

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

(Held at the Commission office on November 20, 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, Koch and Clark from the Thermalito Water and Sewer District. Staff present was Manager Sturdevant, Plant Supervisor Salsi; and attorney Russ Hildebrand sitting in for Ryan Jones.

3. Salute to the Flag ❖

Commissioner Salvucci led the commissioners and staff in the salute to the flag.

4. Acknowledgment of Visitors ❖

VJ Kumar of Jacob's Engineering

5. Board Meeting Minutes of the Regular Meeting held on October 22, 2024 ❖

Upon motion by Commissioner Koch to approve the minutes of the meeting, and seconded by Commissioner Salvucci, the minutes of the October 22, 2024 regular meeting were unanimously approved.

6. Employee Safety Meeting Minutes of November 5, 2024 ❖

Upon motion by Commissioner Koch to approve the minutes of the meeting, and seconded by Commissioner Mastelotto, the minutes of the November 5, 2024 regular meeting were unanimously approved.

7. Authorization of Warrants ❖

Chairman Pittman 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 30038-30094 through Golden Valley Bank in the total amount of \$338,319.70, including employee paychecks, commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

8. Fiscal Reports ❖

Manager Sturdevant stated the October fiscal reports were included in the packets.

MOVED ITEM #12

12. Awarding the Construction Management Contract for Phase 1 of the Upgrade Project ❖

VJ from Jacobs spoke regarding why Jacobs should be awarded the Construction Management Contract for the Phase 1 of the Upgrade Project. He gave the reasons to go with Jacobs, citing their qualifications and experience with wastewater treatment plants. He also gave three benefits to have Jacobs as the construction management team: 1) Efficiency - If you hire Jacobs, the contractor will send all documents through Jacobs, and it will save a lot of time and paperwork, and will be much more efficient. 2) Although they are the designers, they have a separate and independent construction management team who are experts at what they do and will be 100% dedicated to this project. Their construction management team holds the designers to a higher standard. 3) Cost effectiveness – They can bring staff at a part-time level on this project at the beginning. Since they have so many projects going on in this area, they can share construction management, so we are not paying for someone to sit here when there is no work for them to do. Lastly, start-ups are very important, and with Jacobs' expertise, they can help with a seamless integration. Because of their qualifications and commitment to SC-OR, we should choose them as the construction manager of this project.

Chad Coleman and Cody Thom from Sanbell introduced themselves. Chad said he would be the principle in charge, and Cody would be the project manager, as he was on our last project (Influent pump station). Cody said that they proved their cost effectiveness on the last project by working on other projects while they were here overseeing the construction. They can be onsite again during this project, but can work on other projects so that SC-OR will not be billed during those periods. This project will be considered their most important project, and they are very familiar with this type of project. They will be at the plant daily during the project. It will be the same team that worked on the last project, so staff is very aware of their work. They are the low-risk option for SC-OR.

Manager Sturdevant stated that he and Supervisor Salsi have experience with both engineering firms. Jacobs designed the last project, and Coleman did the construction management on it. SC-OR received three proposals that all qualified equally. They see benefits in 3rd party construction management. Their recommendation would be Sanbell as a 3rd party construction management team. We are 100% comfortable with them. This is the board's decision, as there are benefits to both engineering firms.

Commissioner Mastelotto asked about the costs for the construction management. Manager Sturdevant stated that it would be a price negotiation; we do not know exactly what the total project will be. We don't know what will be managed yet. Today we are just asking for authorization to go into negotiations with one of these firms, and will bring back the costs once we have worked them out for board approval.

Supervisor Salsi reported we are currently out to bid for the contract to build the project. We have not received those bids yet, but will have bid openings on December 19th. That will play into the cost of the construction management. Commissioner Thomson asked based on previous experience is there a big cost difference between design build or 3rd party? Commissioner Salvucci stated there is usually not a large difference. Commissioner Mastelotto asked Commissioner Koch what his opinion was on this type of bid. Commissioner Koch stated that this is not like a regular bid, so low cost is not the factor, it is most qualified firm that we want to go with. VJ stated that if a design mistake is found, with their firm as the construction manager, it is a much easier fix.

