

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

(Held at the Commission office on May 28, 2024 at 5:00 p.m.)

1. Call to Order ❖

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

2. Roll Call ❖

Commissioners present were Commissioners Mastelotto and Salvucci from the Lake Oroville Area Public Utility District, Pittman from the City of Oroville, Koch from the Thermalito Water and Sewer District. Staff present was Manager Glen Sturdevant, Plant Supervisor Mikah Salsi and Attorney Ryan Jones. Commissioners Taggart and Thomson were absent.

3. Salute to the Flag ❖

Plant Supervisor Salsi led the commissioners and staff in the salute to the flag.

4. Acknowledgment of Visitors ❖

Rich Westford

5. Board Meeting Minutes of the Regular Meeting held on April 23, 2024❖

Upon motion by Commissioner Mastelotto to approve the minutes of the meeting, and second by Commissioner Salvucci, the minutes of the April 23, 2024 regular meeting were unanimously approved.

6. Employee Safety Meeting Minutes held on May 8, 2024❖

Upon motion by Commissioner Koch to approve the minutes of the meeting, and second by Commissioner Salvucci, the minutes of the May 8, 2024 regular meeting were unanimously approved.

7. Authorization of Warrants ❖

Commissioner Salvucci 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 Koch. Warrants 28943-29005 in the total amount of \$1,219,470.79, including employee paychecks, commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

8. Fiscal Reports ❖

Manager Sturdevant stated the fiscal reports for April 2024 were in the packets for review. There were no questions expressed and nothing further to report.

9. Resolution 02-24 and SC-OR Policy No. 7140 (Establishing Monthly Sewer Service Charge Reserve in Unrestricted Account and Yearly Review of Sewer Service Charge) ❖

Manager Sturdevant reported that this is an annual review of the rates. A rate schedule was approved at an earlier board meeting, and the entities are holding Proposition 218 hearings right now to make the rate schedule official. This resolution establishes the new rate schedule for the next 5 years.

A motion was made by Commissioner Koch to adopt Resolution 02-24 and policy 7140 contingent upon successful 218 hearings for LOAPUD and the City of Oroville. The motion was seconded by Commissioner Salvucci, and passed by the following vote: Pittman – Yes, Koch – Yes, Mastelotto – Yes.

10. Resolution 03-24 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 Sturdevant stated that this is another annual resolution and policy looking at the septage rate to determine or keep it the same or change it. He recommends no increase to the septage processing charge.

A motion was made by Commissioner Mastelotto to approve Resolution 03-24 and SC-OR Policy No. 7400, Establishing Septage Processing Charge Reserve in Unrestricted Account and Yearly Review as a Part of Sewer Service Charge. The motion was seconded by Commissioner Koch, and passed by the following vote: Pittman – Yes, Koch – Yes, Mastelotto – Yes.

11. Resolution 4-24 – Designating Authorized Representatives to Sign for the SRF Loan Application for the SC-OR Plant Upgrade Project ❖

Manager Sturdevant said this item was previously brought to the Commission and approved using Manager Sturdevant's name and title. The State of California did not want a specific name, only the title, so this is brought back to name the Manager or Plant Supervisor as authorized representatives to sign the SRF loan application.

A motion was made by Commissioner Koch to approve Resolution 04-24 Designating Authorized Representatives to Sign for the SRF Loan Application for the SC-OR Plant Upgrade Project, namely the SC-OR Manager or Plant Supervisor. The motion was seconded by Commissioner Salvucci, and passed by the following vote: Pittman – Yes, Koch – Yes, Mastelotto – Yes.

12. Flow Meter at Feather River Pump Station (FRPS) (Not to exceed \$13,500.00) ❖

Manager Sturdevant stated that this has been discussed at previous meetings, and we have brought it back with a cost not to exceed \$13,500.00 to replace the flow meter at the FRPS so that TWSD can have accurate flows.

A motion was made by Commissioner Salvucci to approve the purchase of a new flow meter for the FRPS. The motion was seconded by Commissioner Mastelotto, and passed by the following vote: Pittman – Yes, Koch – Yes, Mastelotto – Yes.

