

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

(Held at the Commission office on July 24, 2019 at 5:00 p.m.)

## 1. Call to Order ❖

Chairman Fairbanks called the meeting to order at 5:00 p.m.

## 2. Roll Call ❖

Commissioners present were Commissioners Fairbanks from the Lake Oroville Area Public Utility District, Pittman and Reynolds from the City of Oroville, and Hatley and Latulippe from the Thermalito Water and Sewer District. Commissioner Kiely was absent.

## 3. Salute to the Flag ❖

Commissioner Pittman led Commissioners, staff and guest in the salute to the flag.

*Manager Koch requested that item number 9 be addressed prior to item 4. The request was granted.*

## 9. Award of Appreciation for 41-Years of Service

Chairman Fairbanks commended Ernie Reynolds for his many years of service to the SC-OR board and community.

A motion was made by Commissioner Chuck Reynolds to adopt Resolution 08-19, A Resolution Honoring the Service of Ernest L. Reynolds. The motion was seconded by Commissioner Pittman and passed by the following vote: Reynolds – Yes, Hatley – Yes, Fairbanks – Yes.

Commissioner Chuck Reynolds presented Resolution 08-19 to his father and read it aloud.

## 4. Acknowledgment of New Commissioner ❖

Chairman Fairbanks welcomed the new Commissioner appointed from TWSD, Susan Latulippe.

## 5. Acknowledgment of Visitors ❖

Past Commissioner Ernie Reynolds, and Terry Paez, writer for the Chamber of Commerce *Oroville Newslife*, who was present to report on the Award of Appreciated presented to Ernie Reynolds. Ms. Paez left the meeting directly after the presentation of the award.

**6. Board Meeting Minutes of the Regular Meeting held on June 26, 2019❖**

Upon motion by Commissioner Hatley to approve the minutes of the meetings, and second by Commissioner Reynolds, the minutes of the June 26, 2019 regular meeting were unanimously approved.

**7. Authorization of Warrants ❖**

Commissioner Pittman met with Manager Koch and checked the warrants earlier, and having found everything to be in order made a motion for their approval. The motion was seconded by Commissioner Reynolds. Manager Koch pointed out to new commissioner Latulippe that the line item in orange on the warrant list was for a transfer of funds, not an actual expenditure. Warrants 25590-25637 in the total amount of \$691,830.89 from June 27, 2019 to July 24, 2019, including Commissioner fees and electronic fund transfers, were unanimously approved and ordered paid.

**8. Fiscal Reports ❖**

Fiscal Officer Koch reported that all fiscal reports were included in the board packets; no questions or concerns were presented for discussion.

**10. CalPERS Contribution ❖**

Fiscal Officer Koch asked for authorization to prepay the 2019 annual unfunded accrued liability in a lump sum of \$152,932.00, which will save SC-OR \$5,446.52, rather than as a monthly payment.

A motion was made by Vice-Chair Hatley to authorize the manager to pay the CalPERS 2019 annual unfunded accrued liability in a lump sum, seconded by Commissioner Latulippe. Commissioner Pittman stated it was a good idea to make this payment upfront. The motion passed by the following vote: Reynolds – Yes, Hatley – Yes, Fairbanks – Yes.

**11. Commissioner Compensation ❖**

Manager Koch said that he and Attorney Vance had discussed the ordinance, Code §61047(a), governing the subject of Board compensation Attorney Vance provided a memo that outlined what the law allows, and that the law states a Commissioner may receive an amount of \$100 for “a day of service” to the Commission, and cannot exceed more than six days, or \$600/month. She said if they vote to raise the compensation, they need to be sure they are following the guidelines of the law. The Commissioners believe that, in light of the coming upgrades to the facility, they will be able to justify six (6) days of service per month to SC-OR.