Commissioner Thomson asked if Sanbell has done projects this large. Chad Coleman stated that they have done larger projects. Manager Sturdevant said that Jacobs is a huge firm and has a lot of resources; Sanbell is smaller, but if we have issues we can call and talk directly with whom we need to talk; it is a more personal touch. Commissioner Koch said he thinks both firms are highly qualified, but said that ultimately it is the manager's decision because he has to work with them.

Chairman Pittman said that the idea of a 3rd party on a project is a valuable asset from a voter perspective.

Commissioner Salvucci asked Plant Supervisor Salsi if he had an opinion. Mikah said both firms are great to work with. Based on the proposals received, and his review, he would select Sanbell.

A motion was made by Commissioner Koch to authorize Manager Sturdevant to enter into negotiations with Sanbell Engineering for Construction Management of the Phase 1 Upgrade Project. The motion was seconded by Commissioner Salvucci, and passed by the following vote: Mastelotto – Yes, Pittman – Yes, Koch – Yes.

Returned back to the previous numbered agendized items:

9. Adopt Final Audit for Fiscal Year 2023/2024 ❖

Manager Sturdevant said we sent the final audit home with each Commissioner at the last meeting for review. There were no questions presented.

A motion was made by Commissioner Salvucci to adopt the final audit as presented for fiscal year 2023/2024. The motion was seconded by Commissioner Koch, and passed by the following vote: Mastelotto – Yes, Pittman – Yes, Koch – Yes.

10. Resolution 10-24 – Annual Resolution Authorizing Investment of Sewerage Commission – Oroville Region Monies in Local Agency Investment Fund, California CLASS, and other Liquid Investments, and New SC-OR Policy No. 3135 ♦

Manager Sturdevant said that Jerry Legg, Senior Director of Investment Services for California CLASS, gave his presentation on CLASS at the last meeting. LOAPUD has switched to CLASS and are very happy with it. Currently the difference in rates between LAIF and CLASS are closer than they were when CLASS first started investing, but they are still paying more in interest than LAIF, and with the monies SC-OR invests, it is a significant difference in actual dollars. They also pay interest monthly rather than quarterly like LAIF pays. Commissioner Koch had cautioned him that he would have to stay on top of it to be sure the monies are where SC-OR is earning the greatest interest. He didn't believe that would be an issue. We calculated dollar figures, and if we had been invested with CLASS this last quarter, we would have made \$3,000 more on our invested monies.

A motion was made by Commissioner Salvucci to adopt Resolution 10-24 – Annual Resolution Authorizing Investment of Sewerage Commission–Oroville Region Monies in Local Agency Investment Fund, California CLASS, and other Liquid Investments, along with new SC-OR Policy No. 3135. The motion was seconded by Commissioner Mastelotto, and passed by the following vote: Mastelotto – Yes, Pittman – Yes, Koch – Yes.

11. Standby Policy and Certification Pay (Revised Policies No. 2711 and 2800) ♦

Manager Sturdevant reported that we have brought policies and some financial costs for consideration of changing the Standby Policy and Certification Pay. Currently, only two operators have qualifying certifications: Lead Operator Maxwell and Plant Operator Sorenson. The total cost to implement the increased certification pay will be \$3,577.60 annually. He is recommending a maximum of three additional (3) certifications for each operations employee. If all six operators received an additional three certifications, the total cost to SC-OR at today's rates would be \$45,676.80 annually. Chairman Pittman asked what the typical timeframe to get one additional certification is. Manager Sturdevant said that it would vary but, for instance, if one was to obtain a lab tech certification, it is about a 6-month course. They would have to pay the certification fees because they will benefit from the certificate. They would then receive all of the course material, and must pass within six months. If they can't pass in six-months, then they have to pay again and get an additional six months to pass. If they were to get a Class A license, that is much harder and much more of an investment for them. It is also way more restrictive on their personal life. If one were to get a Grade IV operator certification, it is a difficult test and is also based on time of service, which none of our operators qualify for as of yet. Manager Sturdevant's thought is that SC-OR should benefit practically and financially from these certifications, and he would encourage our operators to get certifications such as IT, pump mechanic, etc.

