

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

Meeting	Location	Date	Time
Regular	Zoom Meeting	July 1, 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 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

Present: President Will Dickinson, Vice President Jerry Mitchell, Director John Murdock, Director James Durfee, Director Jim Williams

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 June 3, 2021 Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$845,488.57 through June 22, 2021.
3. BILL OF SALE Acceptance of Bill of Sale for Sewer Improvements within Los Cerros Phase 2 with an estimated value of \$1,202,358.
4. BILL OF SALE Acceptance of Bill of Sale for Sewer Improvements within Park Drive Storage with an estimated value of \$23,218.
5. RESOLUTION 21-19 ESTABLISHING A FEE SCHEDULE FOR FISCAL YEAR 2021/22 AND RESOLUTION 21-20 ESTABLISHING A SCHEDULE OF VALUES FOR FISCAL YEAR 2021/22.
6. RESOLUTION 21-21 ANNEXATION OF 3344 BOYINGTON ROAD AND LAFCO RESOLUTION OF SUPPORT (Ward 4).
7. RESOLUTION 21-22 CONSTRUCTION COOPERATION AGREEMENT WITH THE CITY OF ROCKLIN FOR THE WINDING LANE CURVE AND LOST AVENUE INTERSECTION IMPROVEMENT PROJECT.

President Dickinson asked that Consent Item #5 be pulled for additional discussion.

Director Durfee made a motion to approve consent items 1-4 and 6-7; a second was made by Vice President Mitchell; a roll call vote was taken, and the motion carried 5-0.

GM Niederberger introduced Consent Item 5, the Fiscal Year 2021/22 Fee Schedule and Schedule of Values, sharing that the District received a comment letter from the Building Industry Association (BIA) regarding the proposed fee increases. The comment letter stated that the District's participation fees are some of the highest in the region. The letter also provided comments regarding the addition of an accessory dwelling unit (ADU) fee. GM Niederberger shared that the District has adopted a Nexus Study and System Evaluation and Capacity Assurance Plan (SECAP). These documents specify that the local participation fee will increase per the ENR Construction Cost Index. GM Niederberger also discussed the larger portion of the participation fee being the regional fee of which the District does not control or set the rate. GM Niederberger also shared that in the past the District did not have a plan review fee for ADUs. The proposed fee schedule adds a \$65 plan review fee. The District currently waives the participation fee for ADUs.

Vice President Mitchell asked if the District's participation fees are the highest in the region. GM Niederberger shared that a comparison in the greater Sacramento region has not been completed; however, the District's local fee is the highest of the three South Placer Wastewater Authority (SPWA) regional partners. GM Niederberger shared that staff completes the Nexus Fee Study, SECAP, and Annual Sources and Uses Report. Comparing the District's participation fee with other providers may not account for other factors such as how built out a system is or the ability to waive or supplement fees that stand-alone utilities do not have. Vice President Mitchell suggested a review of the District's SECAP by the BIA.

Jeff Short with the BIA provided public comment. He shared that a more thorough analysis would be welcome. In the meantime, the BIA is asking that a hold be placed on the adoption of the fee increase so that more time can be spent discussing the merits of the increases with the Board. He commented that the Board is very experienced with sewer and runs the District very well; however, the State and Sacramento region is in the midst of a major housing crisis due to housing affordability.

Director Williams shared that infrastructure fees are a major concern for not just housing, but all developments. He commented that he does not support lowering participation fees at the expense of ratepayers. He commented that he has been asking for City and County led affordable housing initiatives where there are more sources of funding including the recent funds from the Federal and State governments. Director Murdock asked how ratepayers would be impacted. Director Williams responded that the District is obligated to provide services and adequately operate the system. If the participation fees were not collected, those costs would have to be covered by ratepayer fees. He suggested reviewing the cost of infill verses greenfield development.

Vice President Mitchell commented that government agencies have to complete studies to determine the cost of providing services. Delaying costs only results in the costs getting more expensive. He suggested that the BIA look at ways that the District can reduce construction costs to prevent having to raise the fee. Reducing the larger regional fee and the local fee, would require a dramatic change in how new infrastructure is built, a long-term discussion that would need to be led.

Director Williams shared that fees are reviewed on an annual basis. President Dickinson stated that he is open to further discussion of the broader issues at a later time and adjusting the fee in the future if appropriate. Director Williams shared that input from the BIA at the Fall Fee & Finance Committee is encouraged.

Director Murdock made a motion to approve consent item 5; a second was made by Director Williams; a roll call vote was taken, and the motion carried 5-0.

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 21-23 COMMENDING SCOTT PERRY, LEAD WORKER FOR HIS YEARS OF SERVICE WITH THE DISTRICT

President Dickinson read the Resolution commending Scott Perry for his years of service to the District. Mr. Perry commented that he appreciated being of service to the District all these years.

