

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

Meeting	Location	Date	Time
Regular	Zoom Meeting	February 4, 2021	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 Dickinson presiding at 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

Present: President Will Dickinson, Vice President Jerry Mitchell, Director John Murdock, Director James Durfee, Director Jim Williams

Absent: None

Vacant: None

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

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

IV. CONSENT ITEMS:

1. MINUTES from the January 7, 2021 Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$2,253,548 through January 25, 2021.
3. QUARTERLY INVESTMENT REPORT in the total amount of \$62,330,074 through December 31, 2020.
4. RESOLUTION 21-02 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A UTILITY AGREEMENT with the City of Rocklin for the Rocklin Road and Pacific Street Roundabout Project.
5. RESOLUTION 21-03 AUTHORIZING THE GENERAL MANAGER TO PURCHASE A CCTV VAN AND EQUIPMENT from Downtown Ford and U-Rock Utility Equipment, respectively, in the amount of \$170,461.88.
6. RESOLUTION 21-04 AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AGREEMENT FOR UNIFORM RENTAL AND FACILITY SERVICES with Cintas Corporation for an amount not to exceed \$75,000.00.
7. COVID-19 PANDEMIC UPDATE.

Director Murdock asked that Consent Item #4 be pulled for additional discussion.

Director Williams made a motion to approve consent items #1 thru #3 and #5 thru #7; a second was made by Director Durfee; a roll call vote was taken, and the motion carried 5-0.

DE Huff gave a brief presentation on the cooperative agreement with the City of Rocklin for the Rocklin Road and Pacific Street Roundabout Project. She shared that the location was chosen by the City of Rocklin. The District's infrastructure located in the project area was constructed in 1958 and requires routine maintenance. In order to capitalize on the project, the City has been working on an agreement with the District that meets the needs of both agencies. The agreement is a standard agreement that is used when federal funds are involved.

Director Murdock asked about added costs to the District from work performed by the City of Rocklin. DE Huff shared that federal funding cannot be used to pay for or adjust utilities. All lines in the project area will be removed and replaced and bypass is involved in the construction. Director Murdock asked about issues with granite or other obstacles and the estimated budget. DE Huff shared that the majority of the pipe is being placed in the same location and the actual footprint is being reduced. The project has a 10% contingency, and staff is hopeful that the bids will be competitive. Director Durfee asked about blanket authorization for change orders. GC Brown shared that the General Manager is able to approve change orders within his authority; however, the practice has been to bring all changes orders exceeding the 10% contingency back to the Board for construction projects. Vice President Mitchell asked about the potential for cost overruns and whether this project was included in the budget. DE Huff shared that there are sufficient funds at midyear to adequately cover the project expenses. Director Williams asked if the City of Rocklin will be providing traffic control. DE Huff shared that this is one of the benefits of the cooperative agreement; the District gets replacement pipe without expenses such as repaving and traffic control.

Director Williams made a motion to approve consent item #4; a second was made by Director Murdock; a roll call vote was taken, and the motion carried 5-0.

V. PUBLIC COMMENTS:

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

VI. BOARD BUSINESS

1. RESOLUTION 21-05 AMENDING RESOLUTION 20-22, AND APPROVAL OF MID-YEAR ADJUSTMENTS TO THE FISCAL YEAR 20/21 BUDGET

ASM Costan presented the proposed mid-year budget adjustments. The adjustments include an increase to the revenue budget of \$827,100 due to development related revenues that exceeded projections and the sale of surplus equipment. The adjustments also include a decrease to the General Fund Expenditure budget by \$221,938. These changes include an increase in Utility Billing and Banking Expense due to continued rise in credit card usage and an increase in Water Treatment Plant Rehab and Replacement expenses that is offset by a reduction in the Treatment Plant Maintenance and Operations expenses. Election Expenses, Professional Services, and Regulatory Fees are being decreased to align with actual and projected expenses. Additionally,

ASM Costan shared that the one-time \$3M CEPPT funding budgeted for in the current year has already earned a 9% return.

Director Williams asked whether the District's CEPPT fund could lose value. ASM Costan shared that while the fund may be able to lose market value, like other government investment vehicles, the fund has a primary goal of preservation of capital. President Dickinson asked why there was such a large change in the Regional Wastewater Treatment Plant costs. ASM Costan shared that the expenses in the budget were projections based on prior years and anticipated projects. The billing invoice was received from the City of Roseville in August. President Dickinson also asked why the Operations and Maintenance costs went down this year compared to last year. ASM Costan shared that she would provide this answer at the next Board meeting.

ASM Costan shared the adjustments to decrease the Capital Improvement budget by \$1,763,300. The changes include an increase for the purchase of an additional lateral camera and the final Rocklin 60 Phase 3 Reimbursement payment. The Los Flores Mainline Replacement, System Improvements, Newcastle Master Plan Improvements, Easement Inspection Equipment, and Corporation Yard Improvement budgets will all be decreased with the costs carried over to next fiscal year. ASM Costan shared that the total project costs for the Corporation Yard Improvements are projected to be \$3.32M.

Director Durfee made a motion to adopt Resolution 21-05 authorizing the proposed adjustments to the FY20/21 Budget; a second was made by Director Murdock; a roll call vote was taken, and the motion carried 5-0.

