

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

(Held at the Commission office on August 28, 2019 at 5:00 p.m.)

1. Call to Order ❖

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

2. Roll Call ❖

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

3. Salute to the Flag ❖

Commissioner Kiely led Commissioners, staff and guest in the salute to the flag.

4. Acknowledgment of Visitors ❖

Ken Shuey, Engineer from Provost and Pritchard Consulting Group, was in attendance.

5. Board Meeting Minutes of the Regular Meeting held on July 24, 2019❖

Upon motion by Commissioner Hatley to approve the minutes of the meetings, and second by Commissioner Reynolds, the minutes of the July 24, 2019 regular meeting were unanimously approved.

6. Authorization of Warrants ❖

Commissioner Reynolds met with Manager Koch and checked the warrants earlier, and having found everything to be in order made a motion for their approval. The motion was seconded by Commissioner Kiely. Warrants 25638-25705 in the total amount of \$740,507.83 from July 25, 2019 to August 28, 2019, including Commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

7. Fiscal Reports ❖

There were no fiscal reports due to the annual audit. The July and August fiscal reports will be in next months' packet.

8. Advisory Committee Report of Establishing Technical Adjustment for Constituents, Physical Plant Costs and Historical Performances ❖

Chairman Fairbanks said he served on the Advisory Committee along with Jack Kiely. The major part of the conversation centered around the daily flow of an EDU. In 2008 it was established at 260 gallons per day. Engineers established that the EDU's of 260 gallons/day should actually be 145 gallons/day per EDU, the average per year. Commissioner Kiely said that lowering to that average would basically double the excess flow spikes from the entities and would increase their costs. Ken Shuey said that because of the severity of the I&I in the systems, the water coming through the plant is higher, but the loadings are about the same. This highlights the significant I&I. The peak flows will continue to increase as the systems deteriorate. The focus should be on fixing the I&I.

Manager Koch said by reducing the flow to the actual, we can gain close to 5,000 additional EDU's. The problem is that peak flows and excess flows are still too high. We cannot use an inaccurate number when it comes to planning and designing the facility because then we will overbuild, and it will cost more money to have a plant that will sit idle during the dry months. Commissioner Hatley stated we have been allowed 260 gal/day per EDU, and it realistically has only been 145 gals/day, so the difference has been eaten up by I&I. Key Shuey said if we did decrease the flow number to the 145 gals/day it would increase the number of EDU's an industrial user would have to buy because those are based upon flow, BOD, suspended solids, loading, etc.

Commissioner Kiely stated that if we reduce the flows and have an extra 5,000 EDU's, we still could not hook up 5,000 more connections because of the I&I, so are we kidding ourselves with that number. Commissioner Hatley said that it will force the entities to really look at their collection systems and to repair them instead of kicking the can down the road. Following were suggestions: 1) We might want to look at going back to the rebate of penalty system again if the entities can prove they have done repair work on their systems, we would rebate them a percentage of what they spent on repairs, or 2) We could reward the entities instead of penalizing them, by putting a certain amount in a reserve account to go towards future excess flows. Commissioner Pittman said he cannot see not changing the number now that we know it is more accurate than what has been used. It may be hard on the entities, but how do we disregard this information. Manager Koch said It will be helpful to tell the community after spending \$45M of their money for a plant modification that we now have a good amount of capacity available.

9. Request for Bid Authorization (Primary Influent Pump Station) ❖

Manager Koch said we are prepared to go out to bid on the Primary Influent Pump Station, and were hoping to do that by the 2nd of September, but we have hit a snag with PG&E. We have to do some redesign of the electrical system and work through some of their permit processes. We are still waiting to hear from the City on permits. We hope to go to bid sometime in September, and would like board authorization.

A motion was made by Commissioner Kiely to authorize the Manager to go out to bid on the Primary Influent Pump Station when we are ready. The motion was seconded by Chairman Fairbanks, and passed by the following vote: Reynolds – Yes, Hatley – Yes, Fairbanks – Yes.

