

CROCKETT SANITARY COMMISSION (CVSAN)

An agent of the Crockett Community Services District.

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FOR REVIEW

MINUTES OF SPECIAL MEETING OF APRIL 22, 2026.

1. CALL TO ORDER - ROLL CALL: Chair Wais opened the meeting at 4:00 PM. Commissioners Bartlebaugh, Wais, and Alternate Milward were present. Commissioner Leuba and Manzione were absent (excused). Staff present included General Manager (GM) Goodman, Sanitary Department Manager (SDM) Barnhill, and District Secretary Rivas. Director Barassi was present.
2. PUBLIC COMMENTS ON NON-AGENDA ITEMS: None.
3. ADMINISTRATIVE:
 - a. RECEIVE, DISCUSS, AND APPROVE STAFF'S RECOMMENDATION FOR THE CVSAN SEWER USE CHARGE (SUC) FOR FISCAL YEAR 2026/27: GM Goodman presented the proposed CVSAN sewer use charge (SUC) for FY 2026-27. The County released property tax totals the morning of the meeting and after the budget was prepared; therefore, the proposed budget will reflect an excess balance of \$191,274, corrected from \$34,120.

The District recently withdrew approximately \$2.7 million from reserves to pay for C&H liabilities (outstanding invoices) that accumulated since 2020, leaving just under \$500,000 in reserves. Staff recommended not increasing the SUC for FY 2026-27 and suggested conducting a new rate study (Study) at an estimated cost of \$20,000-\$25,000; the current calculation method uses a 20-year-old rate study. Commissioner Bartlebaugh inquired how the GM proposed to recoup reserves. GM noted that any excess funds will automatically be allocated to reserves. A new SUC study will take into consideration current operations, maintenance, and how reserves are allocated to establish a base for the next five years. She noted that the \$2.7 million in reserves took 10 years to build.

Commissioner Bartlebaugh expressed serious concerns regarding the Department's financial management following his return to the Commission in 2023. He stated that, despite the involvement of outside agencies, the Department's financial issues remain unresolved and continue to reflect significant mismanagement.

In response, the GM stated that the underlying financial mismanagement originated under the previous GM's administration, noting that the prior GM was never publicly criticized for those actions. The GM further stated that she finds Commissioner Bartlebaugh's characterization of the current administration's efforts as "mismanagement" to be highly offensive. She emphasized that staff inherited a severely disorganized financial system and have been working diligently to correct longstanding deficiencies and restore order to financial operations that were already in substantial disarray.

There was no disagreement among the Commissioners, Board, or Staff that a new Rate Study is necessary. However, the District's financial records had been in such significant disarray that establishing a reliable financial baseline would be difficult. It was acknowledged that the District's accounting practices had been negligent, finances had been mismanaged, and C&H invoices had gone unpaid from approximately mid-2020 through 2024, when a professional accounting firm was hired to reconcile the accounting records. The District is now prepared to proceed with the 2023 audit.

Although the financial records are not yet fully reconciled, the depletion of reserves has created a sense of urgency. Staff stated that the current level of financial reconciliation should be sufficient to support a reasonable and defensible sewer rate analysis, allowing the District to move forward with a new Study.

5.b

Chair Wais read comments submitted by Commissioner Manzione, who was unable to attend the meeting. Commissioner Manzione recommended consideration of significant austerity measures, including a hiring freeze, firing (of staff), the potential sale of the Sanitary District office building, and development of a policy requiring the Recreation Department to align its expenditures with revenues generated through its enterprise operations.

A discussion followed regarding the need for a rate increase to replenish reserves, with an annual target of \$540,000. A motion was made to reject Staff's recommendation not to impose a SUC increase for FY 2026–27 and instead direct Staff to revise the budget to rebuild reserves over five years. The motion passed. (Bartlebaugh 1st. Wais 2nd, 3/0, 2 absent). Commissioner Bartlebaugh also requested that the budget include a statement regarding outstanding C&H liabilities.

4. ADJOURNMENT: The meeting was adjourned at 5:18 PM until May 20, 2026.

Respectfully submitted,
Sonia Rivas, MBA
District Secretary