2. RESOLUTION 21-06 REVISING POLICIES #3140 CHECK PROCESSING POLICY, #3170 CREDIT CARD TRANSACTION CHARGES POLICY, AND #3310 RECORDS RETENTION POLICY

ASM Costan provided an overview of the three proposed policy revisions. The Check Processing Policy revision adds the District Engineer as a signatory, clarifies when the General Manager is required to sign checks, and adds language on invoice approval. The Credit Card Transaction Charges Policy applies a 2.5% convenience fee when a credit card or debit card is used to pay fees other than the monthly service charge. ASM Costan shared that the average cost to process a single credit card transaction on the current \$12,396 connection fee is \$310, and credit card usage for larger development fee transactions has been increasing. Placer County, the City of Roseville, and many other government agencies currently charge a convenience fee on credit card usage.

Director Murdock asked what percentage the other government agencies are charging. ASM Costan shared that the City of Roseville is charging 2.45%, Placer County is charging 2.25%, and the DMV is charging 2.1%. An agency that processes more transactions will likely receive a better rate from the credit card processing merchant. The District's average cost is 2.5%. Director Mitchell clarified that this fee would only apply to the reoccurring monthly charges. President Dickinson commented that the justification section on page 2 of the policy does not include a justification for the convenience fee, only a justification for why the fee is not charged on reoccurring monthly charges. GC Brown suggested adding language that the purpose of the

transaction fee is to reimburse the District for out-of-pocket costs in processing of credit card transactions. Vice President Mitchell expressed support for adding the language proposed by GC Brown. GC Brown recommended including the policy as an informational item in next month's meeting.

ASM Costan shared the final policy revision. The revision to the Records Retention policy makes Laserfiche the official repository for the storage of District records so that records that have been scanned and stored in Laserfiche can be destroyed. The policy also defines a destruction and legal hold process and adds a more detailed retention schedule. Director Williams asked if the Record Retention Policy is a requirement based on state law. ASM Costan shared that the records policy provides protection to the District from litigation and potential fines. GC Brown shared that he reviewed the Records Retention policy. The policy is governed by state law in the CA Government Code and the MUD Act. Vice President Mitchell shared that the policy includes a form that documents the records that were destroyed and the authorization for the destruction of the records.

Director Williams made a motion to adopt Resolution 21-06 revising policies 3140, 3170, and 3310 with the proposed amendment to policy 3170 the Credit Card Transaction Policy; a second was made by Director Murdock; a roll call vote was taken, and the motion carried 5-0.

3. SOUTH PLACER WASTEWATER AUTHORITY (SPWA) BOARD MEETING REPORT – DIRECTOR WILLIAMS

Director Williams provided a brief update on the recent actions and activities of the SPWA Board which included his appointment to Vice Chair, informational items on financials and investments, approval of capital improvements projects to evaluate the capacity at the Dry Creek Wastewater Treatment Plant (WWTP) and improvements to the the Old Auburn Boulevard trunk sewer and lift station, and the expansion of the SPWA service area to include Amoruso Ranch. Vice President Mitchell asked if there was a status update on the structure being built to recapture gases to power the garbage trucks in Roseville. Director Williams shared that the project was on schedule, and that he asked to participate in a tour of the facility. President Dickinson asked for the purpose of the Dry Creek WWTP evaluation. Director Williams shared there was feedback that capacity may need to be increased at the plant due to the saturation of the sewage. Director Williams shared that the Committee also authorized the use of the BOLD program for financing developer fees. Developers can work with the City to use BOLD as a tool for affordable housing. DS Nielsen shared that this program is similar to the SCIP program. The SCIP program is specifically for financing development fees while the BOLD programs can be used for development fees and the cost of building infrastructure.

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:

Director Williams asked how the meetings with the property owners in Newcastle went. DS Nielsen shared that the District was able to meet with both of the property owners and exchange

information on the properties and goals. Vice President Mitchell asked about the LIL program. ASM Costan shared that this the Low-Income Rate Assistance Program where residents can get a \$5 a month discount on their monthly sewer bill if they are enrolled in PG&E's CARE Program.

President Dickinson asked DE Huff to expand on the issues with the retaining wall work behind Corona Circle. DE Huff shared that the tree pruning occurred today. On the retaining wall, DE Huff shared that the fencing contractors the District has worked with do not complete retaining wall replacement work, so the District is working with landscaping companies. President Dickinson asked why Garney is not performing the work. DE Huff shared that Garney has been given the opportunity to perform the work, and the District is trying to facilitate completion of the work for the property owners. Staff is working with legal counsel to hold this amount from the money left in retention.

B. Information Items: No additional items.

3. Director's Comments:

Director Williams asked about finding out if due to vaccinations the District may be able to return to in person Board meetings. President Dickinson suggested polling at the next meeting to see who is comfortable returning to in person meetings.

VIII. ADDITIONAL PUBLIC COMMENTS:

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

IX. ADJOURNMENT

The President adjourned the meeting at 5:27 p.m. to the next regular meeting to be held on March 4, 2021 at 4:30 p.m.



Emilie Costan, Board Secretary