

Minutes of the Regular Board Meeting

Thermalito Water and Sewer District
Minutes of the Regular Board Meeting
May 15, 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

President Pulley led the flag salute

1.2 Roll Call

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

2. PERSONS DESIRING TO ADDRESS THE BOARD

None

3. CONSENT AGENDA

3.1 Minutes of the Regular Board Meeting held on April 10, 2018

Minutes of the Special Board Meeting held on April 27, 2018

3.2 Financial Statements – March 2018 and April 2018

3.3 Water Warrants – Check Number 16505-16598 Total \$410,687.02

Water LAIF Deposit - \$82,909.57

Secretary Revolving Account – Check Number 2644 Total \$20.28

Health Reimb Arrangement – Check Number 2692-2697 Total \$1,541.57

Sewer Warrants – Check Number 7076-7085 Total \$208,339.81

Sewer LAIF Deposit - \$22,090.43

3.4 Summary of District Operation and Solar Power Generation – April 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 Review of Fiscal Year 2018/19 Draft Budget

Manager Boucher submitted for Board review a draft Water Budget for FY 2018/19 estimating:

Water Revenues - \$2,248,500

Water Expenses - \$1,504,984

Water Capital Expenditures - \$795,000

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Manager Boucher mentioned that he and Engineer Heindell are still working on finalizing the cost for the new tanks. The initial cost estimate for the tanks came in at \$573,000 for the 1MGT and \$960,000 for the 2MGT. Engineer Heindell has spoken with Paul Maffei of Ryan Processes to see what cost savings could be offered to the District should the District make a commitment to purchase both tanks over a two year period. The quote for the purchase of both tanks over a two year period came in at \$540,000 for the 1MGT and \$900,000 for the 2MGT which would be a cost savings of around \$100,000. The cost for the demolition, foundation, geotechnical work and rerouting of some outlets came to roughly \$770,000 for the 1MGT and \$1,150,000 for the 2MGT. He mentioned that once the budget has been approved, an agreement between the District and Ryan Processes will be drafted so that the cost for both tanks will be finalized. He mentioned that the funding for the construction of the new tank will be pulled from the LAIF account.

Manager Boucher then submitted for Board review a draft Sewer Budget for FY 2018/19 estimating:

Sewer Revenues - \$1,196,482
Sewer Expenses - \$909,201
Sewer Capital Expenditures - \$189,412

Final recommendations would be submitted at the June Board meeting. No action was taken.

5.2 Delta Dental Insurance – Out-of-Pocket Cost for Board Members – Resolution 02-18

Manager Boucher reminded the Board that as discussed in the April Board Meeting, a Resolution needed to be passed in order to cover those Directors who wish to pay the out-of-pocket cost to be covered under the Delta Dental Plan. Motion made by Director Taggart; seconded by Director Hatley and unanimously carried to approve Resolution 02-18 – Delta Dental Insurance – Out-of-Pocket Cost for Board Members. Roll call taken.

5.3 Election of a Special District Regular “Enterprise” Member

Manager Boucher reported that Steven Onken has resigned his position on the LOAPUD Board; therefore, his seat on LAFCO has been vacated. LAFCO is requesting a written nomination letter which provides the name of the nominee and the District Board on which they serve. Consensus of the Board is that there

are no nominations from the TWSD Board for the Special District Regular Enterprise Member.

6. WATER BUSINESS

None

7. ATTORNEY REPORT

None

8. SEWER BUSINESS

8.1 SC-OR Report

Commissioner Hatley reviewed over the draft minutes of the April 25, 2018 Regular Meeting of the Sewerage Commission – Oroville Region.

