CROCKETT SANITARY COMMISSION (CVSAN)

An agent of the Crockett Community Services District. P. O. Box 578 - Crockett, CA 94525
Telephone (510) 787-2992
E-mail: districtsecretary@town.crockett.ca.us
Website: www.town.crockett.ca.us

MINUTES OF REGULAR MEETING OF JULY 15, 2026.

1. CALL TO ORDER - ROLL CALL: Chair Wais called the meeting at 4:00 PM. Present were Commissioners Bartlebaugh, Wais, and Alternate Millward. Absent: Commissioner Manzione arrived at 4:17 PM. Staff present included General Manager (GM) Goodman, Sanitary Department Manager (SDM) Barnhill, and District Secretary (DS) Rivas. Director Barassi was present.

2. SEATING OF COMMISSIONER MILLWARD: Chair Wais welcomed Commissioner Millward to CVSAN. Chair Wais clarified that comments on agenda items should be made during the appropriate item.

3. CALL FOR REQUESTS TO CONSIDER ITEMS OUT OF ORDER: None.

4. PUBLIC COMMENTS ON NON-AGENDA ITEMS:

5. PUBLIC HEARINGS: None.

6. ADMINISTRATIVE:

   a. UPDATE ON PROP 218 proceedings: The discussion focused on the proposed sewer use charge increase and the District's financial condition. Staff explained that a financial consultant was hired to evaluate the District's financial needs for the current fiscal year, with the analysis identifying a need for a rate increase. Staff indicated that, based on the financial information reviewed, a minimum increase of 15% is necessary, while the noticed maximum is 30%. The District's financial challenges include depletion of reserves, outstanding obligations involving C&H, and significant costs associated with the wastewater treatment plant and the 2022 odor event. C&H is currently involved in negotiations and legal disputes with the District regarding operating costs, billing, penalties, and other expenses. Staff also clarified that the consultant's assignment was narrowly focused on determining the rate increase needed and did not include a comprehensive analysis of cost-cutting alternatives or operational efficiencies. A broader comprehensive rate study is anticipated in 2027.

      Residents and commissioners raised significant concerns about the impact of a 30% increase on ratepayers, particularly seniors, families, and property owners facing increases in other household expenses. Questions were also raised about past spending, salary increases, oversight, the District's management of its finances, and whether additional cost-saving measures should be considered before imposing such a substantial increase. Staff acknowledged that past financial management contributed to the current situation but explained that the proposed budget is lean, includes no capital projects, and that some expenditures were necessary to address deferred maintenance, safety, staffing, and regulatory requirements. The discussion also clarified that under Proposition 218, a valid written protest from 50% plus one of qualified ratepayers would prevent the increase from taking effect; otherwise, the Board retains discretion to establish a rate from zero up to the noticed maximum. The concerns raised should be addressed by the CCSD Board of Directors, which has authority to make the final decision on the sewer use charge.

Commissioner Manzione made a comment about the CCSD Board having “secret meetings”. The GM clarified that Closed Sessions are not secret meetings, but rather confidential legal matters discussed with legal counsel and sanctioned under the Brown Act. Members of the public expressed their lack of involvement in District business. They were informed of the District’s website for minutes, the current vacancy on CVSAN and the Board (last day to submit one’s candidacy is August 7 as options to be more involved and informed.

b. DISCUSS THE BOARD-APPROVED SEWER USE CHARGE (SUC) INCREASE AND MAKE A FINAL RECOMMENDED PERCENTAGE INCREASE: The discussion centered primarily on the proposed Sewer Use Charge (SUC) increase, the financial condition of the District, rebuilding reserves, and what recommendation CVSAN should provide to the District Board before the July 22 Proposition 218 public hearing.

The discussion was based on the financial study prepared by consultant Mark Hildebrand, which identified two significant financial pressures: outstanding debt owed to C&H and depletion of the District's investment/reserve account. Staff explained that the consultant's analysis considered all financial data available, including a spending forecast, and that the District needed to address its debt obligations while also beginning to rebuild its financial reserves. Staff ultimately supported a minimum 15% increase, while recognizing that a higher increase—up to the Board-approved Proposition 218 maximum of 30%—would provide greater financial stability but would have a greater impact on ratepayers.

