 16 - ELECTRICAL	\$	476,030.00
TOTAL DIVISIONS 1 THRU 16	\$	3,038,870.00
Bond Cost	\$	24,310.96
TOTAL	\$	3,063,180.96
Sales Tax		\$17,816.40
GRAND TOTAL	\$	3,080,997.36

Please click the link below for Site Plan Documents:

[Agenda Item G1-2](#)



— THE TOWN OF —
DISCOVERY BAY
Live Where You Play

Town of Discovery Bay

New Town Office Building

Presented by: Joshua Dean

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04.02.2025



1. Project Status Update

1.1 - Design Agreement.

- Currently in the final phase of the Design Agreement: The Construction Documents Phase.
- Site plans are with Contra Costa County for permitting.
- Modular Building shop drawings are complete.
- CA Title 24 Energy Forms and project-specific calculations are being prepared.
- HCD review and approval scheduled for 4/22/2025 – 6/6/2025.

1.2 - Modular Building Contract.

- We have begun processing product submittals through CoAct 24, the Town's Construction Manager.
- Factory line time is reserved for off-site construction to be completed August 7, 2025.
- Contracts have been issued for site installed elements of the building.

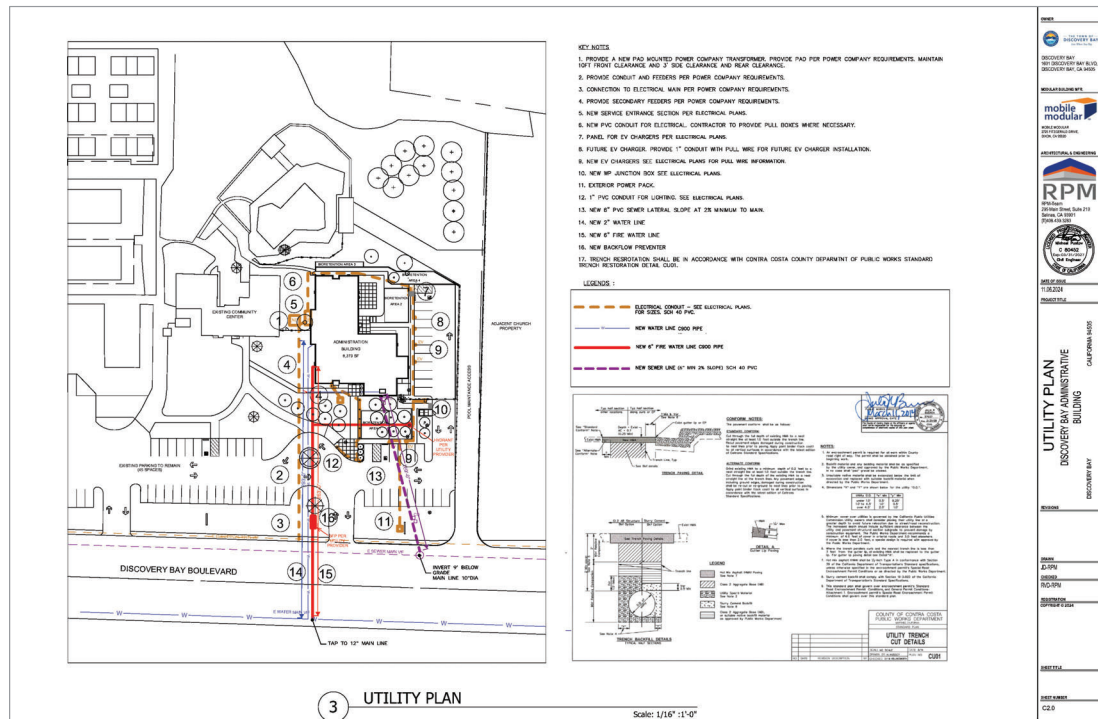
1.3 – Site Work Contract.

- Submitted for Board approval.



