

# **Manager's Report**

**To the SC-OR Commissioners by Glen Sturdevant  
on January 23, 2026**

## **Operations & Maintenance**

There were no operational issues to report this month.

## **Project Update**

### ***Solar***

- Solar should be starting to mobilize onto job site in February.

### ***Plant Upgrade***

- The plant upgrade is progressing on schedule. We just had our first change order that increased the overall cost to the project. The change Order was in the amount of \$276,555.79 bringing the current total project cost to \$17,028,707.66, still well within our total approved budget for the project (\$18,427,768.70).

### ***RCPS***

- The Board voted to accept the low bid by Lorang Bros. Construction for the new RCPS project, and we are scheduled to have our first pre-construction meeting in mid-February.

## **SC-OR**

### ***Funding***

- We are still awaiting final word on whether we will obtain the rest of the funding for Phase 1 of the upgrade project. It has been officially approved at the county level, now we are waiting for the formal decision from the state (they approved the concept informally in December). This would be another \$6.3 million dollars towards Phase I.

# (Continued)

## **Entities Reports**

### ***T.W.S.D.***

- I swore in new T.W.S.D. Board Member Scott Koch on Wednesday, January 21, 2026. Commissioner Koch will be replacing Commissioner Hatley, who moved out of the T.W.S.D. district.

### ***City of Oroville***

- I met with City Engineer Tim Kaber about the Chic Filet sewer connection. I also have rekindled the conversation about the City of Oroville taking over the portion of the collection system located on the north side of Oro Dam Blvd., as well as the line running down 7<sup>th</sup> Ave. As the city develops the area, it is creating conflicts within SC-OR's policies.

### ***L.O.A.P.U.D.***

- I met with Manager Goyer on January 22, 2026 to discuss The River Ranch Development, and it has had some positive traction that might start moving forward again.

**MINUTES OF THE REGULAR MEETING  
OF THE SEWERAGE COMMISSION - OROVILLE REGION**  
(Held at the Commission office on December 17, 2025 at 11:00 a.m.)

**1. Call to Order ❖**

Chairperson Mastelotto called the meeting to order at 11:00 a.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 Hatley and Clark from the Thermalito Water and Sewer District. Staff present were Manager Glen Sturdevant and Plant Supervisor Mikah Salsi, along with Attorney Scott Drexel, filling in for Attorney Ryan Jones.

**3. Salute to the Flag ❖**

Chairperson Mastelotto led the commissioners and staff in the salute to the flag.

**4. Acknowledgment of Visitors ❖**

Scott Koch and Chris Heindell from Thermalito Water & Sewer District, and Jamie McGuire from the City of Oroville.

**5. Board Meeting Minutes of the Regular Meeting held on November 19, 2025 ❖**

Upon motion by Vice-Chairman Hatley to approve the minutes of the meeting, and second by Commissioner Goodson, the minutes of the November 19, 2025 regular meeting were unanimously approved.

**6. Authorization of Warrants ❖**

Commissioner Clark met with Manager Sturdevant and reviewed the warrants earlier. Having found everything to be in order, a motion was made by Commissioner Goodson for their approval, and the motion was seconded by Commissioner Pittman. Warrants 30764-30814 in the total amount of \$1,996,263.37 from November 20 to December 17, 2025, including Commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

**7. Fiscal Reports ❖**

Manager Sturdevant stated the fiscal reports for July through November 2025 were included in the board packets for review. He also noted that the FY 2024–25 financial audit has been completed; however, the financial statements are not yet ready for

presentation and will be brought forward at next month's board meeting.

## **8. Pipeline Assessment ❖**

Manager Sturdevant stated there was a typo error on the agenda regarding the not to exceed amount. The original agenda listed a not to exceed amount of \$139,500.00. A corrected agenda was placed next to the board packets, reflecting the revised amount of \$189,500.00. Chris Heindell, District Engineer from Thermalito Water & Sewer District (T.W.S.D.), presented on this topic. If the board votes to approve the pipeline assessment costs, the revised not to exceed amount must specify in the motion and properly seconded.

District Engineer Heindell provided background on this project explaining that T.W.S.D. is implementing a grant from the State Water Board to connect Golden Feather Mobile Home Park to a regional system. As part of this effort, T.W.S.D. is conducting a feasibility analysis that includes assessing the park's existing conditions and the infrastructure it will connect to. Additional investigations are being performed on the Feather River Pump Station, and the force main across the Feather River Bridge. The original budget for this work has been exceeded. T.W.S.D. requested a budget adjustment from the State to allocate an additional \$189,500.00 to the grant for these tasks. If the State does not approve the adjustment, an alternative option is to reallocate funds from the later phase of the feasibility analysis—reducing the design phase from 90% to 60%—to cover these costs. If neither option is approved, SC-OR may act as a financial backstop to fund the work. T.W.S.D. will initially front the money, pursue all other funding paths, and SC-OR would reimburse T.W.S.D., if necessary. The work involves integrity testing of the force main within the bridge using electromagnetic bracelet technology. This includes deploying sensor balls through the force main multiple times to collect data on pipe integrity, detect blockages, identify gas pockets, and assess potential failure risks.

Manager Sturdevant reminded the board of the 2021 incident when the pipe leaked on the Feather River Bridge and noted that the State has provided an opportunity to potentially cover these costs. He recommended that the board approve SC-OR as the financial backstop for T.W.S.D.

