

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

(Held at the Commission office on March 25, 2025 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 Mastelotto and Salvucci from the Lake Oroville Area Public Utility District, Pittman and Goodson from the City of Oroville, and Koch and Clark from the Thermalito Water and Sewer District. Staff present was Manager Glen Sturdevant and Plant Supervisor Mikah Salsi, along with Attorney Ryan Jones and Scott Drexel from Jones Mayer.

3. Salute to the Flag ❖

Commissioner Sturdevant 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 February 25, 2025 ❖

Upon motion by Commissioner Koch to approve the minutes of the meeting, and second by Commissioner Goodson, the minutes of the February 25, 2025 regular meeting were unanimously approved.

6. Authorization of Warrants ❖

Vice-Chair Mastelotto 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 Salvucci. Warrants 30258-30299 in the total amount of \$399,909.77 from February 26 to March 25, 2025, including Commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

7. Fiscal Reports ❖

The fiscal reports for February 2025 were in the packets for review. There were no questions expressed and nothing further to report.

8. Closed Session for Report on Litigation ❖

Manager Sturdevant said that Megan Wharton and Sarah Smale from Colantuono, Highsmith & Whatley, PC legal firm to report on the K&M litigation.

The meeting adjourned to closed session at 5:04 and reconvened at 5:17. Attorney Jones reported that there was no reportable action in closed session.

9. Special Counsel Contract Amendment ❖

Manager Sturdevant stated that Colantuono, Highsmith & Whatley, PC legal firm have asked for a rate increase in this amended contract, from \$325/hr. to \$350/hr.

A motion was made by Commissioner Salvucci to approve the amendment to the contract with Colantuono, Highsmith & Whatley, PC legal firm raising their hourly rates. The motion was seconded by Commissioner Goodson, and passed by the following vote: Mastelotto – Yes, Pittman – Yes, Koch – Yes.

10. Resolution 01-25 Authorizing SC-OR's contracted IT Specialist, Stratti, to act on behalf of SC-OR for the purposes of receiving the fiscal year 2024 State and Local Cyber Security Grant Program (SLCGP) ❖

Manager Sturdevant said that he had reported at the January meeting that we had been awarded the Cyber Security Grant to buy new computers and a server, and to pay our monthly bill for the extended cyber security protection, which the State is now requiring. In order to receive these monies. The board must authorize to make Stratti our legal representative for collecting and receiving equipment from the State and Local Cyber Security Grant Program.

A motion was made by Commissioner Salvucci to adopt Resolution 01-25 Authorizing Stratti to be the legal representative of SC-OR in regards to the 2024 State and Local Cyber Security Grant that SC-OR has been approved for. The motion was seconded by Commissioner Mastelotto, and passed by the following vote: Mastelotto – Yes, Pittman – Yes, Koch – Yes.

11. Closed Session Reporting Policy ❖

Manager Sturdevant stated that this policy addresses what has been discussed at past meetings. Attorney Jones said he listened to the feedback and incorporated it into the proposed policy. Vice-Chair Mastelotto asked that if they have something from closed session that they think is relevant and want to discuss with their board, do they need to have the authorization of all the commissioners? Attorney Jones said it needs to be a general consensus, meaning a majority of the board approves. Commissioners Koch and Mastelotto think it should say it is up to the commission member to decide if it is pertinent to take to their respective board, with no authorization needed. Attorney Jones would like to have the safety net to say no, something cannot be shared with another board to protect SC-OR. He said we can trust one another here now, but board members change, and we

could get members in the future that do not protect SC-OR in what they discuss. This policy is also structured to avoid Brown Act violations.

A motion was made by Vice-Chair Mastelotto to approve the proposed policy with the stated edits. The motion was seconded by Commissioner Koch, and passed by the following vote: Mastelotto – Yes, Pittman – Yes, Koch – Yes.