Director Williams made a motion to adopt Resolution 21-23 commending Lead Worker, Scott Perry for his years of service with the District; a second was made by Director Murdock; a roll call vote was taken, and the motion carried 5-0.

2. RESOLUTION 21-24 COMMENDING FRANK LAGUNA, FIELD SERVICES MANAGER FOR HIS YEARS OF SERVICE WITH THE DISTRICT

President Dickinson read the Resolution commending Frank Laguna for his years of service to the District.

Director Murdock made a motion to adopt Resolution 21-24 commending Field Services Manager Frank Laguna for his years of service with the District; a second was made by Director Durfee; a roll call vote was taken, and the motion carried 5-0.

3. CONSIDERATION & APPROVAL OF RESOLUTION 21-25 ADOPTING THE FISCAL YEAR 2021/22 BUDGET AND PROPOSED SPENDING PLAN

ASM Costan gave a presentation on the Final Budget document for FY 21/22. She shared the revenue, general fund expense, and capital fund expense schedules and summarized changes and key areas of the budget.

President Dickinson asked about salary and benefits expenses increasing 11%. ASM Costan shared that the increase is due to higher inflation, a newer workforce that is still receiving salary step increases, and Other Post-Employment Benefits (OPEB) and Unfunded Accrued Liability (UAL) payments continuing to increase. The District does have funds in the CERBT and CEPPT Trusts that can be used to pay for these expenses; however, the District is currently making the required payments from the General Fund. Additionally, health insurance premiums are anticipated to increase substantially in 2022.

President Dickinson asked about the budget for three projects. First, he asked if the budget should be adjusted for the Corporation Yard Improvement Project due to the project's start date being delayed. DS Nielsen shared that the District anticipates cost savings from delaying the start of construction. The project will be bid in the Fall with construction starting in the Spring. The District may spend less than budgeted for in this fiscal year. Next, he asked about the City of Rocklin's Atherton Trunk Line Project being included in Participation in Regional Projects. Staff shared that there has not been an

agreement or negotiation with the City of Rocklin to assist with funding for the Atherton Trunk project. The Board's direction was to remove \$500,000 from Participation in Regional Projects. Finally, President Dickinson asked why year-two spending on the SCADA Master Plan project was not included in the Five-Year Capital Fund Expense Projection Table. The Board direction was to add approximately \$2.1M for the SCADA Master Plan in Fiscal Year 22/23.

Director Williams made a motion to adopt Resolution 21-25 adopting the Budget for Fiscal Year 2021/22 and the proposed spending plan with \$500,000 removed from Participation in Regional Projects and approximately \$2.1M added to the Five-Year Capital Fund Expense Projection Table for the SCADA Master Plan in Fiscal Year 22/23; a second was made by Director Durfee; a roll call vote was taken, and the motion carried 5-0.

4. COVID-19 PANDEMIC ILLNESS

The Board discussed returning to in-person Board meetings. GC Brown shared that the current emergency order temporarily suspending the provisions of the Brown Act regarding remote meetings is set to expire on September 30, 2021. While these provisions may be extended or permanent legislation may be adopted to modifying these provisions, the current order is only through September 30th. After discussion, the Board was in favor of moving back to in-person meetings with the option to continue to participate via Zoom if needed.

No action was requested – discussion item.

5. SOUTH PLACER WASTEWATER AUTHORITY (SPWA) BOARD MEETING REPORT – DIRECTOR JIM WILLIAMS

Director Williams, the District representative to the SPWA Board, provided a brief update on the recent actions and activities of the SPWA Board. The Board met on June 24th in person at the Roseville Corporation Yard. The Board approved and appointed Richard Plecker as the new acting Executive Director. Additionally, the Fiscal Year 21/22 Investment Policy was adopted, and the capital improvement budget was modified to add ultraviolet treatment to the Pleasant Grove Wastewater Treatment Plant and capacity studies were approved for both of the treatment plants.

No action was requested – informational item.

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:

Director Murdock asked for an update on an advisory committee meeting regarding redistricting. GM Niederberger shared that he will be circulating a memo with additional information. The Board will also receive attorney-client correspondence regarding the District's obligations under the California Voting Rights Act. The first advisory committee meeting will occur in late August or early September.

President Dickinson shared that he is very pleased that the District won the Collection Systems of the Year award. He also congratulated staff for receiving the Government Finance Officers Association

(GFOA) Certificate of Excellence in Financial Reporting for the Comprehensive Financial Statements for Fiscal Year 19/20.

Vice President Mitchell asked about auditing District operations. Staff shared that the District has a Regulatory Compliance Technician that is working to audit the District's training, safety, and compliance standards.

B. Information Items: No additional items.

3. Director's Comments:

Vice President Mitchell shared that he thought the Budget Book was well done and reflected a lot of hard work by staff. Director Murdock reiterated recognition of the hard work completed by staff on the reports presented.

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 5:54 p.m. to the next regular meeting to be held on August 5, 2021, at 4:30 p.m.



Emilie Costan, Board Secretary