

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

Meeting	Location	Date	Time
Regular	SPMUD Boardroom Zoom Meeting	June 6, 2024	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 Vice President Jewell presiding at 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

Present: Director Jerry Mitchell, Director Will Dickinson, Director Christy Jewell, Director Jim Williams

Absent: Director James Durfee

Vacant: None

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

III. PLEDGE OF ALLEGIANCE: Director Dickinson 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 May 2, 2024, Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$545,700 through May 27, 2024.
3. BILL OF SALE Acceptance of the Bill of Sale for Sewer Improvements for the Loomis Costco with an estimated value of \$32,421.
4. RESOLUTION 24-11 AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH UNIVERSAL BUILDING SERVICES FOR JANITORIAL SERVICES

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

VI. BOARD BUSINESS

1. PUBLIC HEARING: RESOLUTION 24-12 TO COLLECT DELINQUENT SERVICE CHARGES FOR SOUTH PLACER MUNICIPAL UTILITY DISTRICT ON THE PLACER COUNTY TAX ROLLS FOR TAX YEAR 2024

ASM Costan presented the Public Hearing to collect delinquent charges for the tax year 2024. She shared that each year the District holds a public hearing prior to assigning delinquent charges to the Placer County Tax Rolls. At the time of the meeting, there were 1,192 accounts with a total outstanding balance of \$490,546.

Director Mitchell asked why the number of delinquencies and the outstanding balance continues to increase. ASM Costan shared that as the number of accounts grows that increases the likelihood that a higher number of accounts will be delinquent. Additionally, over the last few years, the District has started to assign additional participation charges that are delinquent and those tend to be larger dollar amounts.

Director Dickinson asked what the penalty is on the assigned amounts, and ASM Costan shared that it is a ten percent penalty. Director Dickinson added that the penalty encourages customers to pay on time instead of allowing their charges to roll to their property tax bill annually.

The Public Hearing was opened to receive comments from the public on this item. No public comments were received.

Director Dickinson made a motion to approve Resolution 24-12 requesting that Placer County Collect Delinquent Service Charges for the District on the Placer County Tax Roll for Tax Year 2024; a second was made by Director Mitchell; a roll call vote was taken, and the motion carried 4-0.

2. RESOLUTION 24-13 REVISING THE JOB DESCRIPTION FOR ADMINISTRATIVE SERVICES ASSISTANT I/II/III AND CREATING JOB DESCRIPTIONS FOR ADMINISTRATIVE SERVICES SPECIALIST AND MANAGEMENT ANALYST I/II

ASM Costan presented the revised job descriptions for the Administrative Services Department (ASD). She shared the current job descriptions, the job descriptions being proposed, and that staff believes that the proposed revisions will provide greater flexibility, the ability to more closely match the required job duties to the available positions, and improve recruitment, retention, and succession planning. ASM Costan provided information on the timing of the changes, why the changes are being proposed now, and the positions that will be budgeted for next fiscal year. Finally, she shared the outreach process which included meeting with ASD employees, the employee association, and the personnel advisory committee. Employee recommendations were incorporated into the proposed job descriptions.

Director Mitchell asked for additional clarification on how the Administrative Services Assistant (ASA) I/II/III position is changing. ASM Costan shared that the biggest difference is that an ASA

It would no longer flex to an ASA III based on time in the position. They would apply and be promoted to an open Specialist or Management Analyst position. Director Mitchell also asked about the physical demand requirements for the positions. ASM Costan shared that all job applicants are required to complete a pre-employment physical at the time of hire and depending on the position they may be required to complete physical demands testing.

Director Williams asked for clarification that the current ASA III position is the highest in the flexible series, and ASM Costan confirmed that it is. She added that the ASA III or proposed Specialist is considered a journey-level position that can work independently on more complex assignments. Director Dickinson shared support for the proposed changes.

Vice President Jewell asked if there are other positions in the District that are exempt and if they receive Administrative Time Off. ASM Costan shared that the Management Analyst would be the only non-management position that is an exempt classification. She shared that as new positions are added they can be analyzed to see if they should also be included in the management support group. Director Dickinson thanked staff for their work on this item.

