TOWN OF DISCOVERY BAY

"A COMMUNITY SERVICES DISTRICT"

SDLF PLATINUM-Level of Governance

Chair Kevin Graves and Vice-Chair Ashley Porter

NOTICE OF THE REGULAR MEETING
OF THE FINANCE COMMITTEE
OF THE TOWN OF DISCOVERY BAY
August 05, 2026 04:30 PM

To Attend In-Person:
Discovery Bay Community Center, 1601 Discovery Bay Boulevard, Discovery Bay, CA 94505

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

To Attend by Zoom Webinar: https://us06web.zoom.us/j/82820740593
To Attend by Phone: +1 (669) 444-9171 *OR* +1 (719) 359-4580 & Webinar ID 82820740593

To Download Agenda Packet & Materials: http://www.todb.ca.gov/

A. ROLL CALL

1. Call business meeting to order at 4:30p.m.
2. Roll Call.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to 3 minutes)

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

C. CONSENT CALENDAR

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

C.1 Approve Finance Committee DRAFT Meeting Minutes from June 3, 2026. Page 4
Sponsor(s): Kelly Rajala, Board Secretary

D. UPDATES

D.1 Utility Billing Update - Tyler Payments AutoPay Conversion
Sponsor(s): Margaret Moggia, Finance Manager

E. PRESENTATIONS

E.1 Fiscal Year 2025-2026 Financial Audit Introduction Page 7
Sponsor(s): Margaret Moggia, Finance Manager

E.2 Bi-Monthly Finance Presentation Page 16
Sponsor(s): Margaret Moggia, Finance Manager

F. DISCUSSION ITEMS

F.1 Discussion and Possible Feedback to Approve the Capacity and Connection Accounting Report for the Fiscal Year 2025-2026. Page 32
Sponsor(s): Margaret Moggia, Finance Manager

G. FUTURE AGENDA ITEMS

H. ADJOURNMENT

Adjourn to the next Regular Meeting of the Finance Committee 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.

Item C.1

MINUTES OF THE REGULAR MEETING
OF THE FINANCE COMMITTEE
OF THE TOWN OF DISCOVERY BAY
June 03, 2026 04:30 PM

Chair Kevin Graves and Vice-Chair Ashley Porter

A. ROLL CALL

Meeting was called to order at 4:00.

Roll call was taken and all members were present.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to 3 minutes)

None.

C. CONSENT CALENDAR

Moved By Vice-Chair Ashley Porter
Seconded By Chair Kevin Graves
Motion to approve the Consent Calendar.

Motion Carried (2 to 0)

C.1 Approve Finance Committee DRAFT Meeting Minutes from April 1, 2026.

D. UPDATES

None.

E. PRESENTATIONS

E.1 Bi-Monthly Presentation

Presented by Finance Manager Margaret Moggia

- Regatta Park Dedication funds were provided by the County in the amount of $286,399.00.
- Water
  - Revenues are below budget due to reduction in water sales.
  - Expenses are above budget due in part to system maintenance.
- Wastewater
  - Revenues are above budget due to capacity/connection fees which are not budgeted.
  - Expenses are below budget.
- Zone 8
  - County funds of $150,000 earmarked for Community Center use.
  - Expenses are below budget.
- Zone 9
  - Tracking right on budget.
- FY 2026 Capital Projects
  - Administration Building
  - Water: Well 8, Marina Underwater Crossing, Cathodic Protection, Solar Project, Sand Point Underwater Crossing
  - Wastewater: Village Lift Station, Lift Station PLC Upgrades
  - Community Center/Parks: Pickleball Conversion ($120k received from DB Recreation and Sports), Community Center Synthetic Turf

F. DISCUSSION ITEMS

F.1 Discussion and Possible Recommendation to Set a Public Hearing to Adopt the Operating and Capital Improvement Budgets for Fiscal Year 2026-2027.

