

PORT COSTA SANITARY COMMISSION

of the Crockett Community Services District

P.O. Box 578 - Crockett, CA 94525
Telephone (510) 787-2992
Fax (510) 787-2459
e-mail: manager@town.crockett.ca.us
website: www.town.crockett.ca.us

MINUTES OF REGULAR MEETING, APRIL 8, 2020

1. CALL TO ORDER: The meeting was called to order at 7:00 PM by Chairperson Surges. Present were Commissioners Cusack, List, Mann and Scheer, along with General Manager McDonald and Dept. Manager Barnhill. Director Barassi was also in attendance.
2. AGENDA ORDER: There were no requests to hear agenda items out of order.
3. PUBLIC COMMENTS:
4. PUBLIC HEARING: Mr. McDonald reported the State Water Resources Control Board requires a 5-year update and recertification of our Sanitary Sewer Management Plan (SSMP). He said District Consultant, Vivian Housen has reviewed the District's SSMP and determined that objectives and elements of the SSMP remain generally unchanged. Commissioner Scheer asked if the audit is covered through December 31, 2019. Mr. McDonald said yes, the covered period is from January 1, 2018 through December 31, 2019. The Commission received the bi-annual SSMP audit.
- 5.a. DISTRICT BOARD ACTIONS: Mr. McDonald reported on the actions taken by the District Board in March. He said the purchase of the Hosselkus Chapel has been put on hold due to the Coronavirus limiting the ability to hold a public meeting on its acquisition.
- 5.b. SELF-MONITORING REPORT: The Commission received the Self-Monitoring Report for January 2020.
- 5.c. APPOINT CHAIR AND VICE-CHAIR: A motion to nominate Joe Surges for Chair and Tom Cusack for Vice-Chair carried unanimously (jm/as).
- 6.a. FINANCIAL REPORT: The monthly statement of Department finances was examined by the Commission. Mr. McDonald reported a fund balance of \$200K. He said \$40K was spent towards the septic tank baffle replacement.
- 6.b. 9-MONTH BUDGET REPORT: Mr. McDonald reported the Port Costa Sanitary Department will have a deficit by fiscal year end and will need to adopt a revised budget. He said septic tank cleaning is well above the budgeted amount. Clean Harbors invoice will be close to \$200K. The sewer use charge (SUC) income is the sole source of revenue planned for FY 20/21. The annual SUC per unit will need to increase at minimum \$272 or 13.8% to cover expenses through June 30, 2021. He would even consider a higher increase of up to 25%. Commissioner Scheer said we are seeing various agencies delaying paying property taxes. Mr. McDonald said Contra Costa County has not chosen to defer or delay property tax collections at this time.
- 6.c. INTER-DEPARTMENT LOAN: Mr. McDonald presented a Inter-Department Loan Agreement between Port Costa Sanitary Department and Crockett Sanitary Department, along with an installment loan amortization schedule. The loan amount would be up to \$150K with a variable interest rate, estimated at 3.75% over 10 years. Mr. Barassi said he does not like taking on more debt to have

interest only payments in the early years. He asked would it be possible to structure this debt. Mr. McDonald said we can structure this loan anyway we want since it is an inter-department loan. Staff would have enough time to lessen the SUC increase if we wait to see what is owed Clean Harbors. A motion to request an inter-department loan from Crockett Sanitary Commission up to \$150K on an adjustable loan over 10 years carried unanimously (as/jm). Mr. Barassi asked the Commission if they want to authorize it before they know what the loan amount is. Mr. McDonald said the loan amount should be large enough to pay the Clean Harbors invoice.

