



Bonnie Gore – Placer County
Bruce Houdesheldt – Roseville (Chair)
Jerry Mitchell – SPMUD (Vice Chair)
Pauline Roccucci – Roseville
Robert Weygandt – Placer County

**MINUTES OF BOARD OF DIRECTORS' MEETING
June 25, 2020**

The regular teleconference meeting of the South Placer Wastewater Authority Board of Directors was called to order at 9:30 a.m..

Directors Present:

Bonnie Gore
Bruce Houdesheldt
Jerry Mitchell
Pauline Roccucci
Robert Weygandt

Staff Present:

Osman Mufti, JPA Counsel
Ken Glotzbach, Executive Director
Pam Walsh, Board Secretary

Roll Call

Present: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt

Absent:

Introductions

The following were in attendance: Shanti Landon and Robert (could not discern last name) from Placer County; Herb Niederberger and Emilie Costan from SPMUD; Dennis Kauffman, Janet Vargas, Jacquelyn Flickinger, Nick Rosas, Jacquie Clarizio, Joe Mandell, Teri Quinlan, and George Hanson from the City of Roseville.

Approval of Minutes, February 18, 2020; March 19, 2020; March 23, 2020

A vote was taken as follows:

MOTION by Director Mitchell, seconded by Director Gore to approve the February 18, 2020, March 19, 2020, and March 23, 2020, meeting minutes.

Vote: Ayes: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt

Nos:

Absent:

Old Business Items

None.

New Business Items

1. Information: General Overview of Long-Term Debt and Bond Closing

Nick Rosas provided a presentation regarding an overview of SPWA's long-term debt and bond closing. He stated, with the issuance of the Series 2020 Wastewater revenue refunding bonds, the Authority no longer has the variable rate or outstanding swaps. The Authority paid \$1,267,000 from available cash to terminate the interest rate swap with Morgan Stanley, making the entire debt portfolio of the Authority fixed rate debt.

No public comment.

2. Information: Investments Report

Jacquie Clarizio reported on the performance of the Authority's investments through May 2020.

No Public Comment.

3. Resolution: Approval of FY20-21 Investment Policy

Jacquie Clarizio presented the Investment Policy stating there were some minor language changes and requested Board approval. Legal counsel confirmed these changes track the statutes.

MOTION by Director Gore, seconded by Director Roccuci, requesting the Board adopt a resolution to approve the FY2020-21 Investment Policy (Resolution 2020-07).

Vote: Ayes: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt
 Nos:
 Absent:

No Public Comment.

4. Information: Rate Stabilization Fund Balances and Connection Fee Revenues

Jacquelyn Flickinger presented the Rate Stabilization Fund Balances and Connection Fee Revenues for information.

Director Mitchell asked for clarification regarding the Rate Stabilization Fund (RSF) balances and the obligation of the members of the Authority to support their proportionate balance, specifically if that balance has been in arrears.

Ms. Flickinger explained the balances are percentage-based, split in accordance with the proportionate share. As long as a member's balance is positive and they pay their proportionate share, that member is holding up their obligation and no action is needed. If, however, the balance dips below zero, staff will work with SPWA's Executive Director to determine the next steps to remedy the balance.

Executive Director Glotzbach added, the agreements are meant to be flexible long-term. If a particular partner continues to have a decreasing balance, then that is an indication that the development in that particular partner's area is not happening quickly enough to maintain debt service and that partner probably has a higher level of percentage share than is necessary. In that case, adjustments to the allocation of the agreement would need to be made, amending it so that it is balanced according to the rate of consumption that each partner would be taking in.

No Public Comment

5. Information: Capital Improvement Project Update

Executive Director Glotzbach discussed two main projects that are currently in progress at the Pleasant Grove Wastewater Treatment Plant (PGWWTP). The first is the UV Disinfection Equipment Additions. Staff is presently working to develop procurement agreements and engineering services for the installation of the equipment to the fourth channel. This should be installed within the next year.

Contractors have been on site at Pleasant Grove working on the Expansion and Energy Recovery Projects since February. Executive Director Glotzbach presented a time-lapsed video of the construction work that has been taking place. The state revolving fund (SRF) agreements have been finalized and, with the SRF funding committed, the project is now fully funded.

Director Weygandt asked what interest rate is on the RSF loan and Executive Director Glotzbach responded it is 1.3%

Director Gore asked for a timeline when the Pleasant Grove project would be completed and Executive Director Glotzbach stated completion is expected in approximately 3 years.

No public comment.

6. Resolution: Approval of Annual Operating Budget for FY2020-21

Janet Vargas presented the Authority's operating budget for FY2020-21 and requested Board Approval

MOTION by Director Weygandt, seconded by Director Gore, requesting the Board adopt a resolution to approve the Annual Operating Budget for FY2020-21 (Resolution 2020-08).

Vote: Ayes: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt
 Nos:
 Absent:

No public comment.

Reports/Comments – Board Members/Staff

Director Weygandt asked Executive Director Glotzbach for his perception and personal expectations regarding COVID-19 and its effect on economic activity with regard to SPWA. Executive Director Glotzbach responded, in the City of Roseville, there was an initial feeling there would be a decrease in development; however, construction has continued and they have not seen any real slowing. He added, with regard to each member's organization, a significant impact to the economy could result in a loss of customers, which would mean a decrease in revenue. This would not necessarily affect the JPA, but it could possibly impact the organization's stabilization funds if development and business slowed, and the Authority will keep an eye on this.

Public Comment

None.

Adjournment

The meeting was adjourned at 10:50 a.m.



Bruce Houdesheldt
Chair



Pamela Walsh
Secretary to the Board