Director Williams made a motion to approve Resolution 24-13 revising the job description for Administrative Services Assistant I/II/III and creating a job description for Administrative Services Specialist and Management Analyst I/II for use by the District; a second was made by Director Dickinson; a roll call vote was taken, and the motion carried 4-0.

3. FISCAL YEAR 2024/25 BUDGET WORKSHOP

ASM Costan presented the budget workshop, sharing the projected Revenue Budget which anticipates three hundred new connections, incorporates the rate adjustment, and forecasts a continuation of higher interest earnings due to the recent purchase of long-term fixed-income securities. Director Williams asked about the large increase in interest earnings in Fund 300. ASM Costan shared that in Fiscal Year 2021/22, the District was earning very little interest income on its investment accounts. The District is now earning over five percent interest on some accounts, combined with delayed projects due to the timing of development proposals that have limited spending from the fund, the balance of Fund 300 has grown to approximately \$34 million. GM Niederberger added that the Board's decision to move funds to newer accounts like California Class that are earning higher interest has benefited the District.

ASM Costan shared the proposed organization chart which includes the position changes that were discussed in the last board presentation. The budget also proposes hiring one limited-term Temporary Laborer and one part-time Student Intern. ASM Costan presented the proposed Operating Fund Expense Budget and shared information on rising insurance premiums, Other-Post Employment Benefit payments, Unfunded Liability Payments, and position vacancies. Director Mitchell asked about worker's compensation premiums increasing due to the number of claims when the District has 7.5 years without a loss time incident. ASM Costan shared that she recently provided feedback to the District's insurance provider about this as most of the claims last year were very minor in nature and allowed the employee to immediately return to work. Director Dickinson asked about modified duty, and DS Nielsen shared that modified duty has primarily

been used to accommodate non-work-related injuries. ASM Costan shared that staff is investigating other insurance options to reduce costs including other providers, larger deductibles, and self-insuring. She added that she spoke with the current insurance provider and was able to exclude money paid for wastewater treatment from the reported operating expenses which should result in some cost saving to the property and liability premiums for next year, but those numbers aren't available yet.

ASM Costan provided information on the proposed service and supply expenditures which include two large Newcastle projects, updated modeling for the 2025 SECAP, a Fleet Conversion Master Plan, easement maintenance, a Labor Negotiator, and the General Manager recruitment. Director Dickinson asked about the Newcastle projects being funded from Fund 100 instead of from Fund 400. ASM Costan shared that the projects were not originally included in the District's fixed asset schedule and therefore no depreciation was collected into Fund 400 to replace those assets. GM Niederberger shared that the bulk of the Newcastle assets came to the District from the Newcastle Sanitary District and there was no transfer of funds for replacement. The District has been paying for these projects on a pay-go basis out of Fund 100. Vice President Jewell asked about the Tools & Equipment line item that hasn't had expenses in prior years. DS Nielsen shared that some of the line items were reorganized this year to improve tracking, and this is a new line item. These purchases were previously grouped into Operating Supplies and Maintenance.

ASM Costan provided information on the \$2.2 million true-up for wastewater expense that was paid in Fiscal Year 2022/23 and applied against estimated payments due in Fiscal Year 2023/24. She shared that the District received a large estimated annual payment from the City of Roseville for Fiscal Year 2024/25 of \$13.12 million, an increase of over \$5 million from the payments made in Fiscal Year 2023/24. The methodology that is currently being used by Roseville to calculate the estimated payments is resulting in large true-up credits. Staff is recommending making quarterly estimated payments based on the numbers used in the Rate and Cost of Service Study which used the historical true-up payment amounts and applied an inflationary factor. Director Mitchell asked if this plan had been communicated to the City of Roseville. GM Niederberger shared that he will be reaching out to the City to discuss the planned R & R projects and the adjusted quarterly payment amounts. Director Mitchell also asked about the revenues from the cogeneration project and if the District was seeing cost savings. GM Niederberger shared that this should be reflected in the SPWA revenue numbers that offset expenses; however, the District hasn't seen a notable change yet. Director Williams added that the City of Roseville has a process for charging other departments. Some of the gas generated from the project is used in plant operations for the digesters and microturbines and the rest is used in the solid waste trucks.

