

CROCKETT SANITARY COMMISSION (CVSAN)

of the Crockett Community Services District

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MINUTES OF REGULAR MEETING OF MAY 15, 2024.

1. CALL TO ORDER: The meeting was opened at 4:00 PM by Chair Manzione. Commissioners present include McDonald, Bartlebaugh, Manzione, Trask, Wais and alternative Quade. Staff present: District Secretary (DS) Rivas, District Engineer (DE) Murdock, Administrative Services Manager (ASM) Goodman, and Sanitary Department Manager (SDM) Barnhill.
2. REQUEST TO TAKE AGENDA ITEMS OUT OF ORDER: A request was made to move the Manager's report earlier.
3. PUBLIC COMMENTS ON NON-AGENDA ITEMS: None.
4. PRELIMINARY REVIEW OF PUBLIC HEARINGS: None.
5. CONSENT CALENDAR: Item 5a was carried to the June meeting. Item 5b was received. (McDonald 1st, Wais 2nd, 5/0)
 - 5a. Approve minutes of April 17, 2024. Staff was asked to distribute minutes no later than 72 hours prior to a meeting time. Once an agenda is posted, it cannot be amended. An agenda can only be amended under emergency situations or unknown business matters that were not previously known but must occur before the next meeting date.
 - 5b. Receive warrant transmittals.
6. CONSIDER ITEMS REMOVED FROM THE CONSENT CALENDAR: None.
- 7a. REPORT ON ACTIONS TAKEN BY THE DISTRICT BOARD AND THEIR COMMITTEES: The Board declined the recommended sewer use charge (SUC) increase for Crockett and asked staff to return in May. The required Proposition 218 mailing was pushed from May 1st to July 1st. A contract with Maze & Associate, a governmental accounting firm, was approved to help the ASM bring the District's accounting books up to date. A contract was signed with Redwood Public Law and retained Richard Pio Roda as legal counsel. The District still has access to Meyers Nave for other legal matters. The Ad Hoc for 1 Rolph Park Drive was postponed once again due to other District priorities. The Board determined that signing authority should remain with the general manager who is financially responsible for the District.

ASM Goodman clarified that Maze & Associates began the complex reconciliation process. Recreation facilities manager Witschi has been helping and has completed deposits up to 2022. Due to the current disarray of the District's accounting, Port Costa declined their SUC increase even after acknowledging cost increases are inevitable.
- 7b. DISCUSS SEWER USE CHARGE: DE Murdock presented the previously submitted SUC report with a revised addendum showing three scenarios. The Board rejected the original recommendation because it was too similar to a previous increase that resulted in a lawsuit.

Commissioners: Scott Bartlebaugh (vc), Mark Manzione (c), Dale McDonald, Valerie Quade (alt.), D'Arcy Trask, Mary Wais

The data collected from EBMUD revealed that roughly 10%-15% of properties are missing, including a major commercial account. A lengthy discussion was had on the different scenarios.

The District receives sanitary sewage from the refinery and also from other properties that they own that are not industrial. C&H has over 300 employees according to their website (or 10% of Crockett's population) resulting in significant sanitary sewage flow from the refinery. In addition, they have industrial wastewater that is transferred through the pump station as diversions. This amounts to significant sewer use costs. The refinery sent roughly 6,400 one hundred cubic feet of diversion in 22/23. Their remaining four properties put out roughly 1,000 one hundred cubic feet per year. The 2010 10-year settlement agreement has expired.

Revenues and expenditures were discussed in great detail. A fair amount of time was focused on billing and payments between the District and C&H. The District's cost for the joint-use partnership continues to increase creating a larger burden on Crockett. There is concern that equipment repairs for both the refinery and Crockett will further increase those costs. The reserves are roughly \$3 million. \$1.14 million is due to ASR for previous years; the budget allocates \$1.6 million for these outstanding invoices. Similarly, C&H has an outstanding balance since they stopped making payments in the last quarter of 2020.

