

Item 5.1

REGULAR BOARD MINUTES SOUTH PLACER MUNICIPAL UTILITY DISTRICT

MEETING DATE & TIME: **June 4, 2026 at 4:30 PM**

MEETING LOCATION: **SPMUD Boardroom**

I. CALL MEETING TO ORDER

A Regular Meeting of the South Placer Municipal Utility District Board of Directors was called to order with President Dickinson presiding at 4:29 p.m.

II. ROLL CALL OF DIRECTORS

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

Absent: None

Vacant: None

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

III. PLEDGE OF ALLEGIANCE

President Dickinson led the Pledge of Allegiance.

IV. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

V. CONSENT ITEMS

1. MINUTES from the May 7, 2026, Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$836,837.67 through May 25, 2026.
3. BILL OF SALE Acceptance of the Bill of Sale for the Steven Senior Apartments Offsite Sewer Improvements with an estimated value of \$90,719.
4. RESOLUTION 26-23 ESTABLISHING A FEE SCHEDULE FOR FISCAL YEAR 2026/27, RESOLUTION 26-24 ESTABLISHING A FINE SCHEDULE FOR FISCAL YEAR 2026/27, AND RESOLUTION 26-25 ESTABLISHING A SCHEDULE OF VALUES FOR FISCAL YEAR 2026/27
5. JUNE 30, 2025, ACTUARIAL VALUATION FOR DETERMINATION OF OTHER POST-EMPLOYMENT BENEFIT (OPEB) FUNDING CONTRIBUTIONS

Director Faria pulled Consent Item 5.4 for discussion.

No public comments were received on Consent Items 1, 2, 3, or 5.

Director Jewell motioned to approve Consent Items 1, 2, 3, and 5, a second was made by Director Arney; a roll call vote was taken, and the motion carried 5-0.

Director Faria pulled Consent Item 5.4 due to ongoing discussions regarding the District's Capacity Charge. He asked GM Nielsen to provide background on this annual item. GM Nielsen explained that the FY 2026/27 Fee Schedule adjusts Capacity Charges based on the Engineering News Record (ENR) Construction Cost Index (CCI), a method widely recognized in the industry. He cited SB 330 as an example of how rates and capacity charges may remain fixed once adopted, while still allowing adjustments based on recognized indexes. He added that failing to adjust the Capacity Charge to reflect construction cost increases would essentially reduce the fee. He recommended that the District continue to review the Capacity Charge and that any reductions or changes be based on a vetted nexus.

President Dickinson commented on the relatively low rate of increase based on the ENR-CCI. He shared that the South Placer Wastewater Authority (SPWA) is projecting that there will need to be a regional fee increase due to rising capital project costs, and that he supports making small incremental changes to keep rates in line with construction costs instead of waiting and doing large, catch-up adjustments.

Director Faria motioned to approve Consent Item 5.4, a second was made by Director Jewell; a roll call vote was taken, and the motion carried 5-0.

VI. BOARD BUSINESS

1. PUBLIC HEARING: RESOLUTION 26-26 TO COLLECT DELINQUENT SERVICE CHARGES FOR SOUTH PLACER MUNICIPAL UTILITY DISTRICT ON THE PLACER COUNTY TAX ROLLS FOR TAX YEAR 2026

ASM Costan presented the annual public hearing for the collection of delinquent service charges. ASM Costan shared that every year, the District holds a public hearing prior to assigning delinquent charges from the previous calendar year to the Placer County Tax Rolls. Notices of the Delinquent Charges were sent to customers, and the public hearing was advertised in the Placer Herald and Loomis News as required. As of June 4, 2026, at 3:30 p.m., there were 1,268 accounts with outstanding charges totaling \$668,728. ASM Costan relayed that this number is slightly higher than in previous years. She noted that \$123,082 of the outstanding charges were for capacity charges from eight accounts.

Director Jewell asked if the accounts were commercial or residential. ASM Costan shared that it was a mix of uses, but consistent with the overall makeup of the District, she believes most of the accounts are residential. VP Mitchell asked if some of the delinquent charges are the result of individuals moving and not paying. ASM Costan provided information on the process for when properties are sold and shared that generally, unpaid final bills are not assigned to the tax bill.

Director Faria asked if there are many customers who continuously have their charges assigned to their tax bill. ASM Costan shared that there are some, with a portion of customers having never paid the District directly for monthly service charges. Director Arney asked if there are geographic

clusters where tax assignments generally occur. ASM Costan replied that the District doesn't currently analyze the information based on geography.

President Dickinson opened the Public Hearing; no public comments were received, and the public hearing was closed.

Director Jewell motioned to approve Resolution 26-26 requesting that Placer County collect delinquent service charges for the District on the Placer County Tax Roll for Tax Year 2026; a second was made by Director Mitchell; a roll call vote was taken, and the motion carried 5-0.

