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

(Held at the Commission office on July 28, 2026 at 05:00 p.m.)

1. Call to Order ❖

Chairman Koch called the meeting to order at 05:00 p.m.

2. Roll Call ❖

Commissioners present were Mastelotto and Salvucci from the Lake Oroville Area Public Utility District, Pittman and Goodson from the City of Oroville, and Koch from the Thermalito Water and Sewer District. Staff present included Manager Glen Sturdevant and Plant Supervisor Mikah Salsi, and Attorneys Scott Drexel and Sarah Smale. Commissioner Wristen from the Thermalito Water & Sewer District was absent.

3. Salute to the Flag ❖

Chairman Koch led the commissioners and staff in the salute to the flag.

4. Acknowledgment of Visitors ❖

None.

5. Acknowledgement and Welcome of New Commissioner ❖

The Board acknowledged the appointment of Commissioner Wristen to represent the Thermalito Water and Sewer District; however, Commissioner Wristen was unable to attend the meeting.

6. Board Meeting Minutes of the Regular Meeting held on June 23, 2026 ❖

Upon motion by Vice-Chairperson Goodman to approve the minutes of the meeting, and seconded by Commissioner Pittman, the minutes of the June 23, 2026 regular meeting were unanimously approved.

7. Authorization of Warrants ❖

Commissioner Pittman met with Manager Sturdevant and reviewed the warrants earlier. Having found everything to be in order, a motion was made by Commissioner Pittman for their approval, and the motion was seconded by Commissioner Mastelotto. Warrants 31225-31306 in the total amount of $2,248,063.41 from June 24 to July 28, 2026, including Commissioner fees and electronic fund transfers and deposits, were unanimously approved and ordered paid.

8. Fiscal Reports ❖

Manager Sturdevant reported that the June 2026 fiscal reports were included in the Board packets for review. Commissioner Pittman noted the significant amount of construction activity reflected in the warrants and accounts payable expenditures. There were no questions or additional comments from the Board.

Public Hearing closed at 5:03 PM

9. Closed Session for report on existing litigation ❖

Conference with Legal Counsel – Existing Litigation:
(Paragraph (1) of subdivision (d) of Government Code Section 54956.9). Name of case: K&M Butte Developers, LLC v. Sewerage Commission-Oroville Region, Butte County Superior Court, Case No. 23CV01748. Information provided by legal counsel.

Meeting was opened to a Public Hearing at 5:53 PM

10. Discussion on Joint Powers Agreement (JPA) ❖

Manager Sturdevant introduced the agenda item, explaining that the member agencies had requested a discussion of the Joint Powers Agreement (JPA) and any potential amendments.

Chairman Koch, speaking on behalf of the Thermalito Water and Sewer District, stated that his agency would like to consider an amendment clarifying language that SC-OR should be responsible for its own loan and debt obligations. He cited SC-OR's potential application for State Revolving Fund (SRF) loan financing as an example and expressed his opinion that member agencies should not be held responsible for SC-OR's debt obligations.

Commissioner Mastelotto stated that Lake Oroville Public Utility District (L.O.A.P.U.D.) had previously discussed this topic.

Chairman Koch clarified that he was not proposing revisions to the entire JPA, but only to the section addressing member agency liability for SC-OR debt obligations. He further noted that any proposed amendments would need to be reviewed and approved by each member agency's governing board.

Manager Sturdevant responded that, from his perspective, if the JPA is amended, the Board should also consider the term of the agreement. He explained that, for SC-OR to obtain future loans, the JPA may need to extend beyond the life of loan obligations or removing the termination date of the agreement altogether. He noted that the JPA was originally established with twenty-year increments; however, due to amendments made in 2010, the current expiration date is 2030.

Manager Sturdevant asked Attorney Drexel whether a termination date was required in the JPA. Attorney Drexel replied that a termination date is unnecessary.

Chairman Koch expressed his opinion that the termination date served as a reminder for the member agencies to periodically review the agreement and make revisions as needed.

Commissioner Mastelotto recalled a discussion from the previous year regarding a procedure that would allow items arising from the JPA agreement to be referred back to the member agencies for consideration, provided the matter was first brought before the SC-OR Board. She asked whether that provision was included in the JPA.

Attorney Drexel responded that the SC-OR Board had adopted such a procedure, but it was not incorporated into the JPA itself. He explained that procedural matters are generally addressed through Board policy rather than through the JPA unless a deficiency in the agreement is identified. He added that it is the Board's responsibility to determine which matters should be brought forward from closed session.

Commissioner Pittman asked whether proposed amendment language could be shared with the Board. Chairman Koch responded that he had previously provided comments to Manager Sturdevant and requested that they be forwarded to legal counsel for review, including consideration of Government Code Section 6508.1. Chairman Koch further requested that legal counsel communicate with the Board members and member agencies to ensure that all parties have a common understanding of the proposed amendments. Once that understanding has been established among the member agencies, the matter will be brought back to the SC-OR Board for further consideration.

