

CROCKETT SANITARY COMMISSION

of the Crockett Community Services District

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MINUTES OF BUDGET & FINANCE COMMITTEE MEETING February 6, 2019

The meeting was called to order at 9:00 AM by Commissioners Wolthuis. Also present was Commissioner Adams and General Manager McDonald.

PUBLIC COMMENTS: None

1. BUDGET REPORT AND DRAFT FY 2019/20 BUDGET: The draft budget was presented. Mr. McDonald pointed out the line items on the budget that have changed from prior years. The large difference between estimated and approved columns for the Non-operating expense line item was because staff moved loan interest expenses from capital expenses as required by the State Controller's Office. Software subscription service was added as an operating expense line item to track SSMP/GIS ICOM software and other office software subscriptions being sold as Software-as-a-Service(SaaS). Mr. McDonald said the draft budget includes all operating expenses and capital improvements proposed for FY 19/20 and shows the department reaching its goal of a \$2.5M Rate Stabilization Reserve by June 30, 2020. Sewer Use Charge (SUC) revenue was left unchanged from last year with the exception that any previously anticipated SUC revenue from The Nantucket has been removed. The Committee said the report was acceptable and no recommended changes were proposed. Staff will present the budget to the Crockett Sanitary Commission.
2. LONG-TERM CAPITAL PROJECTS: Mr. McDonald said the list of Joint-Treatment Plant (JTP) Capital Projects provided in ASR/C&H Sugar's (C&H) monthly report did not have significant changes from prior years. A capital project schedule was developed through 2025. Mr. Adams asked how the percentages billed to the Crockett Sanitary Department (CVSan) are calculated. Mr. McDonald said the Joint-Use-Agreement provides 7 allocation formulas that are used to calculate cost splits between C&H and CVSan. For example CVSan would be responsible for 100% of the capital costs to replace the chlorination equipment but only 3.76% for capital costs related to chemical oxygen demand (COD) equipment such as the reactor and digester system. A discrepancy between allocation factor and CSD % was noticed on the JTP schedule for the line item "replace influent pumps". Mr. McDonald will correct the line item before the preliminary budget is presented in April.
3. GENERAL DISCUSSION ON FINANCIAL ISSUES: Mr. McDonald said EBMUD water data has been received and once the review of data is complete staff will be able to make a recommendation on whether there would be a need for a Sewer Use Charge study and SUC increase for the upcoming fiscal year.

ADJOURNMENT: The meeting was adjourned at 9:30 AM.

Respectfully submitted,

Dale McDonald
February 7, 2019