

CROCKETT COMMUNITY SERVICES DISTRICT

Regular Business Meeting AGENDA FOR WEDNESDAY, APRIL 26, 2023

TIME: 700 PM
PLACE: 850 Pomona Street, Crockett

1. **CALL TO ORDER - ROLL CALL**
2. **CLOSED SESSION**
 - a. CONFERENCE WITH LEGAL COUNSEL - REAL PROPERTY NEGOTIATIONS.
Pursuant to Govt. Code, Section 54956.8.
3. **OPEN SESSION:** Announcements of actions taken during closed session:
4. **CALL FOR REQUESTS TO CONSIDER ITEMS OUT OF ORDER**
5. **PUBLIC COMMENTS ON NON-AGENDA ITEMS:**
(The Board is prohibited from discussing items not on this agenda. Matters brought up that are not on the agenda may be referred to staff for action or calendared on a future agenda.)
6. **PUBLIC HEARING:** *(Public comments limited to two minutes for each person with full discussion limited to twenty minutes unless extended by Board President.)*
7. **MANAGERS' REPORTS/REPORTS FROM COMMISSIONERS:** *(These items are typically for exchange of information only. No action will be taken at this time.)*
 - a. Recreation Department.
 - b. Maintenance Department.
 - c. Port Costa Sanitary Department.
 - d. Crockett Sanitary Department.
 - e. Governmental matters.
 - f. Announcements and discussion.
8. **CONSENT CALENDAR:** Consideration of a motion to approve the following items:
(Items are subject to removal from Consent Calendar by request of any Board Member on request for discussion by a member of the public. Items removed from the Consent Calendar will be considered with the Administrative Items.)
 - a. Approve Minutes of March 22, 2023.
 - b. Approve payment of District bills.
 - c. Receive Minutes of Commissions and Committees.

9. ADMINISTRATIVE:

- a. Consider consent items removed from Consent Calendar.
- b. Approve wage rates for Crockett Recreation employees.

10. BUDGET AND FINANCE:

- a. Consider monthly Summary Worksheets and Investment Reports and staff report on financial matters.
- b. Consider Sewer Use Charge report and recommendations of Staff and Crockett and Port Costa Sanitary Commissions regarding service rates.

11. REPORTS FROM BOARD MEMBERS AND COMMITTEES:

(These items are typically for exchange of information only. No action will be taken at this time.)

- a. Personnel Committee - Members Barassi, Cusack and Wilson
- b. Budget & Finance Committee - Members Mackenzie and Peterson
- c. Ad-Hoc Committee for Negotiations – Members Goodman and Barassi
- d. Inter-agency meetings:

12. FUTURE AGENDA ITEMS BOARD COMMENTS:

13. ADJOURNMENT to May 24, 2023

HOW TO SUBMIT PUBLIC COMMENTS:

You will find the Minutes of this meeting posted on our website at www.town.crockett.ca.us Visit our website for more information on meetings and activities of the Crockett Community Services District and the towns of Crockett and Port Costa.

In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a District meeting, or if you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the General Manager at (510) 787-2992. Notification of at least 48 hours prior to the **meeting or time when services are needed will assist District staff in assuring that reasonable arrangements** can be made to provide accessibility to the meeting or service.

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item, and is distributed less than 72 hours prior to a regular meeting will be made available/or public inspection. The Board has designated the District's website located at <https://www.town.crockett.ca.us/meetings> as the place for making those public records available for inspection. The documents may also be obtained by calling the District Manager, at the Crockett Community Services District Office in Crockett. If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda. The office address is 850 Pomona Street, Crockett, California 94525.

HOW TO OBSERVE THE MEETING:

Telephone: Listen to the meeting live by calling Zoom at +1 669 900 9128.

Enter the Meeting ID# 851 4443 2900 followed by the pound (#) key.

More phone numbers can be found on Zoom's website at <https://zoom.us/ulaeONOA5qL>.

Computer: Watch the live streaming of the meeting from a computer by navigating to <https://zoom.us/j/85144432900> using a computer with internet access that meets Zoom's system requirements (see <https://support.zoom.us/hc/en-us/articles/201362023-System-Requirements-for-PC-Mac-and-Linux>)

Mobile: Login through the Zoom mobile app on a smartphone and enter Meeting ID# 851 4443 2900.