Revenues total \$1.1 million with a matching \$1.1 million in expenses. The report reflects a \$2,558,492 deficit accounting for continuing costs of previously committed capital improvements, the cost of significant anticipated repairs, and the cost of inflation. Based on these estimates, the following SUC increases are recommended: SFR (single-family residence) from \$918 to \$1,153; Apartment from \$759 to \$822; and the volumetric rate for commercial and mixed-use properties from \$13.71 to \$21.23 per 100 cubic feet of water. Overall, this represents a 39% increase. Staff will continue to trim the budget where possible.

Rate increases have been minimal to none over the last few years. The impact of these minimal increases is reflected in the significant increase for FY 24/25. The Board will make the final decision on the actual increase.

The sanitary district is providing a service mandated by law for public health. The SUC is an assessment, not a tax. An assessment does not require going to the voters and asking for a tax increase and can be placed on the tax roll, absent of protest. Proposition 218 provides a tight timeframe to implement and notify the public of increases. There are two types of rate studies. The District has used a water consumption-based study for several years. Hiring a licensed wastewater engineer to conduct an in-depth sewer rate study to include five-year equalized increases was recommended and budgeted \$30,000 for the study.

7c. UPDATE ON JOINT USE AGREEMENT NEGOTIATIONS: The committee has prepared a response to the draft Joint Use Agreement currently undergoing legal review.

7d. CONSIDER A JOINT USE AGREEMENT (JUA) STUDY SESSION AND SELECT A DATE: A special meeting is scheduled for Friday, June 21 at 1 PM to review the JUA responses.

7e. CONSIDER AN EDUCATIONAL TREATMENT PLANT FIELD TRIP AND SELECT A DATE: This item was tabled.

7f. CONSIDER AN ALTERNATE DATE TO JUNE 19TH MEETING DUE TO THE JUNETEENTH HOLIDAY: Juneteenth is a federal holiday approved by the District. A decision was made to cancel the regularly scheduled meeting and incorporate it into a special meeting the following Friday – June 21st at 1 pm. The Commissioners agreed to a closed study session but will need to confirm with the attorney.

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8a. UPDATE ON FINANCIAL MATTERS: Billings have not been consolidated as of yet. ASM Goodman is working with Maze & Associates to make further progress with accounting. A loan payment of \$26k from PCSAN to CVSAN is pending. The second PCSAN loan is being assessed. The FY 24/25 budget has been slowed due to the SUC process and the time needed to get Maze & Associates integrated into the District's financial system. The ASM will meet with the CVSAN budget & finance committee after meeting with the Board budget & finance committee.

8b. OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS: DE Murdock reported that the Alexander Park sewer repair project is mostly completed. The contractor hit a few steel pipes that were not noted in any plans – this will likely incur additional costs. There is one manhole left to repair. Pipes are cleaned every two months. There was a third failure on Pomona Street. An audit of recently cleaned lines was not stellar. The District has experienced great collection services through West County Wastewater but they are more expensive. The MCC has a \$45k bill for submittals. Mr. Murdock requested to remove the FOG program from future agenda items. He has visited and photographed all food establishments' grease traps. There are five customers and seven restaurants.

8c. GOVERNMENTAL MATTERS: None.

8e. ANNOUNCEMENTS AND DISCUSSION: None

9a. WASTEWATER COMMITTEE: None.

9b. BUDGET & FINANCE COMMITTEE: None.

9c. INTER-AGENCY MEETINGS: None.

10. FUTURE AGENDA ITEMS:

- 1 Rolph Park Drive repairs.
- Sewer use calculation study
- JUA study session
- Customer database study
- Monthly Maintenance Operations Report
- Pump Station Grit Detritter Condition report.

11. COMMISSIONER COMMENTS:

12. ADJOURNMENT: The meeting was adjourned at 6:48 PM until June 18, 2024.

Respectfully submitted,
Sonia Rivas, MBA
District Secretary