

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

Meeting	Location	Date	Time
Regular	SPMUD Boardroom Zoom Meeting	May 4, 2023	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 Williams presiding at 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

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

Absent: None

Vacant: None

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

III. PLEDGE OF ALLEGIANCE: Director Jewell 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 April 4, 2023, Special Meeting.
2. MINUTES from the April 6, 2023, Regular Meeting.
3. ACCOUNTS PAYABLE in the amount of \$1,250,541 through April 24, 2023.
4. QUARTERLY INVESTMENT REPORT in the total amount of \$75,425,527 through March 31, 2023
5. RESOLUTION 23-11 INVESTMENT OF DISTRICT FUNDS STRATEGY FOR FISCAL YEAR 2023/24.
6. BILL OF SALE Acceptance of the Bill of Sale for Sewer Improvements within Sierra Gateway Apartments with an estimated value of \$13,898.
7. SHORT LIST FOR ON-CALL PROFESSIONAL SERVICES

Vice President Durfee made a motion to approve the consent items; a second was made by Director Jewell; a roll call vote was taken, and the motion carried 5-0.

VI. BOARD BUSINESS

1. PUBLIC HEARING: INTRODUCTION OF ORDINANCE 23-01 AN ORDINANCE IN CONFORMANCE WITH CHAPTER 2.03.04 OF THE DISTRICT SEWER CODE RELATING TO MONTHLY SEWER CHARGES

GM Niederberger introduced Ordinance 23-01 approving monthly sewer charges per the Cost of Service and Rate Study conducted by IB Consulting. Proposition 218 notices were mailed to impacted customers on March 8, 2023, and notice of the proposed ordinance was posted in the Placer Herald and Loomis News on April 20th and 27th. The District has received nine letters protesting the proposed rate increases.

President Williams commented that rates are approved for five years due to the Proposition 218 process; however, if there are changes from the anticipated rate model and an increase is not needed the District does not have to implement all of the proposed increases. He shared that this has happened at the District on more than one occasion in the past. Director Dickinson commented that the adopted rates are substantially lower than the rate increases originally proposed, and the District worked hard to maintain low rates for customers.

Public comment was received from Warren Jorgenson who shared that he believes the proposed rates to be reasonable.

Director Dickinson made a motion to (1) Waive the full reading of the proposed Ordinance #23-01. (2) Close the Public Hearing and make a finding that there does not appear to be a majority protest for the proposed increases in the monthly service charge; (3) Schedule the 2nd reading and adoption for the next regularly scheduled meeting of the Board of Directors on June 1, 2023; a second was made by Vice President Durfee; a roll call vote was taken, and the motion carried 5-0.

2. PUBLIC HEARING: INTRODUCTION OF ORDINANCE 23-02 AN ORDINANCE IN CONFORMANCE WITH CHAPTER 2.03.04 OF THE DISTRICT SEWER CODE ESTABLISHING SEWER PARTICIPATION CHARGES AND ADOPTION OF RESOLUTION 23-12 ACCEPTING THE SEWER CAPACITY FEE STUDY

GM Niederberger introduced Ordinance 23-02 establishing the sewer participation fee and Resolution 23-12 accepting the Sewer Capacity Fee Study conducted by IB Consulting. The Ordinance establishes the local participation fee also known as a capacity fee and is separate from the regional participation fee. The fee is based on the reasonable cost to accommodate additional demand from new development or expansion of existing development. The proposed fee is in compliance with Proposition 26, and notice of the proposed ordinance was posted in the Placer Herald and Loomis News on April 20th and 27th.

Director Dickinson commented that the fee is changing from \$4,827 to \$4,915 per Equivalent Dwelling Unit (EDU), a 1.8 percent increase. Director Jewell shared that she does not believe there was adequate time given to obtain public input on how the fee was derived. She asked for a more open and longer process, commenting that the question of why our fee is higher than neighboring fees has not been adequately addressed and alternative methods that are more business-friendly have not been explored. Director Mitchell commented that the fee is subject to an economy of scale, sharing the high sewer

fees that are required for a small service district like the City of Colfax. GM Niederberger shared a list of the stakeholders that have been part of the outreach on this item. Director Jewell reiterated that she does not believe that enough time was given to engage with the District's public and private partners. President Williams commented that there will be an additional public hearing on this item at next month's meeting. He added that the District's approach to the fee has not changed since 2015, and while the Board wants to keep the fee as low as possible, other agencies are able to complete sewer expansion projects through development agreements. Director Dickinson commented that Director Jewell makes a good point that the District needs to engage with stakeholders early. He shared that the District has engaged with the stakeholders on this item many times over the years. There is a Fee and Finance Committee meeting tomorrow to further discuss proposed alternative methods. Director Mitchell shared that the Placer County Water Agency (PCWA) presents similar items before the Rocklin City Council and the Rocklin Chamber of Commerce. Director Jewell commented that our business partners still have questions and that information sharing with our constituents is the District's responsibility.

Public comment was received from Bill Halldin. There was discussion on additional participation fees charged to restaurants and sewer-intensive businesses that move into existing spaces that previously had a less-intensive use. GM Niederberger commented that these fees are the responsibility of the property owner and credits and assessments are specific to the individual premises.

Habib Isaac with IB Consulting shared that the South Placer Wastewater Authority is not changing its definition of an Equivalent Dwelling Unit (EDU). He added that he is not aware of any wastewater agencies that have restructured their fees to a square footage-based model. He commented that capacity fees are fees for service and are based on an analysis of the demand or flow that each customer places on the system.