Vice-Chairman Hatley asked District Engineer Heindell to elaborate on conversations with the State regarding funding. District Engineer Heindell confirmed the State funding is feasible, but emphasized the need for a backstop in case funding does not materialize. For context the grant totals approximately \$10 million. Once deficiencies are identified, the grant can be used for upgrades to the Feather River pumps, addressing integrity issues in the force main, funding connection fees, and other costs associated with bringing the system online.

Chairperson Mastelotto asked if SC-OR has budgeted funds should it need to pay for the work. Manager Sturdevant confirmed that while the expense was not budgeted, SC-OR has sufficient reserves and will present a mid-year budget adjustment at next month's meeting.

Commissioner Goodson asked what amount is in SC-OR's reserves. Manager Sturdevant

replied SC-OR's reserves are healthy at approximately \$8-\$9 million.

Vice-Chairman Hatley commented that the not to exceed amount for the pipeline assessment includes a 20% contingency, providing a buffer. Commissioner Salvucci inquired about the number of units in the park, which Manager Sturdevant stated is around 100 units, but will be 85 EDU's because of mobile home weighting factor.

Commissioner Salvucci then made a motion to approve the pipeline assessment on the force main that runs through Highway 162 at Feather River Bridge, with a cost not to exceed \$189,500.00, including traffic control. Chairperson Mastelotto seconded the motion, and passed the following vote: Clark – Yes, Mastelotto – Yes, Pittman – Yes.

## **9. Salinity Study ❖**

Manager Sturdevant reported the State has required SC-OR to conduct a study as part of its current permit renewal process. SC-OR received a contract proposal from Jacobs Engineering for a cost not to exceed \$75,500.00 to complete a Salinity Minimization Plan. He noted that SC-OR does not have the capability to remove salinity; the plan primarily addresses infiltration and inflow (I&I), as groundwater is a source of salt and one of the few factors SC-OR can't control. SC-OR has no direct measures to remove salinity. Manager Sturdevant further reported he has requested that the State not include additional salinity requirements in our next permit.

This study updates a previous analysis conducted in 2012 and will remain effective for five years. Commissioner Goodson asked whether the contract would go through a bidding process. Manager Sturdevant explained that because Jacobs Engineering is SC-OR's engineer of record, the contract does not require competitive bidding, unless directed by the board.

Vice-Chairman Hatley made a motion to approve the contract with Jacobs Engineering to complete the Salinity Study and update a Salinity Minimization Plan for a cost not to exceed \$75,500.00. Commissioner Salvucci seconded the motion, which passed the following vote: Clark – Yes, Mastelotto – Yes, Pittman – Yes.

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

Attorney Drexel stated he did not have any significant updates to report on, other than noting he will be sitting in for Attorney Jones more frequently, as Attorney Jones has been appointed as the new City Attorney for Chico.

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

Manager Sturdevant reported on the following:

No operational issues to report this month.

The solar project is still in the engineering phase; progress is expected soon. The plant upgrade work is ongoing. SC-OR is currently negotiating a significant change order with

the contractor and has made some progress. An update will be provided at a future meeting. Manager Sturdevant announced that the final low bidder for the Ruddy Creek Pump Station is Lorang Brothers, with a bid of \$3,070,000—coming in under the \$3.25 million City of Oroville contribution. He met with Brian Ring, City Manager of Oroville, to share the results. Bid requirements and reference checks have been verified with positive outcomes. Manager Sturdevant will bring forward the construction contract and engineering services proposal, which is being negotiated with Jacobs Engineering. Chairperson Mastelotto asked where the contractor is based. Manager Sturdevant responded they are from Colfax, CA. Manager Sturdevant noted SC-OR was removed from the State’s fundable list for this year; letter was included in the board packets. Manager Sturdevant and Plant Supervisor Salsi attended the Butte County Supervisors meeting. County staff recommended to the board of supervisors that contingent on more funding becoming available to the county, that the county fully fund the rest of Phase 1 of the Plant Upgrade Project here at SC-OR. If the state releases less than the anticipated amount, the county projects will be prioritized and the SC-OR project will get less.

### **Entity Reports:**

T.W.S.D. – Manager Sturdevant met with Manager Boucher and District Engineer Heindell on December 4, 2025 to discuss Ruddy Creek Pump Station bid, as it will serve their district. Manager Boucher and District Engineer Heindell raised questions about the jail expansion and whether any fees are owed to SC-OR.

City of Oroville - SC-OR is investigating and working with the City of Oroville Manager, Brian Ring, and Community Development Director, Patrick Piatt, and the county to review actions taken in 2022, regarding the jail expansion plans. Initial findings indicate they may not have identified capacity impact, but further review is underway.

L.O.A.P.U.D. – Nothing to report.

### **12. Visitor’s Comments ❖**

None.

### **13. Commissioner and Staff Comments ❖**

Commissioner Pittman reported that the Council approved a land lease for the lineman college. Quanta owns the college and the facilities, and the land lease guarantees their presence in the Oroville area for the next 30 years. Classes begin on Monday, December 22, 2025, with 272 students enrolled, increasing to 282 students in the next year. The Council expressed appreciation for securing the land lease. Vice-Chairman Hatley announced that this will be his last meeting. Escrow on his property is scheduled to close on December 29, 2025, and he will be relocating to Oklahoma. He has submitted his resignation with T.W.S.D., contingent on escrow closing. Director Brad Taggart will replace Vice-Chairman Hatley. Manager Sturdevant requested to hold a special meeting with the board on January 8, 2026, at 5:00 p.m. to award the contract for the Ruddy Creek Pump Station.