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CROCKETT COMMUNITY SERVICES DISTRICT

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850 Pomona Street
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Fax (510) 787-2459
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MINUTES OF REGULAR MEETING, MARCH 22, 2023

1. CALL TO ORDER: The meeting was called to order at 7:33 PM by President Barassi. Present were Board Members Goodman, Mackenzie, Peterson and Spinner, along with General Manager Murdock, Recreation Department Manager Wilson, Administrative Services Manager Gunkelman, Sanitary Dept. Manager Barnhill and Assistant Secretary Witschi. Also present was Recreation Commissioners Airoidi, Cusack, Choquette and Valentini.
2. CLOSED SESSION: None
3. OPEN SESSION: None
4. AGENDA ORDER: There were no requests to hear agenda items out of order.
5. PUBLIC COMMENTS: A Crockett resident asked if he was in the right place to discuss the Automated License Plate Reader (ALPR) cameras. Director Goodman said that the Police Liaison Committee made a recommendation to endorse working on the logistics and details. The resident said a clear recommendation from the residents is still needed before they move forward.
6. PUBLIC HEARING: None
- 7.a. RECREATION DEPT. REPORT: Mr. Wilson reported the stone wall at the Community Center collapsed from the recent storm. He said the Special Olympics started using the pool on Sundays through May. He passed the Pool & Spa test today. The Recreation Commissioners presented a letter addressing some concerns they were having with regards to the budget, financial worksheets, and bills not being paid in a timely manner. Mr. Gunkelman responded to each question. The District Board said they do not oversee the day-to-day operations. The District office needs to communicate with the Recreation Department so everything runs more efficiently.
- 7.b. MAINTENANCE DEPARTMENT: Director Peterson said he replaced a street light pole today and 10 other ones with new lamps.
- 7.c. PORT COSTA SANITARY DEPT.: Mr. Barnhill reported an exceedance of enterococcus occurred in February. He said Port Costa has had a three year run without any exceedances. He is working with Larry Walker Associates on the National Pollutant Discharge Elimination System (NPDES) reissuance. The NPDES reissuance application is due May 1, 2023.
- 7.d. CROCKETT SANITARY DEPT.: Mr. Murdock reported a cost of \$4,950 for point repairs on Kendall Street. He said there is a proposed line behind J&L Market at a cost of \$64K, including two manhole replacements.
- 7.e. STAFF REPORT ON GOVERNMENTAL MATTERS: None

7.f. STAFF ANNOUNCEMENTS: None

8. CONSENT CALENDAR: The following consent item was approved unanimously (kp/jg):

- b. Approve payment of District bills (warrants Rec. 9964-9987; PCSan, 1671-1674; Maintenance 556-557; CVSan 6891-6899).

9.a. CONSENT ITEMS REMOVED: Director Peterson asked that the following items be removed from the consent calendar for further discussion:

- a. Approve Minutes of February 22, 2023 – Director Peterson said under 9.d., the last word says architect and it should be “engineer.” A motion to approve the minutes of February 22, as amended, carried unanimously (kp/ns).
- c. Receive Minutes of Commissions and Committees – Port Costa Sanitary Commission minutes of January 11, Item 3 – The last sentence should read “Note: Board President Barassi declares that no such agreement exists.” A motion to approve the minutes of January 11, as amended, carried unanimously (ns/jg). A motion to approve the Minutes of February 8 carried unanimously (ns/jg).

9.b. ESTABLISH MAINTENANCE COMMISSION: A motion to approve Resolution 22/23-22 establishing a Crockett Maintenance Commission carried unanimously (kp/jm).

9.c. APPOINT MEMBERS TO MAINTENANCE COMMISSION: A Crockett resident said she thinks it is too soon to appoint members to the Maintenance Commission and it needs to be posted on the website and the bulletin boards for two months to give residents a fair chance to apply for the position. Director Goodman also suggested a 60-day postponement. This item will be brought back to the Board on May 24. The new commission will be called the Lighting & Landscaping Commission. Director Mackenzie left the meeting at 9:35 pm.

9.d. APPROVE REPAIR EXPENSES: Mr. Murdock asked the Board approval on the following repairs: \$65K on Atherton and Cooke, including two manholes and \$72,300 on 461 Clark, including a manhole. A motion to proceed with two sewer projects at the noted bid prices carried unanimously (kp/jg).