10. Regional Facility Charge Review ❖

Manager Koch said as the RFC has been discussed several times already this year, we all need to be on the same page as we must have a unanimous decision on where we set the RFC. Commissioner Kiely said he thought that we had decided we were going to use a .75% growth rate which would lower the RFC. Manager Koch said the engineers took the number that was used in the master plan and recalculated it using the .75% growth rate number and it came to \$5,427.00 per EDU. Commissioner Hatley reminded the Commissioners that at the last meeting for TWSD, their board expressed that they wanted to keep the RFC as is. He said that our growth rate historically has not met the 1% rate that was initially used to determine the lower RFC rate. Commissioner Reynolds stated we are experiencing this phenomenal growth without lowering the RFC, and is comfortable leaving it where it is. Manager Koch said he will present the Resolution next month keeping the RFC at \$6,638.00.

REPORTS

11. Attorney's Report ❖

Attorney Vance reported that there are no claims or litigation against the plant and everything is going well.

12. Manager's Report ❖

- **USDA Population Restrictions:** There was talk when the Camp Fire disaster happened that USDA might remove their population restrictions on their loans. At that time, they said there would possibly be up to 60% grant funds available. We worked on applications for USDA for the modification to this facility along with the application for SRF funding. USDA informed us that the population restrictions are still in place and that will not change. They will only loan 47% of what is needed on the project. Manager Koch and Engineer Shuey think we should still pursue both USDA and SRF loans. The applications are very similar. Commissioner Kiely asked if bonding was an option. Ken Shuey stated it is the worst-case scenario, as it is very expensive.

Commissioner Hatley asked about funds that Assemblyman Gallagher was trying to get through AB101, some of which were requested for funding SC-OR's modifications. Commissioner Reynolds said that SC-OR has turned in paperwork to the City to be included in the bill. Commissioner Hatley said that If we were to get that funding, we would not need to pursue these other loans.

Manager Koch said other funding we are pursuing is the IRWM, which is a grant program through DWR. We have a meeting with them on Sept. 20th, which is on the final phase of the project.

Manager Koch reported that SC-OR now has a website that is live, SC-OR.org. It is still in the design stages. He reviewed it with the Commissioners, and said that everything we need to be compliant is included on the website.

13. T.W.S.D. Commissioner Report ❖

T.W.S.D.: Spoke with Oroville City Council member Hatley regarding SC-OR; responded to Sandy Sup, audit manager for both TWSD and SC-OR, regarding answers to five questions pertaining to the audits; reviewed SC-OR meeting minutes to report on at the TWSD meeting; reported on SC-OR minutes at the August 20th TWSD regular meeting; reviewed the SC-OR agenda for the current meeting, and is now at the meeting.

14. City of Oroville Commissioner Report ❖

The City: Reported that a discussion was held at the Chamber of Commerce board meeting regarding SC-OR; meetings held with developers; Home Advisory Committee meeting - they talked about issues for first-time homebuyers; Housing Authority meeting dealing with issues relating to housing, with sewage being one of those issues.

15. L.O.A.P.U.D. Commissioner Report ❖

L.O.A.P.U.D.: The President of LOAPUD meets with the Vice-President separate from the board meeting each month to go over the agenda, including anything relating to SC-OR; LOAPUD had a special meeting to select a new board member to replace T.C. Dennis; met with General Manager to review SC-OR resolution 04-08, and also discussed it at the board meeting; met with SC-OR Manager Koch as part of the Advisory Committee to review the policy for *Establishing Technical Adjustment for Constituents, Physical Plant Costs and Historical Performances*; reviewed with their district engineer SC-OR's resolution 04-08; discussion with South Feather Water & Power.

16. Visitor Comments ❖

None

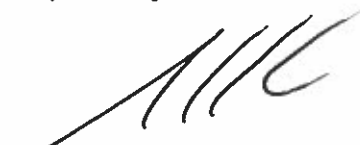
17. Commissioner and Staff Comments ❖

None

18. Adjournment ❖

There being no further business, the meeting was adjourned at 6:02 p.m. to the regular meeting scheduled on September 25, 2019 at 5:00 p.m.

Respectfully submitted,



SCOTT J. KOCH, CLERK

Approved