Manager's Report

To the SC-OR Commissioners by Glen Sturdevant
on November 13, 2026

Operations & Maintenance:

There is nothing new to report, as operations and maintenance activities continue to run smoothly.

Project Updates:

Solar

- Currently pouring concrete pads for PG&E equipment.

Plant Upgrade

- Completing additional punch-list items.

RCPS

- Experiencing shipping delays for the generator and automatic transfer switch (ATS), pushing full station readiness to January.

SC-OR

- Gathering quotes for protective canopies to cover the new equipment, with plans to present options to the Board at the December meeting.
- Our Administrative Assistant identified a payroll processing error affecting the federal and state taxable gross income reporting of PEPRA employees. Mandatory PEPRA contributions were inadvertently processed as post-tax deductions rather than pre-tax deductions, contrary to the tax-deferred resolution on file with CalPERS. We have confirmed that SC-OR reported the affected contributions correctly to CalPERS and that the issue is limited to the tax treatment applied within current and prior payroll platforms. SC-OR is currently auditing the affected reporting periods and coordinating with legal counsel and its accountants to determine the appropriate corrective actions, including any necessary payroll tax reporting adjustments, and to ensure compliance with applicable tax requirements.

(Continued)

Entities Reports:

T.W.S.D.

- Held multiple coordination meetings regarding RCPS tie-ins.
- Attended the November 17, 2026 T.W.S.D. meeting regarding the appointment of Commissioner Wristen's replacement to the SC-OR Board.

L.O.A.P.U.D.

- Met with Manager Goyer to discuss future projects and planning.

City Of Oroville

- Collaborated with City Administrator Brian Ring and City staff on the hospital expansion project.
- Coordinated with City staff regarding the County Complex expansion.

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

(Held at the Commission office on October 27, 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 Attorney Ryan Jones attended via Zoom in place of Attorney Scott Drexel, who was absent.

Commissioner Bruce Wristen, from the Thermalito Water and Sewer District, resigned from the District Board, effective October 20, 2026. As a result, his seat on the SC-OR Board was vacated.

3. Salute to the Flag ❖

Chairman Koch 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 September 22, 2026 ❖

Upon motion by Commissioner Mastelotto to approve the minutes of the meeting, and seconded by Commissioner Goodson, the minutes of the September 22, 2026 regular meeting were unanimously approved.

6. Authorization of Warrants ❖

Commissioner Goodson 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 Chairman Pittman. Warrants 31435-31510 in the total amount of $3,671,460.86 from September 23 to October 27, 2026, including Commissioner fees and electronic fund transfers and deposits, were unanimously approved and ordered paid.

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7. Fiscal Reports ❖

Manager Sturdevant reported that, due to the upcoming FY 2025-26 audit, the September financial statements were not included in the Board packets. However, the bank reconciliation statements were provided for the Board's review. There were no questions or additional comments from the Board.

Public Hearing Closed at 5:03 PM

8. Closed Session ❖

Pursuant to Gov. Code 54957, the Board conducted a Public Employee Performance Evaluation for the SC-OR Manager. This item was for Information only and no action taken.

The Public Hearing was reopened at 5:11 PM

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

Attorney Jones reported that he is currently working with Manager Sturdevant to develop a budget related to the existing litigation. He stated that he will provide an update to both Manager Sturdevant and the Board at the next meeting and had nothing further of significance to report.

10. 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. Quarterly sampling was completed and submitted at the beginning of October without any issues.

Project Updates:

Solar – Manager Sturdevant reported that the solar project continues to progress on schedule. However, SC-OR may experience future delays as PG&E completes infrastructure repairs related to El Niño impacts, according to recent correspondence received from PG&E.

Plant Upgrade/SC-OR – Manager Sturdevant reported that SC-OR is in the final stages of the construction project. Staff has provided the contractor with a punch list of remaining items to complete. The contractor has begun demobilizing from the site and has removed several trailers as the project nears completion of this phase.

Manager Sturdevant noted that several smaller projects will be brought before the Board over the next few months for review. For example, the new equipment installed at the

front of the facility is too large to fit beneath the existing canopy, requiring the purchase and installation of a new canopy.

The Board previously authorized funding of the Plant Upgrade through the budget. As the major construction phase is completed, the individual projects will be presented separately for Board review, beginning at the November meeting, and will be funded from the previously authorized budget allocation.

RCPS Construction – Manager Sturdevant reported that he has been meeting with the Thermalito Water and Sewer District regarding the Ruddy Creek Pump Station project. The purpose of these meetings is to ensure that the District is comfortable with the planned tie-in process, as portions of its existing system will need to be temporarily bypassed or taken out of service during construction.

Manager Sturdevant stated that representatives from the Thermalito Water and Sewer District have been actively participating in project meetings, and a solid implementation plan has been developed. The Ruddy Creek Pump Station is currently anticipated to be placed into service in early January 2028.