6.d. CLEAN HARBOR INVOICES: Mr. Barnhill summarized general items and corresponding charges submitted by Clean Harbors for the Septic Tank Maintenance Project. The estimate for the job was \$117,657.82 and the department was invoiced \$230,094.08, a difference of \$112,436.26. He said the cause of the overrun relates to the nature and volume of the sludge material. He said that it did not decant as anticipated, the material had to be held in the decanting tanks for a longer period of time. Commissioner Scheer asked if we have a contract with x amount of money? Mr. McDonald stepped in and said we do not have a contract just a proposal, he said the project was rushed to start and a formal contract was not executed. Ms. Scheer said if we had a contract we could review change orders to the contract. Mr. Barassi said, to be fair to the department, no one wanted to do this job and it took a long time to find contractors. Commissioner Scheer stated that she is happy that this was taken care of and that it needed to be done years ago. Mr. McDonald said the material was contaminated with copper and could not be accepted at EBMUD, he said there was only one disposal site that accepted the material. He said if Potrero Hills had not accepted the waste we might have had to ship the waste out of state as a hazardous material. Commissioner Mann said the contractors should have known what kind of material they were dealing with and their estimate was understated. Mr. Barnhill said the material had previously been partially pumped out by Ponder Environmental from the existing access points and was accepted for disposal at EBMUD. He said the majority of the septic tank is inaccessible for measurement or sampling, so the characteristics of the material beyond the existing access points was unknown. Mr. Barnhill said the tank should be cleaned out more often to help avoid this in the future. Mr. Barnhill said that Clean Harbors found that one baffle wall was broken and no longer attached to the tank, a second baffle wall was still intact and in its proper position, and a third baffle wall was not found. He said the tank was designed to have three baffles and expressed concern as to when the tank was last thoroughly cleaned or inspected, because the tank was not found to be constructed as designed. He asked the commission when the tank had last been cleaned or inspected. One of the commissioners said 25 years. Mr. Barnhill said a better way to appreciate the cost, is to divide the invoiced amount of \$230,000 by 20 years for an annual cost of \$11,500, he said that represents the cost of the maintenance at this moment. He said inspection of the broken baffle and the intact baffle found they were constructed with redwood and nails. Nailed lumber had separated which likely caused the total failure of the broken baffle. Due to the nature of the construction, the one remaining intact baffle wall could not be relied upon and it was decided to demolish it. Mr. McDonald said by the time the estimate was accepted by the Commission the timeframe was short and the department was rushed to start work due to impending wet weather. He said there was only an estimate done for the work and there was never a final contract before work began. Commissioner Surges said we don't want to pay for anything Clean Harbors may have caused. Commissioner Cusack asked if the Commission can review the invoice. Mr. McDonald said they can but the summary gives it more justice. Commissioner List asked if the presence of metals is a fault of the collection system. Mr. McDonald said that we do not know and we do not have an assessment of the collection system. Commissioner Mann said regardless of where the sludge came from and what it was, Clean Harbors presented themselves as people who knew what they were doing, they knew what materials they were dealing with, they are the experts to do this as a proper job and they cannot put back on us that we that they misunderstood or misestimated what was actually in the tank. Mr. Barnhill reiterated that there is no way to access materials beyond reach of the existing access points, so the majority of the tank could not be sampled or measured. Commissioner Mann suggested that a reduced payment of \$50,000 be made. The commission discussed this and since the proposal was previously accepted for \$117,657.82 the proposed amount should be accepted and any charges over the amount be

reviewed at a special meeting. A motion to pay Clean Harbors the initial estimate of \$117,657.82 and hold off paying \$112,436.26 until the Commission can review the invoice carried with 4 Ayes and 1 Nae (as/tc).

7. SEWER SERVICE CHARGE: This item was continued to the next Special Meeting.

8.a. STAFF REPORT ON OPERATIONS: Mr. Barnhill reported Sarah Humann has decided to resign from the Port Costa Sanitary Commission as the alternate Commissioner. He said he received an odor complaint at the treatment plant. He met with an operator onsite and spoke with the Chief Plant Operator from Valley Operators. Nick said he will instruct Rudy to increase the frequency of recirculation through the filter beds

8.b. GOVERNMENTAL MATTERS: None

8.c. ANNOUNCEMENTS AND DISCUSSION: None

9.b. BUDGET & FINANCE COMMITTEE REPORT: The Budget & Finance Committee needs to meet to discuss the budget for FY 20/21.

9.c. AD HOC COMMITTEES REPORT: None

9.d. INTER-AGENCY MEETINGS: None

10. CONSENT CALENDAR: The consent items were approved unanimously (jm/tc):

- a. Approve Minutes of January 13 and February 24, 2020.
- b. Receive Status Report on outstanding issues.

11. FUTURE AGENDA ITEMS:

12. COMMISSIONER COMMENTS: None

13. ADJOURNMENT: The meeting was adjourned at 8:46 PM until May 13, 2020.

Respectfully submitted,

Susan Witschi

Susan Witschi
April 13, 2020