

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

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

II. ROLL CALL OF DIRECTORS:

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

Absent: Director Jim Williams

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 March 2, 2023, Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$3,446,544 through March 27, 2023.
3. RESOLUTION 23-08 AUTHORIZATION FOR THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR ROOT CONTROL FOAMING WITH DUKE'S ROOT CONTROL INC.
4. RESOLUTION 23-09 AUTHORIZATION FOR THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH MANN, URRUTIA, NELSON, CPAS FOR INDEPENDENT AUDITING SERVICES THROUGH FISCAL YEAR 25/26.

Director Dickinson 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 4-0.

VI. BOARD BUSINESS

1. PARTICIPATION FEE WORKSHOP

GM Niederberger and Habib Isaac with IB Consulting presented the proposed Participation Fee which would be implemented on July 1, 2023, sharing the method and costs used to calculate the required fee per Equivalent Dwelling Unit (EDU).

Director Mitchell added that there is a regional fee and a local fee. He asked for additional information on participation fees versus capacity fees. GM Niederberger shared that the District has historically used the term participation fees; however, the California Government Code refers to capacity fees. Mr. Isaac added that capacity fees for water and wastewater are fees for service and are not an entitlement of development. He added that the City of Roseville is currently using the incremental-only calculation method for their local capacity fee.

GM Niederberger shared additional information on the costs of the identified expansion projects sharing that the contingency cost has typically been calculated at thirty percent and the design and administration cost has typically been calculated at ten percent. The District adopts a schedule of values annually that has allowed the District to have added confidence in the calculation of future construction costs thereby allowing a reduction of the contingency and design and administration fees to twenty-five percent and eight percent, respectively. Director Durfee asked staff whether the schedule of values has a built-in contingency. GM Niederberger confirmed that it does not.

Director Dickinson asked about the District's ability to disengage the calculation methodology of the local fee from the regional fee and the District's monthly charges. GM Niederberger shared that while this is possible it would be difficult to track EDUs, reconcile expenses between the partners, and calculate EDU differences for local and regional charges.

Director Jewell asked why the City of Roseville uses the same calculation method but has a fee that is substantially lower than the Districts. Mr. Isaac shared that this could be due to economies of scale with Roseville having denser and a larger number of additional units in relation to the cost of improvements that need to be made to their system. Director Jewell expressed concerns about the District not having a good working relationship with the City, Town, and building partners. She asked for a comparative detail to other jurisdictions. Director Mitchell shared information on the granite and difficult terrain that has been encountered on previous capacity projects. GM Niederberger added that cities routinely use development agreements to fund capacity projects.

Vice President Durfee asked for public comments. Public comments were received from Jeff Short with the Northern State Building Industry Association and Bill Halldin from Rocklin City Council.

Director Dickinson shared an example of when an existing pipeline would need to be upsized to increase capacity and how those fees are spread amongst all users of the pipeline and not just the persons who desire to connect after capacity is reached. Director Mitchell shared that the enlargement of the Northwest Rocklin (Atherton) Trunk Line recently completed by the City of Rocklin was an example of a development agreement in the Whitney Ranch Area completed by

the City of Rocklin to facilitate development. Director Dickinson commented that comparisons to other jurisdictions are less important. He shared that the District's project costs for future enlargements have been identified and are available to the public, and invited review and feedback.

Public comments were received from Jenny Knisley from Loomis Town Council.

Mr. Isaac shared that the EDU is a representation of the gallons and strength of flow used. Any change to the EDU would have to be substantiated with data that shows that the demand on the system is less. In many cases, multifamily density is higher per unit than single family. He added that it is very common throughout the State to charge the same EDU for residential and multifamily. GM Niederberger shared that he will work with the BIA on the enlargement projects that have been identified and the number of EDUs at buildout.

