

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

(Held at the Commission office on August 27, 2024 at 5:00 p.m.)

## **1. Call to Order ❖**

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 and Thomson from the City of Oroville, Clark and Koch from the Thermalito Water and Sewer District. Staff present was Manager Glen Sturdevant, Plant Supervisor Mikah Salsi; Attorney Ryan Jones attended by Zoom.

## **3. Salute to the Flag ❖**

Commissioner Thomson led the commissioners, staff and visitor in the salute to the flag.

## **4. Acknowledgment of Visitors ❖**

Oroville City Administrator Brian Ring and Oroville City Public Works Director Fred Mayo were in attendance.

## **5. Board Meeting Minutes of the Regular Meeting held on July 23, 2024❖**

Upon motion by Vice-Chair Mastelotto to approve the minutes of the meeting, and seconded by Commissioner Salvucci, the minutes of the July 23, 2024 regular meeting were unanimously approved.

## **6. Authorization of Warrants ❖**

Commissioner Thomson 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 Vice-Chair Mastelotto. Warrants 29107-29179 in the total amount of \$1,671,157.93, including employee paychecks, commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

## **7. Fiscal Reports ❖**

Manager Sturdevant stated there were no fiscal reports this month due to our ongoing audit. We should have both July and August at next months' regular meeting.

## **8. Closed Session ❖**

The meeting adjourned to closed session at 5:03pm, and reconvened at 5:19pm. No action was taken; information was received.

## **9. Discussion on Municipal Service Report (MSR) and Grand Jury Report Regarding Sewer consolidation ❖**

Manager Sturdevant introduced these items and opened the floor for discussion and direction on how to proceed. He also reported that he and Supervisor Salsi met with Steve Lucas from LAFCO earlier today, and his version of what could take place was far different than what the county supervisor's version is. Steve said that consolidation is *an* option. Manager Sturdevant suggested that if there are some inefficiencies that need to be corrected, and if the JPA can correct those without consolidation, then we should pursue that angle on a JPA level. He will have a monthly meeting with the JPA managers to flush out what these perceived inefficiencies are, and see if we can collectively fix them amongst ourselves. He believes some of the issues are streamlining policies, specs and standards (i.e. the FOG program, etc.).

Commissioner Koch stated that first off LAFCO needs to update the information on the MRS; there are inaccuracies in it. Secondly, LAFCO has to initiate any studies, and as a commissioner of SC-OR he would not agree to spend any money on studies. If they want studies done, they can pay for them. Manager Sturdevant said that Steve Lucas explained the process saying one of the JPA agencies, or the county, would have to draft a resolution stating they want to consolidate. Steve's opinion was that the county would not be motivated to do that. LAFCO could build up enough public sentiment to force it to a public vote in the three agency districts, but the vote would have to pass in all three districts. If it didn't pass in one district then it is dead.

Chairman Pittman said that bigger government is never a better thing. There would have to be subcommittees in districts, as one agency could not get to decide everything for every area. There are such different systems in each area: In Thermalito, homeowners own the service line to the property line; in the City of Oroville, the homeowners own the service line to the main in the street. If we try to make all policies the same amongst all agencies, we are talking millions of dollars in changes. These would be very difficult and expensive differences to work out in a consolidation.

It is Manager Sturdevant's opinion that the JPA managers sit down with LAFCO, hear what they believe are our inefficiencies and problems, and then see how we can address and fix them ourselves. He also agrees that the costs for studies should be borne by LAFCO, not SC-OR or the JPA agencies. Commissioner Koch said that Manager Sturdevant has the correct idea, LAFCO doesn't know what pipelines have been replaced or repaired, what maintenance is done, what equipment each entity has, etc.

Manager Sturdevant also expressed displeasure with the statement that the grand jury had talked to the JPA member entities, when they, in fact, did not speak to any of the member entities.

City Administrator Brian Ring stated that the grand jury report is full of misinformation and clearly not accurate, and that is cause for concern. He said that the member entities get along and work together well, and doesn't see why we can't work through any issues and become more efficient.

Direction from the Commission was to move forward with monthly JPA meetings to identify any inefficiencies to work through, and will report to the board what the JPA agencies are doing to correct those issues.

#### **10. Review and Adoption of Conflict-of-Interest, SC-OR Policy No. 1100 ❖**

Manager Sturdevant reported that every couple of years we are required to review and adopt the SC-OR Conflict-of-Interest policy. Attorney Jones reviewed it and had no issues with it, so we have brought it for consideration of adoption.

