

MINUTES OF THE REGULAR MEETING OF THE SEWERAGE COMMISSION - OROVILLE REGION

(Held at the Commission office on June 26, 2019 at 5:00 p.m.)

1. Call to Order ❖

Chairman Pittman called the meeting to order at 5:00 p.m.

2. Roll Call ❖

Commissioners present were Commissioners Fairbanks & Kiely from the Lake Oroville Area Public Utility District, Pittman and C. Reynolds from the City of Oroville, and Hatley and Taggart from the Thermalito Water and Sewer District.

3. Salute to the Flag ❖

Manager Koch led Commissioners, staff and guests in the salute to the flag.

4. Acknowledgment of Visitors ❖

Mark Adams of NorthStar Engineering, Ron Reed and Mia Kirk of Base Camp Village.

5. Board Meeting Minutes of the Regular Meeting held on May 22, 2019❖

Upon motion by Commissioner Kiely to approve the minutes of the meetings, and second by Commissioner Hatley, the minutes of the May 22, 2019 regular meeting were unanimously approved.

6. Employee Safety Meetings of June 11 and June 14, 2019❖

Upon Motion by Commissioner Hatley to approve the employee safety meeting minutes of June 11 and June 14, 2019, and second by Commissioner Fairbanks, the minutes were unanimously approved.

7. Authorization of Warrants ❖

Commissioner Fairbanks met with Manager Koch and checked the warrants earlier, and found everything to be in order. Commissioner Kiely made a motion for their approval, which was seconded by Commissioner Taggart. Warrants 25521-25589 in the total amount of \$438,834.70 from May 23, 2019 to June 26, 2019, including Commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

8. Fiscal Reports ❖

Fiscal Officer Koch reported that all fiscal reports were included in the board packets; there were no questions and nothing further to report.

9. Election of Officers ❖

Clerk Koch opened the nominations for Chairman for fiscal year 2019/20. Commissioner Fairbanks was nominated by Commissioner Kiely for the position of Chairperson, which was seconded and closed by Commissioner Taggart. There being no other nominations, Commissioner Fairbanks was elected Chairperson for fiscal year 2019/2020 by acclamation.

Chairman Pittman opened the nominations for Vice-Chair. Commissioner Taggart nominated Commissioner Hatley for the position of Vice-Chair, which was seconded and closed by Commissioner Fairbanks. There being no other nominations for the position, Chairman Pittman closed the nominations and cast the unanimous vote for Commissioner Hatley, who was elected Vice-Chair for fiscal year 2019/2020 by acclamation.

10. NorthStar–Request for Consideration of Reduced Connection Fees ❖

Ron Reed, attorney and founder of the project, and Mark Adams of NorthStar, addressed the Commissioners with a request to reduce connection fees for a project being developed at 78 Paula Court, Oroville. Base Camp Village was presented as a non-profit organization that plans to provide permanent housing and support for homeless persons suffering from mental illness. The project includes 12 units (8 studios and 4 1-bedroom apartments), and will be operated by Caminar. The project will also include an office and community laundry. Mr. Reed advised that the project has received grant money, but that the cost of the project exceeds the funds received, and he has contributed personal funds to cover the fees they are requesting to be reduced. Commissioner Kiely expressed concern that a reduction in fees will set a precedence in the community. Policy was reviewed to determine if the project meets the definition of a “dwelling unit” or a more temporary unit. After review of the policy and questions asked of Mr. Reed and Mr. Adams, it was determined the project meets the definition of a “dwelling unit”, and EDU’s should be assigned per policy.

11. Resolution 05-19 and SC-OR Policy No. 7260 (Fixing the Regional Facility Charge) ❖

Manager Koch said discussion was held last month about changing the RFC; he spoke with the engineers who put in the agreed upon growth rate and gave us a reasonable facility charge. He also mentioned that the JPA is very specific about setting the RFC in September and making it effecting in November. He spoke with Attorney Vance about this, and she gave her opinion in a memo that was included in the packets. She reviewed the JPA, and does not believe there is any leeway in changing this. It would require an amendment to the JPA. Discussion as to whether changes should be made in September can occur prior to the September meeting, but no action can be taken prior to September.

