

Thermalito Water and Sewer District
Minutes of the Regular Board Meeting
April 10, 2018 – 2:00 pm

1. CALL TO ORDER

The meeting was called to order by President Pulley at 2:00 pm

1.1 Flag Salute

Director Taggart led the flag salute

1.2 Roll Call

Present were President Pulley, Vice President Hatley Directors Taggart and Reynolds. Also present were Recording Secretary Padilla, Attorney Carter, Manager Boucher and Engineer Heindell.

2. PERSONS DESIRING TO ADDRESS THE BOARD

Susan Latulippe is here to speak on Agenda Item 5.1.

3. CONSENT AGENDA

3.1 Minutes of the Regular Board Meeting held on March 20, 2018

3.2 Financial Statements – March 2018 (Not Presented)

3.3 Water Warrants – Check Number 16487-16504 Total \$28,014.69

Water LAIF Deposit - \$66,317.84

Health Reimb Arrangement – Check Number 2689-2691 Total \$643.15

Sewer Warrants – Check Number 7073-7075 Total \$910.36

Sewer LAIF Deposit - \$17,682.16

3.4 Summary of District Operation and Solar Power Generation – March 2018

It was moved by Director Hatley, and seconded by Director Taggart to approve Consent Agenda Items 3.1 - 3.4. Motion carried.

4. ITEMS REMOVED FROM CONSENT AGENDA

None

5. GENERAL ADMINISTRATION BUSINESS

5.1 Appointment to Fill Vacancy in Directorship for Division 3

Susan Latulippe approached the Board and mentioned that she is interested in filling the position of Director for Division 3. She stated that she is a long time resident of Thermalito, has been a caregiver for the Oroville Christian Church for 16 years as well as doing private care for the elderly. She mentioned that filling this position would be very heartwarming for her as she was very close to Director Thompson. Director Reynolds asked Ms. Latulippe if she is a homeowner within the District. Ms. Latulippe responded by stating that she is moving into Ed Thompson's home and is working on becoming the homeowner of that property. She mentioned that Mr. Thompson left her a Will and the Deed

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listing her as the homeowner. Attorney Carter mentioned that in order to be a Board Member, you would need to be a voter within the District as well as a resident within the District. He mentioned that at this time, Ms. Latulippe would not qualify to serve on the Board until the property is listed in her name. Director Hatley asked what would happen at 60-days should the District not fill the position for Division 3. Attorney Carter responded by stating that the District would be in violation of the Code which means that the Board of Supervisors would take on the duty of appointing someone. Attorney Carter mentioned that he works closely with Attorney Vanessa Sundin, an estate planner in Chico who he will make contact with to find out what the proper procedure is. He mentioned that the District should receive a legal opinion stating that Ms. Latulippe is in fact the legal owner of the property and as soon as the District receives word, a special meeting would need to be held. Should the District not receive a legal opinion by May 2nd, the Board should consider having another meeting to see what other alternatives there are. President Pulley stated that this matter will be posted for a special meeting to be held no later than May 3, 2018

5.2 Delta Dental Insurance – Out-of-Pocket Cost for Board Members

Manager Boucher reminded the Board that staff was to look into finding out if Board Members could pay out-of-pocket cost to be covered under the Delta Dental Plan which is ran through ACWA/JPIA. Staff has contacted ACWA/JPIA and has found that should the Board of Director's decide to cover Director's under the dental plan then a Board Resolution as well as filling out the application would be required. ACWA/JPIA would also require a 60-day advance notice. Board Members would pay the out-of-pocket expense which is Single - \$35.36; 2-Party \$69.99 and Family - \$128.10. Consensus of the Board is to create a Resolution to cover Board Members paying out-of-pocket expense for dental coverage through the District's dental plan and to bring back to the next Board Meeting.

6. WATER BUSINESS

6.1 Purchase of Mobile Home for Concow Caretaker

Manager Boucher mentioned that he and General Foreman McIntosh have found that Cousin Gary Homes in Chico has the best pricing for mobile homes and has found one to replace the existing Concow Caretaker mobile home. He stated that the total cost to remove the existing mobile and to replace it with the new mobile would be around \$110,000.00. He mentioned that TWSD staff would be able to perform some of the work which would cut down on the cost. In order to get the project started, the District would need to put down a \$1,000.00 deposit as well as 50% down to order the home from the factory. In order to start removal process

of the existing mobile, the contractor requires a \$1,300.00 deposit. He mentioned that since we are a cash customer, we are looking at a three-month turn around period for the mobile to be finalized sometime in July. The funds to remove and replace the Concow mobile home will be withdrawn from the LAIF Depreciation account. Attorney Carter asked if there was any discussion regarding warranty. Manager Boucher mentioned that he has not yet received a copy of the warranty but should have that information before the next Board meeting. Motion made by Director Taggart; seconded by Director Hatley and unanimously carried to approve the purchase of a new mobile home for the Concow Caretaker in an amount not to exceed \$110,000.00.