2. INFRASTRUCTURE TACTICAL ASSET PLAN

DS Nielsen gave a presentation on the District's infrastructure sharing information on the current practices and technology utilized to maximize the life of the District's assets, assessment practices, maintenance, aging, replacement, and development of the District's tactical asset plan. He shared that replacing existing assets is more expensive than placing new assets in the ground due to pavement, traffic control, and other existing infrastructure. The District has been working to accumulate funds from rates for these necessary future replacements. Finally, DS Nielsen shared the timeline for the completion of the Infrastructure Tactical Asset Plan.

Director Jewell thanked staff for such a helpful and educational presentation. Director Mitchell asked if the completed Tactical Asset Plan will continue to be updated in the future. DS Nielsen confirmed that it will be a living plan that will continue to evolve over time.

Vice President Durfee asked for public comments. No comments from the public were received.

3. RESOLUTION 23-10 EMERGENCY DESIGNATION AND EMERGENCY AUTHORIZATION FOR SEWER MAIN K03-090 EMERGENCY REPLACEMENT PROJECT

DS Nielsen gave a presentation on the emergency replacement of Sewer Main K03-090. He shared that during routine camera inspection and cleaning, District staff identified that the bottom of the pipe had corroded and was missing. The line is located in a commercial parking lot and feeds into Lonetree Boulevard. Testing identified corrosive flows. The District is proposing emergency repairs to replace the corroded portions of the mainline pipe with vitrified clay pipe that is inert to the corrosive flows that were identified. The work will be performed as night work to reduce traffic impacts.

GM Niederberger added that while the anticipated life of the pipe was 75 years, this pipe was only in the ground for 16 years. Director Mitchell asked if the appropriate pipe was used during installation. DS Nielsen shared that cement mortar-lined ductile iron pipe was a material allowed in the District Standards at the time of installation and is a material that has been commonly used throughout the District. He noted that there are better liners for ductile iron pipes that are now

available and required by the current standards. Director Mitchell asked if this issue is also a potential concern with other food service establishments (FSEs). DS Nielsen shared that the District's well-established Fats, Oils, and Greases program and the new Industrial Pretreatment program are intended to ensure that these types of failures do not occur. District staff and the City of Roseville are looking into FSEs that have ductile iron pipes as part of the Industrial Pretreatment program. Director Durfee asked about the slope of the line, and DS Nielsen shared that it was installed at the minimum slope. Director Mitchell confirmed that the restaurant's operations will not be impacted, and DS Nielsen confirmed they would not be.

Vice President Durfee asked for public comments. No comments from the public were received.

Director Dickson made a motion to adopt Resolution 23-10, (1) Finding that the emergency will not permit a delay resulting from a competitive solicitation for bids and that the sewer main replacement is necessary to respond to the emergency in accordance with Section 22050 of the Public Contract Code; (2) Finding the Sewer Main K03-090 Emergency Replacement Project categorically exempt from the California Environmental Quality Act (CEQA) per Section 15302 (Replacement or Reconstruction); and (3) Authorizing the General Manager to execute the attached Construction Contract with a qualified contractor in an amount not to exceed \$320,180 plus a 10% contingency (\$352,198 total).; a second was made by Director Mitchell; a roll call vote was taken, and the motion carried 4-0.

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 provided an update on the long-range board agenda.

Director Mitchell asked for more information on the Newcastle Mobile Home Park. GM Niederberger shared that Castle City Mobile Home Park has approached the District about participating in a statewide grant to improve their system and connect to the District's collection system. The impact on the Newcastle Irish Lane property is that the connection from the mobile home park could extend diagonally through that parcel.

B. Information Items: No additional items.

3. Director's Comments:

Director Mitchell asked for action to be taken on the food service establishments that have notices of violation. GM Niederberger shared that the District is working with the establishments to replace their failing grease control devices.

IX. ADJOURNMENT

The President adjourned the meeting at 6:28 p.m. to the next regular meeting to be held on May 4, 2023, at 4:30 p.m.



Emilie Costan, Board Secretary