

**REGULAR BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT**

Meeting	Location	Date	Time
Regular	Zoom Meeting	May 6, 2021	4:30 p.m.

I. CALL MEETING TO ORDER: The Regular Meeting of the South Placer Municipal Utility District Board of Directors was called to order with President Dickinson presiding at 4:34 p.m.

II. ROLL CALL OF DIRECTORS:

Present: President Will Dickinson, Vice President Jerry Mitchell, Director John Murdock, Director Jim Williams
Director James Durfee joined at 4:36 p.m.

Absent: None

Vacant: None

Staff: Adam Brown, Legal Counsel
Herb Niederberger, General Manager
Carie Huff, District Engineer
Eric Nielsen, Superintendent
Emilie Costan, Administrative Services Manager

III. PLEDGE OF ALLEGIANCE: President Dickinson led the Pledge of Allegiance.

IV. CONSENT ITEMS:

1. MINUTES from the April 1, 2021 Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$2,106,444 through April 26, 2021.
3. QUARTERLY INVESTMENT REPORT in the total amount of \$64,574,830 through March 31, 2021.

Director Murdock made a motion to approve the consent items; a second was made by Director Williams; a roll call vote was taken, and the motion carried 4-0.

V. PUBLIC COMMENTS:

ASM Costan confirmed that no eComments were received. Hearing no other comments, the public comments session was closed.

VI. BOARD BUSINESS

1. RESOLUTION 21-13 ACCEPTING REVISED DISTRICT PLANS AND SPECIFICATIONS

GM Niederberger introduced the presentation on the updated District Standard Specifications and Improvement Standards for Sanitary Sewers (Standards) which are necessary for the design and construction of improvements within the District. DE Huff highlighted revisions that were made to the

Standards which were last updated in 2009. She shared the outreach that staff conducted to local partners and the development community and the District's responses to the feedback that was received.

Vice President Mitchell asked about existing development and the requirement to provide all-weather drivable access over easements with increased minimum widths. DE Huff shared that if a 50' easement width were to be required, the drivable all-weather access would not be required over the entire easement width. The easement standards would apply to properties that have not been developed. Vice President Mitchell commented on the level of detail in the Standards and shared that it is encouraging that the District has a clear standard that is available and transparent. He thanked staff for their efforts.

Director Williams shared his appreciation for the outreach that staff completed and the time Ubona spent reviewing the Standards and providing comments. Director Durfee echoed Director William's comments. Additionally, he asked if staff could quantify the cost to a developer as a result of the changes made. DE Huff shared that the major cost component is in the easement requirements which may render less space potentially developable. The District's intent is to work with developers to limit impacts by placing easements in conjunction with drive isles or other access points. GM Niederberger added that the District's pipe cannot be repaired without adequate space for access.

President Dickinson shared his appreciation for the work done to update the Standards and shared his desire for participation from the engineering community. He inquired about allowing alternate solutions to the requirements in the Standards. GM Niederberger shared that the Standards allow for a District approved equal.

Director Murdock made a motion to adopt Resolution 21-13 accepting the revised District Plans and Specifications; a second was made by Director Williams; a roll call vote was taken, and the motion carried 5-0.

2. RESOLUTION 21-14 CREATING POLICIES #2040 OFFICE PETS, #3080 DOMESTIC SEWER OVERFLOWS, AND #3175 REFUNDS AND REVISING POLICIES #3130 DISTRICT RESERVE POLICY AND #3251 RECORDATION OF ASSETS FOR DEPRECIATION PURPOSES

GM Niederberger presented the three newly proposed policies on office pets, domestic sewer overflows, and refunds and the two policy revisions related to the capital replacement and rehabilitation fund to the Board.

President Dickson asked for Board discussion on the revisions to the District Reserve Policy and the corresponding changes to policy 3251. He shared that at the April Fee and Finance Committee Meeting, staff initially proposed revising the District Reserve Policy to increase the annual capital replacement and rehabilitation transfer to 150% of the annual depreciation. GM Niederberger shared that even with a 50% increase that staff is projecting that the replacement and rehabilitation fund (Fund 400) will have a \$10 to \$15 million shortfall by the year 2055. The Fee and Finance Committee recommended modifying the allocation to 115% of the annual depreciation. President Dickinson shared that the District has been challenged in the past on the amount being held in reserve, and there is a substantial amount of time to correct the balance of Fund 400 if there is a future shortfall. Therefore, the Committee is recommending increasing the reserve allocation by 15% and revisiting the allocation no less than every two years. Director Williams shared that the Committee reviewed the allocation very closely, as the reserve increase could impact the monthly service fee. He shared his recommendation

that the District make gradual increases to the allocation and carefully review the fund balance on a regular basis.