7. ATTORNEY REPORT

None

8. SEWER BUSINESS

8.1 SC-OR Report

Commissioner Hatley reviewed over the draft minutes of the March 28, 2018 Regular Meeting of the Sewerage Commission – Oroville Region.

8.2 FY 18/19 Sewer Budget Review

Engineer Heindell mentioned that he received a proposal from Duke Sherwood in the amount of \$262,408.00 for the Ruddy Creek Mainline Replacement Project from Feather Avenue to Biggs Avenue. He mentioned that in the current year budget, there is an unspent balance of \$73,000.00 left in the Collector Systems – Sewer System Rehab. It was explained to the Ad Hoc Committee that this money could be used to purchase some of the materials for the Ruddy Creek project bringing the proposed amount down to around \$189,412.00 to be put on next year's budget. He stated that this project has been put off for years and needs to be done. He mentioned that the pipe is increasing by about a percent a day and that from the time the first proposal came till now, the pipe had gone up about \$1,100.00. This project would put the Sewer Budget for the FY 18/19 at a negative cash flow of around \$47,263.00 which it was mentioned to the Ad Hoc Committee that funds to cover this project could be pulled from the LAIF account. Motion made by Director Hatley; seconded by Director Taggart and unanimously carried to ratify the actions taken by staff after meeting with the Ad Hoc Committee to purchase the materials and to move forward with the Ruddy Creek Mainline Replacement Project.

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9. MANAGER'S REPORT

Walnut Grove Tank Trip: Engineer Heindell reported that on April 5th, he, Manager Boucher and Chief Treatment Plant Operator McInturf went down and looked at a couple of Aquastore Tanks being built in the Walnut Grove area. He mentioned that about a month ago, a representative from Aquastore had come by and had mentioned that several tanks are going to be installed in the Walnut Grove area. Knowing the condition of the clear well and the 2-1/2 MGT, it was decided that it would be beneficial to see these tanks. He mentioned that Paradise Irrigation was there as well watching one of the tanks being constructed. The manufacturer started making the tanks about 70-years ago as grain silos and the original ones are still in use and requires no interior or exterior coating. It's glass and steel fused panels that are bolted together, staggered seams. Each of the panels have serial numbers and can be independently removed and replaced. He mentioned that the existing plumbing, under drain, etc. can all still be used and it has a built in cathodic protection that actually bolts to the floor of the tank and is connected into the actual shell of the tank. A 2 MGT usually takes about 8 weeks of construction so a 1 MGT would take half the time.

Phil Maffei of Ryan Process put together some numbers for a 2 MGT replacement. Staff had figured that the numbers would be around \$1.30-\$1.50 a gallon but it came in roughly at \$0.43 a gallon. For a new 2 MGT, roughly it would be \$890,000.00. To redo and recoat our current tank would be roughly \$460,000.00. Mr. Maffei is currently working on putting together a proposal for the District. He mentioned that once we receive more information on the pricing, it will be brought back to the Board. Director Hatley asked what the cost would be to remove the current tank that is in place. Engineer Heindell stated that if Sherwood Contracting were to demo it for scrap, it would be at no charge to the District.

10. HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

None

11. BOARD COMMENTS

None

At 3:07 pm, the meeting recessed to go into Closed Session and reconvened at 4:19 pm.

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12. CLOSED SESSION

President Pulley announced that during Closed Session, the Board discussed proposals from both collective bargaining units (the customer service and operations and maintenance department employees and the management employees) as to the modification of their current Memorandums of Understanding for the July 1, 2018 through June 30, 2019 fiscal years and possibly beyond and from General Manager Jayme Boucher as to the amendment of his employment agreement. Regarding the former, the Board thoroughly discussed the units' proposals and asked Boucher to clarify with the units certain items of the proposals. It asked that the units' proposals be placed on the agenda of the May board meeting.

With respect to General Manager Boucher's employment, the Board discussed his performance as the District's General Manager during the current fiscal year, possible adjustment of his salary under his Employment Agreement based on his performance, the District's budget for its next fiscal year, and, particularly, the Board's deferral last year in implementing the pay raise to \$115,490.82 to which Boucher was entitled to on July 1, 2017 but which was indefinitely postponed with Boucher's consent due to capital improvement projects being considered for the current fiscal year and concerns over anticipated capital costs for aging infrastructure. With the agreement of Boucher, the Board unanimously voted to, effective April 9, 2018, to increase his annual salary to \$116,934.46 (\$115,490.82 plus .0125 cost of living increase effective July 1, 2017) and to adjust such by an amount equal to any cost of living increase given the units in the 2018-2019 fiscal year commencing July 1, 2018, and possibly beyond.

13. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:20 pm.

Secretary of the Board

President of the Board