

CROCKETT COMMUNITY SERVICES DISTRICT

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MINUTES OF REGULAR MEETING, DECEMBER 18, 2019

1. CALL TO ORDER: The meeting was called to order at 6:40 pm by President Peterson. Present were Board Members Kirker, Mackenzie and Sutton, along with General Manager McDonald. Director Barassi, Recreation Department Manager Wilson, Assistant Sanitary Dept. Manager Barnhill and Assistant Secretary Witschi arrived later. Also present was Sanitary Commissioner Wais.
2. FRAUD PREVENTION PRESENTATION: David Farnsworth, CPA was running late, the fraud prevention presentation will be made once he arrives.
3. AGENDA ORDER: To allow more time for management staff and for the public to arrive Director Peterson directed to start with agenda item 8. Also item 10.d, receive audit, will follow immediately after the fraud presentation.
8. CONSENT CALENDAR: Director Peterson asked that item 8.c be removed from the consent calendar for discussion. The following consent items were approved unanimously (jm/es):
 - a. Approve Minutes of November 20, 2019.
 - b. Approve payment of District bills (warrants Rec.8469-8507; PCSan,1166-1175; CVSan 6013-6031; Maintenance 425).
 - d. Receive annual report on use of Recreation Taxes (Gov. Code Sec. 50075.3).
 - e. Receive annual report on compliance with identity theft regulations (FACTA program).
 - f. Resolution No. 19/20-11 confirming publication of Ord. No. 19-8.
 - g. Approve Payroll Schedule for 2020.
- 9.a. CONSENT ITEM 8.C - MINUTES OF COMMISSIONS AND COMMITTEES: Director Peterson asked if the loan payment due from the Port Costa Sanitary Department to the Crockett Sanitary Department can be delayed without penalty (PCSan Minutes 10/9/19 item 7.b). Mr. McDonald said the interagency agreement does not address penalty payments but interest accrual on the outstanding balance would continue. Director Peterson asked for clarification on a motion to table authorization of the septic tank rehabilitation funds for baffle work (PCSan Minutes 10/9/19 item 7.c). Mr. McDonald said the Port Costa Commission made one motion to table both 7.b., the loan payment of \$47,787 to preserve cash for septic tank cleaning, and 7.c., to use reserves for baffle work, until after additional quotes are received for cleaning the septic tank. He said it was not a tabling of the septic tank cleaning project. A motion to accept the minutes as presented carried unanimously (es/mk).
- 9.b. REDUCING RECREATION COMMISSION SIZE: A motion to approve Resolution No. 19/20-12 reducing the Recreation Commission to five seats carried unanimously (mk/jm).
- 9.c. VIOLATIONS SETTLEMENT - CROCKETT: Mr. McDonald presented the conditional offer from the San Francisco Bay Regional Water Quality Control Board (RWQCB) to settle violations of Crockett's NPDES Permit CA 0005240 C&H Sugar Company Refinery, Joint Use C&H Sugar Company-Crockett Community Services District Philip F. Meads Water Treatment Plant. Director Kirker said he thought the responsibility for the penalty should rest with C&H Sugar as they are the ones managing the

treatment plant; it's their job to deal with it. Mr. McDonald explained that both the District and C&H are listed as permit holders, the violation rests with both. Historically C&H Sugar, as responsible operator of the treatment plant, has paid the penalties which will be invoiced at a future date. The alleged violations called out in the settlement are cyanide and copper and neither can be removed from the wastewater by primary or secondary treatment. A motion to accept the conditional offer of settlement and waiver of right to hearing, along with directing that the assessed liability of \$12,000 be paid to the Regional Monitoring Program (RMP) Supplemental Environmental Project (SEP), carried unanimously (mk/jm).

2. FRAUD PREVENTION PRESENTATION: David Farnsworth, CPA, arrived at 6:57 pm. Director Peterson took a break from the regular meeting to allow setup of equipment. The rest of District staff arrived. Mr. McDonald introduced Mr. Farnsworth, our independent auditor, who then began presentation at 7:05 pm. Director Barassi arrived at 7:10 pm. The presentation ended at 7:35 pm.

