

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

<b>Meeting</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
Regular	Zoom Meeting	October 1, 2020	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 Murdock presiding at 4:35 p.m.

**II. ROLL CALL OF DIRECTORS:**

Present: President John Murdock, Vice President Will Dickinson, Director Jim Williams, Director Vic Markey, Director Jerry Mitchell

Absent: None

Vacant: None

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

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

**IV. CLOSED SESSION READOUT:**

The Board met in closed session at 3:55 p.m. to discuss the General Managers performance evaluation and pending contract renewal. No action was taken.

The Board adjourned the closed session at 4:22 p.m.

**V. CONSENT ITEMS:**

1. MINUTES from the September 3, 2020 Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$1,383,312 through September 22, 2020.
3. BILL OF SALE for Sewer Improvements within Pacific Tech Park, with an estimated value of \$113,693.
4. GOVERNMENT FINANCIAL OFFICERS ASSOCIATION Certificate of Achievement for Excellence in Financial Reporting.
5. RESOLUTION 20-29 Authorizing the General Manager to Surplus Property and/or Equipment.

Director Williams noted that the amount for Item 3, \$113,693, was inadvertently omitted from the agenda. Staff indicated that the item would be corrected. Vice President Dickinson 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 5-0.

## **VI. PUBLIC COMMENTS:**

President Murdock opened the meeting for public comments on items not on the agenda. GM Niederberger confirmed that no eComments were received. Hearing no other comments, the public comments session was closed.

## **VII. BOARD BUSINESS**

### **1. CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA) UPDATE**

Dane Wadlé, Senior Public Affairs Field Coordinator with the California Special District Association provided an update on initiatives that CSDA has been following and their advocacy efforts including Federal Coronavirus relief for Special Districts and State Public Safety Power Shutdown relief. He shared the virtual training events that are currently being offered through CSDA.

Director Mitchell asked about the status of AB 1872 regarding flushable wipes. Mr. Wadlé shared that despite CSDA support, the bill did not pass. Vice President Dickinson asked about opposition to the bill. Mr. Wadlé shared that he believes the industry was opposed to the bill. Vice President Dickinson asked if there was a regulatory agency who could hold the industry accountable for misleading advertising. GM Niederberger shared that the wipes are flushable; however, they are not dispersible thus causing harm to the sewer system when flushed. Director Williams asked General Counsel Brown whether a Special District could bring suit against manufacturers of flushable wipes. GC Brown shared that a lawsuit could occur and would likely be dependent on how the costs of the flushable wipes can be quantified.

### **2. RESOLUTION #20-30 AUTHORIZATION TO EXECUTE CHANGE ORDERS #11 AND #12 TO THE CONTRACT FOR FOOTHILL TRUNK SEWER REPLACEMENT PROJECT**

GM Niederberger introduced change orders #11 and #12 for the Foothill Trunk Sewer Replacement Project, sharing that total change orders are currently at 12.7%. DE Huff provided an overview, sharing that monthly change orders continue to be presented to the Board as a result of the project field conditions. Change order #11 is for additional costs to connect the existing 6-inch pipe in Aguilar Road due to a discrepancy in the location shown on the improvement plans, and change order #12 is for fifty percent of the costs of a 2-inch grind and overlay within the drive aisle at the Creekside Village Apartments. DE Huff shared that there will likely be additional change orders presented at next month's Board Meeting including a change order to repair retaining walls along private property at the Corona Circle easement road; however, as the District is nearing completion of the project there will be a reconciliation of all contract line items which may offset these costs.

Director Mitchell asked if the bypass has been removed, and DE Huff confirmed that it has. Director Mitchell also asked if the section of pavement shown in the presentation was on Aguilar

Road proper. DE Huff confirmed that it is and shared that the road is a rural road without curb, gutter, and sidewalk improvements as typically seen in most parts of Rocklin.

Director Williams asked to be taken on a tour of the project as it is nearing completion. Director Mitchell shared that he would also like to participate in a tour. Vice President Dickinson commented on the upcoming change order for the retaining walls at Corona Circle, asking whether the damage was caused by the contractor or the District. DE Huff shared that the District plans to have an independent evaluation done to determine damage that was caused by proximity to the construction verse damage caused by the contractor. Vice President Dickinson shared that he would also like to be taken on a tour of the project.

President Murdock asked for a review of change orders #1, #4, and #7. DE Huff shared that the Foothill Trunk Project was started in 2016 when the District was using a different set of standards. The longevity of the project caused gaps in the design and changes to the site conditions. As an example, she shared that change order #4 for additional tree removal was necessary as the size of many of the trees that were previously considered clear and grub have since grown to require full tree removal.