Standby pay is currently \$15/day. Our thought process is to give them one hour of straight time pay per day they are on standby. Currently our budgeted on-call pay is \$5,475.00 annually. This would increase the cost to SC-OR to around \$15,000.00 annually.

Both of these new rates if fully realized would add \$61,000 extra onto SC-OR annual budget. If implemented tomorrow they will increase our current budget by \$20,000.00.

The TWSD water board discussed the standby rate at their meeting yesterday, and wanted it to be fair for all of operators. They thought it should be a flat rate for all instead of rate of pay. While he understands their mindset, his retort would be that the guy that makes more is worth more. He's been here longer and has more experience.

A motion was made by Commissioner Thomson to adopt the proposed Standby Policy and Certification Pay (Revised Policies No. 2711 and 2800). The motion was seconded by Commissioner Salvucci, and passed by the following vote: Mastelotto – Yes, Pittman – Yes, Koch – Yes.

12. Awarding the Construction Management Contract for *Phase 1 of the Upgrade Project.*

MOVED AND ACTED UPON PRIOR TO ITEM #9.

13. Attorney's Report ❖

Attorney Russ Hildebrand stated that he had nothing to report. Chairman Pittman asked if there had been a hearing regarding our lawsuit. Russ stated that he did not know. Ryan had not mentioned anything to him.

14. Manager's Report ❖

Manager Sturdevant said that he and Plant Supervisor Salsi had attended a presentation by IBank, another State of California funding entity. He thinks it deserves further investigation. We have been going through the process of SRF loan funding. IBank has a little bit higher rate but shorter terms. With the SRF funding, SRF reimburses, so the contractor submits their invoice to us, we pay the contractor, then we submit that payment for reimbursement from SRF. IBank will loan you whatever amount you apply for if you meet their criteria. He would like more leeway to figure out the best way for SC-OR to borrow if we were to take a loan out. Both of these entities would need the JPA agreement to be extended for the length of the loan term. If it is a 30-year term, Commissioners will need to go to your boards to ask to amend the JPA agreement for the length of the term.

City of Oroville: We had a JPA meeting on November 6th with LAFCO of which Brian Ring attended. We are working on a JPA-wide policy on ADU's. We are using that as our first example to LAFCO of how we can work together and come up with a JPA-wide policy.

LAFCO seems to be happy with the direction we are going. We are working with them on a mutual aid agreement that we will use in the JPA, and I think we will satisfy their desire for consolidation without consolidating.

TWSD: Jayme Boucher and Chris Heindel were here for the JPA meeting with LAFCO. It was a very productive meeting with good incites.

LOAPUD: David Goyer and Vince Victorino were here for the JPA meeting with LAFCO. They both contributed heavily to the direction that we are heading.

Commissioner Pittman asked about the flow meter and if it was working. Manager Sturdevant reported that the Emerson Rosemount meter is working well. He said our employees are scheduled round-the-clock to deal with the inflows from the rain we are getting beginning Thursday night.

15. Visitor Comments ❖

None

16. Commissioner and Staff Comments ❖

Commissioner Clark asked if the lawsuit had been released to the public. Manager Sturdevant said the information emailed to each Commissioner is what was released, and is all that can be discussed. Anything else discussed in closed session that was not in the release cannot be talked about. Manager Sturdevant received a call from a reporter, and he gave her our attorneys phone number and email. He told her if you want to talk about wastewater he would talk all day long. If she wanted information on the lawsuit, contact our lawyer.

617. Adjournment ❖

There being no further business, the meeting was adjourned at 5:06 p.m. to the regular meeting scheduled for Tuesday, December 17, 2024 at 11:00 a.m. followed by our annual Christmas luncheon.

Respectfully submitted,



GLEN E. STURDEVANT, CLERK