

BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Meeting	Location	Date	Time
Regular	District Office	January 8, 2015	3:00 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 3:00 p.m.

II. ROLL CALL OF DIRECTORS:

Present: Will Dickinson, Vic Markey, Jerry Mitchell, John Murdock, Jim Williams

Absent: None

Vacant: None

Staff: Herb Niederberger, General Manager
Jody Allen, Superintendent
Joanna Belanger, Administrative Services Manager
Adam Brown, Legal Counsel
Eric Nielsen, District Engineer
Gary Gibson, Field Services Manager
Sam Rose, Assistant Superintendent

Others: Paul Stroub, Stroub & Associates

III. PLEDGE OF ALLEGIANCE: President Williams led the Pledge of Allegiance.

IV. CONSENT ITEMS:

1. MINUTES from the December 11, 2014 Regular Board Meeting.
2. ACCOUNTS PAYABLE in the amount of \$534,667.13 through though December 31, 2014.
3. MONTHLY INVESTMENT REPORT in the total amount of \$46,891,694.23 through December 31, 2014.

Director Mitchell made a motion to approve items on the consent calendar, a second was made by Director Murdock the motion carried 5-0.

V. PUBLIC COMMENTS:

President Williams opened the Public Comments, hearing none the public comments were closed.

VI. BOARD BUSINESS:

1. OATH OF OFFICE:

Director Murdock – Ward 3

Director Dickinson – Ward 2

The Oath of Office was issued to returning Directors Murdock and Dickinson.

2. SEATING OF BOARD PRESIDENT FOR 2015 (PER RESOLUTION NO. 03-02)

President Williams dissolved the temporary Committees from 2014. Director Mitchell made a motion to seat Vice President Murdock as the President of the Board for 2015, a second was made by Director Dickinson the motion carried 5-0.

3. CALL FOR NOMINATIONS AND APPOINTMENT OF VICE-PRESIDENT FOR 2015

Director Mitchell made a motion to approve the appointment of Director Dickinson as Vice President for 2015, a second was made by Director Williams, the motion carried 5-0.

4. CONSIDERATION OF TEMPORARY ADVISORY COMMITTEE(S) FOR 2015

President Murdock made the following appoints to Advisory Committees for 2015:

- a. Director Williams and Director Dickinson - Fee & Finance Committee with the added scope to look at methods for financing District projects.
- b. Director Williams and Director Markey - Loomis 2 x 2 Committee
- c. Director Mitchell – SPWA JPA
- d. Director Mitchell and Director Markey – Policy and Ordinance Review Committee

5. CONSIDERATION OF A REPORT FROM THE AUDITOR ON HIS REVIEW OF THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2014

General Manager Niederberger introduced Auditor Paul Stroub to report on the Fiscal Year ending June 30, 2014 Financial Statements. Mr. Stroub reported that he had prepared a Financial Statement with an improved, clear style. He reported that the Districts Financials were in a healthy position, with staff being very cooperative in his review. He made special note in commending the Board for the utilization of an outside CPA, who provides an additional level of confidence for his review during the Audit. Director Dickinson asked about the comment related to a lack of segregation of duties for financial transactions. Mr. Stroub explained that the addition of the CPA does provide that additional level of oversight and he recommended the continued use of a CPA into the future. Director Mitchell thanked the Auditor for a clear, easy to follow report with in depth information. Director Williams made a motion to accept the Audit report for the FY 13/14 Financial statements, a second was made by Director Mitchell, the motion carried 5-0.

6. CONSIDERATION OF ACCEPTANCE OF BILLS OF SALE

District Engineer Nielsen reported that the improvements for the West Oaks Subdivision – Unit 3 includes a 52 EDU single family residential development, with 9 manholes, a862 linear feet of public sewer mains. Director Dickinson made a motion to accept the Bills of Sale for sanitary sewer facilities located at West Oaks Subdivision – Unit 3, a second was made by Director Williams, the motion carried 5-0.

7. CONSIDERATION OF A UTILITY BILLING RECONCILIATION & PAYMENT POLICY

Administrative Services Manager Belanger provided a report explaining that the Utility Reconciliation and Payment Policy provides uniform procedures for the treatment of billing errors that may occur during the course of business. Since moving to a new billing system a number of errors have been discovered that have occurred through the years. The policy designates the General Manager with the authority to determine each case on an individual basis. In instance where Participation Fees were not paid at the time of connection to the sewer, the General Manager will identify the appropriate fees and if necessary offer a deferred payment plan to the customer. Ms. Belanger reported that the other component within the policy addresses bank service charges that are incurred when customer payments are rejected. The policy allows the District to defer the charges back to the customers' accounts.

Director Dickinson and Director Williams suggested a slight title change to 'Utility Billing Reconciliation & Payment Policy'. Director Dickinson also recommended that the rate of back-billing a customer participation fees should be at the General Manager's discretion for each individual basis. Director

Dickinson made a motion to approve the Utility Billing Reconciliation & Payment Policy with the discussed changes, a second was made by Director Mitchell, the motion carried 5-0.

8. CONSIDERATION OF A DISTRICT PURCHASING POLICY

Administrative Services Manager Belanger provided a report for the District Purchasing Policy, which provides uniform procedures related to purchasing, contracts, professional service agreements, rentals and leases. She explained that the policy creates safeguards to maintain a high quality procurement system which also establishes spending approval levels and formalizes practices for competitive bids, requests for qualifications and proposals, petty cash and purchasing card responsibilities. Director Dickinson suggested that the Departmental Manager spending approval should be limited to \$5,000. Discussion ensued between General Manager Niederberger and Director Williams and Dickinson regarding competitive bidding processes, Legal Counsel Brown suggested that the addition of a statement related to state laws would be advised. Director Dickinson made a motion to approve the Purchasing Policy with minor corrections and an added legal statement, a second was made by Director Williams, the motion carried 5-0.

VII. REPORTS:

1. District Legal Counsel (A. Brown): Legal Counsel Brown had no report.

2. General Manager (H.Niederberger):

A. ASD, FSD & TSD Reports: GM Niederberger indicated that ASD, FSD and TSD reports were included in the materials, and that staff was available to answer any questions from the Board. Director Mitchell asked for clarification for the Fee Committee role in the next year. GM Niederberger indicated that he would like to work with the Committee to prepare a five year schedule for comprehensive Participation and Customer Fees. He stated that a workshop of the full board may not be necessary once the Committee spends some time planning for the five year schedule.

B. Information Items: No further information was reported.

3. Directors Comments: Director Mitchell asked about the progress in looking at VOIP telephone systems. Ms. Belanger reported that staff is soliciting information from providers and a status report would be brought back to the board in the near future. Director Dickinson asked if the antenna had been installed at Mareta Lane. Superintendent Allen reported that he had met with the homeowners and was working through some other alternatives, and he would report more at the February meeting. Director Mitchell indicated that he would be attending the SPWA meeting on January 29, 2015.

VIII. ADJOURNMENT

The meeting was adjourned at 3:55 p.m. to the next regularly scheduled meeting on February 5, 2015 at 4:30 p.m.