

## **Item 5.1**

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

**MEETING DATE & TIME:** February 6, 2025 at 4:30 PM

**MEETING LOCATION:** SPMUD Boardroom & Zoom Meeting

#### **I. CALL MEETING TO ORDER**

A Regular Meeting of the South Placer Municipal Utility District Board of Directors was called to order with President Jewell presiding at 4:30 p.m.

#### **II. ROLL CALL OF DIRECTORS**

**Present:** Director Jerry Mitchell, Director Will Dickinson, Director Christy Jewell,  
Director Michael Faria, Director Jack Arney

**Absent:** None

**Vacant:** None

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

#### **III. PLEDGE OF ALLEGIANCE**

GC Brown 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 January 9, 2025, Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$2,856,424 through January 27, 2025.
3. QUARTERLY INVESTMENT REPORT in the total amount of \$82,494,755 through December 31, 2024.
4. RESOLUTION 25-01 REVISING BOARD POLICIES #3251 RECORDATION OF ASSETS FOR DEPRECIATION PURPOSES AND #4055 SELECTION OF OFFICERS AND ABOLISHING BOARD POLICY #3080 DOMESTIC SEWER OVERFLOWS

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

## **VI. BOARD BUSINESS**

### **1. FUND BALANCE WORKSHOP**

GM Nielsen gave an informational presentation on the District's three funds, the Operating Fund (100), Capital Expansion Fund (300), and Capital Renewal Fund (400). He shared information on the sources of revenue, current expenses, current balances, and projected long-term expenses for each fund. He reviewed the differences between local collection expenses and regional treatment expenses as well as the differences between operation, maintenance, and renewal costs and capacity costs for both the collection system and the treatment plant.

Director Dickinson shared that one way the District has been able to keep rates low is by reducing the reserve requirements, which may not be an option in the next rate study. Director Mitchell commented that mandates and regulations such as the Advance Clean Fleet regulation increase costs for the District.

### **2. RESOLUTION 25-02 AMENDING RESOLUTION 24-19, AND APPROVAL OF MID-YEAR ADJUSTMENTS TO THE FISCAL YEAR 2024/25 BUDGET**

GM Nielsen introduced the Fiscal Year 2024/25 Mid-Year Budget Adjustments. ASM Costan presented information on three large, proposed changes that were reviewed with the Fee and Finance Committee in November of 2024 with a recommendation to present them to the full board for consideration as part of the mid-year budget adjustments. She shared that all three recommendations support strategic work plan items. They include an additional contribution to CalPERS to pay down the District's Unfunded Accrued Liability (UAL), an additional depreciation transfer equal to 15% of the accumulated depreciation for the last 3 fiscal years, and transferring Newcastle capital expenses to the Capital Renewal Fund. ASM Costan reviewed the other proposed mid-year budget adjustments. She shared that staff is recommending an increase of \$434,500 to the total Revenue Budget primarily due to a continuation of higher investment earnings. Staff is proposing an increase of \$1.57 million to the Operating Fund Expense Budget which includes the additional UAL payment, and staff is recommending a decrease of \$211,000 to the Capital Fund Expense Budgets. ASM Costan shared that the proposed budget uses reserves to approve the additional UAL payment and to support significant capital spending with the majority of the capital spending approved in the originally adopted budget for Fiscal Year 2024/25.

Director Mitchell made a motion to adopt Resolution 25-02, amending Resolution 24-19 and authorizing the following adjustments to the FY2024/25 Budget: 1). Operating Budget (Fund 100): a). increase the Revenue Budget by \$209,500 from \$19.83M to \$20.04M, b). increase the General Expense Budget by \$1,567,565 from \$21.34M to \$22.91M, and c). decrease the Capital Expense Budget by \$1,300,000 from \$1.66M to \$0.36M. 2). Capital Expansion Budget (Fund 300): a). increase the Revenue Budget by \$125,000 from \$2.46M to \$2.58M, b). no changes are being proposed to the Expense Budget. 3). Capital Renewal Budget (Fund 400): a). increase the Revenue Budget by \$100,000 from \$0.73M to \$0.83M, b). increase the Expense Budget by \$1,088,90: from \$7.62M to \$8.71M; a second was made by Vice President Dickinson; a roll call vote was taken, and the motion carried 5-0.

### **3. SENATE BILL (SB) 937 MITIGATION FEE ACT CHANGES**

GC Brown provided an overview of Senate Bill 937 and its applicability to the collection of fees at the District. He shared that the Mitigation Fee Act was amended to provide for the payment of public improvement or facilities fees for residential projects to be deferred until the final inspection

or a certificate of occupancy is issued. However, there is language in the Act that allows utility service fees for connections to be paid at the time that the application for the service is received, provided that the fees do not exceed the costs incurred by the utility provider resulting from the connection activities. The District sets its fee through a capacity fee study that calculates and determines the fee that needs to be collected. GM Nielsen shared that the District collects capacity fees at the time that the connection is made to the District sewer system and works with developers to optimally time this connection.

#### **4. SOUTH PLACER WASTEWATER AUTHORITY (SPWA) MEETING REPORT**

Vice President Dickinson, District representative on the SPWA Board, gave an update on the January 30, 2025, SPWA Board Meeting which included appointing a new executive director and deputy executive director and a significant amount of time devoted to project updates. An update was also provided on the equivalent dwelling unit (EDU) study being performed by the California Association of Sanitation Agencies (CASA) to determine how different uses impact the sewer system. A group of agencies have provided funding for the study, and it is not yet known if the findings will be shared. Vice President Dickinson also shared that he has spoken to staff about the high balance in the District's rate stabilization fund with SPWA in proportion to the other partners and whether the regional fee is set appropriately for the treatment capacity needed by the District's customers.

### **VII. REPORTS**

#### **1. DISTRICT GENERAL COUNSEL (A. BROWN):**

General Counsel Brown had no report for this meeting.

#### **2. GENERAL MANAGER (E. NIELSEN) & DEPARTMENT REPORTS:**

Director Mitchell congratulated staff for over eight years without a loss time accident. Vice President Dickinson thanked staff for spending the time to hold several advisory committee meetings at the start of the new year, and Director Faria thanked staff for the informative staff presentations.

#### **3. INFORMATIONAL ITEMS:**

There were no informational items.

#### **4. DIRECTOR'S COMMENTS:**

President Jewell shared that she attended the Roseville Chamber of Commerce Installation Dinner and Economic Development and Government Affairs Committee Meeting. She also thanked staff for their exemplary work and support during the board transitions.

### **VIII. ADJOURNMENT**

The President adjourned the meeting at 5:54 p.m. to the next regular meeting to be held on March 6, 2025, at 4:30 p.m.



Emilie Costan, Board Secretary