

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

<b>Meeting</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
Regular	Zoom Meeting SPMUD Boardroom	April 7, 2022	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 Mitchell presiding at 4:30 p.m.

**II. ROLL CALL OF DIRECTORS:**

Present: Director Will Dickinson, President Jerry Mitchell, Director John Murdock, Director James Durfee, Vice President Jim Williams  
Vice President Williams left the meeting early at 5:42 p.m.

Absent: None

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:** President Mitchell 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. TELECONFERENCING**

**1. RESOLUTION 22-09 DECLARING AND RE-RATIFYING THE STATE OF EMERGENCY AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS DUE TO THE COVID-19 EMERGENCY**

Director Dickinson made a motion to adopt Resolution 22-09 Declaring and Re-ratifying the State of Emergency and Authorizing Remote Teleconferencing Meetings of the Board of Directors due to the COVID-19 Emergency, a second was made by Director Durfee; a roll call vote was taken, and the motion carried 5-0.

**VI. CONSENT ITEMS:**

1. MINUTES from the March 3, 2022 Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$2,204,817 through March 28, 2022.
3. BILL OF SALE Acceptance of the Bill of Sale for Sewer Improvements within Whitney Ranch Phase III Unit 44B (Phase II), with an estimated value of \$66,842.

4. BILL OF SALE Acceptance of the Bill of Sale for Sewer Improvements for the Newcastle Storage Sewer Improvements, with an estimated value of \$51,696.
5. RESOLUTION 22-10 AUTHORIZATION FOR THE GENERAL MANAGER TO EXECUTE A BANKING SERVICES AGREEMENT WITH FIVE STAR BANK.
6. RESOLUTION 22-11 AUTHORIZATION FOR THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR ROOT CONTROL FOAMING WITH DUKE'S ROOT CONTROL, INC.

Director Murdock made a request to pull items 4 through 6 off of the consent calendar.

Director Dickinson made a motion to approve consent items 1 through 3; a second was made by Vice President Williams; a voice vote was taken, and the motion carried 5-0.

For consent item 4, Director Murdock asked for clarification on whether the work completed was a repair at the storage facility. Staff shared that the project included an extension of the existing pipeline. Director Dickinson made a motion to approve consent item 4; a second was made by Director Murdock; a voice vote was taken, and the motion carried 5-0.

For consent item 5, Director Murdock commented that the language in the agreement regarding banking fees and when compensation would occur initially led him to believe that the fees would be \$75,000 per month. Staff clarified that the total agreement amount over three years is not to exceed \$75,000, though payments will be made to the vendor on a monthly basis. GM Niederberger introduced Jerry Legg the Vice President of Government Banking Services with Five Star Bank to the Board members.

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

For consent item 6, Director Murdock asked staff if additional measures should have been taken to secure additional bids, as Duke's Root Control was the only responsive bidder. Staff shared that the request for bids had been sent to reliable contractors as well as having been posted to the Public Purchase website. Duke's has been a responsive bidder and the District has reliably contracted with them for these services in the past.

Director Murdock made a motion to approve consent item 6; a second was made by Vice President Williams; a roll call vote was taken, and the motion carried 5-0.

## **VI. BOARD BUSINESS**

### **1. LAFCO PRESENTATION**

DE Huff provided an update on the work required to refine the District's process for out-of-area service agreements and annexations. Director Dickinson asked why the issue with having long-term out-of-area service agreements is just now being brought to the District's attention and whether staff believes the current recommendation from LAFCo to annex these properties is correct. GM Niederberger shared that the District has received conflicting instructions in the past; however, annexing the parcels that are currently under out-of-area service agreements will be a benefit to the District. District and LAFCo legal counsel have been involved in the current recommended actions. Director Dickinson confirmed with staff that the current property owners should not be required to pay for the annexation

fees. GM Niederberger shared that there are not enough properties connected in the area to share the cost of annexation and many of the properties have changed ownership since connection occurred.