2. Site Work Overview

Utility Plan



2. Site Work Overview

2.3 – Modular Building Foundation

- Excavate Crawl Space and Footings
- Forms
- Rebar and Weld Plates
- Concrete
- Vapor Barrier
- Vent and Access Wells and Grates

2.4 – Paving and Hardscapes

- ~17,000 Square Feet of New Paved Parking Lot
- Curbs and Gutters
- Parking Striping
- Concrete Walkways
- Stamped Concrete Patios

2. Site Work Overview

2.5 – Walls, Fences, and Gates

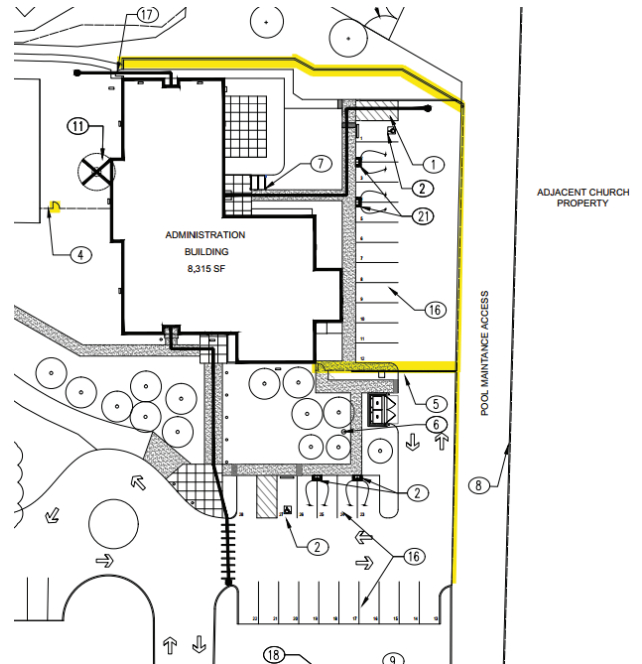
- Split-Faced CMU Sound and Security Wall
- Two Pedestrian Gates with Panic Hardware and Card Reader Access
- Split-Faced CMU Trash Enclosure with Gate
- Vehicle Security Gate with Auto Opener
- Chain Link Fencing

2.6 – Landscaping

- Four Bioretention Basins
- Automated Irrigation System
- Planting
- Monument Signage

2.7 – Electrical

- Bollard and Sconce Lighting
- Four Dual EV Chargers

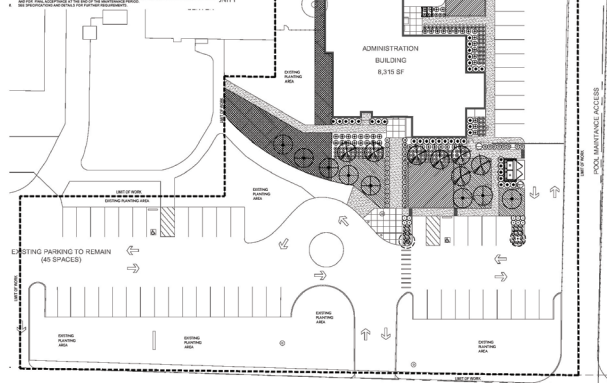


2. Site Work Overview

Planting Plan

GENERAL GRADING AND PLANTING NOTES

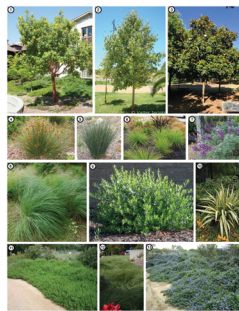
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DISCOVERY BAY BOULEVARD

PLANTING PLAN

1" = 20'-0"



PLANT IMAGES

TREE LEGEND			
SYMBOL	Botanical/Trade Name	SIZE	QUANTITY
①	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
②	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
③	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
④	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑤	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑥	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑦	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑧	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑨	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑩	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
SHRUB LEGEND			
SYMBOL	Botanical/Trade Name	SIZE	QUANTITY
⑪	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑫	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑬	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑭	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑮	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑯	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑰	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑱	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑲	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
⑳	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
GROUNDCOVER LEGEND			
SYMBOL	Botanical/Trade Name	SIZE	QUANTITY
㉑	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
㉒	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
㉓	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
㉔	ANACARDIUM FRAXINIFOLIUM	10" DBH	1
㉕	ANACARDIUM FRAXINIFOLIUM	10" DBH	1