SC-OR:

Manager Sturdevant reported that SC-OR is expected to receive its new NPDES permit within the next one to two months. He also reported that sludge hauling to the Neal Road facility was completed the previous week.

Manager Sturdevant further reported that SC-OR received a letter from the State of California, which was included in the Board packet, regarding anticipated El Niño weather conditions and the need for agencies to be prepared for increased storm activity.

Chairperson Koch asked whether the letter had been shared with the member agencies. Manager Sturdevant responded that other agencies with operating collection systems had received the same notification directly from the State.

Commissioner Mastelotto asked whether the State was forecasting heavier rainfall during a specific period or a longer rainy season. Manager Sturdevant replied that the overall forecast was simply for above-average rainfall.

Entity Reports:

T.W.S.D. – Manager Sturdevant reported that he met with District Engineer Heindell regarding the RCPS tie-in project. He also met with Manager Boucher on October 20, 2026, to discuss amendments to the Joint Powers Authority Agreement. The amendments were subsequently presented to the Thermalito Water and Sewer District Board, which approved them at its Board meeting.

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Manager Sturdevant further reported that Commissioner Bruce Wristen resigned from the Thermalito Water and Sewer District Board effective October 20, 2026. As a result of his resignation from the District Board, his position on the SC-OR Board was also vacated.

City of Oroville – Manager Sturdevant reported that he met with City Administrator Brian Ring and worked with him on the Joint Powers Authority Agreement amendments and matters related to the County Complex. He further reported that the City of Oroville approved the Joint Powers Authority Agreement amendments at its October 20, 2026, meeting.

L.O.A.P.U.D. – Manager Sturdevant reported that he worked with Manager Goyer on the Joint Powers Authority Agreement amendments. He stated that the Lake Oroville Area Public Utility District is scheduled to consider and vote on the amendments at its November 11, 2026, Board meeting.

11. Visitor's Comments ❖

None.

12. Commissioner and Staff Comments ❖

Commissioner Mastelotto commented that the real estate market appears to be slowing, while interest rates continue to rise. She noted that rates are at approximately 7.25% and stated that some forecasts anticipate rates could reach 9% by the end of the first quarter of 2028. She added that economic conditions may change following the election.

Commissioner Pittman inquired about the Oroville hospital and whether any EDU's or connection-related fees had been paid. Manager Sturdevant replied that a capacity study had been performed and indicated that additional information may need to be obtained from the City's accounting records. He explained that the City typically pays capacity-related fees through a lump-sum payment and that RFC's are collected when service connections are made.

Chairperson Koch commented that SC-OR should review the matter further, noting that the capacity study and development agreement may have been based on Equivalent Dwelling Units (EDUs) previously associated with structures that were removed from the site. He further noted that the scale of the hospital project may differ significantly from the original assumptions used in the study. Manager Sturdevant stated that he would re-review the capacity study to determine whether it accurately reflects the development as constructed.

Commissioner Pittman further reported that he recently toured the hospital and met with the facility's new Chief Restructuring Officer. He stated that the officer has implemented a strategy intended to improve operations and make significant changes to the facility.

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13. Adjournment ❖

There being no further business, the meeting was adjourned at 05:21 p.m. to the regular meeting scheduled for November 18, 2026 at 05:00 p.m.

Respectfully submitted,

GLEN E. STURDEVANT, CLERK

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Sewerage Commission - Oroville Region

Bank Reconciliation - Golden Valley Bank

Fiscal Year Ended 30 June 2027

BALANCE PER BANK

Ending Balance on Bank Statement	31-Oct-26	2,430,082.15
Less Outstanding Warrants		(29,846.07)
Equals Adjusted Bank Balance at	31-Oct-26	2,400,236.08

BALANCE PER BOOKS

Beginning Prior Checkbook Balance	1-Oct-26	134,588.59	
Deposits		3,135,619.12	
Less Transfers Out		0.00	
Less Warrants Written		(813,025.74)	
Less **Net** Payroll Warrants		(56,945.89)	
Equals Adjusted Checkbook Balance	31-Oct-26		2,400,236.08

SEWERAGE COMMISSION - OROVILLE REGION
GOLDEN VALLEY BANK MONEY MARKET ACCOUNT
FISCAL YEAR 2026/2027

Date	Detail	Deposits	Withdrawls	Balance	IntRate
1-Jul-26	Balance Forward			7,790,889.97	
31-Jul-26	Transfer from general checking	319,249.04		8,110,139.01	
31-Jul-26	Interest earned	24,818.08		8,134,957.09	3.810%
14-Aug-26	Transfer to general checking		57,656.80	8,077,300.29	
19-Aug-06	Transfer to general checking		183,736.85	7,893,563.44	
31-Aug-26	Interest earned	25,528.62		7,919,092.06	
4-Sep-26	Transfer to general checking		30,086.41	7,889,005.65	
15-Sep-26	Transfer from general checking	691,661.66		8,580,667.31	
23-Sep-26	Transfer to general checking		276,001.25	8,304,666.06	
30-Sep-26	Interest earned	25,204.43		8,329,870.49	
13-Oct-26	Transfer to general checking		388,124.60	7,941,745.89	
15-Oct-26	Transfer to general checking		309,219.77	7,632,526.12	
31-Oct-26	Interest earned	25,609.63		7,658,135.75	3.870%