ASM Costan presented the Capital Expense Budget and shared that some of the proposed spending is carried over from the prior year. Large projects include SCADA implementation, trunkline extensions, and the Old State Hwy Project in Newcastle which is being budgeted over the next two fiscal years. Director Dickinson asked about the cost of the SCADA Replacement Project, and DS Nielsen shared that the project cost was reduced from \$6.2 million to \$3.8 million by working with the consultant during the final design. ASM Costan shared that the largest capital expenses being proposed are developer trunkline extensions and those are projects where the District has little control over the timeline.

Finally, ASM Costan reviewed the District's investment portfolio, reserve requirements, and fund balances. The final Fiscal Year 2024/25 Budget Workbook will be brought back to the Board for adoption at the June 27, 2024, Board Meeting.

The Board Vice President opened public comment, and no public comments were received.

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 the District was recently awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the fifth consecutive year. He congratulated staff for a job well done. GM Niederberger also shared that he will be attending the CSDA Annual Conference at the end of the month and plans to share information about the GM recruitment during his attendance.

Director Dickinson asked if the staff learned anything about insurance trends from the presentation by the California Insurance Commissioner's Office at the Government Relations Committee meeting. GM Niederberger shared that the insurance issues at the District are also impacting the other public agencies in the region. ASM Costan added that there is a proposal that the State is hoping to have approved by the end of the year that will allow insurance companies to model climate change into their rate design. The change should bring more insurers back to California.

Director Mitchell asked for an update on the school agreements with Del Oro and Sierra College, and GM Niederberger shared that everyone has been very agreeable. He added that the agreements propose phasing in EDU increases as the schools are transitioned to standard billing in accordance with the Sewer Code. Director Mitchell asked for an update on the Sierra Joint Partners Subdivision. GM Niederberger shared the District entered into an out-of-area service agreement in 2017 for this subdivision which serves four customers due to the property being in the District's sphere of influence. The properties would connect to the City of Lincoln's system and the District would pay the City of Lincoln for treatment. The City of Lincoln's fees and billing structure have changed substantially since the time of the agreement, and the agreement no longer works as written. The topography and distance do not lend themselves to the District ever providing service to this area and service by the City of Lincoln is more sensible. DE Huff shared that an analysis will be included in the upcoming Municipal Service Review (MSR) with LAFCO.

Director Dickinson asked for staff to provide a measure in the monthly department reports on the number of workplace injuries that did not result in a loss time incident. Director Dickinson also asked about the Brewery Study findings and which breweries were issued a warning of non-compliance. DE Huff shared that testing was performed at all breweries and letters were sent to four of the breweries. Those businesses were asked to provide a plan to address the unique findings

at their location. The most common issues observed can predominately be addressed by pre-treatment solutions and best management practices and will have a large impact on the collection system.

Director Mitchell asked about the timing of the Monument Springs Bridge Project. DE Huff commented that there are a lot of environmental and archaeological components to the project which will likely result in the project taking at least a couple of years to complete. The City of Rocklin is trying to fast-track the project so development can occur. The District will be entering into a refund agreement with the City so that as each new property connects, the City will be repaid for the cost of the sewer improvements. The required easements will be included in the development agreements.

Director Dickinson commented that the District has a lot of projects currently in various stages and it would be helpful to have a tour of the project sites. GM Niederberger suggested having an Infrastructure Advisory Committee meeting and tour.

GM Niederberger shared that there is a new California Attorney General opinion that State of the City Addresses and similar events could be considered public meetings under the Brown Act that needs to be agendaized if a majority of the Board attends. GC Brown clarified that this is an Attorney General opinion and not a court case ruling.

B. Information Items:

There were no informational items.

3. Director's Comments:

Vice President Jewell shared that she will also be in attendance at the CSDA General Manager Conference.

VIII. ADJOURNMENT

The President adjourned the meeting at 5:47 p.m. to the next regular meeting to be held on June 27, 2024, at 4:30 p.m.



Emilie Costan, Board Secretary