Commissioners Taggart and Hatley said that they took this proposed change to their board and there was a unanimous agreement to leave the RFC as it is. They said that with the plant upgrades in the works it is not a good time to lower the RFC.

This resolution was tabled until the August meeting for possible action in September

Manager Koch requested that item number 13 be addressed prior to item 12. The request was granted.

13. Resolution 04-19 and SC-OR Policy No. 7140 (Establishing Monthly Sewer Service Charge Reserve in Unrestricted Account and Yearly Review of Sewer Service Charge) ❖

Manager Koch said TWSD and LOAPUD have had their Proposition 218 hearings with minimal protests. The City of Oroville will not have a public hearing until August 5th (actually is on the 6th). The rate increase and budget have already been approved by this board; this policy and Resolution puts it in place as of July 1st. Attorney Vance said that if our board passes the Resolution, the issue becomes the City's issue. If the City has objections to the rate increases, they can pay the increase without passing them on to their constituents.

A motion was made by Commissioner Kiely to adopt Resolution 04-19 and SC-OR Policy No. 7140 (Establishing Monthly Sewer Service Charge Reserve in Unrestricted Account and Yearly Review of Sewer Service Charge), and was seconded by Commissioner Hatley. The item passed by the following vote: Reynolds – Yes, Taggart – Yes, Kiely – Yes.

12. Resolution 03-19 and SC-OR Policy No. 7400 (Establishing Septage Processing Charge Reserve in Unrestricted Account and Yearly Review as a Part of Sewer Service Charge) ❖

Manager Koch stated he didn't feel the need to change these charges, so they will remain the same; the costs being \$71.52 per 1,000 gallons within the SC-OR service area, and \$83.55 per 1,000 gallons within the SC-OR sphere of influence but outside of the service area.

Chairman Pittman asked what the Highway 70 Basecamp is doing with their gray water. Manager Koch replied that they are bringing it here. Commissioner Reynolds asked if their flows were consistent, and Manager Koch replied that they are.

A motion was made by Commissioner Hatley to adopt Resolution 03-19 and SC-OR Policy No. 7400 (Establishing Septage Processing Charge Reserve in Unrestricted Account and Yearly Review as a Part of Sewer Service Charge), and was seconded by Commissioner Taggart. The item passed by the following vote: Reynolds – Yes, Taggart – Yes, Kiely – Yes.

14. Resolution 06-19 (Establishing Source of Funds for Facility Upgrades Necessary to Meet Regulatory Requirements) ❖

Manager Koch reported that this Resolution was created for the modification of the facility as a way to take a portion of the sewer service charges and transfer them into the capital account. This resolution would increase the contribution to the Capital Account to \$4.60 per EDU.

A motion was made by Commissioner Kiely to adopt Resolution 06-19 (Establishing Source of Funds for Facility Upgrades Necessary to Meet Regulatory Requirements), and was seconded by Commissioner Taggart. The item passed by the following vote: Reynolds – Yes, Taggart – Yes, Kiely – Yes.

15. Advisory Committee Request ❖

Manager Koch stated that the resolution establishing technical adjustments was in the packet along with all supporting documentation. He would like an advisory committee appointed to review the documentation from the engineers to get a member entities' perspective on changing the formulas. Currently the flow at 260 gpd per EDU is high. If we maintain that it will have an effect on the modification because we will be basing the modification on flow that we are not actually receiving. This needs to be discussed. Chairman Pittman appointed LOAPUD as the advisory committee.