A motion was made by Commissioner Thomson to adopt SC-OR Policy No. 1100, Conflict-of-Interest, which was seconded by Vice-Chair Mastelotto, and passed by unanimous consensus.

#### **11. New Job Description ❖**

Manager Sturdevant would like to create a new job position entitled "Office Supervisor", which is consistent with other position titles at SC-OR. His plan is to try to hire someone with all these requirements, or at least have it as a carrot to improve upon their skills to advance into this position in time. He included the pay scale he would like to adopt for this position, with the 4<sup>th</sup> step of the Administrative Assistant position being the 1<sup>st</sup> step of the Office Supervisor position.

A motion was made by Commissioner Koch to adopt the new job description for Office Supervisor. The motion was seconded by Commissioner Salvucci, and passed by unanimous consensus.

#### **12. Resolution 05-24 – Employer Provided Medical Benefits ❖**

Commissioner Koch recused himself from this item, as he is covered by these insurance plans through SC-OR. Manager Sturdevant said that SC-OR has piggybacked on the City's medical, dental, vision and life insurance policies, but the City is changing insurance carriers. Their police may stay with Blue Shield, and if they opt to stay then we can continue to piggyback with them. We are waiting to hear what their decision is. We would like to keep the same plan we have, and the broker has informed us that we can remain on the plan without the city. We are not sure about the dental, vision and life insurance, and will have to research policies if the City police move to another carrier.

A motion was made by Commissioner Salvucci to adopt Resolution 05-24, Employer Provided Medical Benefits, to allow SC-OR to stay on the Blue Shield Silver PPO apart from the city. The motion was seconded by Commissioner Clark, and passed by unanimous consensus.

### **13. Resolution 06-24 – Amending Signature Authorizations ❖**

Manager Sturdevant said that when the Commission raised the manager's spending limit to \$10,000 without authorization, we thought we had amended all of the policies and resolutions affected by that change, but we missed this resolution. We are updating this resolution, item #2, to reflect the change to \$10,000.

A motion was made by Commissioner Salvucci to adopt Resolution 06-24 Amending Signature Authorizations. The motion was seconded by Commissioner Clark, and passed by unanimous consensus.

### **14. Resolution 07-24 – Establish Accounts with Golden Valley Bank and Close Account with Bank of America ❖**

Commissioner Thomson recused himself from this item since his wife works for Golden Valley Bank. Manager Sturdevant reported in March that we discovered fraud on our Bank of America (BoFA) checking account. At that time BoFA told us we needed to close that checking account and establish a new account to stop the fraud, which we did. It cost us around \$1,500 to purchase new checks. We again found fraud on our new account, and BoFA once again told us to close the account. We told them it obviously did not stop the fraud by closing and opening a new account, so we would not be doing that. David Goyer, manager of LOAPUD, mentioned that LOAPUD recently switched to Golden Valley Bank and they have been amazing, and we should talk with them. Manager Sturdevant and Admin. Asst. Pittman met with Crystal Ward, who showed us around the bank and told us about "Positive Pay", which is a fraud prevention system where any check we write we notify the bank of, so any check we did not write that someone tries to pass will not be funded and immediately flagged. BoFA has this system also, but never informed us of it until we mentioned we might leave them. Golden Valley is very business customer oriented, and we will have a specific person assigned as our customer representative that we can call for any needs.

A motion was made by Commissioner Salvucci to authorize the Treasurer/Fiscal Officer to Establish Accounts with Golden Valley Bank and Close Account at Bank of America. The motion was seconded by Vice-Chair Mastelotto, and passed by unanimous consensus.

### **15. Contract for East Interceptor Replacement Project ❖**

Manager Sturdevant said we have been working on this project for a while, but it has changed since the costs escalated. Originally, the project was going to be a slip lining project, but after receiving quotes for the slip lining, the cost was going to be double over just digging up and replacing the pipe. We will replace the pipe with a 24-inch SDR 35 plastic pipe for which we've received three proposals. After adding a 10% contingency to the first two bids, Gateway Pacific Contractors, Inc. came in at \$1,136,000 and could start next month; MJ Shelton General Eng, Inc is \$1,379,000, but cannot start until the Spring. Duke Sherwood Contracting, Inc. bid is \$850,000; they couldn't get us a bypass pumping quote in time, so he added a 20% contingency to their quote.