9.e. ALEXANDER PARK PROJECT: Mr. Wilson said he would like to get approval to withdraw \$80K from the Department of Conservation and Development Park Dedication fees and apply it towards the Prop. 68 project at the pool and park. He said \$179K is from the State and he would like to apply for a grant from the Crockett Community Foundation (CCF) for a total of \$431K. A motion to approve County funding for the Alexander Park project and the CCF grant carried unanimously (kp/jg).

10.a. FINANCIAL REPORT: The monthly statements of District finances and reports on investments were examined by the Board. Mr. Gunkelman said the date on the Investment Report is incorrect and it should be March 3, 2023. The current Local Agency Investment Fund (LAIF) interest rate is 2.23%.

10.b. BUDGET REPORT FOR FY 2022/23: The Board reviewed the budget report for FY 2022/23.

11.a. PERSONNEL COMMITTEE REPORT: Director Goodman reported the Personnel Committee has been meeting once a month. They are working on the recruitment of a District Secretary.

11.b. BUDGET & FINANCE COMMITTEE REPORT: Director Spinner said there was a joint Budget & Finance Committee meeting with Crockett Sanitary on Tuesday, March 21. He said they discussed the 8-month budget report and cost sharing related to the Phillip F. Meads Water Treatment Plant.

11.c. AD HOC COMMITTEE REPORTS: None

11.d. INTER-AGENCY MEETINGS: None

12. FUTURE AGENDA ITEMS:

13. ADJOURNMENT: The meeting was adjourned at 11:30 PM until April 26, 2023.

Respectfully submitted,

Susan Witschi

Susan Witschi
April 14, 2023

CROCKETT SANITARY COMMISSION

Minutes of the Regular Meeting WEDNESDAY, MARCH 15, 2023

PLACE: Crockett Community Center, 850 Pomona Avenue, Crockett

The Crockett Sanitary Commission is an agent of the Crockett Community Services District.

1. CALL TO ORDER – ROLL CALL 4:02 PM.

Commissioners Present:

- Darcy Trask
- Howard Adams
- Scot Bartlebaugh
- Mark Manzione (arrive 4:07)

Also Present:

- Director Luigi Barassi
- Staff Gaunt Murdock
- Staff James Barnhill
- Staff Vaughn Gunkleman

2. CALL FOR REQUESTS TO CONSIDER ITEMS OUT OF ORDER *none*

3. PUBLIC COMMENTS ON NON-AGENDA ITEMS: *none*

4. PUBLIC HEARING: *none*

5. CONSENT CALENDAR: Consideration of a motion to approve the following item:

a) Approve Minutes of February 15, 2023

Commissioner Bartlebaugh objected to wording that implied Mary Wais was present (she was not)

Motion to approve with change to wording per above objection. (HA/SB)

Aye: Adams, Trask, Bartlebaugh

Commissioner Manzione not yet present.

6. WASTEWATER:

Preliminary report on condition of concrete of EQ tank and JTP by Concrete Science Incorporated was received and discussed. The General Manager was asked to get estimates of cost and description of repairs to concrete structures.

7. BUDGET AND FINANCE:

Mr Gunkleman Reported on financial matters, and reported that C&H had not sent data for flow, but had sent the billing for shared costs.

Motion that we should not pay any settlement up front for more than our anticipated share (MM/HA)

Ayes Manzione, Bartlebaugh, Trask, Adams

Nays none.

8. REPORT OF DEPARTMENT MANAGER:

Commissioner Adams left the meeting at 6:08 pm.

Mr Murdock reported on discussion of planned repairs at 461 Clark and between Cooke and

Atherton street. (CVSAN 2301 & 2205) 2 Point repairs Kendall street. (CVSAN 2308, 2309)
Announcements and discussion.

9. REPORTS FROM COMMISSIONERS:

Wastewater Committee – Commissioner Manzione reported on attending the Ad-Hock negotiating committee. that Wais not present. Scott Barlebaugh was appointed as alternative Wastewater Committee Representative.

10. FUTURE AGENDA ITEMS:

Report on status of fines levied on C&H by BAAQMD as result of odors

11. ADJOURNMENT until APRIL 19, 2023

CROCKETT RECREATION COMMISSION

of the Crockett Community Services District

850 Pomona Avenue - Crockett, CA 94525

Telephone (510) 787-2414

Fax (510) 787-3049

e-mail: recreation@town.crockett.ca.us

website: www.town.crockett.ca.us

MINUTES OF REGULAR MEETING, FEBRUARY 6, 2023

1. CALL TO ORDER: The meeting was called to order at 6:00 PM by Chairperson Cusack. Present were Commissioners Airoidi, Choquette and Valentini, along with Department Manager Wilson.