**14. Adjournment ❖**

There being no further business, the meeting was adjourned at 11:27 a.m. to the regular meeting scheduled for January 27, 2026 at 5:00 p.m.

Respectfully submitted,

GLEN E. STURDEVANT, CLERK

DRAFT

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

(Held at the Commission office on January 08, 2026 at 05:00 p.m.)

## **1. Call to Order ❖**

Chairperson Mastelotto called the meeting to order at 05:00 p.m.

## **2. Roll Call ❖**

Commissioners present were Mastelotto from the Lake Oroville Area Public Utility District, Pittman and Goodson from the City of Oroville, and Vice-Chairman Clark from the Thermalito Water and Sewer District. Staff present were Manager Glen Sturdevant and Plant Supervisor Mikah Salsi, along with Attorney Ryan Jones, who joined by Zoom. Commissioner Salvucci from the Lake Oroville Area Public Utility District attended remotely from Boston, MA, for the meeting as permitted by SB 707, his just cause due to caregiving responsibilities for a family member. There was no second representative from the Thermalito Water and Sewer District, as that board seat is expected to be filled next month.

## **3. Salute to the Flag ❖**

Chairperson Mastelotto led the commissioners and staff in the salute to the flag.

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

None.

## **5. Ruddy Creek Pump Station Construction Award ❖**

Manager Sturdevant reported the Ruddy Creek Pump Station was advertised for bids in December 2025, with the bid period closing on December 3, 2025. The low bid was submitted by Lorang Brothers in the amount of \$3,070,995.00. SC-OR confirmed that Lorang Brothers Construction met all of the requirements including background check and positive references. Additionally, Jacobs Engineering, which conducted the vetting process, provided a letter of recommendation. Based on these findings, staff recommends awarding the contract to Lorang Brothers Construction for the low bid amount of \$3,070,995.00, plus a 10% contingency, for a total cost not to exceed \$3,378,100.00.

Commissioner Pittman inquired about the project timeline. Manager Sturdevant responded that construction is scheduled to begin in February 2026, with an anticipated completion date of December 1, 2026.

A motion was made by Commissioner Pittman to approve the Ruddy Creek Pump Station contract with Lorang Brothers Construction. The motion was seconded by Commissioner

Goodson, and passed the following vote: Clark – Yes, Mastelotto – Yes, Pittman – Yes

## **6. Construction Management Contract Award ❖**

Manager Sturdevant introduced the Ruddy Creek Pump Station Construction Management contract. He noted that during Phase 1, two separate companies handled construction management and engineering services, which was appropriate for a project of that size. After discussion with Plant Supervisor Salsi, staff recommends continuing with Jacobs Engineering to perform both construction management and engineering services for the Ruddy Creek Pump Station project. Although Jacobs Engineering is not the construction management firm on the Phase 1 project, they advocate for SC-OR.

Manager Sturdevant recommended awarding the contract to Jacobs Engineering for construction management and engineering services during the Ruddy Creek Pump Station construction at a cost of \$600,000.00, plus a 10% contingency of \$60,000.00, for a total amount not to exceed \$660,000.00.

Chairperson Mastelotto inquired about the 10% contingency and if Jacobs Engineering ends up more than allotment. Manager Sturdevant stated if that happens, he would bring the overage (change order) to the Board, but he fully expects the amount to come in less. Commissioner Pittman asked about parts delay. Manager Sturdevant stated he was confident SC-OR will be able to get this project done by the timeline.

A motion was made by Commissioner Goodson to approve the Construction Management and Engineering Services Contract for the Ruddy Creek Pump Station construction with Jacobs Engineering. The motion was seconded by Chairperson Mastelotto, and passed the following vote: Clark – Yes, Mastelotto – Yes, Pittman – Yes

## **7. Task Order No. 42 – SCADA Integration and Programming for the SC-OR Ruddy Creek Lift Station Project ❖**

Manager Sturdevant introduced the proposal for Jacobs Engineering to perform SCADA Integration and Programming for the Ruddy Creek Lift Station Project. He emphasized the importance of maintaining consistent programming codes with the same engineering firm—Jacobs Engineering—since they also handled the design and SCADA installations for Phase 1. Using a different engineering firm could result in incompatible programming communications and potential operational issues.

Manager Sturdevant recommended awarding the SCADA Integration and Programming contract to Jacobs Engineering for the Ruddy Creek Lift Station Project at a cost of \$236,000.00, plus a 10% contingency of \$23,600.00, for a total amount not to exceed \$259,600.00.

Chairperson Mastelotto asked whether this expense was budgeted for the upcoming year. Manager Sturdevant confirmed that it is included in the budget. Commissioner Pittman inquired if the upgrade involves transitioning from an analog system to a digital system. Manager Sturdevant explained that this upgrade replaces the 1970s infrastructure system with a modern digital platform, allowing operators to access the system via company-

issued cell phones. Commissioner Goodson asked for clarification on whether these phones are company-owned or personal, and if there are security protocols. Manager Sturdevant confirmed they are company-paid devices and explained that, for security purposes, staff will connect through a Virtual Private Network (VPN) dedicated solely to SCADA access. Commissioner Pittman then asked Attorney Jones whether the SCADA system complies with upcoming cybersecurity legislation. Attorney Jones responded he would need to review the matter further. Manager Sturdevant responded that California has introduced new cybersecurity requirements and noted that SC-OR secured a grant to ensure compliance, which will integrate seamlessly with this upgrade.