10.d. RECEIVE DISTRICT AUDIT REPORT FOR FISCAL YEAR 2018/2019: Mr. Farnsworth presented the draft financial statements for the Crockett Community Services District for the year ending June 30, 2019 as part of the preliminary audit report. It is his professional opinion that the financial statements within the report are correct; there were no material misstate-ments by the District. Various slides of the financial statement were shared with the Board. There were some minor corrections requested by members of the Board on spelling within the preliminary audit report and Mr. Farnsworth took note and will incorporate into the final audit report. Mr. Farnsworth made a few recommendations in the management letter which included entering credit card charge details in QuickBooks using "Enter credit cards" to track the liability, prepare a yearly inventory of capital asset equipment for depreciation and accounting purposes, and that the District should record the accounting records on the accrual basis of accounting. Director Peterson said the District has chosen to follow the cash basis of accounting and make accrual basis adjustments annually, rather than performing daily accrual based accounting, as that would required a dedicated financial employee that the District is just too small to need. Mr. Farnsworth said that is the Boards decision. He said that auditor adjustment journal entries will be provided to management who will be responsible to enter into the District's accounting program. He did say that some expenses, such as pre-paid expenses like annual subscriptions, must be adjusted and should be tracked separately. A motion to receive the audit report, with minor spelling corrections, and financial statement as presented carried unanimously (mk/jm). Staff will work with the auditor on any material changes and submittal of Special District Financial Transaction Report to the State.

4. PUBLIC COMMENTS: Meeting resumed with agenda item 4. Director Kirker left at 8:01 pm and said he will return. No public comments.

5. REPORTS FROM COMMISSIONERS: Ms. Wais said the Crockett Sanitary Commission did not meet this month.

6. PUBLIC HEARING: None

7.a. RECREATION DEPT. REPORT: Mr. Wilson reported flow control valve broke six months ago. He said he has gone through four motor starters in eight years and took two months to get what is needed. The Recreation Commission authorized removal of the pine tree near the bocce courts and it was removed today. The holiday dinner is on Friday, December 20 at 6 pm.

7.b. MAINTENANCE DEPARTMENT: No report.

7.c. PORT COSTA SANITARY DEPT.: Mr. Barnhill reported no Sanitary Sewer Overflow's (SSO's) in November. Mr. Barnhill reported Dankin Electric wired a new exhaust fan in the chemical room and separated wiring from exhaust fan and lights which was installed to allow the fan to run continuously to avoid moisture buildup and air safety. Work on the septic pumping job is pending. Mr. McDonald said the pumping work is considered maintenance and therefore does not require public bidding as it is required of capital construction projects.

7.d. CROCKETT SANITARY DEPT.: Mr. McDonald presented the Department Managers report that occurred between November 5 through December 15, 2019. He said the Atherton/Cooke Project is on schedule. He said there is a concern by the contractor if he hits rock. Change orders should be low. There is ongoing CCTV inspections and three problems have been identified so far.

7.e. STAFF REPORT ON GOVERNMENTAL MATTERS: None

7.f. STAFF ANNOUNCEMENTS: None

9.d. VIOLATIONS SETTLEMENT – PORT COSTA: Mr. Barnhill presented the conditional offer from the San Francisco Bay Regional Water Quality Control Board (RWQCB) to settle violations of Port Costa's NPDES Permit CA 0037885 Port Costa Wastewater Treatment Plant. Director Sutton was surprised violations went back to 2016. Mr. Barnhill said this is standard practice and that he noticed the RWQCB has been sending quite a few settlement offers out over the last few months. He said the alleged ammonia violation limitations are below our new 2018 permit levels and would not have even been considered a violation if the dilution credit was in place in 2016. A motion to accept the conditional offer of settlement and waiver of right to hearing, along with directing that the assessed liability of \$15,000 to be paid to the Regional Monitoring Program (RMP) supplemental environmental project (SEP), carried unanimously (mk/jm). Staff said there is \$8,000 in the RWQCB violation reserve fund, along with \$7,000 from the contingency reserve that will be used to pay the invoice anticipated to be received in February.