2. PUBLIC HEARING: ANNUAL REPORT ON THE STATUS OF VACANCIES, RECRUITMENT, AND RETENTION EFFORTS

GM Nielsen presented the annual report on the status of the vacancies, recruitment, and retention efforts of the District. This is the second year that the District has brought the report forward, as required by AB 2561. The public hearing was published as required by law, and the District's vacancy report did not meet the 20% threshold, which requires additional reporting components. The report included information on the recent recruitment efforts of the District, the compensation and benefits package, and efforts to retain employees. These efforts support the Strategic Plan Priority of making SPMUD a great place to work. The District shared the report with Local 39 and informed Local 39 of the opportunity to make a presentation.

VP Mitchell asked about the intent of AB 2561. GM Nielsen provided background information on the Assembly Bill.

President Dickinson opened the public hearing; no public comments were received, and the public hearing was closed.

Director Faria motioned to receive and file the Annual Report on the status of District vacancies, recruitment, and retention efforts; a second was made by Director Arney; a voice vote was taken, and the motion carried 5-0.

3. FISCAL YEAR 2026/27 BUDGET WORKSHOP

ASM Costan presented the proposed budget numbers for Fiscal Year 2026/27. She provided background information on the conservative EDU growth projections, explaining that generally the District plans to add 300 new EDUs each year, with the potential for additional connections coming from larger projects.

The District is projecting a small increase in revenue made up of the adopted rate increase, growth projections, and an incremental increase in tax revenue. Most other revenue sources remain the same; however, interest is more conservatively budgeted due to the projected spending-down of the fund balances.

The Operating Fund expenditure budget is projected to increase, mainly resulting from the recently adopted Memorandum of Understanding (MOU) with Local 39 and general cost increases, as well as an additional Unfunded Accrued Liability (UAL) contribution to CalPERS for pension expenses. The District is projecting a short-term increase in Other Post-Employment Benefit (OPEB) expenses due to the Retiree Health provisions in the new MOU in the current fiscal year, but is projecting that costs will decrease in subsequent years. The District Actuary will complete

a new full valuation of the District's OPEB liability in Fiscal Year 2026/27. VP Mitchell asked about the timing of the new actuarial reports and any resulting adjustments, and ASM Costan stated that the new reports are anticipated to be completed in Spring 2027.

ASM Costan shared that one of the Strategic Plan Goals is to pay off the CalPERS UAL, in part because the interest is high on the unfunded balance. The Fee and Finance Committee met to discuss priorities for the 2026/27 Fiscal Year, and one of the recommendations was to move up the timeline of payments towards the UAL by utilizing funds typically allocated for asset renewal, with a plan to make larger transfers to asset renewal in future years from the savings realized on the UAL payments and interest. It is also proposed that the balance of funds in the CEPP Trust be applied to the remaining UAL balance.

ASM Costan also shared some of the other significant items in the Operating Fund Expenditure Budget. Items include completion of the 2025 System Evaluation and Capacity Assurance Plan (SECAP), a Tactical Asset Management Plan, ongoing support for the new SCADA system, a new actuarial valuation, legal services, and priority initiatives in the Strategic Communications Plan.

For Regional Wastewater Treatment Plant payments, ASM Costan provided information on the trend analysis and rate study information that was utilized in the budget. She also shared details on the anticipated project expenses from the City of Roseville for Regional Renewal Projects. She added that the District has discussed creating a new fund with the next rate study that would act as a rate stabilization account for Regional Renewal Projects, helping to ensure that the District has a dedicated reserve available for when capital project expenses are billed to the District. President Dickinson asked if the City of Roseville has the resources to complete the programmed projects as presented. ASM Costan and GM Neilsen shared that there are a lot of factors and challenges that impact project completion; however, the intent is that more of these necessary projects will be completed in the near term.

VP Mitchell shared that in reading the reports, it is clear that staff meet regularly with SPWA to talk about projects and shared interests. GM Neilsen added that staff has previously received direction from the Board to prioritize these meetings and be more engaged with project and funding decisions. Both District and SPWA staff have made considerable efforts to improve communication.

VP Mitchell asked about long-term projects occurring in the City of Rocklin, including the Del Rio/Del Mar Trunk Extension and the Monument Springs Bridge Project. ASM Costan shared that these projects are included in the Capital Expenditure Budget. ASM also highlighted some of the other major capital expenditures, including the replacement Vactor trunk, the 2nd Street Sewer Main Project, the Headquarters (HQ) property-line block wall, and the HQ Space Planning Project.

ASM Costan shared the investment balances, which are the same as those presented in the latest Quarterly Investment Report. She remarked on the cash account balance and how it was a point in time, but did not reflect larger payments to the City of Roseville or other outstanding accounts payable and receivable. The projected budget numbers, as ASM Costan shared, meet the District's current fund balance reserve requirements. The Sources and Uses Table showed the decreased depreciation transfer, which allows for an additional UAL payment.