Presented by Finance Manager Margaret Moggia

- Two minor edits were made to the DRAFT budget
  - Zone 8 Ad valorem amount
  - Zone 9 engineers report gave accurate rates

F.2 Discussion and Possible Recommendation to Adopt Resolution No. 2026-04 - Notice of Intent to Levy and Collect an Annual Assessment for the Ravenswood Improvement District - Discovery Bay Lighting and Landscape Zone 9 for Fiscal Year 2026-2027 and Set the Public Hearing.

Presented by Finance Manager Margaret Moggia.

- 3.8% rate increase over last year.

- New rate per assessed parcel is $885.46.
- Total assessed amount for Zone 9 is $179,748.38.

F.3 Discussion and Possible Recommendation to Approve Audit Fee Increase.

Presented by Finance Manager Margaret Moggia.

- In June 2024, the Board approved a 3-year agreement with CliftonLarsenAllen (CLA).
- Since then, the District implemented a new accounting software, Tyler ERP.
- Auditors will need an additional 40 hours to evaluate information across multiple platforms.
- Additional cost of $6,500.00 is requested.

The Committee recommends bringing all three items discussed to the Board of Directors Meeting.

G. <u>FUTURE AGENDA ITEMS</u>

None.

H. <u>ADJOURNMENT</u>

Meeting was adjourned at 5:06pm.

Kelly Rajala

Kelly Rajala

Item E.1

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Town of Discovery Bay Community Services District

Audit Planning Discussion

Year ended June 30, 2026

Agenda

- Audit scope and process
- Audit timeline, plan and responsibilities
- New GASB Pronouncements

Scope and Deliverables

Item E.1

Financial statement audit

- Express an opinion in accordance with U.S. GAAP
- Report on internal control over financial reporting and on compliance in accordance with GAS
- Update our understanding of I/C over financial reporting

Communications

- End of audit governance communications
- Internal control communications

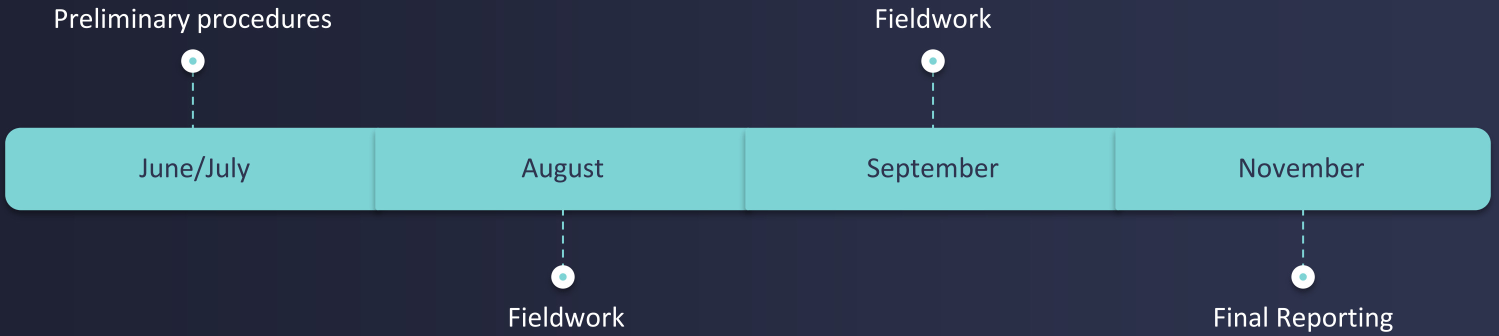
Non-audit services

- Proposal of adjusting or correcting journal entries
- Assistance with adopting new accounting standards
- Assistance with Special District Financial Transaction Report

Audit Plan Overview

Item E.1

We use a **collaborative approach**, including seeking input from management and governance, to develop an audit plan focusing on **risk** areas and areas of **significance to organization stakeholders**.



Any items of significance arising warranting communication with governance will be promptly communicated. If you do not hear from us prior to the final audit presentation, everything went as planned and discussed here today.