12. Solar Array Proposals ❖

Manager Sturdevant reported that we wanted to bring the idea of a new solar system it to the board for consideration. This would be a new system, which will be a non-export system, and will only feed the plant; the old system feeds the grid. We received three proposals for a new system. The United Sun proposal is just for new panels @ 922kW; the Killua Energy proposal has the least amount of solar panels @ 360.7kW with eight 6,000 lb. batteries, which is driven by a computer program; Aztec Solar has 1,388 solar modules and 794 small batteries; each battery powers 3 panels. Their system will produce 749.52kW of solar. We will bring back a far more detailed breakdown of the three different systems and the benefits of them. He has put a new solar system line item in the budget, but wants to be sure the board approves of going this direction before the budget is finalized with that solar line item, otherwise it needs to be removed. He is seeking direction on moving forward with this or not. Commissioner Koch asked if we can have representatives from the recommended company come and give a presentation at the next meeting. Manager Sturdevant said he can do that.

13. Attorney's Report ❖

Attorney Jones said he did not have anything to report.

14. Manager's Report ❖

Manager Sturdevant reported that we hired an Administrative Assistant, Christina Neads, who will begin work on Monday, March 31st. He will have her at the next meeting to introduce her to the board. She will have just over six months to train in the position.

We had an inspection by the State. It seemed to go great. We will receive a report from them in the future.

We made changes to the monthly flows report. As we get narrowed down on the capacity at the plant, we decided to report that information on the flow report as a percentage of capacity remaining. We have 7.5% of our capacity left, which is approximately 1,600 EDU's. Next month we will include the EDU count remaining, along with the percentage. Commissioner Koch asked that we put the current number of EDU's used on the report also.

Manager Sturdevant reported on our current projects:

Plant upgrade phase 1: We have the pre-construction meeting with Meyers & Sons on Thursday. The notice to proceed will be issued on March 29th.

East Interceptor Project: This project is about 85% complete. He met Director Fairbanks from LOAPUD at the project, because when he was a SC-OR board member on our board he was hard charging for us to get that done. He is retiring from the LOAPUD board, and wanted to see this project before he is finished. He was happy to see it getting done.

Ruddy Creek Pump Station: This project is at 90% design. We are in the process of reviewing the design, and will have a meeting with Jacobs in the very near future to finalize the 90% design, and move into finalizing the entire design. The only setbacks we are in dealing with PG&E and Caltrans, and all of their different rules and regulations, and how we can merge those two to get us the power that we need for the new pump station.

SC-OR JPA Meeting:

We held a JPA meeting with a county representative and the member entities on March 24th to talk about policy mending to make sure we are all on the same page as far as development goes in making sure the development processes are being done the correct way, and making sure there is communication between the entities. The County does not communicate to any of the entities of what they are doing. We expressed to their representative that there needs to be communication when the county is allowing development in the service area of an entity, and we think she got the message. This mostly affects LOAPUD and TWSD.

Manager Sturdevant and Ryan Jones had a meeting with the City Administrator, Brian Ring, and City Attorney Dave Ritchie, to discuss the reimbursement agreement for the new Ruddy Creek Pump Station. We got the construction estimate back at \$3.4M, which is higher than we anticipated. We had guessed at a \$2.5M cost when Brian was doing his budget, so he's having an issue with trying to make those numbers work. We will continue to discuss this and find a reasonable solution. He believes the actual cost will be higher than the \$3.4M, because every bid we've received on our projects have been higher than what the construction estimate thought it would be.

LOAPUD: Manager Goyer and Foreman Victorino attended the JPA meeting on the 24th with the county representative. Manager Goyer brought Dee Fairbanks and met with Manager Sturdevant at the East Interceptor Project site.

Manager Sturdevant reported that a copy of the proposed budget at each commissioner's seat. He asked that they be taken and reviewed, and that any questions or concerns be brought to him as soon as possible so an edited draft can be presented at the April meeting for possible adoption.

15. Visitor Comments ❖

None

16. Commissioner and Staff Comments ❖

Commissioner Koch mentioned that on the solar proposals there is a tax incentive for each of the proposed systems, which would be around \$700K that would come back to SC-OR. Manager Sturdevant said he is trying to figure out how that will come back to SC-OR since we don't pay income taxes. He will have that information to present at the next meeting also.

Vice-Chair Mastelotto reported that real estate sales in the city limits are down by 53%, but the higher priced homes in the county are selling. She said that City of Chico sales are up 25%.

17. Adjournment ❖

There being no further business, the meeting was adjourned at 6:10 p.m. to the regular meeting scheduled for April 22, 2025 at 5:00 p.m.

Respectfully submitted,



GLEN E. STURDEVANT, CLERK