Director Mitchell made a motion to approve Resolution 20-30 Authorizing the General Manager to Execute Change Orders #11 and #12 to the Foothill Trunk Sewer Replacement Project; a second was made by Director Williams; a roll call vote was taken, and the motion carried 5-0.

### **3. ACTUARIAL VALUATION REPORT FOR OTHER POST-EMPLOYMENT BENEFITS (OPEB) PROGRAMS**

GM Niederberger gave a PowerPoint presentation of the actuarial valuation report for other post-employment benefits. GM Niederberger explained that these Other-Post Employment Benefits for the District are retiree medical benefits. The actuarial valuation provides a snapshot based on Actuarial Projections (i.e. age of retirement, life expectancy, future cost of medical premiums) of the cost of the benefits over time and is used to determine contributions for the District's California Employers' Retirement Benefit Trust (CERBT).

President Murdock asked whether the District is sound in the OPEB program and moving in the right direction. GM Niederberger shared that the District is currently 77.5% funded, an increase from 2017. The CERBT account has performed very well for the District. He clarified that the numbers provided in the presentation are only for District employees and do not include other members in the pool. Director Mitchell asked that a longer trend analysis be included in the next report.

Vice President Dickinson inquired as to when and how and the importance of the District becoming 100 percent funded. GM Niederberger shared that these reports are snapshots in time and that to be fully funded currently, the District would need to put \$1.4M into the CERBT account. However, the District is making the Actuarially Determined Contributions (ADC) to fund future liabilities. Director Williams shared that there are a number of moving parts that the District doesn't have control of such as the discount rate and the cost of future medical expenses which will continue to impact the funded ratio over time. Vice President Dickinson asked

whether the District should consider changes to the contributions or renegotiating employee agreements to get closer to 100 percent funding. GM Niederberger shared that his recommendation would be to wait since the District is continuing to contribute the ADC payments to the Trust and the funding ratio is increasing.

Vice President Dickinson made a motion to receive and file the Actuarial Valuation Report for Other Post-Employment Benefits (OPEB) Programs, a second was made by Director Mitchell, a roll call vote was taken, and the motion carried 5-0.

#### **4. COVID-19 PANDEMIC ILLNESS**

GM Niederberger provided an update on District operations in response to the COVID-19 outbreak. He shared that Placer County has moved to and remained in the Substantial tier for COVID-19 case rates. The District was hoping the County would move to the lower tier of Moderate and was seeking Board direction on moving back to in person Board Meetings. As the County has not advanced to the Moderate tier, GM Niederberger asked that the recommendation be pulled from the agenda.

President Murdock shared his support for continuing virtual Board Meetings. Director Williams shared that with many Board members being in a higher risk status his preference is to remain on virtual meetings. Vice President Dickinson shared that he does not see the need to potentially endanger the Board members by meeting in person. Director Markey shared that he believes that virtual meetings make the most sense right now. Director Mitchell also shared support for continuing virtual meetings. Director Mitchell asked for the location of the map that shows each County by their tier.

### **VIII. 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 an update to the GM report regarding Item 2D. There was a Personnel Advisory Committee meeting on September 25<sup>th</sup> after the agenda packet was published. President Murdock asked about Item 2C on the General Manager's Report. GM Niederberger shared that staff met with a potential developer regarding a 10-acre parcel off Saunders in Loomis. The District has previously seen proposals for up to nine lots on this parcel, but the entitlements have expired. There will be some restrictions that need to be followed in order to build on the lot.

Director Mitchell asked about Board Policy updates shown on the ASD report. GM Niederberger shared that there will be a Policy and Ordinance Advisory Committee Meeting to review the new and updated policies. Director Mitchell asked if the funds awarded to the District from the Special District Risk Management Authority were related to the District going 1462 days without a lost time accident or injury. DS Nielsen shared that he does not believe that the items are directly related to each other. Director Mitchell also asked about Item 5a on the FSD report. DE Nielsen

shared that the Highway Patrol performs inspections every six years on the District's commercial vehicles.

**B. Information Items:** No additional items.

**3. Director's Comments:**

Vice President Dickinson shared that he would like to have a Personnel Advisory Committee meeting regarding how COVID-19 is impacting employees and how employees are utilizing potential allowances.

**X. ADJOURNMENT**

The President adjourned the meeting at 5:45 p.m. to the next regular meeting to be held on November 5, 2020 at 4:30 p.m. with a closed session meeting to be held prior at 3:45 p.m.



Emilie Costan, Board Secretary