SEWERAGE COMMISSION - OROVILLE REGION

GOLDEN VALLEY BANK MONEY MARKET ACCOUNT-RUDDY CREEK PUMP STATION RETAINAGE

FISCAL YEAR 2026/2027

Date	Detail	Deposits	Withdrawls	Balance	IntRate
7/2026	Balance Forward			47,810.57	
31-Jul-26	Interest earned	152.10		47,962.67	3.810%
20-Aug-26	Transfer from general checking - Application No. 5 (5% withholding)	22,065.33		70,028.00	
31-Aug-26	Interest earned	179.73		70,207.73	
22-Sep-26	Application No. 6 (5% withholding)	21,375.00		91,582.73	
30-Sep-26	Interest earned	235.86		91,818.59	
15-Oct-26	Transfer from general checking - Application No. 7 (5% withholding)	5,669.04		97,487.63	
31-Oct-26	Interest earned	306.84		97,794.47	3.870%

SEWERAGE COMMISSION - OROVILLE REGION
CALIFORNIA CLASS ACCOUNT
FISCAL YEAR 2026/2027

Date	Detail	Deposits	Withdrawls	Balance	IntRate
1-Jul-26	BEGINNING BALANCE			3,760,463.66	
7-Jul-26	Transfer to checking		358,584.34	3,401,879.32	
31-Jul-26	Transfer from checking	317,530.61		3,719,409.93	
31-Jul-26	Dividend reinvestment (interest)	11,023.72		3,730,433.65	3.717%
13-Aug-26	Transfer to checking		57,647.21	3,672,786.44	
20-Aug-26	Transfer to checking		183,959.95	3,488,826.49	
31-Aug-26	Dividend reinvestment (interest)	11,493.76		3,500,320.25	3.748%
15-Sep-26	Transfer to checking		414,001.88	3,086,318.37	
23-Sep-26	Transfer from checking	680,463.29		3,766,781.66	
30-Sep-26	Dividend reinvestment (interest)	11,758.73		3,778,540.39	3.818%
13-Oct-26	Transfer to checking		382,177.60	3,396,362.79	
15-Oct-26	Transfer to checking		103,073.25	3,293,289.54	
31-Oct-26	Dividend reinvestment (interest)	11,692.63		3,304,982.17	3.931%

SEWERAGE COMMISSION - OROVILLE REGION
LOCAL AGENCY INVESTMENT FUND
FISCAL YEAR 2026/2027

Date	Detail	Deposits	Withdrawls	Balance	IntRate
1-Jul-26	Balance Forward			6,487,281.04	3.920%
27-Jul-26	Transfer from checking	170,000.00		6,657,281.04	
31-Jul-26	Transfer from checking	336,000.00		6,993,281.04	
14-Aug-26	Transfer to checking		57,000.00	6,936,281.04	
20-Aug-26	Transfer to checking		179,000.00	6,757,281.04	
4-Sep-26	Transfer to checking		29,000.00	6,728,281.04	
15-Sep-26	Transfer from checking	711,000.00		7,439,281.04	
30-Sep-26	Qtrly interest rec'd	68,284.81		7,507,565.85	3.970%
13-Oct-26	Transfer to checking		372,000.00	7,135,565.85	

Environmental Compliance Report

To the SC-OR Commissioners and Staff from Kendra Morgan

November 18, 2026

INDUSTRIAL PRETREATMENT PROGRAM

INSPECTIONS

The dischargers submitted their monthly flow reports for October 2026. 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 - Oct-26

Name of Agency	Total Monthly Flow (MG)	Average Daily Flow (MG)	Total Peak Flow (MG)	Date of Peak Flow
SC-OR Plant Total 19252 EDU's	74.618	2.407	5.54	10/12/2026
Lake Oroville Area P.U.D. 6,265.88 EDU's	23.935	0.772	1.40	10/18/2026
Thermalito Water and Sewer 2,978.00 EDU's	12.841	0.414	1.22	10/18/2026
City of Oroville 9,965 EDU's	37.842	1.221	3.97	10/8/2026

EDU % remaining 6.995%

Ground water dewatering 0.000 Million gallons

Septage Pumpers 0.0388 Million Gallons/Month

Monthly Rainfall 0.00 Total Inches/Month