GM Niederberger shared that the District is unique in setting aside a reserve for future repairs instead of bonding or using a pay-go method. Vice President Mitchell clarified that the reserve is for the District's system and not the South Placer Wastewater Authority (SPWA). GM Niederberger confirmed that these funds are for the repair and replacement of the District's system and not for SPWA or new capital improvements.

Director Williams added that when the capital repair and replacement reserve was implemented back in 2008, the District was forward-thinking in setting aside funds to maintain the system. There are many examples of jurisdictions that have failed to account for these costs and now have no funds set aside to replace or maintain failing infrastructure. President Dickinson added that there is still an argument to be made that current customers have paid for the pipes to be installed and by excessively collecting for the future that the current customers are subsidizing the infrastructure costs for future customers. A balance is required in properly collecting the reserve.

Director Mitchell commented that this policy ensures that the District has the minimum required funds to face future infrastructure challenges. GM Niederberger shared that the City of Rocklin has a \$40 million unfunded liability in their storm drains as they are now reaching the end of their useful life with no formal replacement plan. President Dickinson reiterated that he believes in a reserve but wants to make sure the District is collecting it appropriately and not overburdening existing customers.

There were no Director comments on the Domestic Sewer Overflow Policy.

President Dickinson asked if the Refund Policy would change the number of refunds that the District issues. ASM Costan replied that the new policy has the potential to reduce the number of refunds being sent as it requires customers who have moved to provide an updated mailing address before a refund check is sent. Any unpaid balances will continue to be transferred to the new property owner.

President Dickinson asked for Board discussion and Policy and Ordinance Committee comments on the Pet Policy. GM Niederberger shared that there are many restrictions built into the policy which was reviewed by our insurance carrier SDRMA. He shared that the idea for the Pet Policy came from a magazine article that highlighted a California Water District that has dogs that roam their campus. The District's policy would allow employees to occasionally bring a pet into the workplace. GM Niederberger also shared that staff had researched a third-party evaluator that could rate a pet's suitability for the office and incorporated that as a requirement into the policy.

President Dickinson stated that he has numerous questions and concerns about the Pet Policy with his number one concern being liability. GC Brown shared that if a pet caused harm or damage, the liability of the person owning the animal would likely attach to the District. He shared that the laws surrounding accommodating employee requests for companion animals in the workplace are evolving; however, employer liability is a real concern. Insurance by the animal owner and a third-party evaluation are, at a minimum, both good ideas to help protect the District. President Dickinson commented that if the District is going to move forward with adopting this policy, he believes the policy should contain more definitive requirements of the employee bring the pet into the workplace. He also shared that customers and staff have to be comfortable visiting the office. Director Murdock asked that the Pet Policy be removed from the resolution and that the item go back to the Policy and Ordinance Committee for

additional review and discussion. Director Williams also shared that he is concerned about allergies that people may have to specific pets and breeds and that the District needs to ensure that the office is accommodating all employees and visitors.

Director Murdock made a motion to strike policy #2040 Office Pets and adopt amended Resolution 21-14, creating policies #3080 Domestic Sewer Overflows and #3175 Refunds and revising policies #3130 District Reserve Policy and #3251 Recordation of Assets for Depreciation Purposes; a second was made by Director Durfee; a roll call vote was taken, and the motion carried 5-0.

3. COVID-19 UPDATE AND RESOLUTION 21-15 RESCINDING RESOLUTION 20-11, COVID-19 DECLARATION OF EMERGENCY AND TEMPORARY AUTHORIZATION OF INCREASED AUTHORITY OF THE GENERAL MANAGER

GM Niederberger presented the item proposing that the District resolution declaring an emergency as a result of COVID-19 and granting temporary increased authority to the General Manager be rescinded. He shared that Governor Newsom has declared that on June 15th the Blueprint for a Safer Economy will cease and most businesses will be allowed to resume normal operations. Emergency OSHA regulations will continue to be in effect until September 30th or until otherwise revised. He also asked for Board Discussion on resuming in-person Board meetings on July 1st.

Director Murdock commented that Placer County is still in the red (substantial) tier. GM Niederberger shared that the numbers in Placer County are not trending downward and have remained consistent. He shared that without the declaration by the Governor regarding the easing of restrictions on June 15th, that the County would likely continue to remain in the substantial tier. Director Murdock shared that he supports keeping the District's resolution in place for a couple more months.

President Dickinson asked if the District would have the legal authority to continue Zoom meetings after June 15th. GC Brown shared that the District will be able to continue meeting remotely until the State's Emergency Order temporarily waiving the Brown Act requirements is formally rescinded. The Board may meet in person when the County is no longer in the red tier but must comply with OSHA and other emergency regulations. Director Murdock stated that if the resolution is rescinded and the situation with the virus turns bad quickly that the General Manager would have no authority to respond. GC Brown shared that if there was a catastrophic situation that the General Manager would call a special meeting to address the issue.

