Thermalito Water and Sewer District
Minutes of the Regular Board Meeting
July 21, 2026 – 2:00 pm

1. **CALL TO ORDER**
The meeting was called to order by President Clark at 2:00 pm

1.1 Flag Salute
Manager Boucher led the flag salute.

1.2 Roll Call
Present were President Clark, Vice President Wristen, Director Koch and Director Hatley. Also present were Attorney McClure, Office Manager Padilla, Engineer Heindell and Manager Boucher. Director Taggart was absent.

2. **PERSONS DESIRING TO ADDRESS THE BOARD**
None

3. **CONSENT AGENDA**
3.1 Minutes of the Regular Board Meeting held on June 16, 2026
3.2 May 2026 and June 2026 Financial Statement
3.3 Water Warrants – Check Number 22732-22794 Total $462,577.15
Water LAIF Deposit - $87,895.89
Water LAIF Withdrawal - $26,000.00
Sewer Warrants – Check Number 7756-7762 Total $443,014.96
Sewer LAIF Deposit - $29,104.11
3.4 Superintendent's Monthly Report of Maintenance and Operations and Solar Power Generation for June 2026
It was moved by Director Wristen seconded by Director Hatley to approve Consent Agenda Items 3.1 - 3.4. Motion carried.

4. **ITEMS REMOVED FROM CONSENT AGENDA**
None

5. **GENERAL ADMINISTRATION BUSINESS**
5.1 **Resolution 02-26 – Adding Unpaid Charges to the Annual Assessment**
Manager Boucher submitted for Board review the 2026-27 Direct Assessment and Fee Information submitted by the Butte County Auditor-Controller's Office. It was moved by Director Hatley, seconded by Director Koch and carried by a unanimous vote that Resolution 02-26, Resolution Adding Unpaid Charges to the Annual Assessment be adopted. Roll call was taken.

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5.2 Policy 2.235 – Retirement Recognition and De Minimis Fringe Benefits

Manager Boucher presented the proposed Retirement Recognition policy, drafted by legal counsel. The Board discussed eligibility and the amount available for retirement recognition. The Board agreed that the policy would apply to employees voluntarily retiring after at least 10 years of service and that the total amount for the hospitality event and retirement gift would not exceed $1,200. The Board directed that the policy be adopted with those changes. Motion made by Director Koch and seconded by Director Clark to adopt Policy 2.235, Retirement Recognition and De Minimis Fringe Benefit, with the changes discussed.

6. WATER BUSINESS

6.1 Resolution 03-26 – Establishing an Interfund Transfer from Water LAIF Reserves to Water Source Development for Pipeline Capital Project

Manager Boucher proposed reported on the proposed pipeline replacement project and the engineers' estimated cost of approximately $1.5 million. Staff proposed an internal transfer from Water LAIF Reserves to the Water Source Development to fund the pipeline capital project, with funds to be repaid to the reserves over time from interest, surplus revenues and other funding sources as directed by the Board. The Board discussed the reserve balance, the proposed $1.5 million transfer and the repayment structure. Motion made by Director Koch, seconded by Director Hatley, to adopt Resolution 03-26 Establishing an Interfund Transfer from Water LAIF Reserve to Water Source Development for Pipeline Capital Project. Roll call was taken.

6.2 Resolution 04-26 – Urban Water Management Plan and Water Shortage Contingency Plan Public Hearing

Public Hearing for Resolution 04-26, concerning the Urban Water Management Plan and Water Shortage Contingency Plan, was opened.

No members of the public were present and no written comments or other communications had been received. Engineer Heindell mentioned that the notice of the hearing had been posted on the District's website, published in the newspaper and sent to the County and City.

Public hearing was then closed. Motion made by Director Koch and seconded by President Clark to adopt Resolution 04-26, Urban Water Management Plan and Water Shortage Contingency Plan. Roll call was taken.