The Board discussed annexation of larger areas in the vicinity of the out-of-area service agreements. President Mitchell asked how staff ensures that they are following the law regarding these annexations. GC Brown shared that the process for when to annex the properties covered by out-of-area service agreements is an administrative decision. DE Huff shared that out-of-area service agreements will only be used in the future for emergency connections while annexation is in process.

Vice President Williams made a motion directing staff to (1) pursue annexation for seven properties previously served through out-of-area service agreements (2) utilize the Fee and Finance Advisory Committee to negotiate a master property tax exchange agreement with Placer County for Board consideration, and (3) prepare a resolution regarding these annexations, making the appropriate California Environmental Quality Act (CEQA) findings for Board consideration at a future meeting; a second was made by Director Durfee; a voice vote was taken, and the motion carried 5-0.

## **2. STRATEGIC PLANNING WORKSHOP #2: SWOT ANALYSIS**

DS Nielsen presented the results of the Strengths, Weaknesses, Opportunities, and Threats analysis completed by the Board, Managers, and Staff. The Board discussed the feedback from staff input on the strengths, weaknesses, opportunities, and threats. DS Nielsen shared that the next step in the strategic plan process will be to discuss the District's strategic priorities.

## **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 Murdock asked for additional information regarding item C, the College Park lift station design on the General Manager's Report. GM Niederberger shared that staff has a proposal that would eliminate the lift station and is working with the developer so that the District does not have to maintain an unnecessary lift station.

GM Niederberger shared that the long-range planning agenda in the GM Report has been revised to remove the nomination to LAFCo from the April 21, 2022, Special Meeting agenda and that the May 5, 2022 meeting will be revised to include two closed session items and show the next Strategic Plan Workshop as the third workshop and not the second.

Director Dickinson asked for an update on discussions with the City of Rocklin pertaining to low-income housing. GM Niederberger shared that he is currently in discussions with Placer County and the Town of Loomis to develop a framework for the entirety of the proposal and will be scheduling a follow-up meeting with the City of Rocklin. GM Niederberger shared that the District is also in the process of a Rate and Cost of Service Study that could impact discussions on fees for low-income housing projects.

Director Murdock asked about Item D4, creation of a cease-and-desist letter in the GM Report. GM Niederberger shared that the District used Grass2Pave behind Corona Circle as part of the Foothill Trunk Project. Property owners along Corona Circle have impeded on the District's easement and damaged the Grass2Pave. Staff will be sending cease-and-desist letters to the appropriate property owners. The Grass2Pave trial has not been successful, and staff recommends standard paving for future projects.

Director Dickinson asked about the upcoming changes to asset allocations in the CalPERS CEPPT and CERBT funds. ASM Costan shared that the assets allocations in these funds are being modified to preserve capital and achieve the highest returns; however, the expected rate of return on all of the investment strategies has decreased. Director Dickinson asked whether inflation was calculated into the expected returns. ASM Costan shared that CalPERS has been working on the discount rate and asset allocations of, first, the entire pension fund and now, the CEPPT and CERBT funds for some time. CalPERS undergoes a review of the asset allocations every four years.

President Mitchell asked if the commercial account audit billing updates have been completed for Central Rocklin. ASM Costan shared that three of the four areas of the District that had been audited, including Central Rocklin, have had billing updates completed. Director Dickinson asked how many customers were impacted by billing changes. ASM Costan shared that many of the adjustments were smaller, with some adjustments reducing billing and some adjustments increasing billing. DE Huff shared that the District has decided to only make billing updates moving forward and not to go back and collect three years of past due fees. TSD employee Curtis Little spoke about his work creating a comprehensive process for commercial account audits. DE Huff thanked him for all his hard work on this project.

**B. Information Items:** No additional items.

**3. Director's Comments:**

Director Dickinson shared that one of his friends who works in engineering provided him with feedback about the great staff at the District and specifically his interactions with Carie Huff.

**IX. ADJOURNMENT**

The President adjourned the meeting at 5:52 p.m. to the next regular meeting to be held on May 5, 2022, at 4:30 p.m.



Emilie Costan, Board Secretary