A motion was made by Commissioner Pittman to approve the SCADA Integration and Programming for the SC-OR Ruddy Creek Pump Station construction project with Jacobs Engineering. The motion was seconded by Commissioner Goodson, and passed the following vote: Clark – Yes, Mastelotto – Yes, Pittman – Yes

**8. Visitor Comments ❖**

None.

**9. Commissioner and Staff Comments ❖**

None.

**10. Adjournment ❖**

There being no further business, the meeting was adjourned at 05:15 p.m. to the regular meeting scheduled for January 27, 2026 at 5:00 p.m.

Respectfully submitted,

GLEN E. STURDEVANT, CLERK

# **MINUTES OF THE EMPLOYEE SAFETY MEETING FOR THE SEWERAGE COMMISSION – OROVILLE REGION**

(Held at the Plant on January 22, 2026)

On Thursday, January 22, 2026, a safety meeting was called to order at 2:14 p.m. In attendance were: Environmental Compliance Supervisor Kendra Morgan, Lead Operator Mitchell Maxwell, Plant Operators Mike Klemm, Chris Wright and Sam Nevers, and Administrative Assistant Christina Neads.

All employees were provided with a handout titled "Emergency Action Plan" outlining procedures for handling emergencies. Lead Operator Maxwell led the discussion by having team members take turns reading sections of the Emergency Action Plan aloud. He initially noted that Plant Supervisor Salsi reviews the Emergency Action Plan annually and signs off on it.

Lead Operator Maxwell and Plant Supervisor Salsi both provided clarification on how to respond to plant emergencies and the established chain of command for emergency notifications. Plant Supervisor Salsi further clarified Maxwell's earlier statement, noting that while he does not currently review the Emergency Action Plan annually and no logbook is maintained under existing guidelines, he intends to conduct periodic reviews moving forward. He also noted that the Emergency Action Plan is part of SC-OR's Injury and Illness Prevention Program (IIPP) and is accessible through the shared bookshelf.

Lead Operator Maxwell and Plant Supervisor Salsi then opened the floor to questions. As no questions or immediate safety concerns were raised, the discussion shifted to CPR training and the timeline for the next session. Lead Operator Maxwell confirmed that CPR training is conducted every two years.

The meeting was adjourned at 2:29 p.m.

**SEWERAGE COMMISSION - OROVILLE REGION**  
**BUDGETARY SUMMARY - FISCAL YEAR 2025/2026**

DESCRIPTION	Adopted Budget 2025/26	Expended This Month	Expended Through 12.31.25	Balance of Funds Remaining	Time Left 58%
SALARIES & WAGES	1,088,800	85,222.99	565,168.12	523,631.88	48%
EMPLOYEE BENEFITS	795,220	37,624.39	473,463.21	321,756.79	40%
COMMISSIONERS' FEES	43,200	3,600.00	21,600.00	21,600.00	50%
CMSNRS FICA & MEDICARE	3,305	275.40	1,652.40	1,652.60	50%
GAS, OIL & FUEL	30,000	632.21	6,212.93	23,787.07	79%
INSURANCE	160,000	0.00	146,010.67	13,989.33	9%
MEMBERSHIPS	12,000	9,779.00	9,779.00	2,221.00	19%
OFFICE EXPENSES	10,000	760.52	5,898.09	4,101.91	41%
OPERATING SUPPLIES	345,000	42,378.06	113,010.90	231,989.10	67%
PROFESSIONAL SERVICES	200,000	77,058.25	133,521.06	66,478.94	33%
PRINTING & PUBLICATIONS	3,000	0.00	0.00	3,000.00	100%
REPAIRS & MAINTENANCE	135,000	9,702.13	88,526.43	46,473.57	34%
BIOSOLIDS DISPOSAL	30,000	1,162.50	10,387.50	19,612.50	65%
MONITORING & COMPLIANCE	120,000	5,656.75	69,943.00	50,057.00	42%
TRAINING & MEETINGS	20,000	191.71	3,472.02	16,527.98	83%
UTILITIES	823,650	15,040.84	103,347.71	720,302.29	87%
CONTINGENCY	100,143	33,622.00	33,622.00	66,521.00	66%
<b>TOTAL OPERATING</b>	<b>3,919,318</b>	<b>322,323.33</b>	<b>1,785,615.04</b>	<b>2,133,702.96</b>	<b>54%</b>

Engineering Fees	1,956.06	Credit was received from the SDLA North Scholarship (Special District Leadership Foundation) to support attendance at the CSDA Leadership Academy in October 2025. This scholarship resulted in reduced staff and meeting expenses in December.
Legal Fees	2,007.50	
Auditing Fees	13,703.69	
Permits	59,292.00	
Miscellaneous	99.00	
	<u>77,058.25</u>	

