

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

<b>Meeting</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
Regular	District Office	February 6, 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 4:30 p.m.

**II. ROLL CALL OF DIRECTORS:**

Present: John Murdock, Jim Williams, Vic Markey, Will Dickinson, 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. CONSENT ITEMS:**

1. MINUTES from January 9, 2020 Special Meeting.
2. ACCOUNTS PAYABLE in the amount of \$655,794.57 through January 29, 2020.
3. QUARTERLY INVESTMENT REPORT in the total amount of \$62,220,466 through December 31, 2019.
4. ADOPTION of Resolution 20-05 Disposal of Surplus District Items, declaring certain office equipment surplus and ready for auction.

GM Niederberger highlighted the new format of the Investment Report. Director Williams commented that he would prefer that the line graph be changed to a table. Director Markey made a motion to approve the consent items; a second was made by Director Williams; a roll call vote was taken, and the motion carried 5-0.

**V. PUBLIC COMMENTS:**

President Murdock opened the meeting for public comments. Hearing no comments, the public comments session was closed.

**VI. BOARD BUSINESS**

1. **RESOLUTION 20-06 ACCEPTING THE SYSTEM EVALUATION AND CAPACITY ASSURANCE PLAN (SECAP)**

AS Nielsen gave a combined presentation on Agenda Item 6.1 Resolution 20-06 Accepting the System Evaluation and Capacity Assurance Plan (SECAP) and Agenda Item 6.2 Resolution 20-07 Accepting the Nexus Study for the Sewer Participation Charge. AS Nielsen shared the objectives of the five-year SECAP update which evaluates the District's system capacity to ensure compliance, improve sustainability, and leverage investments in technology. The current update of the SECAP includes all District main line pipes in addition to the trunk lines. The system is evaluated based on existing, near-term, and long-term flows.

President Murdock asked about connections outside of the District boundary. AS Nielsen explained that there are a limited number of properties outside the District boundary that are connected to the District's system and similarly a limited number of properties within the District boundary that are connected to the Placer County system. There is an annual reconciliation with the County pertaining to these properties. AS Nielsen also clarified that there are a few other areas not included in the SECAP evaluation due to the fact they are built out and there are no capacity issues.

AS Nielsen explained that SECAP data helps determine projects that are needed for future growth. Once future improvements are identified through the system evaluation, projects costs are determined and allocated to Fund 300 Capital Expenditures and Fund 400 Repair and Replacement. Vice President Dickinson asked if the age of the pipe was considered in determining the allocation between Funds 300 and 400. AS Nielsen stated that the current model assumes that pipes are replaced and/or upsized as they age out of the system. Allocation to Fund 400 is new in this SECAP update.

Director Mitchell asked about the dates of the General Plans used. AS Nielsen responded that the General Plans used were the most current versions published by the various agencies. Any future updates will be incorporated into future SECAP evaluations.

AS Nielsen shared that project costs associated with the SECAP evaluation are used in the Nexus Study to determine the local sewer participation fee. A Nexus Study is required every five years in accordance with the Mitigation Fee Act. The eight-step plan-based fee methodology was used to set the fee, and it is updated annually per District Ordinance 17-03.

Director Mitchell asked if SPWA has been notified about our SECAP and Nexus Study. AS Nielsen responded that SPWA requested information from our SECAP to complete their system evaluation and is aware that we have been working on our SECAP and Nexus Study.

Director Williams and President Murdock commended staff for their effort. Director Mitchell asked if we own the software used to create the SECAP. AS Nielsen responded that we own the software. Vice President Dickinson made a motion to adopt Resolution 20-06; a second was made by Director Williams; a roll call vote was taken, and the motion carried 5-0.

## **2. RESOLUTION 20-07 ACCEPTING THE NEXUS STUDY FOR THE SEWER PARTICIPATION CHARGE**

AS Nielsen presented this item in conjunction with Item 6.1.

Vice President Dickinson had questions on the fee methodology used in the Nexus Study. AS Nielsen responded that due to the way the District calculated the fee based on EDUs, the land use determination was a duplicative step. GM Niederberger further clarified that because the District calculates based on EDU, some of the calculations in the eight-step method don't result in a change to the fee calculation.

Vice President Dickinson asked about the lower bound wording on Page 14. AS Nielsen responded that the language is included in error as a carryover from the previous Nexus Study.

Director Williams made a motion to adopt Resolution 20-07 with the removal of the lower bound language on page 14; a second was made by Director Mitchell; a roll call vote was taken, and the motion carried 5-0.

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

Director Mitchell provided a summary of the recent SPWA Board Meeting where there was a discussion regarding restructuring the current bond debt. He shared the three options that were presented to the SPWA Board: (1) extend the current rate (2) restructure a portion of the debt to fixed rate (3) restructure the entire amount to fixed rate. Director Mitchell asked for Board feedback. He explained that moving to a fixed rate bond structure will ensure that there are no unanticipated market fluctuations that negatively impact future rates. Vice President Dickinson asked about the estimated projections of option 2 versus option 3. GM Niederberger explained how the variable rate bond structure based on LIBOR is subject to market conditions and the interest rates are currently favorable to moving away from a variable rate bond structure. Director Williams comments that the LIBOR is subject to world economic trends. Director Mitchell stated that while the current variable rate bonds served SPWA well; fixed rates will better position the Authority for future expansion. Board consensus was favorable to option 3.

## **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:** There were no additions to the managers' reports.
  - B. **Information Items:** No additional items.
3. **Director's Comments:**

Director Williams commented that he is impressed with the sophistication of District reports.

Director Markey asked AS Nielsen where he sees growth coming from. AS Nielsen shared several projects including Whitney Ranch, commercial development along Highway 65, western Rocklin residential, Sierra College, and Loomis.

Vice President Dickinson shared feedback on the Harassment Training he attended.

Director Mitchell shared his concerns regarding easements and joint use with other agencies. He shared that he attended a meeting with District staff and the City of Rocklin on this topic. Director Mitchell shared that he has safety concerns and asked that an assessment of the easement roads be brought back to the Board.

**VIII. ADJOURNMENT**

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



Emilie Costan, Board Secretary