Item E.1

Responsibilities

Governance

- Strategic direction
- Accountability, including financial reporting

Management

- Internal controls
- Accounting policies
- Management decisions
- Fair presentation of financial statements
- Programs to prevent and detect fraud

Independent auditor

- Opinion on fair presentation of financial statements
- Audit in accordance with GAAS/GAS
- Reasonable, not absolute assurance
- Understanding of internal controls
- Risk based audit approach

Governance Input

Item E.1

Areas of focus?

- Individual accounts
- Transactions
- Processes
- Controls

Other concerns?

- Litigation
- Operations
- Industry trends

Fraud?

- Knowledge of fraud
- Threshold for communication

CLA Contact

Daphnie Munoz
714.795.5474
Daphnie.Munoz@claconnect.com

GASB 103 Financial Reporting Model Improvements

CLA will assist with or evaluatie financial statement presentation and disclosure updates

Effective date
June 30, 2026

Impacts financial statement presentation

Updated disclosure guidance for:

- MD&A consistency
- Clearer definition of unusual or infrequent items
- Presentation of proprietary fund statements
- Major component unit information
- Budgetary comparison information

GASB 104 – Disclosure of Certain Capital Assets

Effective date

June 30, 2026

Will clarify how capital assets are disclosed in financials:

- Capital assets held for sale and related pledged debt
- Leased assets
- Subscription assets
- Right to Use PPP assets
- Other intangible assets

CLA

will assist with or evaluate financial statement disclosure updates

Item E.1

CLA will assist with or evaluate financial statement disclosure updates

Item E.1

GASB 105 Subsequent Events

Effective date
June 30, 2027

Clarifies subsequent event definition and establishes specific note disclosure requirements:

- Subsequent event time frame
- Recognized vs nonrecognized events
- Disclosure of date through which subsequent events were evaluated
- Specific disclosure requirements for nonrecognized events

Item E.2

Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Agenda Title: Bi Monthly Finance Presentation

Meeting Date: August 5, 2026

Prepared By: Margaret Moggia, Finance Manager

Submitted By: Dina Breitstein, General Manager

RECOMMENDED ACTION:

Staff recommends that the Board of Directors take the following action:

- Receive and File

EXECUTIVE SUMMARY:

The unaudited results for the fiscal year ending June 30, 2026 are presented with a comparison to budget within the attached presentation. A summary of the key takeaways for each fund is shown below.

- General Fund – Activity with the special zones for the County are reflected within this fund. Staff worked with Contra Costa County to deliver general maintenance for the landscape areas and complete several projects including the Regatta Park in Zone 57, install Weather Trak system in Zone 61, and larger tree cleanup throughout these zones.

- Water Fund – Overall revenues were greater than budget by $199K, which is largely attributed to the receipt of capacity and connection fees from developers. Expenses were able to stay within budget with savings in several areas offset with higher system maintenance costs. The higher system maintenance costs exceeded the budget due to several emergency leaks throughout the distribution system. Overall, the Water fund had net revenue over expenses of approximately $487K resulting in debt coverage of 1.91. The net earnings will be set aside for future capital expenditures.

- Wastewater Fund - Overall revenues were greater than budget by approximately $1.1M, which is largely attributed to the receipt of capacity and connection fees from developers. Expenses were able to stay within budget with savings of about $700K. Overall, the Wastewater fund had net revenue over expenses of approximately $2.2M resulting in debt coverage of 2.28. The net earnings will be set aside for future capital expenditures.

- Zone 8 Fund – The favorable net revenues over expenses of approximately $158K is the result of one-time revenues and savings from deferring certain capital projects. The district received funding from the County of $150,000 towards the Community Center. A portion of those funds were used for the synthetic turf by the courts, and the remaining portion will be used next year. The district also received funds from a community group to support the conversion of community center courts for pickleball use. In addition, the district also received funds of $197K from developers towards future capital projects.

- Zone 9 – Anticipated net revenues over expenses were below budget as additional costs were needed by staff and higher utility costs. Overall, net earnings will be set aside for future capital expenditures.