**SEWERAGE COMMISSION - OROVILLE REGION**

**REVENUE SUMMARY - FISCAL YEAR 2025/2026**

DESCRIPTION	Received	Received	Unrestricted	Restricted	Regulatory &	Restricted	Restricted	Restricted
	This	Through		Funds	W.C.R.F.	Capital Acct.	Cap. Outlay	Annl. M&O
	Month	12.31.25	Funds	Funds	Funds	Funds	Funds	Funds
SERVICE CHARGES	0.00	1,446,293.40	1,446,293.40					
SEPTAGE DUMPERS	14,045.20	37,171.68	37,171.68					
EX. PEAK FLOWS	0.00	0.00	0.00					
EX. MO. FLOWS	0.00	0.00	0.00					
OTHER AGENCIES	0.00	8,131.80	8,131.80					
RFC CHARGES	0.00	119,484.00				119,484.00		
INTEREST	115,882.05	437,114.79	173,621.21	22,100.33	165,226.23	68,934.61		7,230.16
RCA (Rgltry & cap. ac	0.00	1,363,413.76			1,363,413.76			
WCRF	0.00	83,241.91		83,241.91				
<b>TOTALS</b>	<b>129,927.25</b>	<b>3,494,851.34</b>	<b>1,665,218.09</b>	<b>105,342.24</b>	<b>1,528,639.99</b>	<b>188,418.61</b>	<b>0.00</b>	<b>7,230.16</b>

**SEWERAGE COMMISSION - OROVILLE REGION  
ACTIVE & INACTIVE CASH - MONTHLY RECAP  
FISCAL YEAR 2025/2026**

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Cash - Unrestricted	9,996,848.89	8,347,437.62	8,122,751.61	9,511,238.23	9,330,539.10	9,058,225.46	0.00	0.00	0.00	0.00	0.00	0.00
Cash - Restricted												
WCRF	1,057,660.09	1,060,165.57	1,066,624.37	1,015,930.09	1,016,626.12	1,004,692.61						
R&CA	9,045,303.21	8,059,639.82	8,056,417.78	7,850,527.60	7,794,613.08	6,122,126.70						
Cap. Outlay	3,311,239.53	3,325,702.15	3,345,841.08	3,155,777.18	3,163,059.70	3,180,869.61						
Fines&Pen	340,097.18	340,900.85	342,964.80	343,783.30	344,576.81	346,516.68						
<b>TOTAL CASH</b>	23,751,148.90	21,133,846.01	20,934,599.64	21,877,256.40	21,649,414.81	19,712,431.06	0.00	0.00	0.00	0.00	0.00	0.00
<b>INTEREST ALLOCATED:</b>												
Unrestricted	22,733.96	20,260.21	46,122.42	18,430.38	19,554.55	46,519.69						
Reserve/WCRF	2,520.85	2,505.48	6,458.80	2,546.16	2,344.47	5,724.57						
Reserve/CO	7,892.16	7,824.62	20,138.93	7,986.47	7,282.52	17,809.91						
Reserve/F&P	810.66	803.67	2,063.95	818.50	793.51	1,939.87						
Reserve/RCA	13,812.83	21,374.70	48,804.31	19,230.25	18,116.13	43,888.01						
<b>CONSISTING OF:</b>												
Checking Accounts	1,420,423.67	723,975.44	401,139.43	1,037,231.03	1,068,499.86	282,624.06						
Money Market Account	8,244,737.90	7,203,739.14	7,228,529.56	6,953,647.53	7,032,577.99	6,661,715.11						
L.A.I.F. & CLASS Accounts	14,085,987.33	13,206,131.43	13,304,930.65	13,886,377.84	13,548,336.96	12,768,091.89						
<b>TOTAL CASH</b>	23,751,148.90	21,133,846.01	20,934,599.64	21,877,256.40	21,649,414.81	19,712,431.06	0.00	0.00	0.00	0.00	0.00	0.00
<b>% of Funds Invested</b>	94.02%	96.57%	98.08%	95.26%	95.06%	98.57%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Sewerage Commission - Oroville Region

Bank Reconciliation - Golden Valley Bank

Fiscal Year Ended 30 June 2026

**BALANCE PER BANK**

Ending Balance on Bank Statement	31-Dec-25	361,598.52
Less Outstanding Warrants		(78,974.46)
Equals Adjusted Bank Balance at	31-Dec-25	<u>282,624.06</u>

**BALANCE PER BOOKS**

Beginning Prior Checkbook Balance	1-Dec-25	<u>1,068,499.86</u>
Deposits		1,284,701.07
Less Transfers Out		0.00
Less Warrants Written		(2,015,642.58)
Less Net Payroll Warrants		(54,934.29)
Equals Adjusted Checkbook Balance	31-Dec-25	<u>282,624.06</u>

SEWERAGE COMMISSION - OROVILLE REGION  
 GOLDEN VALLEY BANK MONEY MARKET ACCOUNT  
 FISCAL YEAR 2025/2026

Date	Detail	Deposits	Withdrawals	Balance	IntRate
1-Jul-25	Balance Forward			4,974,070.18	
24-Jul-25	Deposit	3,250,000.00		8,224,070.18	
31-Jul-25	Interest earned	20,667.72		8,244,737.90	4.270%
21-Aug-25	Transfer to general checking		1,710,907.91	6,533,829.99	
22-Aug-25	Transfer from general checking	642,009.77		7,175,839.76	
31-Aug-25	Interest earned	27,899.38		7,203,739.14	
30-Sep-25	Interest earned	24,790.42		7,228,529.56	
20-Oct-25	Transfer to general checking		300,000.00	6,928,529.56	
31-Oct-25	Interest earned	25,117.97		6,953,647.53	4.240%
3-Nov-25	Transfer from general checking	254,117.74		7,207,765.27	
17-Nov-25	Transfer to general checking		199,437.57	7,008,327.70	
30-Nov-25	Interest earned	24,250.29		7,032,577.99	
8-Dec-25	Transfer to general checking		160,000.00	6,872,577.99	
15-Dec-25	Transfer to general checking		110,000.00	6,762,577.99	
29-Dec-25	Transfer to general checking		125,000.00	6,637,577.99	
31-Dec-25	Interest earned	24,137.12		6,661,715.11	

