

PORT COSTA SANITARY COMMISSION

of the Crockett Community Services District

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MINUTES OF SPECIAL MEETING, APRIL 22, 2024

1. CALL TO ORDER: The meeting was called to order at 6:05 PM by Chair Surges. Present were Commissioners Cusack, Klaiber, List, Scheer, and Surges. Staff present included Sanitary Department Manager (SDM) Barnhill, District Secretary (DS) Rivas, and Administrative Services Manager (ASM) Goodman.
2. CONSIDER ITEMS OUT OF ORDER: None.
3. PUBLIC COMMENTS ON NON-AGENDA ITEMS: None.
4. RECEIVE PORT COSTA SEWER USE CHARGE (SUC) STUDY FOR FY 2024/2025, CONSIDER RECOMMENDATION FOR SUC INCREASE, AND APPROVE THE LANGUAGE OF THE NOTICE OF PROPOSED INCREASE IN SUCS AS REQUIRED BY PROP 218: The purpose of the SUC is to fund the anticipated sanitary needs of Port Costa. SDM Barnhill presented the findings and recommendations for the Sewer Use Charge for Fiscal Year 2024/2025. Total expected expenditures for FY 2024/25 totals \$527,515. This represents an increase of 21% from the previous year. A deficit has been identified for \$322,878. The number of qualifying units (both residential and commercial) remains the same as the previous year; 130.47 units. There are no additional units planned for development and therefore revenue will remain stagnant.

To adjust for anticipated costs, Staff recommends the SUC to be increased to \$2,475 per qualifying unit.

$$\frac{\text{Operating Deficit } (\$322,878)}{\text{No. of Discharge Units } (130.47)} = \$2,475/\text{unit}$$

A few entries were identified as carry-over from the previous year in the report. Revenues have not been entered for approximately 2 years. Staff are reluctant to adjust certain numbers due to the District's current audit findings and opted to be responsible based on the needs of the sanitation system. The District is hiring a government accounting firm to assist with reconciling the financial entries to provide better forecasting, but the reconciling process will not be completed before the Prop 218 mailing deadline of May 1st.

In addition to the overall increase in material costs, Mr. Barnhill reminded the commissioners that Valley Operators is retiring in October, a year earlier than expected. He has been researching other operators and advised that the costs for a replacement operator will increase significantly. Port Costa has benefitted from Valley Operators' services. He also advised that two pumps need to be replaced. While ideally both pumps should be replaced concurrently. Mr. Barnhill is very conscientious of PCSAN's limited budget and does the best he can to seek reliable quality operators with reasonable pricing.

The rate stabilization fund was discussed as a possible alternative to an SUC increase. Ms. Goodman is not confident that this reserve fund is correct and if it has been allocated.

A long discussion was had on whether to approve the proposed increase in sewer charge increases and focused on hiring a new operator and preventative maintenance. Staff pointed out that a potential consequence of no increase for the second year in a row could result in a significantly higher rate the following fiscal year should Port Costa's sanitary system fail in some capacity in the next fiscal year.

Due to the lack of reconciled accounting records, a motion was made to decline an increase for FY 2024-25. (Cusack 1st, List 2nd, 4/0, 1 opposed)

5. REPORTS/COMMENTS FROM COMMISSIONERS: Commissioner Scheer questioned why the SUC public hearings are not held in Port Costa.

6. FUTURE AGENDA ITEMS: No discussion.

7. ADJOURNMENT: The meeting was adjourned at 7:20 PM until May 8, 2024, at 6 pm.

Respectfully submitted,
Sonia Rivas, MBA
District Secretary