

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

Meeting	Location	Date	Time
Regular	Zoom Meeting	June 2, 2022	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 Mitchell presiding at 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

Present: Director Will Dickinson, President Jerry Mitchell, Director John Murdock, Director James Durfee, Vice President 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 Mitchell led the Pledge of Allegiance.

IV. PUBLIC COMMENTS:

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

V. CONSENT ITEMS:

1. MINUTES from the May 5, 2022 Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$528,851 through May 24, 2022.
3. BILL OF SALE Acceptance of the Bill of Sale for Sewer Improvements within Rocklin Meadows, with an estimated value of \$864,411.
4. RESOLUTION 22-22 ESTABLISHING A FEE SCHEDULE FOR FISCAL YEAR 2022/23 AND RESOLUTION 22-23 ESTABLISHING A SCHEDULE OF VALUES FOR FISCAL YEAR 2022/23.
5. RESOLUTION 22-24 ADOPTING A REVISION TO THE FY21-FY23 MEMORANDUM OF UNDERSTANDING WITH DISTRICT EMPLOYEES AND DISTRICT MANAGEMENT EMPLOYEES.
6. RESOLUTION 22-25 DISPOSAL OF DISTRICT SURPLUS

7. SETTLEMENT OF CLAIMS IN CONNECTION WITH JOANNA BELANGER, ET AL. VS. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND SOUTH PLACER MUNICIPAL UTILITY DISTRICT, PLACER COUNTY SUPERIOR COURT CASE NO. S-CV-0047876.
8. DECLARING AND RE-RATIFYING THE STATE OF EMERGENCY AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS DUE TO THE COVID-19 EMERGENCY.

Director Dickinson made a request to pull item 4 off the consent calendar for discussion.

Vice President Williams made a motion to approve consent items 1-3 and 5-8; a second was made by Director Durfee; a roll call vote was taken, and the motion carried 5-0.

Director Dickinson asked questions regarding consent item #4, Establishing a Fee Schedule and Schedule of Values. Regarding the Local Participation Fee, he asked for confirmation that appropriate steps had been taken to authorize an increase to the fee and asked staff to modify the fee schedule to clarify that the Regional Participation Fee is not set by the District but is a pass-through cost to the South Placer Wastewater Authority. He also asked for clarification on how labor rates are calculated to the Consumer Price Index (CPI) and asked that staff modify the current language to remove reference to the CPI as increases in labor costs don't correspond directly to the CPI. Finally, Director Dickinson asked that the fee schedule items that are listed as "plus District Costs" are reworded to make it clear that the District is not charging more than the costs that are incurred.

Director Dickinson confirmed that the Schedule of Values is used to reimburse contractors who construct major trunk facilities. DE Huff shared that the Schedule of Values was initially set in 2017 and is updated every fiscal year in accordance with the Engineering News Record (ENR) Construction Cost Index (CCI). Director Dickinson asked that staff reevaluate the Schedule of Values to account for the current economic environment. GM Niederberger offered that staff will reevaluate the Schedule of Values as part of next year's Cost of Service and Rate Study.

Director Dickinson made a motion to approve consent item 4; a second was made by Vice President Williams; a roll call vote was taken, and the motion carried 5-0.

VI. BOARD BUSINESS

1. PUBLIC HEARING: RESOLUTION #22-27 TO COLLECT DELINQUENT SERVICE CHARGES FOR SOUTH PLACER MUNICIPAL UTILITY DISTRICT ON THE PLACER COUNTY TAX ROLLS FOR TAX YEAR 2022

ASM Costan presented the Public Hearing to collect delinquent charges for tax year 2022. She shared that each year the District holds a public hearing prior to assigning delinquent charges to the Placer County Tax Rolls. She shared that as of the date of this meeting, there were 939 accounts with a total outstanding balance of \$313,583, less than the number of accounts and balance sent

for assignment last year. The Public Hearing was opened to receive comments from the public on this item. No public comments were received.

Director Murdock made a motion to adopt Resolution 22-27 Collection of Delinquent Service Charges for the South Placer Municipal Utility District on the Placer County Tax Rolls for 2022; a second was made by Director Dickinson; a roll call vote was taken, and the motion carried 5-0.

2. SECOND READING AND ADOPTION OF ORDINANCE NO. 22-02 AN ORDINANCE REVISING THE TIMELINE FOR REIMBURSEMENT AGREEMENTS AS CONTAINED IN THE DISTRICT SEWER CODE SECTION 4.04.001

GM Niederberger presented the Second Reading of Ordinance 22-02 which, if adopted, would accelerate the timeline for developers to receive reimbursements for the construction of major trunk facilities as outlined in the District Sewer Code. He shared that the public hearing was conducted at the May 5, 2022, board meeting.