2. AGENDA ORDER: There were no requests to hear agenda items out of order.

3. PUBLIC COMMENTS: None

4. CONSENT CALENDAR: The following consent items were approved unanimously (lc/ja):
a. Approve Minutes of January 9, 2023.

5. RECREATION: None

6. BUDGET & FINANCE: None

7.a. DISTRICT BOARD ACTIONS: None

7.b. VACANCY ON THE COMMISSION: The Commission recommended appointing Diana Martinez to the Crockett Recreation Commission.

8. REPORT OF DEPT. MANAGER: Mr. Wilson reported the Pool Replaster job has been completed. He said the pool has to be brushed twice a day for two weeks and the pool cannot be used for 28 days. The John Swett High School Swim Team use of the pool will be delayed until the February 21. He said with the increased costs of chemicals, parts and maintenance, admission prices may have to be raised at the pool. He is doing a comparison of prices at other pools. However, raising prices does not mean an increase in revenue. Mr. Wilson reported he has a meeting with the Architects on March 8.

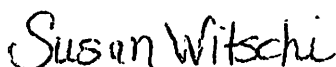
9. COMMISSIONERS: None

10. FUTURE AGENDA ITEMS:

11. COMMISSIONER COMMENTS: None

12. ADJOURNMENT: The meeting was adjourned at 6:40 PM until March 6, 2023.

Respectfully submitted,



Susan Witschi
February 27, 2023

CROCKETT POLICE LIAISON COMMITTEE

of the Crockett Community Services District

P.O. Box 578 – Crockett, CA 94525
Telephone (510) 787-2992
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e-mail: manager@town.crockett.ca.us
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MINUTES OF REGULAR MEETING, FEBRUARY 6, 2023

1. CALL TO ORDER: The meeting was called to order at 7:00 PM by Chairperson Angell. Present were Committee members Currington, Melero and Wais. Committee Member Cardwell was absent.
2. AGENDA ORDER: No requests for items out of order.
3. PUBLIC COMMENTS ON NON-AGENDA ITEMS: None
- 4.a. REPORT FROM DEPUTY: Deputy Jones reported a local man has been showing up at people's doorsteps, and law enforcement will be following up on the matter. There is a trailer at 4th and Starr Street. The Sheriff was asked to park at Alexander Park during lunch.
- 4.b. REPORT FROM CHP ON TRAFFIC ISSUES: Not in attendance.
- 5.a. GIFT FOR JOHN VALENTINI: John Valentini received an engraved clock in recognition of his dedication and service on the P-1A and Police Liaison Committees.
- 5.b. AUTOMATED LICENSE PLATE READER CAMERAS (ALPR): A representative from Flock Safety will attend the next meeting to discuss the ALPR cameras.
6. REPORTS FROM COMMITTEE MEMBERS: Mr. Angell reported school is different since the pandemic. He said the Crockett Middle School yard is open before and after school and on weekends.
7. CONSENT CALENDAR: The consent item was approved unanimously (mw/sm):
 - a. Approve Minutes of January 9, 2023
8. FUTURE AGENDA ITEM:
Request Representative of Sheriff's Department to talk to school students.
9. ADJOURNMENT: The meeting was adjourned until March 6, 2023.

Respectfully submitted,

Raina Currington

Raina Currington

SEWER USE CHARGE STUDY
CROCKETT COMMUNITY SERVICES DISTRICT
 Fiscal Year 2022/23

INTRODUCTION

The Crockett Community Services District, formed in 2006, is comprised of two Sewer Departments (the Crockett-Valona Sanitary Department, and the Port Costa Sanitary Department), a Recreation Department, and a Maintenance Department. The sanitary departments receive the bulk of their operating revenue from sewer service charges collected on the county tax roll.

The Department is currently in the 46th year of a federally mandated wastewater treatment program covering operations at all of its facilities. Additionally, state, regional and county regulatory agencies have imposed new requirements on sanitary agencies from the 1990's to the present resulting in significant increases in operating costs over the years. We currently have a twenty-five-year lease with the state lands commission for our outfall pipeline, a requirement of our continued operation.