13. Jacobs Contract for Engineering Service During Construction of Phase 1 of the Plant Upgrade (not to exceed \$1,080,000.00) ❖

Manager Sturdevant reported that this has been discussed at previous meetings, and Jacobs has given us a cost not to exceed \$1,080,000.00 for engineering services during construction of the plant upgrade. We will still put construction management out for bid. He mentioned that if we were not using federal funds for this project the quote would be less, but there are special inspections and onerous regulations when using grant funds.

A motion was made by Commissioner Mastelotto to approve the contract with Jacobs Engineering for engineering services during construction for phase 1 of the plant upgrade, for an amount not to exceed \$1,080,000.00. The motion was seconded by Commissioner Koch, and passed by the following vote: Pittman – Yes, Koch – Yes, Mastelotto – Yes.

14. Proposal form Yuba Planning Group, LLC for CEQA Compliance for the Ruddy Creek Pump Station Project (Not to exceed \$16,500.00) ❖

Manager Sturdevant said we were informed that because of the distance the new pump station will be from the creek, we must prepare a CEQA document to be sure we are in compliance with California Rules for Construction. We would like to enter into an agreement with Yuba Planning Group to prepare the CEQA document at a cost not to exceed \$16,500.00.

A motion was made by Commissioner Salvucci to approve an agreement with Yuba Planning Group, LLC for an amount not to exceed \$16,500.00 to prepare a CEQA compliance document for the new Ruddy Creek Pump Station. The motion was seconded by Commissioner Koch, and passed by the following vote: Pittman – Yes, Koch – Yes, Mastelotto – Yes.

15. Attorney's Report ❖

Attorney Jones reported that he has little to share other than the K&M litigation is slowly progressing. The next hearing date is set for August 28th, which is just a case management conference, where the judge will probably set a trial date. There are no significant updates. He has been working with staff to review policies, etc.

16. Manager's Report ❖

Manager Sturdevant reported we had 120 fifth graders from Golden Hills Elementary School for a tour on April 24th. Mikah led the in-class session in the board room, Glen led the tours, and Kendra and operator Josh Sorenson did a demonstration in the lab. It went well, but we learned that fifth grade is probably a bit too young for tours. We provided all of them with masks and safety glasses. He believes this is a great service to the community, to show the kids what happens when they flush the toilet, and where their parents' money is going to serve the community. Overall, it went very well.

Influent Pump Station: One of the features of the new influent pump station doesn't work exactly how we thought it would, but it does work. It doesn't give us quite the amount of volume that we thought we would be able to divert to storage, but it does give us a significant amount. Instead of the 10M we thought we would be able to divert, it gives us about 8.5M. We are in the process of testing to see what we can actually divert, and then we will discuss this with Jacobs. Otherwise, it is online and running well.

Butte County Supervisors Meeting: He and Supervisor Salsi attended the Butte County Supervisor's meeting on May 14th to answer any questions they might have had. The supervisors approved our funding agreement and signed it, so it is officially done. The following day he and supervisor Salsi met with Supervisor Bill Connelly to thank him for his efforts in getting this funding. He wanted to talk about consolidation, and was quite adamant about it, so Manager Sturdevant told him his board doesn't want it and it wasn't his place to talk about it.

City of Oroville: We are working with the City of Oroville on Caltrans projects and PG&E projects on Oro Dam Blvd.

TWSD: We attended the Prop. 218 hearings at TWSD at 2:00 & 7:00 on May 21st. They went well and passed. He will be attending the City and LOAPUD hearings also in case there are questions.

LOAPUD: We are looking at the east interceptor project again. When we first realized we needed to do this project we had Coleman Engineering look at the best way to do it. They determined that slip-lining was the best way to proceed; we wouldn't have to do bypass pumping, etc. Since that time the prices have skyrocketed, and it will now cost almost as much to slip-line it as it will to dig the pipe up and replace it. The spot repair would just be the 1st phase. The cost was estimated to be \$700,000 for spot repair, and if that didn't work it would be \$1,000,000 to slip-line it. He believes we can dig it up and replace it without too much bypass pumping for a cost less or near the amount for just the spot repair and no slip-lining. We are gathering quotes for both so we can bring options to a future meeting.

