

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

<b>Meeting</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
Special	SPMUD Boardroom Zoom Meeting	January 9, 2025	4:30 p.m.

**I. CALL MEETING TO ORDER:** A Special Meeting of the South Placer Municipal Utility District Board of Directors was called to order with Vice President Jewell presiding at 4:30 p.m.

**II. ISSUANCE OF OATH OF OFFICE**

ASM Costan issued the Oath of Office for Director Jerry Mitchell of Ward 1, Director Chris M. Faria of Ward 4, and Director Jack Arney of Ward 5.

**III. 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  
Chad Stites, District Superintendent  
Emilie Costan, Administrative Services Manager

**IV. PLEDGE OF ALLEGIANCE:** Director Faria led the Pledge of Allegiance.

**V. PUBLIC COMMENTS:**

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

**VI. CONSENT ITEMS:**

1. MINUTES from the December 5, 2024, Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$676,051 through December 30, 2024.
3. BILL OF SALE Acceptance of the Bill of Sale for Sewer Improvements for Whitney Ranch Unit #49 with an estimated value of \$1,697,871

No public comments were received.

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

## **VII. BOARD BUSINESS**

### **1. SELECTION OF OFFICERS AND APPOINTMENTS TO THE TEMPORARY ADVISORY COMMITTEES AND SPWA BOARD**

Vice President Jewell succeeded as the new Board President for 2025 in accordance with Board Policy 4055, Selection of Officers. No public comments were received.

Director Mitchell made a motion to nominate Director Dickinson to serve as Vice President, a second was made by President Jewell, a voice vote was taken, and the motion carried 5-0.

President Jewell dissolved the existing advisory committees, created new temporary advisory committees, and appointed Directors to serve as follows:

Fee & Finance Committee: Director Dickinson & Director Arney  
Personnel Advisory Committee: Director Arney & Director Jewell  
Policy & Ordinance Advisory Committee: Director Faria & Director Mitchell  
Infrastructure Advisory Committee: Director Dickinson & Director Faria  
Loomis 2 x 2 Committee: Director Faria & Director Arney  
Rocklin 2 x 2 Committee: President Jewell & Director Mitchell

President Jewell appointed Vice President Dickinson as District representative to the South Placer Wastewater Authority Board of Directors with President Jewell serving as alternate.

### **2. BROWN ACT WORKSHOP**

GC Brown conducted a workshop on the Ralph M. Brown Act, the open meeting law in California. He discussed the requirements and obligations of being a board member under the Brown Act. He emphasized the importance of transparency and avoiding closed-door discussions or deliberations. GC Brown clarified that board members can discuss matters with staff or constituents so long as the matter is not related to a closed session item. Board members can also discuss matters with one other board member as commonly occurs at temporary advisory committee meetings. All other discussions with board members must be held at a public meeting. GC Brown gave an overview of the structure of the District, sharing that the Board is responsible for setting policy, the General Manager is responsible for day-to-day operations, and he serves the Board as General Counsel. He encouraged the board members to review the detailed materials provided and to reach out to him if they have any questions.

Vice President Dickinson asked for GC Brown to review the rules regarding serial meetings. GC Brown shared that serial meetings are prohibited by the Brown Act and provided examples of the two main types of serial meetings, the “game of telephone” and the “hub and spoke” meeting.

GM Nielsen commented that these rules pertain to all types of communication including emails and text messages. He shared that staff typically blind copies board members on emails to prevent inadvertent Brown Act violations. No public comments were received.

### **3. POPULAR ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

ASM Costan presented the Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2024. She shared that the report is designed for the District's constituents and is presented in an

easy-to-read format that makes the District's financial data easily digestible for the public. The report highlights the District's mission, vision, and values, strategic plan priorities, low monthly service rate, capital projects, and financial performance. The report was circulated to the District's customers and submitted to the Government Finance Officers Association (GFOA) for consideration of the PAFR award.

Director Mitchell asked about the timing of the issuance of the report. ASM Costan shared that the report is required to be submitted no later than six months after the end of the fiscal year. Vice President Dickinson provided suggested edits to the text on page 14 of the report that reads, "Capital Replacement and Rehabilitation projects are funded by accumulated depreciation." He commented that it would be more transparent to note that the projects are funded by contributions from the Operating Fund and in accordance with Board Policy 3251, Recordation of Assets for Depreciation Purposes, as the accumulated depreciation is not a funding source and the transfer has been shown to be insufficient over time with the District currently transferring 115% of the accumulated depreciation to fund these projects. He also asked for the District's balance in the South Placer Wastewater Authority Rate Stabilization account to be included in the report.

Director Faria commented that he appreciated the design of the report and found the report helpful in presenting the District's financial information. President Jewell commented that there will be an upcoming board workshop on the three funding mechanisms, their purpose, and how they are being utilized. No public comments were received.

Vice President Dickinson made a motion to receive and file the Fiscal Year 2023/24 Popular Annual Financial Report; a second was made by President Jewell; a voice vote was taken, and the motion carried 5-0.

#### **4. GENERAL MANAGER GOALS FOR 2025**

GM Nielsen presented the General Manager's Goals for 2025, which include completing the onboarding of the new District Superintendent, negotiating and restructuring the billing for Sierra College, updating the Sewer System Management Plan, obtaining the GFOA Triple Crown Award, and completing the amended and restated memorandum of understanding with employee groups.