GM Niederberger shared that there was a bill circulating that would have required Brown Act bodies to continue remote meeting access for the public. The California Special District Association was able to exempt Special Districts from the proposed legislation; however, the District is currently in the process of updating the boardroom equipment which will allow the option to conduct meetings via Zoom if needed. The upgrades allow for flexibility for the Board and for members of the public wishing to participate. GC Brown shared that the public could choose to attend a board meeting by Zoom or in-person depending on capacity limitations.

Director Durfee asked about the timing of rescinding the District's resolution. He shared that his preference would be for the resolution to expire in conjunction with the Governor rescinding the State's Emergency Order. GM Niederberger shared that the resolution is currently written to expire either by an action of the Board or when the State's Emergency Order is rescinded. Director Williams shared that rescinding the resolution is not necessary to begin meeting in person, and his preference would be to let the resolution expire when the State Emergency Order is rescinded by the Governor. President

Dickinson asked if staff has a pressing reason for seeking an action to rescind the District's resolution. GM Niederberger shared that as restrictions are lifted and operations are returning to normal that there did not appear to be a need for increased General Manager authority.

Vice President Mitchell asked for more detail on the changes being made to the boardroom. ASM Costan shared that the District is rearranging the boardroom to add a podium that is ADA accessible and updating the existing equipment with newer technology. The upgrades should be completed by July 1st. She shared that the funds to upgrade the equipment in the Boardroom have been included in the last few budget cycles and with the Board meeting via Zoom, staff saw this as an ideal time to complete the upgrades. Vice President Mitchell shared that he believes the Board should wait until July 1st to see what actions the Governor takes before making any decisions and should continue Zoom meetings until the Brown Act requirements are reinstated.

Director Murdock made a motion to continue Resolution 21-15, Rescinding Resolution 20-11, COVID-19 Declaration of Emergency and Temporary Authorization of Increased Authority of the General Manager to a date uncertain; a second was made by Director Durfee; a roll call vote was taken, and the motion carried 5-0.

VII. REPORTS

1. District General Counsel (A. Brown):

General Counsel Brown had no report for this meeting.

2. General Manager (H. Niederberger):

A. ASD, FSD & TSD Reports:

GM Niederberger shared that he was unable to attend the Zoom meeting with Assemblyman Kevin Kiley's Civic Advisory Council. President Dickinson shared that there was a recent grease control issue where the Board and staff were able to work with the owner to come to a solution. He thanked staff for their efforts. Vice President Mitchell asked about the webinar that the General Manager attended on redistricting. GM Niederberger shared that he learned of some available online tools, but after exploration, he is not sure that they will be helpful to the District. He has been reaching out to firms that specialize in demographic study. Many Districts are struggling with the timing of the census data and the requirement to complete redistricting 180 days before the next General Election. There have been requests for relief from the time frames made and staff is following this. Vice President Mitchell congratulated the Superintendent on his loss time incident numbers.

B. Information Items: No additional items.

3. Director's Comments:

Director Williams shared that he attended a tour of the Pleasant Grove Wastewater Treatment Plant in April, and shared that there will be information in the next couple of months regarding studies on the Dry Creek Plant. Director Murdock congratulated DE Huff on the updates done to the District Standards and thanked her staff for their work to complete the updates.

Vice President Mitchell shared that the City of Rocklin is working on a General Plan Update and the State is getting more aggressive in its posture regarding accessory dwelling units and affordable housing. There is a general lack of knowledge about the costs of infrastructure and the challenges faced. Director Williams shared that when discussing the District's connection fee, he communicates

that a large part of the District's fee goes to SPWA for treatment expenses. Developers compare our rates with Sacramento County and other local agencies, and they are not concerned with keeping monthly rates low for customers, only the cost of connecting. Vice President Mitchell shared that the cost of placing infrastructure in flat farmland is not the same as the cost of placing infrastructure in granite. He commented that the Federal Government's promise of funding for infrastructure may help with affordable housing.

President Dickinson commented that he is concerned that staff may be overly aggressive in responding to alarms at District facilities, and he does not want staff to be placed in danger. GM Niederberger shared that the police are responding to security alarms and the only time that staff is responding is during the day and when there is clear evidence of a false alarm viewed from the camera footage. When staff is responding they are typically only there to let the Police into the facility. GM Niederberger also shared that the Board may want to view the progress of the Corporation Yard Fence Project which is currently under construction.

VIII. ADDITIONAL PUBLIC COMMENTS

ASM Costan confirmed that no eComments were received. Hearing no other comments, the additional public comments session was closed.

IX. ADJOURNMENT

The President adjourned the meeting at 5:56 p.m. to the next regular meeting to be held on June 3, 2021 at 4:30 p.m.



Emilie Costan, Board Secretary