President Dickinson and Director Arney commented that the 4% interest being earned on the fund balances versus the 6.8% interest the District is assessed on the UAL was the motivating factor in

making a large additional UAL payment. President Dickinson suggested that staff add \$50,000 to the professional services budget for a consultant to work on the Capacity Charges and the potential impact of changes to the service fees.

Director Faria asked about the timing of creating a new Reserve Fund for Regional Renewal Projects (Fund 200) and if it might be prudent to create the fund now, instead of waiting for the next rate study. President Dickinson asked for the reason as to why a consultant would be needed, and Director Faria commented on potentially utilizing a consultant to determine the initial funding. GM Nielsen shared that staff will explore the possibility of creating the fund sooner.

President Dickinson opened the public hearing; no public comment was received, and the public hearing was closed.

GM Nielsen noted that while one of the District's Strategic Goals is to pay down the UAL, performance and plan experience may change, resulting in future payments being required.

VP Mitchell motioned to direct staff to return on July 2, 2026, with a Final Budget Book for Fiscal Year 2026/27, a second was made by Director Jewell; a voice vote was taken, and the motion carried 5-0.

4. RESOLUTION 26-27 SECOND AMENDMENT TO THE GENERAL MANAGER EMPLOYMENT AGREEMENT

GC Brown introduced the second amendment to the General Manager's Employment Agreement. He explained that recent changes to the Benefits Resolution for Unrepresented Employees made portions of the agreement obsolete. The amendment updates the agreement to align with the revised Benefits Resolution, including provisions related to the Deferred Compensation Plan, District 401(a) match, and vacation accruals. He recommended that the next time the agreement is presented to the Board, it be fully amended and restated.

President Dickinson asked about the timing of bringing the contract back to the Board. GC Brown shared that in the ordinary course, there would be another amendment after the General Manager's evaluation, which could be a fully amended and restated agreement.

VP Mitchell confirmed that the General Manager is receiving 200 hours of paid vacation time.

No public comment was received.

Director Arney motioned to adopt Resolution 26-27 authorizing the Board President to sign the second amendment to the General Manager's Employment Agreement, a second was made by Director Faria; a roll call vote was taken and the motion carried 5-0.

5. SOUTH PLACER WASTEWATER AUTHORITY (SPWA) BOARD MEETING REPORT – DIRECTOR WILL DICKINSON

President Dickinson, the District's representative to the SPWA Board, reported on the June 3, 2026, SPWA Board meeting. Discussion included a capacity analysis of both wastewater treatment plants, which showed additional work is needed to maintain service levels as growth continues. Preliminary cost estimates also indicate higher-than-anticipated expenses, which he said may affect capacity charges. The SPWA Board also discussed EDU units, how they are calculated, and

how the partner agreements address them. President Dickinson said he and the General Manager are preparing a letter to SPWA staff on the District's behalf seeking clarification on the interpretation of the agreements. The goal is to better understand how the agreements will apply as the partners approach buildout and how that interpretation could affect rates, reserves, and debt service. Because of timing, the letter could not be brought before the Board before being sent, but the General Manager will provide it as an informational item at the next meeting. GM Nielsen added that the letter compiles questions the District has raised in various ways over time and is intended to obtain responses the District can rely on for future planning. President Dickinson also noted that SPWA is sending a separate letter requiring a written response, which will be included on the District's July Board meeting agenda.

VP Mitchell brought up the local work that the District is going to have to perform in the near future on its collection system, and making sure that money is available for both renewal and development projects. GM Nielsen spoke about projecting for development changes in the future.

VII. REPORTS

LEGAL COUNSEL (A. BROWN):

GC Brown shared that his report was covered in Board Item 6.4.

GENERAL MANAGER (E. NIELSEN):

President Dickinson asked about the Johnson Springview bridge construction with the City of Rocklin. DE Huff shared that meetings have been ongoing with the City of Rocklin to find a solution for the bridge that would not impact the District's facilities.

Vice President Mitchell asked about the multi-family development on Granite Drive. DE Huff provided details on the updates and extension of District facilities being done with the project.

Vice President Mitchell asked about the development at the new Nugget shopping center and a local business that had issues with their grease control devices. DE Huff shared that they are satisfied with the work done at the new Nugget shopping center and that the referenced business is currently in compliance.

VIII. DIRECTOR'S COMMENTS

Director Faria commended staff on 9.7 years without a Lost-Time Accident.

IX. ADJOURNMENT

The President adjourned the meeting at 5:42 p.m. to the next regular meeting to be held on July 2, 2026, at 4:30 p.m.



Emilie Costan, Board Secretary