Director Mitchell commented that the District does not have discretionary funding like the State to subsidize low-income housing or increase the housing supply. The District's mission is to protect public health, provide efficient and effective sewer service, and prepare for the future. Vice President Durfee commented that the District needs to have adequate funding for projects when they are needed and there is no other source to obtain those funds.

Director Mitchell made a motion to (1) Waive the full reading of the proposed Ordinance #23-02. (2) Schedule the 2nd reading and adoption for the next regularly scheduled meeting of the Board of Directors on June 1, 2023. (3) Adopt Resolution 23-12 Accepting the Sewer Capacity Fee Study dated April 17, 2023; a second was made by Director Dickinson; a roll call vote was taken, and the motion carried 4-1 with Director Jewell voting No.

3. RESOLUTION 23-13 WASTEWATER CONSOLIDATION LETTER OF INTENT FOR CASTLE CITY MOBILE HOME PARK

DE Huff presented the proposal to consolidate with the Castle City Mobile Home Park. The District was approached by the mobile home park which consists of 200 units and a private collection system that discharges to a lagoon. The lagoon lacks capacity and has overflowed in wet years creating environmental concerns. The project is eligible for funding under SB1215 which provides 100 percent of the funding for planning and up to \$25 million for construction costs including payment of the connection fees. The project was reviewed with the Infrastructure Advisory Committee who

recommended that the project be brought before the full Board for consideration. She shared the next steps which are for the property owner and the District to submit a letter of intent to pursue preliminary engineering and funding through the State and prepare a letter to SPWA to ensure adequate capacity at the treatment plant.

President Williams commented that this is an example of the State assisting with funding to help a disadvantaged community. Director Mitchell asked if additional staffing will be required to complete the project. DE Huff shared that the design and construction work will be completed by the mobile home park and the maintenance of the system will not require additional staffing. Director Dickinson pointed out that the letter of intent does not bind the District to expend District funds on the project. He asked if the collection system will be upgraded and if the District will be responsible for the maintenance. DE Huff shared that the initial discussions are for the collection system to remain private with condition assessment and testing occurring before accepting the connection to the District's system. Vice President Durfee asked if the collection system and discharge permit updates are eligible for funding and if LAFCO has been contacted about the annexation. DE Huff confirmed that the grant covers those fees and the associated staff time and that LAFCO has been contacted about the project. Vice President Durfee shared support for the project and abandonment of the lagoons. President Williams commented that the annexation would add 200 new connections and monthly service charges. GM Niederberger shared that the abandonment of the ponds may also allow for future growth of the mobile home park.

President Williams asked for public comments. No comments from the public were received.

Director Jewell made a motion to (1) Prepare a Letter of Intent to further discuss the consolidation and annexation of the sewer assets of the Castle City Mobile Home Park, and (2) Enter into discussions with the California State Water Resources Control Board to provide funding for all aspects of the consolidation including any and all improvement to the District, and (3) Contact the South Placer Wastewater Authority to determine the steps necessary for the Castle City Mobile Home Park service area to be annexed into the Authority's service area; a second was made by Director Dickinson; a roll call vote was taken, and the motion carried 5-0.

VII. REPORTS

Public comment for matters not on the agenda was reopened. John, a Rocklin resident, gave public comment, asking about the use of advanced sewer treatment methods. President Williams shared that the wastewater treatment plants are operated by the City of Roseville and financed through the South Placer Wastewater Authority. He shared that there are discharge permits for several of the local creeks that have stringent requirements and have required continual upgrades to the treatment plants. He invited John to attend future SPWA Board meetings.

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 Dickinson asked about item E in the GM report, the ballot initiative that would make it difficult for the District to raise fees. GM Niederberger shared that this item was in the Take Action Brief from the California Special District Association (CSDA) which was asking Districts to formally oppose the initiative. He stated that he will provide more information on this item at a future board meeting. *(GM Niederberger instead briefed the Board with an email dated May 9, 2023, providing additional information on the proposed 2024 ballot initiative to amend the State Constitution to increase the vote threshold for new or increased state and local taxes.)* Director Dickinson also asked if the restaurant upstream of the emergency repair was responsible for the pipe's failure. DE Huff shared that the grease control device is in disrepair and the restaurant is out of compliance with their pump-out schedule. The District is working with them on a better solution. Staff are also analyzing any similar scenarios that may exist throughout the District so they can be addressed.

President Williams asked if the District is prepared to comply with Advanced Clean Fleet Regulations. DS Nielsen shared that half of the new vehicles that the District purchases after January 2024 are required to be zero emission. He shared that there are challenges with the technology for larger pieces of equipment like the hydro-vacs. The District has the benefit of a fleet that has been regularly maintained and updated. Lobbying groups are actively engaging with the State about these issues. President Williams commented the District may want to adopt a long-term strategy to fund a cleaner fleet including solar for charging electric vehicles.

President Mitchell asked about ongoing compliance corrections with other local restaurants. DE Huff shared the progress that has been made.

B. Information Items: No additional items.

3. Director's Comments:

Director Jewell shared that she attended the Placer County Economic Development Board meeting on April 20th, the Roseville Chamber Economic Development meeting on April 27th, and the Joint Government Relations Committee meeting on May 3rd. Director Mitchell shared that he attended the District Policy and Ordinance Committee meeting.

Director Dickinson thanked staff for their accomplishments, vision, and planning. President Williams thanked Vice President Durfee for chairing the April board meeting.

IX. ADJOURNMENT

The President adjourned the meeting at 5:50 p.m. to the next regular meeting to be held on June 1, 2023, at 4:30 p.m.



Emilie Costan, Board Secretary