SCOPE

This Sewer Use Charge study is provided as the rationale for determination of the Sewer Use Charge for Fiscal Year (FY) 2023/24 as required by law. All discussion in this report pertains only to Crockett-Valona Sanitary District (CVSAN); sewer fees for Port Costa Sanitary District members are discussed in a separate report. Background, salient facts and financial information is included to provide context and to encourage a better understanding of the state of the CVSAN.

After four decades of price stability, inflation has again become the most significant facet of the economy and a factor in our budget. While slightly subdued of late, inflation appears to be a likely factor over the next year. The analysis herein has tried to recognize these issues.

Table 1. Crockett at a Glance

Population (2020 census)	3242
Number of users served by CVSAN:	
SFR's	891
Apartments	779
Commercial & mixed use	63
Collection system size	81,120 linear feet
Total Expenditure(projected), FY 22/23	\$2,998,109

REVENUE & EXPENSES

Below is a list of the main costs to CVSAN and brief description of each, with revenue and costs tabulated in Table 2.

1. **Sewage Treatment:** Operation of the Joint Treatment Plant (JTP) owned jointly by the District and C&H Sugar and operated by C&H through contract with Inframark.
2. **Sewage Collection:** CVSAN owns and operates an equalization (EQ) tank, an emergency/overflow sewage storage facility, the Crockett Pump Station, the much smaller Loring Street pump station, and 81,120 feet of sewer pipe with associated structures (manholes). Maintenance (cleaning and inspection) is performed by West County Wastewater District (WCWD), LR Paulsell and others.
3. **Finance Costs:** CVSAN has several outstanding loans, service of these loans totaled **approximately \$81,970 in FY 22/23.**
4. **Administrative Cost:** Wages, office space, and outside professional services. Wages for the CVSAN department are primarily for the General Manager/District Engineer, the Administrative Services Manager, the CVSAN Department Manager, and the Assistant District Secretary. While all of these positions also work for other Departments within the District, the costs recorded here reflects only the CVSAN portion of total wages and benefits. Professional services, office costs and miscellaneous expenses such as utilities, membership dues, printing, and vehicle expense are also included, Board Directors and Commissioners work on a volunteer basis and are not paid.
5. **Capital Improvements:** Required capital improvements include work required at the Joint Treatment Plant (JTP), Crockett Pump Station, and the replacement of sewer mains. CVSAN has set a goal of replacing 2% of the sewer line every year (1622 feet). In the **year 2021, 1297** feet were replaced, **~80% of goal.** **Capital** replacement work is performed by outside contractors, paying prevailing wages per California law.
6. **Economic Considerations:** At writing, last year's Consumer Price Index inflation has dropped to a more modest 5.3%. It would be prudent to assume that inflation will continue at a similar pace. Prevailing wage rates are adjusted twice per year and so can be expected to keep pace with inflation; as can the cost of HDPE pipe and mechanical components such as pumps & motors. These rates accentuate the loss that can occur by holding reserves or raising capital improvement funds to be spent.