SEWERAGE COMMISSION - OROVILLE REGION  
 CALIFORNIA CLASS ACCOUNT  
 FISCAL YEAR 2025/2026

Date Detail	Deposits	Withdrawals	Balance	IntRate
1-Jul-25 BEGINNING BALANCE			7,485,227.00	
22-Jul-25 Transfer to checking		480,078.51	7,005,148.49	
31-Jul-25 Dividend reinvestment (interest)	27,102.74		7,032,251.23	4.343%
13-Aug-25 Transfer to checking		452,725.73	6,579,525.50	
31-Aug-25 Dividend reinvestment (interest)	24,869.83		6,604,395.33	4.324%
30-Sep-25 Dividend reinvestment (interest)	23,190.81		6,627,586.14	4.273%
23-Oct-25 Transfer from checking	303,553.40		6,931,139.54	
31-Oct-25 Dividend reinvestment (interest)	23,893.79		6,955,033.33	4.189%
4-Nov-25 Transfer from checking	254,117.74		7,209,151.07	
30-Nov-25 Dividend reinvestment (interest)	23,841.38		7,232,992.45	4.039%
2-Dec-25 Transfer to checking		871,990.00	6,361,002.45	
31-Dec-25 Dividend reinvestment (interest)	21,138.87		6,382,141.32	3.877%

SEWERAGE COMMISSION - OROVILLE REGION  
 LOCAL AGENCY INVESTMENT FUND  
 FISCAL YEAR 2025/2026

Date	Detail	Deposits	Withdrawals	Balance	IntRate
1-Jul-25	Balance Forward			7,535,736.10	4.400%
22-Jul-25	Withdrawal - Warrants		(482,000.00)	7,053,736.10	
12-Aug-25	Withdrawal - Warrants		(452,000.00)	6,601,736.10	
30-Sep-25	Qtrly interest rec'd	75,608.41		6,677,344.51	4.340%
24-Oct-25	Transfer from checking	254,000.00		6,931,344.51	
4-Nov-25	Transfer from checking	254,000.00		7,185,344.51	
25-Nov-25	Transfer to general checking		(870,000.00)	6,315,344.51	
31-Dec-25	Qtrly interest rec'd	70,606.06		6,385,950.57	4.200%

# **PROPOSED BUDGET FOR FISCAL YEAR 2025/2026**

This proposed budget for fiscal year 2025/2026 is submitted for your review. At the SC-OR board meeting held on February 28, 2024, the SC-OR board approved a 5-year rate schedule that includes five small annual rate increases, the second of which will take place on 7/1/2025, and the last to take effect on 7/1/2028. The increase for this fiscal year will take the monthly sewer service rate from \$24.49 to \$25.71/EDU/month.

In 44 years of service to our community, SC-OR has only raised the rates by a total of \$22.96 per month. Congratulations to the SC-OR Board for constantly keeping our community and the rates they pay as a priority, while at the same time keeping up with regulatory requirements.

Below are my comments on this years' proposed budget.

## **UNRESTRICTED ACCOUNTS**

### **Exhibit A Changes**

#### *Salary and Wages*

There is an increase to the salary and wages line item of 2.38% due to the fact that SC-OR is fully staffed, and all operations personnel are reaching the required certification level. We will also have 2 people behind the counter for 3 ½ months, as our office supervisor prepares for retirement and is training the new administrative assistant.

#### *Employee Benefits: Workers' Compensation Insurance*

There is nearly an 8.84% increase in Workers' Compensation Insurance due to an industry-wide escalation in premiums.

#### *Employee Benefits: Group Insurance*

There is an estimated increase in group insurance of 11.1% due to a cost increase in annual premiums.

#### *Employee Benefits: PERS Contribution*

There is an anticipated decrease in the PERS contribution of 6.43% due to the office supervisor retiring and the new hire being a PEPRA member in PERS. The good news is our unfunded liability has decreased by 16.51%.

Commissioners Fees

There is no change in this category.

Insurance: SDRMA Contribution (Property and Liability)

SDRMA informed us that there will be an increase in our property and liability insurance of approximately 10.5%. The increase is attributed to the constant rise in insurance costs.

Gas Oil and Fuel

There is no change in this category.

Memberships

There is no change in this category.

Office Expense

There is no change in this category.

Operating Supplies

There is no change in this category.

Professional Services

There is a 13.65% increase in the Professional Services category due to SC-OR partnering with an Accountant to reach GAAP compliance

Printing and Publication

There is no change in this line item.

Repair and Maintenance

There is no change in this category.

Biosolids Disposal

There is no change in this category.

Monitoring and Compliance

There is a 9.1% increase in this category due to the ever-growing fee structure of the SWRCB (State Water Resource Control Board).

Training and Meetings

There is a 25% increase in this category to provide training to the current staff as well as additional training for the new administrative assistant.

### Utilities

There is an increase of 10.5% to cover the constantly rising cost of electrical power, and to offset the new influent pump station being taken off of the solar array. Upon completion of the main plant upgrade, the influent pump station will be put back on the power supply that is offset by the solar array, but until then it is an additional cost.