Staff's recommendation is to use Duke Sherwood Contracting because they are the cheapest, but also because they are local, and the project is essentially on their property.

A motion was made by Commissioner Salvucci to accept the bid from Duke Sherwood Contracting for an amount not to exceed \$850,000. The motion was seconded by Commissioner Clark, and passed by the following vote: Mastelotto – Yes, Pittman – Yes, Koch – Yes.

## **16. Attorney's Report ❖**

Attorney Jones reported that there is nothing to report outside of what was discussed in closed session.

## **17. Manager's Report ❖**

Manager Sturdevant stated there are no operational issues to report. The influent pump station punch-list should be completed this week. He will report next month on the final of the pump station.

New Ruddy Creek Pump Station: Because of the shift in location, and environmental differences, Jacob's has pushed the construction out, for which Manager Sturdevant has expressed his unhappiness. Hopefully, early spring we will go out to bid on the project.

Small Hydro Facility at the Afterbay: After reaching out to many people, I have been told by DWR that any money we put into it will be money wasted. DWR has too much liability to allow us to mess with their levee with nothing to gain from it for themselves.

Plant Upgrade: By the next meeting I should be reporting that we are out to bid for a contractor on the first phase of the upgrade using the \$10.3M grant that we received from the County.

One Year Anniversary of the 4/10 Schedule: The staff loves the new schedule. It has saved in overtime costs. We previously spent \$5,000 in callout overtime, compared to \$1,000 in callout overtime this 1<sup>st</sup> year, though operations employees are using earned overtime in compensated time off. It has reduced the number of callouts by about 40%. A lot of the callouts come in the early morning, or shortly after the day is over. Many have been eliminated because employees are here earlier and staying later. The one issue is he has allowed the administrative assistant to work that schedule also, and when she isn't here on Fridays, and he calls in sick, the office has gone unmanned. He needs to have an operator man the office when that happens.

JPA Members: Manager Sturdevant has been working with the member entities on the JPA response to the consolidation.

## **18. Visitor Comments ❖**

None

## 19. Commissioner and Staff Comments ❖

Commissioner Thomson said he heard that SC-OR will be doing a scope on our pipeline under Oro Dam Blvd. Manager Sturdevant stated that TWSD has an employee on light duty, so all he can do is run the camera truck, and will help us with that. Commissioner Thomson also reminded the commissioners to not speak about anything discussed in closed session publicly. Attorney Jones stated that it is illegal to speak of anything discussed in closed session openly. Commissioner Thomson asked manager Sturdevant about recycled water, to which Manager Sturdevant reported that the State of California has defunded all recycled water projects other than planning at this point in time. He said the state is very short-sighted, but we will be back in a drought in the future, so they may once again consider funding these projects. Commissioner Thomson asked if we had any plans in the upgrade for possible future recycled water capabilities. Manager Sturdevant reported that the second phase of the upgrade has a UV station which can be a component in a recycle water project. SC-OR was hoping to get some funding towards that UV station from the state, but they have defunded all of the grants for those types of projects. Our plan is to be ready if the state opens up funds again. Commissioner Koch said that the two filters just obtained from TWSD could be used in recycling water. Manager Sturdevant said that in the proposed project to sewer Palermo, we asked LOAPUD and the State of California to include purple pipe, to which they both agreed. That will be our selling point to the state for future funds, in that we have a community that has purple pipe, all we need is the money to finish the back end and run the pipe out to connect to the purple pipe.

Chairman Pittman said he is part of an elected officials group going to PG&E facilities around California. They just visited for their 40<sup>th</sup> anniversary, the Helms Powerplant in Fresno. There he was able to sit down with Patty, the CEO of PG&E, and talk with her about Oroville issues. One of the bigger issues he raised is the service connection from application to a new home is now running 24-months before you actually see a hookup. She understood and is well aware of this issue, and said their goal is to get the response time down to a 90-day response in 80% of the hookups instead of the 8% that it is now. Hopefully there will be an improvement soon. She is creating a different culture at PG&E, and it shows.

## 20. Adjournment ❖

There being no further business, the meeting was adjourned at 6:09 p.m. to the regular meeting scheduled for September 24, 2024 at 5:00 p.m.

Respectfully submitted,



GLEN E. STURDEVANT, CLERK