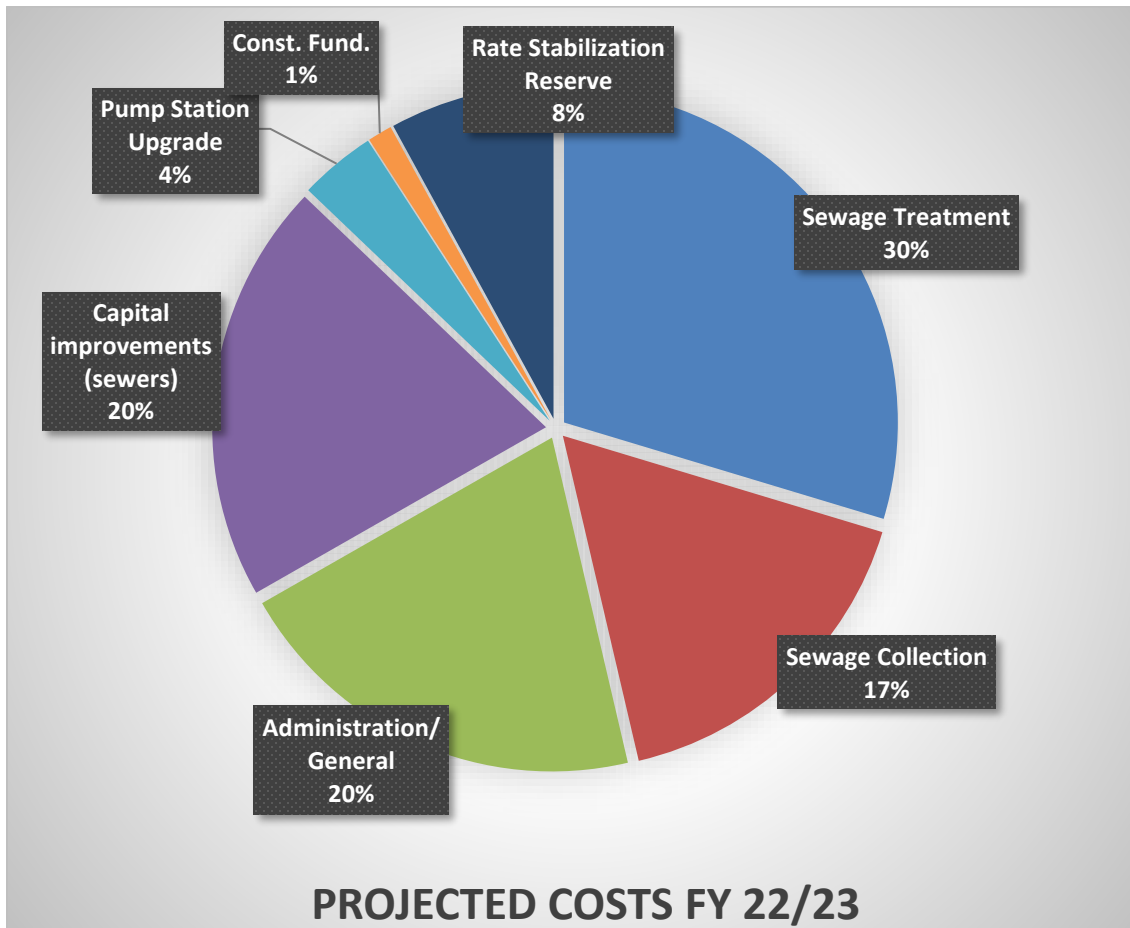
Table 2. Projected revenues and expenses for CVSAN are tabulated below for the current fiscal year (**FY 21/22**).

CVSAN REVENUES	Projected 22/23
Sewer Use Charge	\$1,980,328
Property Taxes	\$320,985
Loans Repayments to CSD	\$39,648
Grants / RTS	\$12,213
Permit, Misc. Fees, and Other	\$1,000
Interest	\$52,445
Capacity Charges	\$0
Cost Recovery	\$1,000
Total Revenue	\$2,559,294
CVSAN EXPENSES	Projected 22/23
Treatment	\$1,200,000
Collection	422,757
Administration	450,000
Capital Budget Allocation (partially retained)	854,323
Construction Fund 3427	32,000
Non-operating expenses	19,029
Recoverable Costs / Other	20000
Total Expenditures	\$2,998,109
Budget Deficit	\$438,815
PY Net O&M&R Surplus	\$3,223,295
Current Year net O&M&R Surplus	\$2,784,480

Table 3. Projected Budget Detail for CVSAN, FY 2022-23

CVSAN REVENUES	Projected 23/24
Property Taxes	\$320,985
Loans Repayments to CSD	54,648
Grants / RTS	20,000
Permit, Misc. Fees, and Other	1,525
Interest	57,445
Capacity Charges	0
Cost Recovery	16,500
Transfer from 3427	650,000
Total Revenue	\$1,121,103
CVSAN EXPENSES	Projected 23/24
Treatment	\$800,000
Collection	450,000
Administration	550,000
Capital Budget Allocation (previously retained)	550,000
Additional Capital Allocation,	100,000
<i>(From this total \$250000 is for Pump Station upgrade)</i>	
Construction Fund 3427	32,000
Non-operating expenses	3,000
Recoverable Costs / Other	5,000
O&M Contingency @ 10%	215,000
Total Expenditures	\$2,705,000
Apparent Deficit	\$1,583,897

Planned expenditures for FY 22/23 are shown in the graphic below. Capital improvements generally refers to sewer replacement and upgrades to the Crockett pump station. The amount shown represents only 10% of total cost of the pump station upgrade, which will be spread over multiple years and includes funds previously set aside for the project.



