

**MINUTES OF THE REGULAR MEETING
OF THE SEWERAGE COMMISSION - OROVILLE REGION**
(Held at the Commission office on January 24, 2023 at 5:00 p.m.)

1. Call to Order ❖

Chairwoman Mastelotto called the meeting to order at 5:03 p.m.

2. Roll Call ❖

Commissioners present were Commissioners Mastelotto and Salvucci from the Lake Oroville Area Public Utility District, Thomson from the City of Oroville, Taggart from the Thermalito Water and Sewer District. Staff present was Manager Glen Sturdevant, Plant Supervisor Mikah Salsi, and Attorney Scott Huber. Commissioner Wristen was absent, and Commissioner Thomson is the only commissioner appointed from the City of Oroville at this time.

3. Salute to the Flag ❖

Commissioner 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 January 24, 2023 ❖

Upon motion by Commissioner Taggart to approve the minutes of the meeting, and second by Chairwoman Mastelotto, the minutes of the December 12, 2022 regular meeting were unanimously approved.

6. Authorization of Warrants ❖

Commissioner Thomson met with Manager Sturdevant and reviewed the warrants at an earlier time, and having found everything to be in order made a motion for their approval. The motion was seconded by Commissioner Salvucci. Warrants 27877-27944 in the total amount of \$527,582.05 from December 13, 2022 to January 24, 2023, including Commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

7. Fiscal Reports ❖

Manager Sturdevant stated the fiscal reports for December 2022 were in the packets for review. There were no questions expressed and nothing further to report.

8. Resolution 01-23 (Investments of SC-OR Monies in L.A.I.F.) ❖

Manager Sturdevant reported that our funds are invested in the Local Area Investment Fund (L.A.I.F.) per board action, which pays a better interest than banks do. This Resolution brings the annual authorization for investment to the Commission for approval.

A motion was made by Commissioner Salvucci to adopt Resolution 01-23, (Investments of SC-OR Monies in L.A.I.F.). The motion was seconded by Commissioner Taggart, and passed by the following vote: Taggart – Yes, Mastelotto – Yes, Thomson – Yes.

Attorney Huber recommended that the Commission find a financial advisor to give unfunded pension liabilities advice. There is a 115 -Trust that can be set up to put money away that is invested in the market at a reasonable rate of return. It is then used to pay the pension unfunded liabilities. Direction was given to Manager Sturdevant to find a financial advisor to advise on creating a trust for our unfunded liabilities. Attorney Huber will get Manager Sturdevant some names of advisors versed in this trust.

9. Mid-Year Budget Amendments ❖

Manager Sturdevant reported that when preparing our annual fiscal year budget, we base each line item off of what has been spent during the current year to date, and then project it out for the entire year to create our next fiscal year budget. Our adopted budget is not sufficient to cover the rising costs in chemicals. He is asking to increase that line item by \$115,000, which will be pulled from the contingency, so it will not affect the bottom line of this budget. He would also like to increase the insurance line item by \$3,000, as that cost increased above what was budgeted. The total increase requested is \$118,000. He had not previously added SC-OR portion of the influent pump station to the capital expenditures because he didn't want specific earmarks for the monies we had to give more flexibility, but he would now like to show what has been spent. The 2022/2023 adjusted budget will be \$3,014,525, with a remaining contingency of \$278,897.

A motion was made by Commissioner Thomson to authorize the increases to the annual budget for 2022/2023 as presented. The motion was seconded by Commissioner Salvucci, and passed by the following vote: Taggart – Yes, Mastelotto – Yes, Thomson – Yes.

10. Resolution 02-23 – Authorizing SC-OR to Apply for SRF Funding and Making Manager the Authorized Representative_❖

Manager Sturdevant stated that this was brought to the board last month and was approved, but the State did not like that Manager Sturdevant was specifically named as the authorized representative, so we are bringing it back just referring to the "Manager" as the authorized representative in the resolution.

Commissioner Taggart made a motion to approve Resolution 02-23 authorizing SC-OR to apply for SRF funding and making the manager the authorized representative. The motion was seconded by Commissioner Thomson, and passed by the following vote: Taggart – Yes, Mastelotto – Yes, Thomson – Yes.

11. Resolution 03-23 – SRF Reimbursement Resolution ❖

Manager Sturdevant said that this resolution assures that if the board approves taking a loan from the State Revolving Fund, there is resolution already in place guaranteeing that SC-OR will pay the loan back.

Commissioner Salvucci made a motion to approve Resolution 03-23 for the SRF Reimbursement. The motion was seconded by Commissioner Taggart, and passed by the following vote: Taggart – Yes, Mastelotto – Yes, Thomson – Yes.