Commissioner Reynolds made a motion to increase Commissioner compensation to \$600.00 a month, which was seconded by Vice-Chair Hatley. Chairman Fairbanks asked attorney Vance if the justifications discussed are compliant to the law. Attorney Vance said that the key is that whatever they do as “a day of service”, it must be presented in writing and discussed at the monthly SC-OR meeting. Manager Koch said an amendment to the monthly agenda can be made so that each commissioner has the opportunity to report their activities. Manager Koch stated that if they do approve the increase, they will see a negative balance on the fiscal report after six months because it is not in the adopted budget. The motion passed by the following vote: Reynolds – Yes, Hatley – Yes, Fairbanks – Yes.

## 12. Attorney’s Report ❖

Attorney Vance reported that there are no claims or litigation against the plant and everything is running smoothly. She mentioned that we received and handled a subpoena for records, but SC-OR is not a party to or involved in the litigation.

## 13. Manager’s Report ❖

- **Primary Pump Station Update:** Manager Koch said we are still moving forward with the bid process and documents. We are in discussion with PG&E for service for the pump station. They assigned us a business representative to handle this, but that person is on vacation. Commissioner Pittman asked if this would be a service upgrade or new service added? Manager Koch replied that it would be new service. We will request 600-amp service for the pump station; but will install a 4000-amp switch gear for the future. The pad that houses the transformer will be designed for 4000-amp transformer, and once the modifications for the facility are in progress, we will upgrade to a 4000-amp service.

In a previous meeting we had decided not to use USDA loans, so USDA notified him that we need to submit a letter of our desire to de-obligate the USDA funds prior to going out to bid. It was the consensus of the Commission to have Manager Koch prepare a letter de-obligating funds from the USDA to SC-OR.

- **Neal Road Water for Sludge Update:** For the last couple of years Neal Road has been bringing us water from their septage pond. They are now finished. We processed 9.8 million gallons of water from Neal Road Landfill for which we were paid \$840,199. Of that, \$225,000 was transferred to WCRF and paid for the new loader, new backhoe and new truck. We used \$180,000 to offset our current budget to put more of the service fees into the Regulatory & Capital Account to help fund the modifications. This leaves us with \$435,199.00 remaining.

Commissioner Reynolds asked if the Highway 70 Man Camp was still bringing in a steady amount of water. Manager Koch reported it has dropped a bit. Commissioner Pittman asked that we help our new Commissioner Latulippe understand what is going on. Manager Koch explained that they are bringing in water from the Man Camp. We charge them \$83.55 per thousand gallons, and they are bringing in around 100,000 gallons a day.

#### **14. Visitor Comments ❖**

None

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

Commissioner Reynolds reported that he has been working with Assemblyman Gallagher, who has authored a bill (AB 101) to help developments in Oroville and fund SC-OR's modifications or expansion. Commissioner Reynolds stated that \$500M has been slated to be distributed in Butte County; he has requested \$60M for SC-OR upgrades necessary to handle new development in the Oroville area. Manager Koch said he submitted to the City all of the information they requested on two projects.

Manager Koch said he was contacted by EDA, another funding source that USDA sent his way. Instead of being based off of population like USDA is, they are based on commercial development. He contacted the city to see if there is a commercial development plan.

Commissioner Pittman reported that he spoke with Ruth Duncan at the City regarding the Proposition 218 hearing. She advised that a consultant wanted \$11,000 to prepare the City's Prop. 218 packet; she is leading the project to save the city that money, and intends to have the packets prepared for the August deadline.

Commissioner Hatley once again thanked Ernie Reynolds for his service to SC-OR and the help he has given him personally.

Manager Koch reported that T.C. Dennis resigned from the LOAPUD board, and that their board decided to keep Jack Kiely on our board at least until December.

#### **22. Adjournment ❖**

There being no further business, the meeting was adjourned at 5:36 p.m. to the regular meeting scheduled on August 28, 2019 at 5:00 p.m.

Respectfully submitted,



SCOTT J. KOCH, CLERK