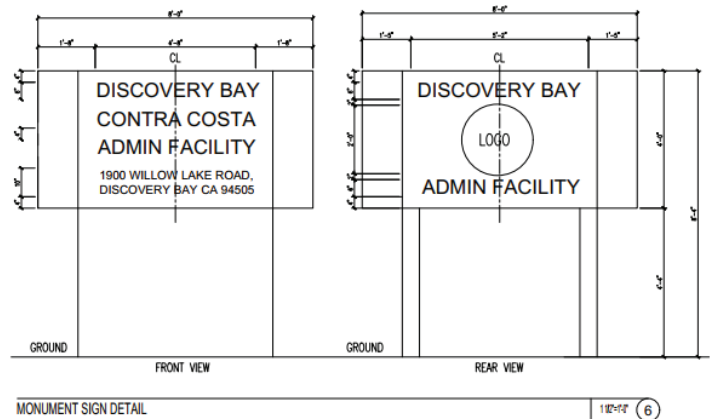
PLANTING AREA NOTES:
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2. USE ROOT BALLS FOR ALL TREES WITHIN 10" OF CONCRETE CURBS OR PAVING.

LEGEND & NOTES

1



2. Site Work Overview



Bioretention Basins

Monument Sign



3. Exclusions

- Testing (concrete, compaction, special inspections)
- Master Keying (of cylinders)
- Communication Connections
- Data Room Buildout
- Audio Video Equipment
- Appliances
- Fire Alarm
- County Permitting Fees
- Utility Fees (PG&E, Comcast, etc.)
- Security Cameras and Alarm System



4. Schedule

Tasks on the Critical Path:

- PG&E Permit and Long Lead Electrical Switchgear
 - Upstream: Executing Site Work Contract
 - Downstream: Energizing Building, HVAC Startup, Completing Interior Finishes of Building
- Obtaining Contra Costa County Building Permit for the Site
 - Application Submitted to Contra Costa: 3/19/2025
 - *Anticipated* Approval required to maintain schedule: 5/27/2025
- Modular Building Approval at HCD
 - Submitting 4/4/2025
 - *Anticipated* Approval for Construction: 6/6/2025



5. Total Project Pricing Analysis

	2023 Estimate	Mobile Modular
Architecture and Engineering	\$885,371	\$451,900
Preconstruction Management	\$192,300	Included
Geotechnical Engineering	\$25,000	Included
FF&E	\$155,825	Included
Design Contingency	\$615,268	Included
Misc Consultants	\$20,000	Included
Building	\$5,688,668	\$4,287,293
Site Work	\$3,801,677	\$3,080,997
Construction Contingency	\$1,241,512	\$500,000
TOTAL	\$12,625,621	\$8,320,190



6. Site Work Proposal Pricing

PROPOSED PRICING - PURCHASE

DIVISION 1 - GENERAL REQUIREMENTS	\$	408,390.00
DIVISION 2 - SITE CONSTRUCTION	\$	599,920.00
DIVISION 3 - CONCRETE	\$	424,730.00
DIVISION 4 - MASONRY	\$	161,690.00
DIVISION 5 - METALS	\$	135,020.00
DIVISION 7 - THERMAL & MOISTURE PROTECTION	\$	4,880.00
DIVISION 8 - DOORS AND WINDOWS	\$	11,420.00
DIVISION 10 - SPECIALTIES	\$	11,290.00
DIVISION 13 - SPECIAL CONSTRUCTION	\$	347,980.00
DIVISION 15 - MECHANICAL	\$	457,520.00
DIVISION 16 - ELECTRICAL	\$	476,030.00
TOTAL DIVISIONS 1 THRU 16	\$	3,038,870.00
Bond Cost	\$	24,310.96
TOTAL	\$	3,063,180.96
Sales Tax		\$17,816.40
GRAND TOTAL	\$	3,080,997.36



MOBILE MODULAR

THANK YOU

For more information, please call, text, or email:

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