

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

<b>Meeting</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
Closed Session	Zoom Meeting	May 7, 2020	3:45 p.m.
Regular	Zoom Meeting	May 7, 2020	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 Murdock presiding at 4:36 p.m.

**II. ROLL CALL OF DIRECTORS:**

Present: President John Murdock, Vice President Will Dickinson, Director Jim Williams, Director Vic Markey, Director Jerry Mitchell

Absent: None

Vacant: None

Staff: Adam Brown, Legal Counsel  
Herb Niederberger, General Manager  
Carie Huff, District Engineer  
Eric Nielsen, Assistant Superintendent  
Sam Rose, District Superintendent  
Emilie Costan, Administrative Services Manager

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

**IV. CLOSED SESSION READOUT:**

The Board met in closed session at 3:55 p.m. to hear a report from the General Manager concerning negotiations with District employees regarding MOU proposals. The Board directed the General Manager to bring a draft MOU to the Board for consideration at the June 4<sup>th</sup> Board Meeting.

Public Comments: None

The Board adjourned the closed session at 4:26 p.m.

**V. CONSENT ITEMS:**

1. MINUTES from the April 2, 2020 Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$1,922,477.48 through April 26, 2020.
3. QUARTERLY INVESTMENT REPORT in the total amount of \$63,046,986 through March 31, 2020
4. BILL OF SALE FOR SEWER IMPROVEMENTS WITHIN LOS CERROS PHASE 1 – at an estimated value of \$1,806,716.

5. BILL OF SALE FOR SEWER IMPROVEMENTS WITHIN VILLAGES AT CIVIC CENTER – at an estimated value of \$1,232,457.
6. RESOLUTION 20-12 ADDENDUM TO THE PROFESSIONAL SERVICES AGREEMENT WITH MANN, URRUTIA, NELSON, CPAS to extend Auditing Services through Fiscal Year 21/22.

Staff requested that consent item 3 be pulled for additional discussion.

Public Comment: None

Director Williams made a motion to approve consent items 1, 2, 4, 5, and 6; a second was made by Vice President Dickinson; a roll call vote was taken, and the motion carried 5-0.

GM Niederberger shared that in accordance with Resolution 18-15, staff transferred nine million dollars previously held in the Wells Fargo Money Market account equally between the Local Agency Investment Fund (LAIF) and the Placer County Treasury Pool.

Vice President Dickinson asked whether the average yield to maturity in Attachment 1 is a weighted average. ASM Costan replied that it is a weighted number. Vice President Dickinson asked whether the performance values in the Historical Performance table are annualized. ASM Costan replied that these values are not calculated by staff and are taken directly from the performance reports of each investment pool.

Public Comment: None

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

## **VI. PUBLIC COMMENTS:**

President Murdock opened the meeting for public comments. ASM Costan confirmed that no eComments were received. Hearing no other comments, the public comments session was closed.

## **VII. BOARD BUSINESS**

### **1. RESOLUTION 20-13 COMMENDING HENRY LORTON, TSD INSPECTOR FOR HIS YEARS OF SERVICE WITH THE DISTRICT**

President Murdock read the Resolution commending Technical Services Department Inspector, Henry Lorton who is retiring from the District after twenty-two years of service.

Public Comment: None

Vice President Dickinson made a motion to adopt Resolution 20-13 Commending Henry Lorton; a second was made by Director Williams; a roll call vote was taken, and the motion carried 5-0.

**2. RESOLUTION 20-14 COMMENDING SAM ROSE, SUPERINTENDENT FOR HIS YEARS OF SERVICE WITH THE DISTRICT**

President Murdock read the Resolution commending District Superintendent, Sam Rose who is retiring from the District after thirty-four years of service.

Public Comment: None

Director Williams made a motion to adopt Resolution 20-14 Commending Sam Rose; a second was made by Director Mitchell; a roll call vote was taken, and the motion carried 5-0.

**3. RESOLUTION 20-15 APPROVING A DEFERRED ACTION AND REFUND AGREEMENT WITH THE NEWCASTLE FIRE DISTRICT**

DE Huff reported to the Board on the Deferred Action and Refund Agreement with Newcastle Fire District. The agreement allows deferment of damaged pipe replacement to coincide with proposed site improvements and SPMUD financial participation of one-third of the public sewer service improvements up to \$100,000. Construction of the improvements directly benefits the District as the existing pipe was substandard and difficult to access. The agreement was approved by the Newcastle Fire Protection District at their March 15<sup>th</sup> Board meeting.

ASM Costan read an eComment from Sue Stack submitted on March 31, 2020, "I would like to make a comment as if I were participating in your Thursday meeting. The essence of the comment is that the Newcastle fire district made the choice not to fully comply with CEQA when it planned its fire station and could have avoided the current problem of relocating the sewer if it had embraced the CEQA concept of early consultation. I don't believe the general public should subsidize the sewer work that is going to be required if Newcastle fire does ever build the building. Your agency is a "responsible agency" and should consider what message you send when you allow other agencies to circumvent CEQA."

President Murdock asked staff how Newcastle Fire District defaulted on CEQA. DE Huff shared that this is outside of our jurisdiction. South Placer Municipal Utility District is not the responsible agency regarding the development of the site. President Murdock asked for more information on the damage to the pipeline and the size of the pipe. DE Huff responded the pipe is deformed to the point that the District cannot get a camera into the pipe to visually inspect it. It is a 4-inch pipe.

Vice President Dickinson asked for confirmation that the District believes that we are getting sufficient value from our capital investment. DE Huff responded that the District budgets up to \$200,000 per year for these types of access and construction standard improvements in Newcastle.