8.2 New PERS Legislation

Attorney Carter mentioned that there is pending legislation which would make each member of a Joint Powers Agreement liable jointly with the other members of the Joint Powers Agreement or individually on its own for any PERs liability that the Joint Powers Agency cannot pay. In using SCOR as the example, if SCOR got into financial trouble and defaulted on its obligations to PERs for retirement payments to previous managers, and if LOAPUD came into similar financial troubles, the City of Oroville and Thermalito, were this legislation to go through, would have to pick up SCOR's shortfall in its PERs contribution. The legislature has done the math and has seen the calculations done by the economist for PERs and it has not been satisfactory in contributions made so far. The promises made to retirees are such that the contributions that are coming in are insufficient to pay the obligations to retirees. This legislation is for what happens when default begins to occur and it is meant to protect the State and the taxpayers of the State by instead, putting those obligations onto other member entities of the JPA. The League of California Cities, and others, have come out and opposition to it. He mentioned that this is a piece of legislation which will basically make Joint Power Agencies become a thing of the past.

With SGMA, the Wyandotte Creek is looking at a Joint Powers Agreement for governance of the Wyandotte Creek. The County of Butte is saying that they will not enter a JPA if the JPA has any employees. It is already beginning to have ramifications as to how people approach JPA's.

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8.3 LOAPUD Requesting that the JPA for SCOR be Amended

Attorney Carter reported that Leo Battle of SCOR contacted him and advised that LOAPUD is requesting that the JPA for SCOR be amended with respect to when its commissioners are appointed. He does not know what is prompting this, but believes it is internal to LOAPUD. He said he is against it, and thought that the member agencies could handle the timing of their own appointments for the commissioners. He mentioned that Manager Koch from SCOR confirmed earlier this morning at the Internal Control meeting that this is an internal matter for each member agency and not a SC-OR or JPA matter.

9. MANAGER'S REPORT

SGMA Public Workshop Review: Engineer Heindell reported that on May 3rd he attended the Public Workshop for SGMA at the Southside Community Center. There were approximately 50 people in attendance at the workshop. The majority of the comments provided by the public spoke to the need of additional representation by agricultural well users on the proposed SGMA Governance Board. It was explained to them that the reason local agencies are used as the Governance Members is because they can be held accountable by the State, which would be much more difficult if they were all individual, private landowners. The current Governance Board would consist of 1 member from the District, 1 from the City of Oroville, 1 from Butte County, one domestic well user and one agricultural well user. This board would serve as the governing board for the SGMA JPA.

10. HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

None

11. BOARD COMMENTS

Board Members welcomed newly appointed Director Susan Latulippe
Happy Birthday to Directors Taggart and Hatley

At 2:58 pm, the meeting recessed to go into Closed Session and reconvened at 3:17 pm.

12. CLOSED SESSION

12.1 President Pulley announced that the following action had been approved unanimously by the Board members during closed session with respect to revising and extending the memoranda of understanding between the District and its two collective bargaining units and with respect to the District's contract with its General Manager Jayme Boucher.

Recognizing that the Consumer Price Index had increased 2.4 percent over that in effect a year ago and the willingness of both units to enter revised memoranda of understanding for a period of two years, July 1, 2018 through June 30, 2020, the Board unanimously approved a two percent wage and salary increase per year for each member of each unit, the first commencing July 1, 2018 and the second commencing July 1, 2019.

The Board further unanimously approved an increase of five percent in the wages and salaries of those District employees who are required to be on call effective July 1, 2018 in lieu of the District's current policy of paying to such employees standby payments pursuant to existing District Policy Number 2.200. Noting that only District employees who possess a D2 Certification or higher as well as Class A driver's license are eligible to serve on call, the Board recognized that such salary increase for those of its employees who perform on call duties will be more efficient for the District, than paying them standby payments. President Pulley directed the staff to present to the Board at its regular meeting in June, 2018 a resolution rescinding existing 2.200 – Standby Hours effective July 1, 2018.

President Pulley also announced that the Board unanimously approved the same two percent cost of living adjustment given other District employees for its General Manager, to be made on July 1, 2018 and again on July 1, 2019.

13. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:20 pm.

Secretary of the Board

President of the Board