### Closing Comments

In closing, this next fiscal years' budget, if adopted, will have an overall increase of approximately **3.9%**. With the retirement of our office supervisor, we will save some money in the difference in salaries and benefits because the retiree is a classic member of PERS and the new hire will be PEPRA. Overall, the budget has an increase of a **3.9%**, however the contingency in this year's budget will not be what it has been in years past because of the number of large projects SC-OR is either currently working on, or that are upcoming in this Fiscal Year. There is emergency money in the reserves unrestricted account if we were to have an unforeseen expense.

***This is a proposed budget for your review. It is your option to adopt or make changes if you desire. SC-OR has a wonderful track record of low service charges, with nothing less than excellent service to our community.***

## RESTRICTED ACCOUNTS

Below are equipment needs and/or projects funded in this budget.

**Unknown Expenditures:** Any unanticipated expenditures that arise throughout the year used to fill in the gaps for purchases of unplanned items.

### Exhibit C - WCRF (Equipment Replacement Fund)

**Projected Budget Requests:**

Auxiliary Pump Replacement.....	\$ 180,000.00
Board Room furniture Replacement .....	<u>\$ 30,000.00</u>
Total .....	<u>\$ 210,000.00</u>

#### **Auxiliary Pump Replacement**

We would like to replace the other 2 pumps in our auxiliary pump station for which I have budgeted \$180,000.00. This station is responsible for diverting flow in high flow weather events, as well as serving as our backup influent pump station. We now have 1 new pump in the station, and would like to buy 2 more pumps and associated pipework to finish the rehab of the station. Cost permitting, we would also have these 2 new pumps run on the AFD (adjustable frequency drive) so that they may work in auto.

#### **Board Room Furniture Replacement**

We are replacing the furniture of the SC-OR boardroom due to its age and has served its purpose.

\*This amended Exhibit C reflects revisions to the originally approved budget.

### Exhibit D – Regulatory & Capital Account (R&CA)

**Projected Budget Requests:**

Upgrade Phase 1 .....	\$6,000,000.00
Construction Mgt and Engineering Services during Phase I.....	\$1,600,000.00
RCPS CM/SDC and potential construction.....	\$ 950,000.00
Inspection West Interceptor.....	\$ 189,500.00
Salinity Study and Minimization Plan.....	\$ 75,500.00
Unknown Expenditures .....	<u>\$ 50,000.00</u>
Total .....	<u>\$8,865,000.00</u>

### ***Upgrade Phase 1***

The first phase of the main plant upgrade will kick off this year, and while a majority of this first phase will be paid for by grant funding, SC-OR will be paying for a portion of the project from its own funds that have been collected and saved for this exact purpose. SC-OR will have to pay up to \$8,300,000.00 from the Regulatory and Capital Account (R&CA) to complete phase I of the upgrade. However, we will exhaust the states funds first, so I expect to pay around \$6,000,000.00 in this fiscal year.

**Construction Management & Engineering Services During Phase I of Upgrade**

We learned during the construction of the influent pump station that having the design engineer do the engineering services during construction (SDC) can save a lot of time and money. We also favor having a 3<sup>rd</sup> party do the construction management (CM), so I have budgeted so that we can hire the same firm that designed the upgrade to perform the engineering SDC, and a separate company do the CM work to hold the design engineer accountable if there are any mistakes in the design.

**Ruddy Creek Pump Station**

The City of Oroville is honoring their agreement to pay for the construction of the new RCPS. With that said, the estimate came back higher than we anticipated, so I have budgeted for SC-OR to cover the CM, SDC and potentially some of construction costs if there is a gap that needs to be filled.

**West Interceptor Inspection**

SC-OR has been narrowing down an approach on how to best inspect the west interceptor force main that travels through the Feather River Bridge on Hwy 162. We have settled on the mid-tier approach and feel it will be thorough enough to determine any issues but still cost effective enough to make is reasonable.

**Salinity Study and Minimization Plan**

This study and plan were mandated by the state in our NPDES permit, SC-OR has very little ability to treat for or remove salinity, however it is a point of emphasis by the water board so SC-OR had no choice but to participate.

\*This amended Exhibit D reflects revisions to the originally approved budget.

**Exhibit E - Capital Improvement and Expansion Fund**

**Projected Budget Requests:**

Solar Array .....	\$2,860,000.00
Engineering Pond Relining.....	\$ 100,000.00
Unknown Expenditures .....	<u>\$ 40,000.00</u>
Total.....	<u><b>\$3,000,000.00</b></u>

**Solar Array**

We have narrowed down an approach on how to move forward with solar that should result in almost a complete reduction of the PGE bill for the main plant. The array and strategy should allow SC-OR to all but eliminate the power bill at the plant,

and would have less than a five-year payback period, which would allow SC-OR to start banking around half a million dollars a year.

***Engineering On Pond Relining***

SC-OR staff worked diligently with Congressman Doug LaMalfa's office to secure \$2,000,000.00 in grant funding. We have ultimately landed on relining the ponds with these funds; the grant will cover the construction on the 3 solids storage ponds, but SC-OR will be responsible for the engineering and planning.

