

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

<b>Meeting</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
Regular	Zoom Meeting	July 7, 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

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

**IV. PUBLIC COMMENTS:**

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

**V. TELECONFERENCING**

**1. RESOLUTION 22-28 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 Durfee made a motion to adopt Resolution 22-28 Declaring and Re-ratifying the State of Emergency and Authorizing Remote Teleconference Meetings of the Board of Directors from July 7, 2022 through August 5, 2022 due to the COVID-19 Emergency; a second was made by Director Dickinson; a roll call vote was taken, and the motion carried 5-0.

**VI. CONSENT ITEMS:**

1. MINUTES from the June 2, 2022 Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$1,851,245 through June 27, 2022.
3. RESOLUTION 22-29 AUTHORIZING THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICE AGREEMENT WITH IB CONSULTING FOR A WASTEWATER RATE & LOCAL PARTICIPATION FEE STUDY

Director Murdock made a request to pull item 3 off the consent calendar for discussion.

GM Niederberger presented the professional services agreement with IB Consulting for a Wastewater Rate and Local Participation Fee Study for a possible rate increase in July of 2023.

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

## **VII. BOARD BUSINESS**

### **1. RESOLUTION 22-30 ADOPTING THE FISCAL YEAR 2022/23 BUDGET AND PROPOSED SPENDING PLAN**

GM Niederberger presented the Fiscal Year 2022/23 Budget and Proposed Spending Plan. He shared information regarding the proposed revenues, operating fund expenditures, capital fund expenditures, and South Placer Wastewater Authority (SPWA) expenditures. Additionally, he summarized the changes made to the Fiscal Year 2022/23 Budget Report.

Director Dickinson asked about the increase in SPWA's indirect costs from the City of Roseville's cost allocation plan and whether District staff is in agreement with the costs. GM Niederberger commented that the City of Roseville has modified its cost allocation methodology to charge a fully burdened rate, as they were previously not recovering all of the direct and indirect costs on SPWA projects. GM Niederberger added that staff is asking for more detail on some of the assessments; the change in the cost allocation methodology was communicated to the District.

Vice President Williams and President Mitchell commented that the financial information shared at the SPWA board meetings is very high level and the District is relying heavily on staff at the City of Roseville to provide more detailed budget and expenditure information.

Director Dickinson asked for more detail on the funds budgeted for pending litigation that are included in the legal services budget. GC Brown commented that in addition to the amount budgeted annually for general legal services, additional funds may be needed in fiscal year 2022/23 for easement acquisition issues and the CalPERS lawsuit.

President Mitchell asked if the District would be required to participate in the Atherton Trunk Sewer Replacement Project in the upcoming year. GM Niederberger shared that the Atherton Trunk is a City of Rocklin project. DE Huff commented that the project is in the easement acquisition phase with about ninety percent of the project design completed.

Director Dickinson asked about the issues with the Grass2Pave used in the Foothill Truck project. DE Huff shared that some of the needed repairs are from damage from the residents and some of the repairs are due to installation failures. The District is working with Garney Pacific and legal counsel to resolve the issues and has determined that it will not be using this product for future projects. Director Dickinson asked if the Taylor Road Lift Station Replacement was originally part of the Newcastle Master Plan. DS Nielsen commented that the lift station was inherited from Newcastle but is not part of the master plan improvements. He shared that the lift station is not currently installed to District standards.

Director Dickinson asked that the vehicle purchases in Fund 400 be listed as replacement purchases instead of new vehicle purchases. GM Niederberger shared that wording in the budget report will be updated to reflect that the purchases are replacements.

Finally, Director Dickinson commented that the five-year projections in the budget report appear to be conservative. He asked if these projections will be used by the rate consultant. GM Niederberger shared that the information will go to the rate consultant; however, they will complete independent projections that will be reviewed with the Fee and Finance Committee. Vice President Williams commented that he believes it is the right time for the rate study and that the Fee and Finance Committee needs to be involved. President Mitchell commented that capital spending on the building addition and inflation are draining down the District's resources requiring the District to look at these issues carefully.

Vice President Williams made a motion to adopt Resolution 22-30 adopting the Budget and Proposed Spending Plan for Fiscal Year 2022/23; a second was made by Director Dickinson; a roll vote was taken, and the motion carried 5-0.

## **2. ITPIPES AND ASSET MANAGEMENT PRESENTATION**

DS Nielsen provided a demonstration of the ITPipes Software which is used to maintain the Closed Caption Television (CCTV) inspection footage and photographs of the District's collection system. The District started using this software in 2014 to assess the condition of the sewer main lines and has amassed a collection of inspection data that can be used to drive the District's work programs.

President Mitchell asked if any other agencies are immolating the District's CCTV-driven work practices. DS Nielsen commented that the practices have been shared with others via a CWEA article written by the previous District Superintendent; however, he is not currently aware of other agencies that are using CCTV-driven work practices. The District continues to share its results with others.

Director Dickinson asked if videoing a pipe before cleaning allows the District to adequately complete the condition assessment. DS Nielsen shared that because the District's system is relatively new and major structural defects are rare; generally, videoing first is not an issue. President Mitchell asked if CCTV work can be completed during heavy rainstorms. DS Nielsen shared that the CCTV program is a year-round program.

DS Nielsen highlighted the work that Engineering Technician Curtis Little has done to link information and make ITPipes an incredibly efficient tool for staff. The Board provided favorable feedback on the ITPipes software.

## **3. SOUTH PLACER WASTEWATER AUTHORITY (SPWA) BOARD MEETING REPORT – DIRECTOR WILLIAMS**

Vice President Williams provided an update on the June 21<sup>st</sup> SPWA Board Meeting. He shared that the Board discussed a voluntary refund from the consultant Brown & Caldwell to the SPWA with the District receiving a portion of the funds. A final forensic audit report of the SPWA is expected at the end of October.

Director Dickinson asked if there is anything that the District can learn from the SPWA investment policy. Vice President Williams commented that investment options are limited for public agencies,

and the SPWA is predominately invested the same as the District. GM Niederberger shared that SPWA's reported investment returns were similar to those reported by the District when excluding the District's CEPP Trust. Director Dickinson also asked about the County's negative Rate Stabilization Fund balance. GM Niederberger shared that the SPWA is anticipating reimbursements from the State Revolving Fund for project-related expenses, once those funds are received the County will have a sufficient balance in its SPWA Rate Stabilization Fund.

## **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 will be out of the office on July 13, 14, 15, 22, and 25<sup>th</sup>.

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

DS Nielsen provided an update on the Corporation Yard Addition and Tenant Improvement Project. He shared that the demolition of the lobby and pavement has been completed. Footings have been poured and framing around the front of the headquarters building has occurred. The contractor is currently working on utilities and preparation of the addition site. The project is currently on target with the construction schedule as proposed.

### **3. Director's Comments:**

Director Durfee shared that he, two other board members, and District management attended the Rocklin State of the City Address.

## **IX. ADJOURNMENT**

The President adjourned the meeting at 5:56 p.m. to the next regular meeting to be held on August 4, 2022, at 4:30 p.m.



Emilie Costan, Board Secretary