11. Update SC-OR Policy 2800 – General Provisions ❖

Manager Sturdevant presented a proposed amendment to SC-OR Policy 2800 – General Provisions, increasing the annual uniform allowance for Operations employees from $310 to $400. Commissioner Mastelotto asked whether the allowance included steel-toed safety boots. Manager Sturdevant clarified that it does not, as safety boots are covered under a separate paragraph of this provision. He further noted that the safety boot allowance was previously $100 and was increased to $200 after he became Manager.

A motion was made by Commissioner Pittman to approve the amendment to SC-OR Policy 2800 – General Provisions increasing the current uniform policy annual allowance by $90, from $310 to $400, per Operations employee. The motion was seconded by Commissioner Salvucci and passed with the following vote: Pittman – Yes; Koch – Yes; Mastelotto – Yes.

12. Update SC-OR Policy 3110 – Expense Authorization ❖

Manager Sturdevant presented a proposed amendment to SC-OR Policy 3110 – Expense Authorization. At the recommendation of SC-OR's auditors, the amendment would eliminate the use of petty cash and continue with the authorized use of Commission-issued credit cards for eligible business-related purchases.

A motion was made by Commissioner Salvucci to approve the amendments to SC-OR Policy 3110 – Expense Authorization, including the elimination of petty cash and related revisions to reflect the current use of Commission-issued credit cards for authorized business-related purchases. The motion was seconded by Vice-Chairperson Goodson and passed with the following vote: Pittman – Yes; Koch – Yes; Mastelotto – Yes.

13. CalPERS Unfunded Accrued Liability Contribution ❖

Manager Sturdevant presented a proposal to make SC-OR's CalPERS Unfunded Accrued Liability (UAL) Contribution as an annual lump-sum prepayment of $217,637, rather than through monthly payments of $18,742.92. He reported that the annual prepayment option would result in a savings of $7,278.04, or 3.24%, to SC-OR.

A motion was made by Vice Chairperson Goodson to approve the CalPERS Unfunded Accrued Liability Contribution annual lump sum prepayment of $217,637.00. The motion was seconded by Chairman Koch and passed with the following vote: Pittman – Yes; Koch – Yes; Mastelotto – Yes.

14. Attorney's Report (All items may be subject to Board action) ❖

Attorney Drexel stated that he had nothing to report.

15. Manager's Report (All items may be subject to Board action) ❖

Manager Sturdevant reported on the following:

Operational Maintenance:

There were no operational issues to report. SC-OR is currently collecting quarterly samples, which are being sent to laboratories in Napa and Fairfield for analysis.

Project Updates:

Solar –United Sun Energy is on site and has completed the majority of the racking installation, as well as trenching for conduit and electrical wiring.

Plant Upgrade/SC-OR – The Plant Upgrade Project continues to progress well. SC-OR recently completed a five-day testing period for two of the three new Return Activated Sludge (RAS) pumps. Both pumps successfully passed testing and have been placed into service. The third pump is expected to undergo the same testing process over the coming weeks.

RCPS Construction –The project is progressing very well. Lorang Bros. is nearing completion of construction, with all major construction completed, and is currently awaiting delivery of the pumps and electrical panels. Manager Sturdevant noted that the project has progressed smoothly, particularly in comparison to the Plant Upgrade Project.

Entity Reports:

T.W.S.D. – Manager Sturdevant met with District Engineer Chris Heindell to discuss next steps for the Golden Feather Mobile Home Park project, including the process for connecting the project to the system and any mitigation requirements that may be imposed on the State. He also reported that he administered the oath of office to Commissioner Bruce Wristen prior to the TWSD Board meeting, replacing outgoing Commissioner Mark Clark.

City of Oroville – Manager Sturdevant reported that several projects have been submitted to Jacobs Engineering for capacity studies. He stated that the jail capacity study is being finalized and will soon be provided to City Administrator Brian Ring. Based on the study's findings, what was initially believed to have no impact on system capacity is now projected to have a significant impact, which may result in the County being required to contribute funding for capacity-related improvements.

L.O.A.P.U.D. – Manager Sturdevant reported that he met with Manager Goyer to discuss concerns regarding correspondence received from K&M's attorney. He noted that the Board would be discussing the K&M correspondence at the SC-OR Board meeting.

16. Visitor's Comments ❖

None.

17. Commissioner and Staff Comments ❖

Commissioner Pittman reported that T.W.S.D. Manager Boucher had requested a letter of support for a grant application to fund the removal of hazardous materials and sediment from Concow Lake. Commissioner Pittman stated that he had provided a letter of support on behalf of the Mayor of the City of Oroville and that a resolution supporting the grant application would be presented to the Oroville City Council at its August 4 meeting. He noted that project advocates preferred a formally adopted council resolution and that the timing aligned well, as the resolution is needed for a meeting scheduled on August 5. The grant application seeks approximately $50 million for the cleanup and restoration of Concow Lake.

18. Adjournment ❖

There being no further business, the meeting was adjourned at 06:08 p.m. to the regular meeting scheduled for August 25, 2026 at 05:00 p.m.

Respectfully submitted,

GLEN E. STURDEVANT, CLERK