Four motions were made:

1. Motion to the extent the District Board justified the rate increase based on rebuilding reserves, the amount attributable to reserve restoration be identified and sequestered through a clear accounting mechanism so the funds could be specifically tracked as reserve funds. Passed. (Manzione 1st, Millward 2nd, 4/0)
2. Motion by Commissioner Millward to recommend a 30% increase for the sewer use charge failed for lack of a second.
3. Motion by Commissioner Manzione to recommend that the District Board consider a sewer use charge increase within the full Proposition 218 range of 0% to 30% failed for lack of a second.
4. Motion to recommend that the District Board consider a 15% to 30% sewer use charge increase, with the Board considering public comments received at the July 22 hearing, particularly those concerning affordability, when selecting the final percentage. Passed. (Bartlebaugh 1st, Millward 2nd, 3/0, Manzione abstained)

7. BUDGET AND FINANCE:

a. DISCUSS AND APPROVE THE PROPOSED CAPITAL IMPROVEMENTS APPROPRIATIONS OF $773,500: The amount was corrected to $538,500. The discussion became contentious as Staff expressed frustration over perceived criticism, workload pressures, and the manner in which questions were being directed toward Staff, especially when members of the public were present. Staff emphasized their commitment to the District and the significant workload involved, while commissioners acknowledged the concerns and discussed the need for respectful communication and oversight. Following the exchange, the Commission discussed completing the remaining agenda items and documenting staff’s departure from the meeting. GM Goodman left the meeting at 6: 21, and SDM left the meeting at 6:28. The item was tabled to the next meeting.

b. OTHER FINANCIAL MATTERS OF THE DISTRICT: The public hearing for the budget

adoption is scheduled for the Board's July 22 meeting.

8. REPORT OF DEPARTMENT MANAGER: This section was skipped

   a. OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS:

   b. GOVERNMENTAL MATTERS:

   c. ANNOUNCEMENTS AND DISCUSSION:

9. CONSENT CALENDAR: Motion to approve the Consent Calendar with minor edits to the June 17b minutes and two warrant questions to be answered via email, passed. (Bartlebaugh 1st, Millward 2nd, 4/0).

   a. Approve Minutes for June 17.

   b. Receive Actions Taken by the Board (June 24).

   c. Receive warrant transmittals (June): Check 7706 to ICOM is a one-time charge for a systems conversion from ICOM to Integrity.

   d. Receive Cash and LAIF Account Balances.

10. CONSIDER ITEMS REMOVED FROM THE CONSENT CALENDAR:

11. REPORTS / COMMENTS FROM COMMISSIONERS: No reports.

   a. WASTEWATER COMMITTEE: None.

   b. BUDGET & FINANCE AD HOC: There was confusion on whether the standing budget & finance committee has been dissolved and turned into an ad hoc. It was decided to continue the ad hoc through the adoption of the budget.

   c. COMMISSIONERS: None.

   d. INTER-AGENCY AND TRADE MEETINGS: Commissioner Bartlebaugh attended a joint Contra Costa / Alameda Special District Association meeting and toured the Iron Horse sewage treatment plant. He suggested that the treatment plan should be looked at if the District even considered upgrading the District's treatment plant.

GM Goodman returned at 6:40 pm.

Out-of-order discussion of Item 7a: The amount for the PROPOSED CAPITAL IMPROVEMENTS APPROPRIATIONS was corrected to $538,500. This report will be presented to the Board and provided to CVSAN for input. The Commission reviewed the proposed Capital Improvement Plan (CIP) and discussed the need to prioritize projects based on urgency, particularly for the collection system and pump station. Staff identified several high-priority needs, including pump repairs, a backup channel grinder, air compressors, and collection system work, while noting that the CIP was intentionally lean. All items present are a priority for Fiscal Year 2026-27. Staff also clarified that the CIP had been reduced by approximately $250,000 because certain costs had been counted twice, rather than because planned projects were eliminated.

Commissioners recommended treating the CIP as an ongoing planning and budget-review document, with project priorities identified and updated as conditions change. The discussion also addressed improving documentation for sole-source purchases, clarifying capital versus maintenance/O&M projects, and improving the timing and presentation of CIP information during future budget cycles. Staff reported that the current budget assumes a 30% sewer use charge increase, compared with 15% in the earlier budget, adding approximately $300,000 in

projected revenue, while the corrected capital carryover reduced expenditures by approximately $300,000; the budget can be adjusted once the Board determines the final sewer use charge.

DS Rivas left the meeting at 7:07 PM

12. FUTURE AGENDA ITEMS:
    a. CCTV repair study prepared by the Engineer of Record when available.
    b. Monthly C&H billing.
    c. Capacity/impact fees
    d. District's role and authority regarding the county's processes for new development.
    e. Cost-cutting measures.
13. ADJOURNMENT: The meeting was adjourned at 7:35 PM until August 19, 2026.

Respectfully submitted,
Sonia Rivas, MBA,
District Secretary