Vice President Williams made a motion directing staff to (1) Waive the second reading of the proposed Ordinance #22-02. (2) Adopt Ordinance No. 22-02 – An Ordinance revising the Timeline for Reimbursement Agreements as contained in the District Sewer Code Section 4.04.001 which will become effective on July 2, 2022; a second was made by Director Durfee; a roll call vote was taken, and the motion carried 4-1 with Director Dickinson voting no.

3. SCADA MASTER PLAN UPDATE

GM Niederberger introduced the SCADA Master Plan update, sharing that this ongoing project is being presented ahead of the budget workshop as it is a large portion of the capital spending budget for next fiscal year. DS Nielsen presented an update of the SCADA Master Plan Design and Implementation. A SCADA system allows the District to collect data and provide remote control of certain operations. DS Nielsen shared the project timeline, costs, and details on both phases of the project.

Director Murdock asked about security. DS Nielsen shared that the project includes central server enhancements and additional redundancy to protect the District against attacks. Director Dickinson asked if the total project cost is anticipated to be \$6M. DS Nielsen shared that the plan includes site standardization, and the cost has been adjusted to account for the current supply chain and inflation conditions. Vice President Williams asked for the design consultant to provide additional phasing options. President Mitchell asked what Roseville is using for SCADA. DS Nielsen shared that due to the Treatment Plants and size of Roseville's system, the type of system Roseville is using is likely not a good fit for the District. Director Dickinson asked if the new system would be proprietary. DS Nielsen shared that both the hardware and software can be implemented and maintained by a multitude of vendors. Director Dickinson commented that he would like to see additional lower-cost proposals.

4. STRATEGIC PLANNING WORKSHOP: STRATEGIC PRIORITIES

DS Nielsen led a discussion of the proposed Strategic Priorities that will be the framework for the next five-year Strategic Plan. He shared six example priorities: #1 Reduce energy costs, #2 Prepare for foreseeable emergencies, #3 Leverage existing and applicable technologies to improve

efficiencies, #4 Reestablish the culture of the District following the pandemic and changes, #5 Remain engaged in affordability discussions, and #6 Maintain an excellent regulatory compliance record. The Board discussed the priorities and recommended changing the language on item #5 Remain engaged in affordability discussions, to have a clearer outcome. The Board also recommended combining item #1 Reduce energy costs, with item #3 Leverage existing and applicable technologies to improve efficiencies. Finally, the Board recommended removing item #4 Reestablish the culture of the District following the pandemic and changes.

5. FISCAL YEAR 2022/23 BUDGET WORKSHOP

ASM Costan presented the budget workshop, sharing the projected revenue budget which anticipates three hundred new connections and a corresponding slight increase in the sewer service charges. She then presented the proposed Operating Fund and Capital Expense Budgets. Directors were given an opportunity to ask questions and make any comments regarding the proposed budget. Director Dickinson asked that additional details on the large increase to the Wastewater Treatment Plant Operations and Maintenance costs be included in the Budget Book. Additionally, he asked that the SCADA capital expenditure budget be revised to match the Phase I costs presented during tonight's board presentation. The final FY 22/23 Budget Workbook will be brought back to the Board for adoption at the July 7, 2022 Board meeting.

Vice President Williams made a motion directing staff to return on July 7, 2022 with a Final Budget Book for Fiscal Year 2022/23; a second was made by Director Durfee; a roll 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 due to construction, staff does not anticipate being able to return to in-person board meetings until the end of the year. Vice President Williams commented that staff should have an alternative plan for conducting meetings during construction in case the Governor does not extend the emergency declaration allowing for remote board meetings.

Director Murdock congratulated ASM Costan for completing the Leadership Rocklin Program through the Rocklin Chamber of Commerce.

B. Information Items: No additional items.

3. Director's Comments:

President Mitchell asked if Roseville has completed the Methane Gas Recapture Project. Vice President Williams shared that it is included in the scope of the current Pleasant Grove Treatment Plant project, but there have been delays. GM Niederberger shared that there will be an SPWA board meeting in June.

President Mitchell shared that he recently attended a Placer County presentation that showed large expansion in the County with sewer being routed to the Roseville Treatment Plants. This expansion may trigger a reallocation of the SPWA cost allocations. GM Niederberger shared that it is his understanding that Placer County obtained an American Recovery Program Act (ARPA) Grant and one of the proposed projects for the funds is a complete re-sewering of the Sunset Ranch Industrial Park which is included in the expansion planned for Placer County.

IX. ADJOURNMENT

The President adjourned the meeting at 5:51 p.m. to the next regular meeting to be held on July 7, 2022, at 4:30 p.m.



Emilie Costan, Board Secretary