During the fiscal year, the district completed several capital projects that support our infrastructure and community. Those projects include the following:

- Marina Underwater Crossing
- Cathodic Projection
- Village lift stations and PLC upgrades
- Pickleball court conversion
- Synthetic turf at the community center
- Community Center retaining wall

FISCAL IMPACT:

The presentation reflects the unaudited financial results for the fiscal year ending June 30, 2026.

PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

Not applicable

ATTACHMENTS:

1. Bi Monthly Presentation

Item E.2

Finance Committee Meeting
August 5, 2026

Financial Results through June 2026

Fiscal Year 2026 Finance Activities

Upcoming Activities

Item E.2

Fiscal Year 2026 Financial Results (General)

	Actual (unaudited) Through June 2026	Budget Through June 2026
County Zone Reimbursements	756.936	272,500
Interest Income / Other	5,478	6,000
Total Revenues	**$762,414**	**$278,500**

	Actual (unaudited) Through June 2026	Budget Through June 2026
Salary and Benefits	116,796	200,000
Administrative Costs	463	0
Program and Maintenance Costs	40,172	72,500
Special Projects	601,592	0
Total Expenses	**$759,023**	**$272,500**
Overall, Net Revenues over (Expenses)	**$3,391**	**$6,000**

Regatta Park Dedication Funds $286,399
Other special projects $315,193

Item E.2

Fiscal Year 2026 Financial Results (Water)

	Actual (unaudited) Through June 2026	Budget Through June 2026
Annual Charge	2,601,548	2,600,300
Meter Installation	337,413	336,000
Interest Income	223,367	257,000
Water Charges	3,009,223	3,066,000
Account Charge Commercial	122,216	107,000
Capacity / Connection Fees	268,520	0
Other	19,650	17,000
Total Revenues	**$6,581,937**	**$6,383,300**

Item E.2

Fiscal Year 2026 Financial Results (Water)

	Actual (unaudited) Through June 2026	Budget Through June 2026
Salary and Benefits	891,961	1,223,600
Administrative Costs	542,008	498,000
Professional Services	462,485	484,500
Contract Operations	870,934	915,000
Program and Maintenance Costs	44,855	38,000
Permits	66,801	60,000
System Maintenance	1,926,707	1,499,000
Utilities	755,664	900,000
Debt Service	533,959	534,500
Total Expenses	**$6,095,375**	**$6,152,600**
Overall, Net Revenues over Expenses	**$486,562**	**$230,700**

Debt Coverage – 1.91
Days Cash on Hand – 249 days

Item E.2

Fiscal Year 2026 Financial Results (Wastewater)

	Actual (unaudited) Through June 2026	Budget Through June 2026
Annual Charge	6,920,956	6,760,000
Sewer Charge	182,598	110,000
Interest Income	421,821	245,000
Capacity / Connection Fees	673,400	0
Other	7,040	12,000
Total Revenues	**$8,205,815**	**$7,127,000**

Item E.2

Fiscal Year 2026 Financial Results (Wastewater)

	Actual (unaudited) Through June 2026	Budget Through June 2026
Salary and Benefits	580,468	884,300
Administrative Costs	556,532	590,100
Professional Services	180,722	219,500
Contract Operations	1,338,576	1,370,000
Program and Maintenance Costs	35,159	27,000
Permits	64,007	140,000
System Maintenance	564,292	643,000
Utilities	793,009	940,400
Debt Service	1,797,427	1,800,500
Total Expenses	**$5,910,192**	**$6,614,800**
Overall, Net Revenues over Expenses	**$2,295,623**	**$512,200**

Debt Coverage – 2.28
Days Cash on Hand – 750 days

Item E.2

Fiscal Year 2026 Financial Results (Zone 8)

	Actual (unaudited) Through June 2026	Budget Through June 2026
Property Tax	910,682	906,400
Community Center Program Fees	46,244	75,000
County Reimburse	101,760	72,000
Rentals	47,496	40,000
Community Center/Park Enhancement Fee	197,225	0
Interest	43,749	51,000
Other / Contributions *	179,186	15,500
Total Revenues	**$1,526,342**	**$1,159,900**

* County funds of $150,000 received for Community Center; portion deferred until next year when expenditures is expected.

