

PORT COSTA SANITARY COMMISSION

of the Crockett Community Services District

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MINUTES OF BUDGET & FINANCE COMMITTEE MEETING

February 12, 2019

The meeting was called to order at 4:00 PM by Commissioner Surges. Commissioner Mann was present. Also present was General Manager McDonald and Department Manager Barnhill.

PUBLIC COMMENTS: None

1. WATER CONSUMPTION AND COST FACTOR: Mr. Barnhill said the calculated cost factor of \$0.4128 was developed for FY 19/20 based on recent EBMUD water use study. The cost factor based on last three year average is \$0.3822. The 3-year average stabilizes swings and creates a more equitable Sewer Use Charge (SUC). The alternative 3-year average cost factor measurement is similar to what Crockett uses in setting its SUC. Mr. Barnhill said either of the calculated increased rate adjustments would pose a substantial burden on the commercial properties when compared to the current FY 18/19 cost factor of \$0.3344. Mr. McDonald said the cost factor of \$0.4128 is based on average Single-Family-Resident (SFR) water usage of 4,780 cu. ft. Water usage among SFR's has been fluctuating and trending down over the last few years. The average residential water use continues to decrease which, in turn, will substantially increase the cost burden on the mixed use and commercial properties especially if their water use stays the same or increases. At this time it is the recommendation of the Port Costa Sanitary Department to maintain the current FY 18/19 SUC of \$0.3344 which will lessen the burden on the mixed use and commercial properties but will still garner an increase in total SUC collection by \$10,027 according to the SUC Revenue Detail 'difference over prior year' calculation. Mr. Surges said the handle on the toilet in the Church (APN 368-146-001) had been left open allowing water to flow for one week during September 2017. This accounts for the high meter volume used during that month. The Port Costa Sanitary Department will mail a courtesy notice to the church to make them aware of the higher than expected SUC.

2. 7-MONTH BUDGET REPORT AND PROPOSED FY 2019/20 DRAFT BUDGET: The committee reviewed the report. Mr. McDonald reported on the current draft budget for FY 2019/2020. The initial draft budget does not factor in a SUC change. The Department looks to be in a good financial position heading into FY 19/20 and a decision on whether a SUC increase is needed can be discussed in April. Mr. Mann noticed a large difference under County Charges, \$36,312 vs. less than \$1,000 in prior and draft budget amount. Staff identified a formula calculation error later and made a correction bringing the number to \$617. Mr. Mann asked why a 10% increase was added to the Treatment Plant Operators item #416.51.1pc. Mr. Barnhill said the increase is a placeholder for potential increased

contract workload. Mr. Mann asked why \$25k remains under Capital Replacement for outfall repair. Mr. Barnhill said the outfall will still require attention and felt it was prudent to maintain that item. Mr. Mann and Mr. Surges said funds can be moved to deal with the outfall when needed but the funds should be made available for other uses until then. Mr. Mann asked what is planned for the septic tank cleaning. Mr. Barnhill said the plan is to focus sludge removal at the outlet chamber #4. He said staff is obtaining bids to perform a structural inspection by an engineering team in order to develop a plan to alter the structure for more efficient operation in the future. Mr. Mann asked if pumping will be based on a schedule. Mr. Barnhill said that pumping will not be on a schedule but will be performed as needed based on the request or recommendation from the treatment plant operators. Mr. Mann expressed interest to make sure public money is spent wisely.

3. GENERAL DISCUSSION: Mr. Barnhill said the Department plans to perform CCTV inspection on the majority of the Port Costa collection system in 2019. Mr. Mann asked if smoke testing should be performed. Mr. Barnhill said it would be best to identify defects from CCTV first and, in addition, the Department lacks resources to handle the extra work load that would come as a result of smoke testing enforcement against property owners.

ADJOURNMENT: The meeting was adjourned at 5:10 PM.

Respectfully submitted,

James Barnhill
February 13, 2019