RESERVES

Wastewater agencies normally keep an operating reserve of between 10% and 50% of annual revenue requirements with most agencies operating in the 20% to 40% range. Past events such as El Nino '98 have proven the necessity of a contingency fund, and the District has strived to maintain a contingency fund between 10% and 15%. This budget provides **\$215,000** for operating contingencies at 10% of operating budget next year.

In June 2012, an independent comprehensive sewer rate study was completed by Bartle Wells Associates (BWA) for the Crockett Sanitary Department. It included a financial review and 10-year capital improvement plan. BWA recommended that the District continue to build reserves up to a level of \$2.5 million over the next 10 years. Including 10-year expense projections BWA recommended raising rates 7% each year for the first three years and 6% in FY 2016/17 through FY 2021/22 in order to fund the District's projected costs of service including operating and capital needs. The Crockett Sanitary Commission considered the recommendations and decided to implement lower rate increases in the neighborhood of 4% to 6% annually over a longer period to build up reserves. Staff evaluates the reserve annually and calculates what amount needs to be allocated to the rate stabilization reserve.

PORT COSTA INTERAGENCY LOANS:

The Crockett Sanitary Department entered into a loan agreement with the Port Costa Sanitary Department in September 2013 to pay off the remaining balance of a loan owed to Contra Costa County for treatment plant upgrades. Port Costa Sanitary has agreed to repay the loan in five years with the first annual payment made in October 2014. A second inter-agency loan agreement to pay off the remaining balance of a West America loan for treatment plant upgrades was completed in March 2016. A third loan was needed in April, 2020 for project costs associated with the wastewater settling tank. This loan is scheduled to start repayment this year(2023) The interest rate for each loan is 1.5% over what the District receives on its investments from the Local Agency Investment Fund (LAIF). Amortized payments through December of 2029 will be paid to the Crockett Sanitary Department annually. As of April, 2023 this asset will be valued at **\$300,012**.

FUNDS

Funds maintained by CVSAN are described and tabulated below in tables 4 & 5.

3427 CONSTRUCTION FUND	projected	projected
	22/23	23/24
Opening Balance	\$ 1,030,821	\$ 1,077,621
Interest Est	\$ 15,000	\$ 15,000
Capacity Charges, Est.	\$ -	\$ -
Misc. Fees Est.	\$ -	\$ -
Capital Expenses, Est.	\$ -	\$ (650,000)
Investment Fees, Est	\$ (200)	\$ -
Interfund Transfers	\$ 32,000	\$ <u>32,000</u>
ESTIMATED BALANCE	\$1,077,621	\$474,621

Table 4. Fund 3427 was created when the District received grants in 1977 for Projects C-06-1412-11 (JTP) and C-06-1412-12 (Pump Station, EQ tank & sewers). The fund derives revenue principally from investment interest and capacity fees. Capacity fee funds must be used for treatment plant improvements and reported as development impact fees as required by California AB 1600.

3429 CAPITAL RESERVE FUND	projected	projected
	22/23	23/24
Opening Balance	72,117.00	73,271.00
State Loans	-	-
Interfund Transfers	-	-
Interest	1,154.00	1,270.00
Cost Recovery	-	-
Investment Fees	(8.00)	(8.00)
ESTIMATED BALANCE	\$73,263	\$74,533

Table 5. Fund 3429 was created in 2001 to receive \$675,356 in State Revolving Fund (SRF) loans for collection system Projects C-06-4675-110,120,130. Loan conditions require the District to have, maintain and build Fund 3429 dedicated for "expansion, major repair or replacement of wastewater treatment facilities" for projects that were paid for by SRF loans.

PROJECTED RE

REVENUE

Without consideration of the sewer use fees, the projected revenue from property tax and other minor sources comes to **\$471,103**. This amount includes the return-to-source revenue from the Crockett Co-generation plant as granted by the Crockett Community Foundation. In the coming year, this contribution is expected to total \$20,000, but these funds may also be at risk from County budget problems or tax adjustments granted the Cogen plant.

SEWER USE CHARGE RATE REVIEW

The sewer services currently provided by the Crockett Sanitary Department have been determined through a comprehensive study of properties undertaken in 1992, with continuous updates. In addition to the C&H refinery properties, the Department currently serves 891 single-family dwellings and 779 apartments, plus 23 commercial non-residential and 40 mixed-use and 2 industrial properties.