Item E.2

Fiscal Year 2026 Financial Results (Zone 8)

	Actual (unaudited) Through June 2026	Budget Through June 2026
Salary and Benefits	626,803	673,800
Administrative Costs	75,617	128,800
Professional Services	13,299	10,500
Program and Maintenance Costs	187,833	165,500
Permits	2,454	1,000
Utilities	192,287	207,000
Capital Outlay *	270,428	495,000
Total Expenses	**$1,368,721**	**$1,681,600**
Overall, Net Revenues over Expenses	**$157,621**	**$(521,700)**

* Budget reflects anticipated draw on reserves

Item E.2

Fiscal Year 2026 Financial Results (Zone 9)

	Actual (unaudited) Through June 2026	Budget Through June 2026
Assessment Income	173,171	173,100
Interest Income	7,989	11,000
County Reimburse	25,440	18,000
Total Revenues	**$206,600**	**$202,100**

	Actual (unaudited) Through June 2026	Budget Through June 2026
Salary and Benefits	79,496	63,000
Administrative Costs	17,042	22,600
Professional Services	7,619	5,700
Program and Maintenance Costs	61,117	60,200
Utilities	29,028	24,200
Total Expenses	**$194,302**	**$175,700**
Overall, Net Revenues over Expenses	**$12,298**	**$26,400**

FY 2026 Capital Projects

Item E.2

Administration Building

Mobile Modular Building	$ 1,772,391

Water Capital Improvement Projects

Well 8	$ 6,114,504	
Marina Underwater Crossing	$ 486,408	(Completed)
Cathodic Protection	$ 159,787	(Completed)
Solar Project	$ 240,970	
Sand Point Underwater Crossing	$ 255,591	

Item E.2

FY 2026 Capital Projects

Waste Water Capital Improvement Projects

Village Lift Station	$932,080	(Completed)
Lift Station PLC Upgrades	$169,392	(Completed)
Miscellaneous Projects	$379,508	

Landscape Projects

None currently

Community Center / Parks

* Contribution of $120K received from DB Recreation and Sports

Pickleball Court Conversion *	$165,500	(Completed)
Community Center Synthetic Turf	$ 53,570	(Completed)
Community Center Retaining Wall	$ 51,538	(Completed)

(Total Costs - $192,083)

Item E.2

FY 2026 Cash Balances (unaudited)

PORTFOLIO	
Cash	$ 6,407,162
Investments	$11,607,091
Total Portfolio	$18,014,253

AVAILABLE CASH BALANCE BY FUND	
Claim on Cash – General	$ 101,561
Claim on Cash – Water	$ 4,162,133
Claim on Cash – Wastewater	$12,148,324
Claim on Cash - Zone 8	$ 1,393,848
Claim on Cash – Zone 9	$ 208,387
Total by Fund	$18,014,253

FY 2026 Debt Portfolio

December 1 - Principal and Interest Payment
June 1 – Interest Payment

Item E.2

	2017	2022	2022B (Refunded 2012)
Original Debt Issuance	$8,825,000	$16,860,000	$11,650,000
Current Debt Outstanding	$7,200,000	$15,860,000	$9,942,000
All In Total Interest Cost %	3.9281%	4.1924%	3.6837%
Final Maturity	12/1/2047	12/1/2052	12/1/2042

Water Construction Proceeds - $0.48M
Wastewater Construction Proceeds - $0M

Fiscal Year 2026 Finance Activities

Completed This Period

- Financial Software Implementation – Fixed Assets
- Fiscal Year 2026-2027 Budget Adoption
- Finalize Zone 9 Engineer’s Report

Upcoming/In Progress

- Financial Software Implementation
  - Modules in progress: Municipal Online Payments
- Fiscal Year 2026 Audit
- Financial Modeling and Debt Planning

Item F.1

Town of Discovery Bay

"A Community Services District"

STAFF REPORT

Agenda Title: Discussion and Possible Feedback to Approve the Capacity and Connection Accounting Report for the Fiscal Year 2025-2026.