President Jewell asked about the regularity of the employee MOUs. GM Nielsen shared that the MOUs typically cover a period of three years; however, the last MOU covered a two-year period. The shorter duration of the last MOU was a result of inflation and uncertain market conditions. Director Mitchell asked about the SCADA Systems Improvement Project, and GM Nielsen commented that the project will be one of the new Superintendent's goals. Vice President Dickinson asked about projects that will be completed in 2025. GM Nielsen shared that the Department Managers are still preparing their 2025 goals. He asked that the discussion on projects be part of the mid-year budget discussion at the February board meeting.

Director Mitchell commented on issues with grandfathered ten-foot easements throughout the District. He asked for a detailed easement layer on the public-facing web map. He highlighted the need for better visibility for future projects and the potential impact on the District's finances. GM Nielsen shared that there is an easement layer in the web map that staff will explore adding to the public-facing web map. He shared that one of the strategic plan work plan items is to develop a Tactical Asset Management Plan which will estimate the cost to replace all the District's sewer including the added

cost associated with replacing sewers in ten-foot easements. No public comments were received. The board agreed to the General Manager's goals for 2025, with the understanding that additional goals could be added in the future.

Director Mitchell made a motion to approve the General Manager's goals for calendar year 2025; a second was made by Director Faria; a voice vote was taken, and the motion carried 5-0.

## **5. MONTHLY SERVICE CHARGES AND CAPACITY CHARGES FOR WASTEWATER COLLECTION AND TREATMENT AT THE SIERRA COLLEGE ROCKLIN CAMPUS**

GM Nielsen presented an update on the ongoing discussions with Sierra College regarding the monthly service charges and capacity charges for wastewater collection and treatment at the Sierra College campus. He shared that the District had an audit finding in 2024 regarding the unusual billing practices for the College and Del Oro High School. Staff met with the Placer Union High School District regarding Del Oro and entered into a new agreement in July of 2024 that moved Del Oro to the District's standard billing and fee structures in accordance with the District Sewer Code. GM Nielsen explained the difference between the monthly service charges and capacity charges. He shared that the College has consistently paid the monthly service charge based on water use, but the method for determining this charge is outdated and not in line with the District's standard billing practices. He shared that the college has not paid capacity charges since 1989. The District has met with the College several times over the last year and is currently in the process of scheduling a meeting to review the capacity calculations based on information that needs to be provided by the College with the goal of reaching a mutually acceptable agreement that addresses the audit finding and the outstanding charges.

Director Mitchell asked if there would be a new agreement with the College. GC Brown shared that over the last year, a draft agreement has been exchanged between the parties with the goal of a new agreement that collects what is past due and simplifies the process moving forward. Director Arney asked if the past due balance is a result of calculations and recordkeeping by the College or the District. GM Nielsen shared that the numbers (i.e., average daily attendance and dorm residents) used to calculate the capacity charge are numbers used by the College that they are required to provide to the District per the existing agreement, but the District has not received them. Vice President Dickinson asked for a Fee and Finance Advisory Committee meeting to discuss the item further. No public comments were received.

## **VIII. REPORTS**

### **1. District General Counsel (A. Brown):**

General Counsel Brown shared that the dismissal in the Taylor litigation has been entered by the Court, and the District has been dismissed from the matter at no cost to the District.

### **2. General Manager (H. Niederberger):**

#### **A. ASD, FSD & TSD Reports:**

Director Mitchell asked for additional information on the status of the easements for the Northwest Rocklin Sewer Annexation Construction Project. He asked questions about the projects that are and are not being allowed to connect due to the outstanding easement issue with the City of Rocklin. He commented that these are proposed businesses that will provide revenue for the City and the issue

needs to be resolved. The Board discussed the ongoing issue of securing easements from the City. The project was completed in 2022 but cannot be accepted by the District until all provisions of the agreement between the District and the City are fulfilled. While some previously approved development projects can proceed, no new development projects upstream of the Northwest Rocklin Sewer Annexation Construction Project will be approved until the easements are obtained. Director Mitchell asked for a Rocklin 2x2 meeting to discuss the matter further. Vice President Dickinson shared concern about the District being blamed for delaying development without acknowledgment of the City's failure to provide the required easements. The Board considered how to escalate the matter with City officials to resolve this bottleneck impacting future development. President Jewell asked that a Rocklin 2x2 meeting be scheduled in the next two to three weeks, and GC Brown offered that he would reach out to the Rocklin City Attorney.

Vice President Dickinson asked for an Infrastructure Advisory Committee meeting to discuss the Castle City Mobile Home Park project. Director Mitchell highlighted the installation of new hydro-mechanical grease control devices at Maverik Gas Station and Dutch Bros.

**B. Information Items:**

GM Nielsen congratulated Chad Stites for his promotion to District Superintendent and shared information on the experience that he brings to the position.

**3. Director's Comments:**

Director Faria and Director Arney shared comments regarding their new positions on the Board and expressed their gratitude for the opportunity to serve. Vice President Dickinson commented that while past board continuity has served the District well, he appreciates having new perspectives and welcomed the new board members.

President Jewell shared that she attended the swearing-in of Supervisor Anthony DeMattei who will be the Supervisor at the county level representing the District.

**IX. ADJOURNMENT**

The President adjourned the meeting at 5:46 p.m. to the next regular meeting to be held on February 6, 2025, at 4:30 p.m.



Emilie Costan, Board Secretary