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Minutes of the Regular Board Meeting
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7. ATTORNEY REPORT

Attorney McClure reported on a letter from counsel representing the K&M developers in the SC-OR litigation. The discussion concerned the SC-OR Joint Powers Authority agreement and the absence of statutory language expressly limiting the liability of member agencies for the debts and obligations of the JPA. Counsel explained that the issue could potentially affect member agencies if SC-OR were unable to satisfy a judgment. The Board discussed the possibility of amending the JPA agreement to add the statutory limitation-of-liability language. The Board reached consensus to have legal counsel prepare a draft amendment and to communicate with SC-OR and the other member agencies regarding the proposed language. The proposed amendment would be brought forward for discussion and consideration through the appropriate process.

8. SEWER BUSINESS

8.1 <u>SC-OR Report</u>

Commissioner Koch reviewed over the June 23, 2026, Regular Meeting of the Sewerage Commission – Oroville Region.

- TWSD was elected chair and the City of Oroville was elected Vice Chair for the FY 2026/2027.
- Funding was approved for the annual audit.
- The SC-OR alarm system requires an upgrade because the new equipment is not compatible with the old equipment; a not to exceed amount of $67,853.50 was discussed, with the cost to be paid from already approved upgrade funds.
- New Commissioner, Bruce Wristen was sworn in.

9. WYANDOTTE CREEK GSA

9.1 <u>Wyandotte Creek GSA</u>

Engineer Heindell reviewed over the Wyandotte Creek GSA meeting.

- The GSA received a presentation from Larry Walker and Associates regarding measurable objectives incorporated into the Groundwater Sustainability Plan.
- Discussion regarding the interim milestones for groundwater levels under the sustainable management criteria were approved for inclusion in the GSP.
- An MOU was approved to continue Butte County financial services for the GSA, including audits, accounting and bookkeeping, with a not-to-exceed fee of $7,600.
- An RFP will be sent out for ongoing implementation support services.

- An inter-basin coordination report regarding collaboration among the GSAs along the Feather River was also reviewed. Kathy Brazil commented that the Ruddy Creek should continue to be included in the GSA, which it currently is.

10. MANAGER REPORT

Employee Appreciation Day: Employee Appreciation Day will be held at the Bowlero in Chico on Friday, July 24th 2026 between the hours of 11:30am – 2:30pm. There will be lots of food and fun.

Yankee Hill Fire Safe Council: Manager Boucher reported on a Landowner Permission Agreement executed for the Yankee Fire Safe Council in connection with additional chipping funds available through an existing grant. The Fire Safe Council is expected to provide an update at the August Board meeting, and staff will discuss possible coordination with the District's sediment removal project.

Grand Avenue Pipeline Replacement Project: Engineer Heindell reported that the Grand Avenue Pipeline Replacement Project RFP is out and that four bidders participated in the mandatory job walk. Proposals are expected before the August meeting, after which staff will evaluate the proposals and make a recommendation to the Board.

Golden Feather MHP Wastewater Consolidation Project: Engineer Heindell reported that CPM completed its work and the District reviewed the results with Jacobs Engineering and SC-OR. The investigation identified several locations with significant air pockets, and staff is continuing to evaluate recommendations and potential infrastructure improvements. Replacement of an air release valve increased flow across the bridge by approximately 500 to 700 gallons per minute, and additional inspection and maintenance of the line was discussed.

Concow Sediment Removal Funding Efforts: Staff is working with Torres Strategies and federal and state representatives to pursue Prop 4 funding, including the possibility of having the project specifically allocated through trailer bill language rather than going through a competitive process. Staff is also exploring a potential federal cost-share opportunity. The Board discussed continuing to pursue all available funding sources.

11. HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

None

12. BOARD AND STAFF COMMENTS

Director Hatley reported receiving information that the City may pursue annexation of the remaining Thermalito area. Manager Boucher stated that, from the District standpoint, the District is identified as the water and sewer provider under the annexation agreement and that the District has no direct dispute with the annexation. Attorney McClure noted that any annexation would be subject to LAFCO approval and that the District would have an opportunity to comment, including on efficiency, economics and impacts to ratepayers. The potential effect of the City utility tax on water bills was also discussed.

At 3:11 pm the meeting recessed to go into Closed Session and reconvened at 3:25 pm.

13. CLOSED SESSION

13.1 With respect to real property negotiations, the Board provided direction to legal counsel and staff.

14. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:27 pm.

Secretary of the Board

President of the Board