

**MINUTES OF THE SPECIAL MEETING  
OF THE SEWERAGE COMMISSION - OROVILLE REGION**  
(Held at the Commission office on December 12, 2022 at 11:00 a.m.)

**1. Call to Order ❖**

Chairwoman Mastelotto called the meeting to order at 11:00 a.m.

**2. Roll Call ❖**

Commissioners present were Wristen from the Thermalito Water and Sewer District, Mastelotto and Salvucci from the Lake Oroville Area Public Utility District, and Reynolds from the City of Oroville. Staff present was Manager Sturdevant and Plant Supervisor Salsi. Attorney Dave Richie sat in for Attorney Scott Huber. Commissioner Taggart of the Thermalito Water and Sewer District arrived at 11:04, and Commissioner Thomson from the City of Oroville arrived at 11:30 p.m.

**3. Salute to the Flag ❖**

Chairman Mastelotto led the Commissioners and staff in the salute to the flag.

**4. Acknowledgment of Visitors ❖**

None

**5. Board Meeting Minutes of the Regular Meeting held on November 15, 2022 ❖**

Upon motion by Commissioner Wristen to approve the minutes of the meeting, and second by Commissioner Salvucci, the minutes of the November 15, 2022 regular meeting were unanimously approved.

**6. Authorization of Warrants ❖**

Chairperson Mastelotto met with Manager Sturdevant and reviewed the warrants earlier, and having found everything to be in order made a motion for their approval. The motion was seconded by Commissioner Reynolds. Warrants 27832-27876 in the total amount of \$441,628.95 from October 25 to November 16, 2022, including Commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

**7. Fiscal Reports ❖**

Manager Sturdevant reported that the fiscal reports for November were in the packets. There were no questions, and nothing further to report.

**8. Resolution 06-22 Authorizing SC-OR to apply for SRF Funding and Making Manager Authorized Representative ❖**

Manager Sturdevant said that we are at a point where we have a completed SRF application, though our project has somewhat changed since this process began due to the phasing of the project. We are still applying for SRF funding in case some of our other funding options don't come through. This resolution is required to designate Manager Sturdevant as the authorized representative to apply for the SRF funding. Chairwoman Mastelotto asked about the need to apply for this funding. Manager Sturdevant said that it has been a three-year process to prepare this application, and we would like to apply so if some of our other funding doesn't come through, we are not three-years out in applying for this. Commissioner Wristen asked if there was a cap on the amount of funds that we can apply for. Plant Supervisor Salsi stated that our application is for \$40M, but that amount can be adjusted as our project adjusts. A motion was made by Commissioner Wristen to approve Resolution 06-22 authorizing SC-OR to apply for SRF Funding and Making Manager the Authorized Representative. The motion was seconded by Commission Salvucci, and passed by the following vote: Wristen – Aye, Mastelotto – Aye, Reynolds – Aye.

**9. Consider Proposals and Awarding a Contract for Concrete Pad and Awning for a Sodium Bi-Sulfite Station ❖**

Manager Sturdevant said that we pulled the Sodium Hypochlorite station out of the upgrade plan, and will use it as a Sodium Bi-Sulfite station until the upgrade project begins, when it will be repurposed back to a Sodium Hypochlorite station. Having a Sodium Bi-Sulfite station now will allow us to dechlorinate if we can no longer get Sulfur Dioxide gas. The sourcing for that gas is very tentative.

We received two quotes from Gateway Pacific Contractors and Duke Sherwood Contracting. Gateway's proposal came to \$193,489, and Duke Sherwood's proposal is for \$140,509. It is staff recommendation to go with Duke Sherwood Contracting, as they are local, always have been reliable, and are \$50,000 less in their proposal.

Commissioner Wristen asked if these two bids were on the same degree of construction on the project, as Duke Sherwood's proposal was very simple. Manager Sturdevant verified that their bids were apples to apples.

Chairwoman Mastelotto made a motion to award the contract to Duke Sherwood Contracting for concrete pad and awning for a Sodium Bi-Sulfite station in an amount not to exceed \$140,509, with a variance of 10% that can be approved by Manager Sturdevant. The motion was seconded by Commissioner Wristen, and passed by the following vote: Wristen – Aye, Mastelotto – Aye, Reynolds – Aye.

## **10. Attorney's Report ❖**

Attorney Richie stated that there was nothing to report other than Attorney Huber had received the final letters from firms interested in becoming SC-OR's new counsel. Attorney Huber will forward those to Manager Sturdevant to be included at the next meeting for consideration.

## **11. Manager's Report ❖**

Manager Sturdevant said he feels we are on the right path for the upgrade project funding options, but has one additional option to consider. With what we have been unofficially told we will get from the County in grant funds, along with what we have in the bank, we would be able to fund 50% of the upgrade project without phasing it. We could now go to the federal government and apply for a WIFIA loan, which requires us to fund 51% of the project. In getting this loan we could build the complete project instead of doing it in phases. He prefers not to go this route, as he believes we can get more grant monies to complete other phases of the project, but wanted to bring this option to the Commissioners. The WIFIA funds are not going away, so if grant funds are not found we can later apply for WIFIA funds. It is a much easier loan to apply for than a SRF loan, with not nearly as much red tape or governmental requirements.

Commissioner Taggart asked what the return rate on LAIF was.. Attorney Richie stated that municipal advisors recommend against LAIF because their terms are not as favorable.

Chairwoman Mastelotto thinks that the phased direction we are going in is the best course for SC-OR. The other commissioners agreed and directed staff to continue on that course.

Manager Sturdevant reported that the influent pump station is still on pace to be completed in March 2023. He said we may need to have a special meeting in January 2023, as we were hoping to have more proposals from engineering companies to do the environmental document for phase 1 of the project for this meeting, but have only received 1 proposal. This is a time-sensitive issue, and we need to get it going as soon as possible for the funding. We also may need to do a closed session with Attorney Huber in the special meeting to report on the potential litigation. We did get some numbers back on the study from Bartles Wells Associates, and their recommendations on changing the rate structure for multi-family units.

## **12. Visitor Comments ❖**

None

## **13. Commissioner and Staff Comments ❖**

None

**14. Adjournment ❖**

There being no further business, the meeting was adjourned at 11:32 a.m. to the regular meeting scheduled for January 24, 2023 at 5:00 p.m.

Respectfully submitted,



GLEN E. STURDEVANT, CLERK

Approved