# Exhibit C

## REPLACEMENT FUND (WCRF) COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2025/2026

Estimated balance-on-hand July 1, 2025			<b>\$379,796</b>
<b>Replacement Fund (WCRF) Income</b>			
Estimated Interest Income @	<b>379,796</b>	<b>\$17,471</b>	
Contribution from monthly sewer service charges		<b>\$160,726</b>	<b>\$178,197</b>
Total Replacement Fund (WCRF)			<b>\$557,993</b>
<b>Estimated Expenditures for Replacement</b>			
Auxiliary Pump Replacement		<b>\$180,000.00</b>	
Board Room Renovation		<b>\$30,000.00</b>	
Total Estimated Expenditures			<b>\$210,000</b>
Estimated remaining balance on June 30, 2026			<b>\$347,993</b>

\*This amended Exhibit C reflects revisions to the originally approved budget.

# Exhibit C

## REPLACEMENT FUND (WCRF) COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2025/2026

Estimated balance-on-hand July 1, 2025			<b>\$379,796</b>
<b>Replacement Fund (WCRF) Income</b>			
Estimated Interest Income @	<b>379,796</b>	<b>\$17,471</b>	
Contribution from monthly sewer service charges		<b>\$160,726</b>	<b>\$178,197</b>
Total Replacement Fund (WCRF)			<b>\$557,993</b>
<b>Estimated Expenditures for Replacement</b>			
Auxiliary Pump Replacement		<b>\$180,000.00</b>	
Total Estimated Expenditures			<b>\$180,000</b>
Estimated remaining balance on June 30, 2026			<b>\$377,993</b>

# Exhibit D

## REGULATORY & CAPITAL ACCOUNT (R&CA) ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2025/2026

Estimated balance-on-hand July 1, 2025			<b>\$10,117,443</b>
<b>Regulatory &amp; Capital Account (R&amp;CA)</b>			
Estimated Interest Income @	<b>\$10,117,443</b>	<b>\$304,676</b>	
Contribution from monthly sewer service charges		<b>\$2,589,978</b>	<b>\$2,894,654</b>
Total Regulatory & Capital Account (R&CA)			<b><u>\$13,012,097</u></b>
<b>Estimated Expenditures From R&amp;CA</b>			
Plant Upgrade Phase I		\$6,000,000.00	
Plant Upgrade Phase I CM/ESDC*		\$1,600,000.00	
RCPS CM/ESDC** & Potential Construction		\$950,000.00	
West Interceptor Inspection		\$189,500.00	
Salinity Study and Minimization Plan		\$75,500.00	
Unknown Expenditures		\$50,000.00	
			<b><u>\$8,865,000</u></b>
Estimated remaining balance on June 30, 2026			<b><u><u>\$4,147,097</u></u></b>

*\*Plant Upgrade Ph 1 Construction Management / Engineering Services During Construction*

*\*\*Ruddy Creek Pump Station Construction Management / Engineering Services During Construction*

\*This amended Exhibit D reflects revisions to the originally approved budget.

# Exhibit D

## REGULATORY & CAPITAL ACCOUNT (R&CA) ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2025/2026

Estimated balance-on-hand July 1, 2025			<b>\$10,117,443</b>
<b>Regulatory &amp; Capital Account (R&amp;CA)</b>			
Estimated Interest Income @	<b>\$10,117,443</b>	<b>\$304,676</b>	
Contribution from monthly sewer service charges		<b>\$2,589,978</b>	<b>\$2,894,654</b>
Total Regulatory & Capital Account (R&CA)			<b><u>\$13,012,097</u></b>
<b>Estimated Expenditures From R&amp;CA</b>			
Plant Upgrade Phase I		<b>\$6,000,000.00</b>	
Plant Upgrade Phase I CM/ESDC*		<b>\$1,600,000.00</b>	
RCPS CM/ESDC** & Potential Construction		<b>\$950,000.00</b>	
West Interceptor Inspection		<b>\$100,000.00</b>	
Unknown Expenditures		<b>\$50,000.00</b>	
			<b><u>\$8,700,000</u></b>
Estimated remaining balance on June 30, 2026			<b><u><u>\$4,312,097</u></u></b>

*\*Plant Upgrade Ph 1 Construction Management / Engineering Services During Construction*

*\*\*Ruddy Creek Pump Station Construction Management / Engineering Services During Construction*

# **Environmental Compliance Report**

To the SC-OR Commissioners and Staff from Kendra Morgan

*January 27, 2026*

## **INDUSTRIAL PRETREATMENT PROGRAM**

### **INSPECTIONS**

The dischargers submitted their monthly flow reports for December 2025. They have also both completed their second semi-annual testing for 2025. All dischargers and lines appear to be in compliance with their permits.

### **ENFORCEMENT**

There are no enforcement items to report.

### **ACTIVITIES**

All operations continued as normal in the laboratory and environmental areas.

# Sewerage Commission - Oroville Region

## Monthly Flows Report - Dec-25

Name of Agency	Total Monthly Flow (MG)	Average Daily Flow (MG)	Total Peak Flow (MG)	Date of Peak Flow
<b>SC-OR Plant Total 19134 EDU's</b>	120.985	3.903	14.43	12/21/2025
<b>Lake Oroville Area P.U.D. 6,179 EDU's</b>	37.975	1.225	5.00	12/21/2025
<b>Thermalito Water and Sewer 2,980.96 EDU's</b>	17.625	0.569	2.37	12/24/2025
<b>City of Oroville 9,934 EDU's</b>	57.565	1.857	7.13	12/21/2025

**EDU % remaining**

7.565%

*Ground water dewatering/ month*

7.820 Million gallons

*Ground water dewatering/ total*

65.498 Million gallons

*Septage Pumps*

0.0396 Million Gallons/Month

*Monthly Rainfall*

3.95 Total Inches/Month