In 1993, the Department instituted a new structure for sewer service charges modeled after the Stege Sanitary District Ordinance. Water consumption data has been analyzed annually to determine an equitable fee structure for properties in Crockett.

In calculating average sewer use by residents only wet weather data is used, in order to discount irrigation water (which does not go down the sewer). Extreme outliers in the data were not considered. The remaining 496 Single Family Residences (SFRs) were used as the study sample. Results are averaged with the results of the previous 5 years (total of 6-year average). As a result of this analysis, each SFR is now assumed to contribute 6699 cubic feet per year to the sewer system. This becomes the Department's standard for water consumption per discharge unit in Crockett. Each apartment is now assumed to contribute 5554 cubic feet per year to the sewer system. The APT: SFR use ratio is 0.829 (aka "use Factor").

Non-residential uses are charged an equitable share based on water consumption during the previous twelve-month period, with a minimum charge set equal to the charge for one apartment. Mixed-use properties are similarly charged, with a minimum set by the charge for each dwelling on the property.

The sewer services provided by the District are tabulated in TABLE 5. The second column in TABLE 5 indicates the relative flow rating ("use factor") of the various types of users. The last column is the product of the number of units and the use factor. The total of the last column gives 1777 discharge units.

Inventory of Connections			
	#	USE FACTOR	Discharge Units
SFR	891	1	891
APT	779	0.786008	612
COM	23		126
MIXED	40		145
Total Discharge Units			1774

Table 3. Inventory of Connections is a tabulation for the purpose of determining equivalent discharge units. The equivalent use factor of COM & Mixed properties is an equivalency based on water use and number of apartments.

We can use the operating deficit to find the needed Sewer Use Charge using the aggregate total of discharge units:

$$\text{SFR charge} = \text{Operating Deficit} / \text{Total Discharge units}$$

This leads to the suggested rates, unchanged from last year of:

Single Family Residence**\$ 918**
 Apartment..... **\$ 759**

The rate for Commercial and Mixed-use accounts is the base amount paid by the associated residential user, plus a volumetric fee per hundred cubic feet (ccf) of water used in excess of the 6-year average of 5554 cf per year.

Volumetric Rate.....**\$ 15.24 / ccf** (water unit)

SUMMARY & RECOMMENDATION

The Department's financial outlook looks strong going into FY 2021/22. The District has met the goal of establishing a reserve fund of **\$2.5M**. The importance of meeting regulatory expectations requires district spending on capital improvements to the treatment plant and pump station.

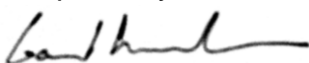
Aging control equipment at the Crockett pump station has outlived its service life and needs replacement to ensure function at a cost estimated to be **~\$800,000**. It is hoped this project can be started by the end of the fiscal year, but it is very possible that it will not be underway until fall of 2023. Additionally, some pump station components (motors, pumps, etc.) need refurbishment or replacement as part of ongoing scheduled repair. Cost of these repairs are expected to be **~\$200,000**. Some of these costs will not be accrued until FY 23/24. Because these are significant upgrades that are expected to provide a long service life, these costs can be spread over a ten-year period with supplementation from reserve funds.

CVSAN will continue its program of sewer line replacement, planning to contract for **\$550,000** in sewer repairs.

Because of pandemic measures that closed commercial venues, SUC revenue from commercial users is slightly diminished. Water use by apartments, by the same token increased. Because of these effects, both apartments and SRF's have increased burden, with a greater increase seen in apartments due to their increased usage relative to SFR's. It is expected that the usage patterns will normalize as business returns to normal. It is therefore recommended that the rate stabilization fund be used to augment shortfalls. An estimated transfer of **\$267,145** from the rate stabilization fund will be required to slow the change of rates.

CVSAN is in a sound financial position, and is currently undertaking a level of maintenance that will ensure its continued effective operation for years to come, and enable it to navigate the challenge of increasingly tight regulation that is reflective of the public's valuation of environmental concerns. As discussed above, for the fiscal year 22/23, the aggregate total of **\$1,807,731** will be funded by a recommended Sewer Use Charge of **\$916 for SFR's** and **\$759 for apartments and non-residential accounts**, as well as utilizing a portion of the rate stabilization reserves.

Respectfully Submitted,



Gaunt Murdock

May 14, 2022