12. Consider Proposals and Awarding of a Contract for NEPA (Environmental Documents) ❖

Plant Supervisor Mikah Salsi spoke regarding environmental proposals for the grant funding, which is Federal monies. As part of the requirements of Federal monies through the Department of Housing and Community Development (HCD), we are required to follow Federal environmental regulations. A few months back the board adopted a CEQA document (California Environmental Quality Act document) for the plant upgrade project, but we must now do the same for the Federal Government to receive Federal funding. Three firms that responded to our request for environmental documents: Galloway Enterprises (\$12,665), LACO Associates (\$13,500-\$15,500), and Yuba Planning Group (\$9,600). His recommendation is the Yuba Planning Group. He likes their proposal because it mentioned specifics about the HCD grant, our project, and she has applicable experience in water/wastewater. She's also a former public works director for an agency. He thinks their proposal is the best bang for our buck.

Commissioner Taggart made a motion to sign a contract with the Yuba Planning Group, which was seconded by Commissioner Salvucci, and was unanimously approved.

13. Request for Proposals (RFP) for Grant Administration for the CDBG Funds SC-OR Received from the County/State ❖

Plant Supervisor Salsi stated that this is a Request for Proposals at the behest of the Butte County Administration to administer the HCD grant funds we will be receiving. HCD is a Federal Agency, with stringent requirements on how their money is administered and handled. The County has hired a grant administrator to help them administer the grant funds that they've received, and they are recommending that SC-OR do the same. We are requesting to send out RFPs to find a grant administrator. They will help do the following: Prepare RFPs for the plant upgrade to make sure all of the RFPs meet HCD's requirement; prepare a management plan prior to the construction to make sure we have the required meetings that HCD requires for the grant funds; prepare all of the budget process forms for the grant, along with the monthly

and quarterly reporting. They will stay on up to two years after the completion of the project to ensure that SC-OR is utilizing its equipment according to HCD standards to ensure we aren't wasting their investment.

We are asking for permission to send out the RFP. Once we have received responses, we will bring them back to the Commission for consideration.

Commissioner Thomson made a motion to approve sending out the Request for Proposal for a grant administrator for the CDBG funds that SC-OR will receive from the County/State. The motion was seconded by Commissioner Taggart, and was unanimously approved.

14. ECO Green Contract Adjustment ❖

Manager Sturdevant stated that we had brought this contract to a previous meeting for approval to change all of the light fixtures at the plant. The contract was approved for an amount not to exceed \$42,000. When ECO Green installers arrived, they noticed that none of the exterior fixtures had been included in the original contract. He told them to give him a revised quote to include those fixtures. We are now asking the board to approve a revised contract for an amount not to exceed \$53,000. The repayment terms are the same; it will still cost SC-OR zero dollars because it will be repaid out of the savings at a rate of \$1,486.15 per month. After the \$53,000 is paid off, SC-OR will then start to save that amount monthly.

Commissioner Thomson made a motion to approve the amended contract with ECO Green for an amount not to exceed \$53,000. The motion was seconded by Commissioner Salvucci, and was unanimously approved.

15. Closed Session

The Commission adjourned to closed session at 5:30 pm and reconvened to open session at 6:13 pm. Attorney Huber reported that on bullet items #2 (meeting with Real Property Negotiators, Manager Sturdevant and General Counsel, regarding the property commonly known as APN 030-212-046), and #3, (meeting with Manager and General Counsel regarding the employment related to the following position: General Counsel), direction was given and no reportable action taken. On item #1 (Government Code 549576(b) regarding potential litigation), the board considered a settlement proposal from McNeill Law Offices, who represents K&M Butte Developers LLC (K&M). The settlement proposal was approved by a 2 to 1 vote (Mastelotto and Thomson – Aye, Taggart – Nay), and the board authorized the Manager to execute the settlement documents once they are prepared and in final order. Documents will be available within a week for review by the Manager and opposing counsel, and once they are executed they will be made available to the public.

16. Attorney's Report ❖

Attorney Huber said that it has been an honor for him to work for public agencies, and has been a pleasure to work for SC-OR. He is happy with the firms selected for consideration as SC-OR's new Counsel.

17. Manager's Report ❖

Manager Sturdevant reported that the SC-OR crew performed great during the two big storms. Lead Operator Maxwell had the storm schedule covered, and we couldn't have asked for better performance from our crew. The plant did great also.

He also reported that the ship date for the motor control centers (MCC) for the influent pump station is April 9th, but the VFDs are back-ordered with no ship date. Once he found that out, he called a meeting with Gateway Construction to find VFD's elsewhere.

Regarding the upgrade funding, we have been operating under the auspice that SC-OR would receive \$24.6 million dollars of the CDBG-DR grant funds, but the County is planning on only awarding us \$10.6, as the State has backed off it's LMI requirements. Nothing has been put in writing, but the County received verbal confirmation that the State will allow the monies to go to the burn scar, and not just the LMI. We will still push forward with phase I, but will change how we operate with phase II.

18. Visitor Comments ❖

None

19. Commissioner and Staff Comments ❖

None

20. Adjournment ❖

There being no further business, the meeting was adjourned at 6:22 p.m. to the regular meeting scheduled for February 28, 2023 at 5:00 p.m.

Respectfully submitted,



GLEN E. STURDEVANT, CLERK