Public Comment: Lawrence Bettencourt, Newcastle Fire Protection District Board Member, shared that he appreciates the District's help in bringing forth these improvements. He shared that there are a lot of improvements along the street frontage that will also benefit the local businesses.

Vice President Dickinson made a motion to adopt Resolution 20-15 Approving a Deferred Action and Refund Agreement with the Newcastle Fire District; a second was made by Director Mitchell; a roll call vote was taken, and the motion carried 5-0.

#### **4. COVID-19 PANDEMIC ILLNESS**

GM Niederberger provided an update on District operations in response to the COVID-19 Outbreak. The State of California has moved to Stage 2; however, this will not have a significant impact on District operations, as the District continues to work under the State's COVID-19 guidance document for Energy and Utilities and the Checklist for Utility Operators. In addition to the Pandemic Workforce Continuity Plan brought before the board last month, the District has closed the public counter, implemented social distancing, staggered the workforce, implemented telecommuting, waived late fees, increased PPE, and moved to remote consultant services.

At the April 2<sup>nd</sup> Board meeting, there was a request for the District to look at ways to provide relief to businesses closed by COVID-19. The GM stated that overall flows have not decreased during COVID-19; the reduced flows from closed commercial businesses has been taken up by residential users sheltering in place. GM Niederberger discussed a potential expansion of the Commercial Unoccupied Use Program that would provide relief to businesses closed due to COVID-19. This would change the business closure time to be eligible for a reduced rate of 1/3 EDU per 1000 square feet from 3 months to one month and allow the credit to be applied to a future bill.

Vice President Dickinson shared that he appreciated staff's work to come up with a strategy to provide relief for the impacted business community.

Director Williams asked whether staff had received inquiries from the public regarding relief on their sewer bill. GM Niederberger responded that there have not been any direct inquiries from businesses closed due to COVID-19; however, there have been indirect inquiries about what the District is doing in response to COVID-19. Most of these inquiries are from customers who received delinquency notices and were past due on their billing before COVID-19. Director Williams stated that his recommendation would be to wait to expand the program.

Director Markey responded that he agrees with the comments made by Director Williams.

Director Mitchell asked about the need for this expansion in light of California's move to Stage 2. GM Niederberger responded that many businesses will still be closed due to COVID-19 under Stage 2. Director Mitchell stated that he would like to wait for the situation to play out longer to see how the phases progress.

President Murdock stated that he also believes the item should be tabled to a future date.

The Board recommended that the expansion of the Commercial Unoccupied Use Program be continued to the June 4<sup>th</sup> Board Meeting.

#### **VIII. REPORTS**

1. **District General Counsel (A. Brown):** None
2. **General Manager (H. Niederberger):**
  - A. **ASD, FSD & TSD Reports:**

GM Niederberger shared Foothill Trunk project activity related to tree removal and artifacts found at the site. He asked DE Huff to provide an update on the Foothill Trunk project and the work with the United Auburn Indian Community (UAIC) on the cultural artifacts. DE Huff shared that there are ongoing discussions and potential project impacts from the requests made by UAIC. Some of the potential impacts include project delays, finding a location onsite to sensitively reintern cultural items, and the cost of the onsite monitors.

President Murdock asked about the tree removal status. DE Huff shared that the District followed the permit process with the City of Rocklin; however, due to delays in the start of construction and changes in residency, there were misunderstandings related to the necessity of the tree removal. The District has been communicating the impact of the trees on the sewer and pipeline access.

Director Markey asked how far the artifacts are from the pipe. DE Huff shared that UAIC has designated this entire area in Rocklin as culturally significant. This potentially elevates the finds on site beyond the requirements in the District's Army Corp of Engineers permit. Director Markey stated that he supports efforts to preserve the area and being sensitive to the issues. DE Huff shared that the pipeline project is a "remove and replace" project, so this ground has previously been disturbed. The District is working with UAIC on mitigation measures.

Director Mitchell asked about the peak on April 5<sup>th</sup> in the Water Level Above Bottom graph in the TSD report. DE Huff responded that this was due to a rain event.

GM Niederberger shared that the District has received a protest regarding connection fees for multi-family users. The District's multi-family fees are consistent with those assessed by SPWA partners. GM Niederberger will be working with General Counsel Brown on a response.

Vice President Dickinson shared his desire for the Foothill Trunk project to move forward expeditiously, limiting additional expenses to the District. He shared that he believes the District should ensure compliance with the law and avoid unnecessary work at the expense of the District.

Superintendent Rose congratulated Henry Lorton on his retirement and thanked him for his reliability and service to the District. Sam thanked the Board for providing for the District employees. He also thanked his co-workers and shared that he believes the District is in great hands moving forward.

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

## **IX. ADDITIONAL PUBLIC COMMENTS**

President Murdock re-opened the meeting for public comments. ASM Costan confirmed that no eComments were received. Hearing no other comments, the public comments session was closed.

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

Director Williams congratulated the retirees.

Vice President Dickinson shared that he enjoyed working with Sam who has been a great asset to the District.

Director Mitchell shared information on the South Placer Wastewater Authority (SPWA) bonds. There was a ripple in the market that allowed the bond sale to proceed and eliminate the swap with a 2.07% interest rate. GM Niederberger added that the sale resulted in a net positive savings of over three quarters of a million dollars for the Authority.

President Murdock thanked Sam and Henry for their years of service.

**X. ADJOURNMENT**

The President adjourned the meeting at 5:39 p.m. to the next regular meeting to be held on June 4, 2020 at 4:30 p.m.



Emilie Costan, Board Secretary