9.e. ELECTION OF OFFICERS: Director Peterson asked that this item be held off until later in the meeting to allow Director Kirker to return and participate.

9.f. RE-APPOINTING COMMISSIONER: A motion to approve Resolution No. 19/20-13 re-appointing Joe Surges to the Port Costa Sanitary Commission for two years carried unanimously (lb/es). Director Barassi asked how someone interested in serving can apply to the recently vacated position. Mr. McDonald said the Port Costa Commission will consider announcing a vacancy at its next meeting and it is expected the Board will consider their recommendation at the February 26 Board meeting.

9.g. SEWER EMERGENCY: Mr. McDonald reported that a collapsing sewer was identified during the annual CCTV inspection program in Crockett and staff has deemed the threat to public health from imminent collapse to be an emergency. Director Peterson said in his experience emergency conditions should be completed in a shorter time period than the 45 days announced in the informal bid request. Mr. McDonald said it is his intent to have the contractor address the imminent collapse condition the first full week of January. The 45-day timeframe was to allow time for the optional pipe bursting aspect of the project to take place if feasible. A motion to approve Resolution No. 19/20-14 finding that a sewer emergency exists at a public sewer, identified as Pomona V-00-20 to V-00-19, and to delegate to the General Manager authority to order any action to repair or replace public sewer without giving formal notice for bids to let contracts, per Public Contract Code Section 22050, passed unanimously (lb/es).

9.e. ELECTION OF OFFICERS: Director Kirker arrived at 8:33 pm. Director Peterson asked for nominations for President and Vice-President. Director Barassi nominated Director Kirker as President and Director Sutton as Vice-President and motion passed unanimously (lb/jm).

10.a. FINANCIAL REPORT: The monthly statements of District finances and reports on investments were examined by the Board. Mr. McDonald reported property tax revenue was up 6.29% from last year. He updated the Tax Rate Area (TRA) worksheet and allocated the property tax between departments according to board policy. .

10.b. PAY SCHEDULE OF WAGES: Mr. McDonald presented the revised pay scale of wages suggested to meet minimum wage increase requirement of January 1, 2020. A motion to approve Salary Schedule of Wages as presented, to be effective January 1, 2020, carried unanimously (lb/es).

10.c. HOSSELKUS CHAPEL PROPERTY: Mr. McDonald handed out a Needs Analysis on the potential acquisition of the Hosselkus Chapel for District benefit. Director Barassi said having the building house a Community Police Officer could be considered a benefit. Director Peterson said the property could house an emergency generator that can be made available for the Community Center across the street.

11. CLOSED SESSION – REAL ESTATE NEGOTIATIONS: The Board went into closed session at 8:48 pm, pursuant to Government Code Section 54956.8, to meet with negotiator (General Manager McDonald) concerning the purchase of Hosselkus Chapel property. Remaining staff and public left the meeting.

12. OPEN SESSION: The Board resumed in open session at 9:43 pm. Director Peterson announced that the Board has directed staff to offer \$725,000 to Carriage Services by sending letter of intent to purchase Hosselkus Chapel, 1 Rolph Park Drive, APN 354-203-002.

13.a. PERSONNEL COMMITTEE REPORT: None

13.b. BUDGET & FINANCE COMMITTEE REPORT: None

13.c. AD HOC COMMITTEE REPORTS: None

13.d. INTER-AGENCY MEETINGS: None

14. FUTURE AGENDA ITEMS:

Introduce Capacity Charge Accessory Dwelling Unit (ADU) Ordinance (Feb.)

Review and adopt ADA compliance plan.

Adopt purchasing procedures and spending limits.

Adopt policy for use of private devices and e-accounts.

Develop policy on proposals for new programs without established funding.

15. BOARD COMMENTS: None

16. ADJOURNMENT: The meeting was adjourned in memory of David Botta and Rene Beauchemin, Commissioners of the District who recently passed, at 9:45 pm until January 22, 2020.

Respectfully submitted,

Susan Witschi / Dale McDonald

Susan Witschi and Dale McDonald
January 13, 2020