

CROCKETT SANITARY COMMISSION

of the Crockett Community Services District

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MINUTES OF BUDGET & FINANCE COMMITTEE MEETING

March 9, 2020

The meeting was called to order at 2:00 AM by Commissioners Wolthuis. Also present was Commissioner Adams and General Manager McDonald.

PUBLIC COMMENTS: None

1. WATER CONSUMPTION AND COST FACTOR: The Water Consumption and Cost Factor report, along with Sewer Use Charge Revenue Detail for FY 2020/21 based on use of 6-year water average cost factor and including Sewer Use Charge (SUC) increase of \$30 for Single-Family Residences (SFR) and \$35 for Apartments was discussed. The Commercial and Mixed-Use Property Water Usage report was reviewed, and it was noted that revenue is higher primarily because of increased water use at The Dead Fish, John Swett High School, Toot's Tavern, and Club Tac. Due to anticipated budget needs the SUC increase was included as a placeholder, the final SUC need to be determined in April. Mr. Adams asked about the grease from The Dead Fish. Mr. McDonald did say grease continues to be a problem on the line serving The Dead Fish. He said once Fats-Oil-Grease (FOG) program is implemented staff will have a better handle on the added cost burden FOG presents and it can be incorporated into next year's SUC study. This year the SUC rate study will follow the same formula as in prior years but that for FY 21/22 a new methodology may be proposed, based on engineer's recommendation, to incorporate data from FOG program, water reuse, and Accessory Dwelling Units.
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 has not changed since last year. He has not heard back from C&H on projects to be completed for the remainder of this year and suspects little if anything will be done before June 30, 2020. A total of \$1.77M in capital projects has been identified for FY 20/21 with the need to allocate an additional \$1.06M in FY 20/21. Mr. Wolthuis suggested removing capital allocation from the Net Budget Deficit as it can be misleading. Net Budget Excess or (Deficit) should reflect the revenue and operation and maintenance expense needed for the fiscal year.
3. DRAFT FY 2020/21 BUDGET: Mr. McDonald presented the draft budget. He said new line items have been added for growth of the sanitary department which includes additional lease payments, capital building replacement projects, and administrative building office expenses. A more accurate preliminary budget will be presented in April and, hopefully by then, the Board will decide on whether to pursue acquisition on the Hosselkus Chapel. The majority of the expenditures for FY 20/21 will be towards capital projects. The Committee accepted the report and no recommended changes were proposed. Staff will present the budget to the Crockett Sanitary Commission.
4. HOSSELKUS CHAPEL REPORT: Mr. McDonald reported that the Board took no action on the Hosselkus Chapel. He said he has been asked to provide additional financial information to the Board so that they can make a clear and informed decision. The Board communicated the need to make sure the costs associated with the building are beneficial to both the sanitary department as well as the

District. Mr. Wolthuis said the Crockett Sanitary Department should not be burdened with the entire cost of the building, that those receiving benefit pay their fair share, and wanted to remind the Board that they should consider the recommendations from the Crockett Sanitary Commission as it would be the sanitary department that would be paying the most. He does not yet see the benefit of the building.

5. GENERAL DISCUSSION ON FINANCIAL ISSUES: None.

ADJOURNMENT: The meeting was adjourned at 2:39 PM.

Respectfully submitted,

Dale McDonald
March 11, 2020