On June 6th he will be meeting with a representative from T-Mobile, who called with interest in putting a cell tower on our property. The initial agreement for the cell tower would be \$30,000 up front and \$400/month. Manager Sturdevant would like to negotiate lifetime free cell service for SC-OR. That bill has gone up drastically since he became manager. This is all the information he has until he meets with the representative. He will report back in the June meeting if this would be beneficial to SC-OR. Commissioner Pittman said this could be good for the entire area, as internet service is an issue, so this could be a win-win proposition.

17. Visitor Comments ❖

Rich Westford, is the Executive Vice-President of the Richman Group, who are affordable housing developers and a finance company. They finance affordable housing in every state and territory except Hawaii. They use government subsidies to finance these projects. They are building the Lincoln Street Family Apartments. It is the 1st of a 2-phase project. In their due diligence they started conversations on capacity and fees with LOAPUD. With government grants there are deadlines. They had to begin construction of April 2023, and LOAPUD gave them a conditional will-serve. This is a project that apparently requires an upgrade to LOAPUD's collection system in south Oroville, upsizing the sewer trunk line that runs under the railroad tracks. This upgraded line will cost around \$1.4M. This was not budgeted for, so they have to figure out how to cover these costs. They are in the final stages of getting approval from the railroad. LOAPUD has agreed to allow them to put their impact fees towards this upgrade. They are hoping that SC-OR will consider allowing them to use some of our fees towards the work that they still have to do. They are asking for half of the \$400,000 in connection fees to be put towards this work. It would benefit all of south Oroville. They believe the project will be occupiable by the end of August or early September.

Vice-Chair Pittman asked if the line that Rich is talking about is the east interceptor line, to which Manager Sturdevant replied it is not the same. He stated this line is part of LOAPUD's system. He said our line stops at Duke Sherwood's property and then from there it is LOAPUD's line. Commissioner Mastelotto asked if we are able to use our fees in this capacity. She said she understands why LOAPUD allowed their fees to be used to upgrade the line, but that was for their system. Manager Sturdevant said that is why we have a policy that we don't do this because we have three different agencies who maintain their own lines. This improves LOAPUD's system, so it is understandable why they approved it. He doesn't think the other entities want to pay to improve LOAPUD's system. That is why we have a policy against this kind of thing. Commissioner Koch stated that the connection fees go towards improving SC-OR equipment. If SC-OR needs a new clarifier to support this project, then the project would be asked to pay for the clarifier up front. As new development comes into our system they would be reimbursed. Attorney Jones cautioned that because this is a non-agenda item they cannot make any decisions on this. If the board wants to consider it, then it must be agendized for a future meeting. It was a consensus of the board to agendize this item for the June meeting when all Commissioners are in attendance.

18. Commissioner and Staff Comments ❖

Commissioner Koch said it's good to see the kids come back. He also said that Glen and Mikah did well at the TWSD prop 218 hearing. There were only two protests.

Vice-Chair Pittman said he recently went down to the Sacramento power plant one weekend, and then to the Elkhorn Battery facility in Moss Landing the next weekend. This is the largest battery storage facility in the world. Battery storage is something we need to prepare for, and it can be a problem. There are a lot of things we are not ready for. They had a fire in one of the units, and they didn't know how to handle it and couldn't put it out. They used water to try to put keep it from spreading, and It caused issues with water going into their reservoir and almost overflowing and spilling into their estuary. Commission Mastelotto asked if they mentioned what they do with the batteries once they've exhausted their life. Vice-Chair Pittman stated that wasn't addressed.

19. Adjournment ❖

There being no further business, the meeting was adjourned at 5:50 p.m. to the regular meeting scheduled for June 25, 2024 at 5:00 p.m.

Respectfully submitted,



GLEN E. STURDEVANT, CLERK