Meeting Date: August 5, 2026

Prepared By: Margaret Moggia, Finance Manager

Submitted By: Dina Breitstein, General Manager

RECOMMENDED ACTION:

Staff recommends that the Board of Directors take the following action:

- Approve the Capacity and Connection Accounting Report for Fiscal Year 2025-2026

EXECUTIVE SUMMARY:

Each year, the District is required to prepare a Capacity and Connection Accounting Report that shows fees collected during the fiscal year. The report is due within 180 days of the end of the fiscal year. The report identifies those charges deposited into the District's Capacity and Connection Account, the total balance in the Account, how and when the charges were expended, and a description of all improvements completed or to be completed with the Capacity and Connection Account funds. As of June 30, 2026, the balance of the Capacity and Connection Account as follows

	Water	Wastewater	Total
Balance as of June 30, 2025	**$2,360,785.07**	**$1,148,056.00**	$3,508,841.07
Capacity Fees	263,520.00	668,400.00	931,920.00
Connection Fees	5,000.00	5,000.00	10,000.00
Balance as of June 30, 2026	$2,629,305.07	$1,821,456.00	$4,450,761.07
FY 2025-2026 Utilized Fund	0	0	0
Balance as of June 30, 2025	**$2,629,305.07**	**$1,821,456.00**	$4450,761.07

For FY 2025-2026, water capacity and connection fees in the amount of $268,520 and wastewater capacity and connection fees in the amount of $673,400 were collected. In addition, the District received $21,000 in Administration and Inspection Fees.

FISCAL IMPACT:

Funds have been designated within the Water and Wastewater funds in the amount of $2,629,305.07 and $1,821,456.00, respectively.

PREVIOUS RELEVANT BOARD ACTIONS FOR THIS ITEM:

Not applicable

ATTACHMENTS:

1. Fiscal Year 2026 Report on Capacity and Connection Fees

Item F.1

Town of Discovery Bay

Annual Capacity and Connection Report

For the Fiscal Year Ending June 30, 2026

Customer/Developer	Date of Permit	Permit #	Units	Admin Fees	Water Capacity	Water Connection	WW Capacity	WW Connection
Pulte Homes	6/22/2026	2026-8	8	$ 3,360	$ 42,608	$ 800	$ 108,072	$ 800
Pulte Homes	5/20/2026	2026-7	1	$ 420	$ 5,326	$ 100	$ 13,509	$ 100
Pulte Homes	4/20/2026	2026-6	4	$ 1,680	$ 21,304	$ 400	$ 54,036	$ 400
Pulte Homes	3/20/2026	2026-5	8	$ 3,360	$ 42,608	$ 800	$ 108,072	$ 800
Pulte Homes	2/12/2026	2026-4	1	$ 420	$ 5,326	$ 100	$ 13,509	$ 100
Pulte Homes	2/11/2026	2026-3	6	$ 2,520	$ 31,956	$ 600	$ 81,054	$ 600
Century Communities	2/6/2026	2026-2	4	$ 1,680	$ 21,304	$ 400	$ 54,036	$ 400
Pulte Homes	1/23/2026	2026-1	4	$ 1,680	$ 21,304	$ 400	$ 54,036	$ 400
Pulte Homes	12/10/2025	2025-14	4	$ 1,680	$ 21,304	$ 400	$ 54,036	$ 400
Pulte Homes	10/20/2025	2025-13	2	$ 840	$ 10,096	$ 200	$ 25,608	$ 200
Pulte Homes	8/25/2025	2025-12	5	$ 2,100	$ 25,240	$ 500	$ 64,020	$ 500
Pulte Homes	7/14/2025	2025-11	2	$ 840	$ 10,096	$ 200	$ 25,608	$ 200
Century Communities	7/2/2025	2025-10	1	$ 420	$ 5,048	$ 100	$ 12,804	$ 100
			50	**$ 21,000**	**$ 263,520**	**$ 5,000**	**$ 668,400**	**$ 5,000**