16. Amendment to Task Order No. 29 with Jacobs Engineering ❖

Manager Koch said we are looking at amending this task order by \$56,000 for an amount not to exceed \$116,000. This will get the bid documents for the new primary pump station up to date, go to bid, do addendums, etc. and project management. We may not use Jacobs for the project management portion.

A motion was made by Commissioner Taggart to amend task order #29 to increase the amount by \$56,000 for an amount not to exceed \$116,000, and was seconded by Commissioner Reynolds. The item passed by the following vote: Reynolds – Yes, Taggart – Yes, Kiely – Yes.

17. Election of Directors to the Special District Risk Management Authority Board of Directors ❖

Manager Koch said three members must be elected to the SDRMA Board of Directors. Their profiles were in the packets. The following individuals were selected: Bob Swan, Patrick K. O'Rourke and Sandy Seifert.

A motion was made by Commissioner Kiely to vote for Bob Swan, Patrick K. O'Rourke and Sandy Seifert to the SDRMA Board of Directors. The motion was seconded by Commissioner Hatley, and passed by unanimous vote.

18. Attorney's Report ❖

Attorney Vance reported that there are no claims or litigation against the plant, everything is running smoothly, and there is nothing further to report.

19. Manager's Report ❖

- **Commissioner Compensation Review and Discussion per SC-OR Policy 5200:** Manager Koch said he was asked by Chairman Pittman to bring up Commissioner Compensation for review and discussion. Current Commissioner fees are \$300.00 per month. By policy, if we are going to change fees paid it is supposed to be done prior to the adoption of the budget. TWSD's board member compensation is \$600/month, LOAPUD is \$400/month, The City of Oroville is \$400/month with the exception of the Mayor who receives \$500/month, The City of Biggs is \$300/month, the City of Gridley is \$200/month.

Discussion was held regarding increasing the fees to SC-OR Commissioners. Direction was given to the Manager to see what the maximum is that can be paid and bring it back to the July meeting.

- **CaIOES Grant:** The grant funding we applied for the primary pump station fell under a hazardous mitigation grant. DWR had an idea for us to move our outfall line and they applied for grant funds under this hazardous mitigation grant. DWR came to the office on Monday to discuss this. What they are proposing is that the application be based on us moving the outfall line from the entrance of the wildlife area down Hall Road, near the highway 70 entrance. They want to get rid of our line along their levees so they don't have issues with it breaking if their levee breaks. The grant funds would be 75% grant, 25% covered by SC-OR. To move that line is estimated to be \$9 million dollars, and SC-OR's portion would be \$2.5 million. DWR would like a letter of support and a commitment to move forward with the application; and would need this by July 5th. Manager Koch stated his concerns are: 1) Why would we move the pipeline if it's going to cost us money; 2) In the 2-3 years when this grant funding finally gets approved we are going to be in the middle of renovation of this facility and won't have the \$2.5 million to spend on it, and 3) Currently our pipeline and diffuser are adequate for the next 20 years. The consensus of the Commission was SC-OR does not have the funding to do this project and will not support it with such short notice.

20. Visitor Comments ❖

None

21. Commissioner and Staff Comments ❖

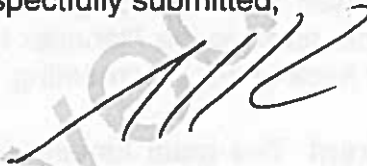
Commissioner Kiely said he has enjoyed his time serving on the SC-OR board, and complimented Manager Koch for being a good manager.

Commissioner Chuck Reynolds stated that Commissioner Ernie Reynolds has retired from the SC-OR Board after 40+ years of service, and had put his heart and soul into this board; and he thought it would be nice to do something to honor his service. The Commission agreed. Manager Koch said he will present a Resolution to him at the next board meeting.

22. Adjournment ❖

There being no further business, the meeting was adjourned at 6:32 p.m. to the regular meeting scheduled on July 24, 2019 at 5:00 p.m.

Respectfully submitted,



SCOTT J. KOCH, CLERK

Approved