

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

| <b>Meeting</b> | <b>Location</b> | <b>Date</b> | <b>Time</b> |
|----------------|-----------------|-------------|-------------|
| Regular        | District Office | May 4, 2017 | 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 Markey presiding at 4:30 p.m.

**II. ROLL CALL OF DIRECTORS:**

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

Absent: None

Vacant: None

Staff: Herb Niederberger, General Manager  
Sam Rose, Superintendent  
Eric Nielsen, District Engineer  
Joanna Belanger, Administrative Services Manager

Others: Ken Glotzbach, City of Roseville  
Kevin Kennedy, Kennedy & Jenks  
Adam Ross, Brown & Caldwell  
Carie Huff, Associate Engineer

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

**IV. CONSENT ITEMS:**

1. Minutes from April 6, 2017 Regular Board Meeting.
2. Accounts Payable in the amount of \$793,840.95 through April 26, 2017.
3. Monthly Investment Report in the total amount of \$54,844,265 through April 26, 2017.
4. Auditor Statement of Auditing Standard No.114 Munn, Urrutia & Nelson CPAs & Associates Statement of Auditing Standards Letter for FY16/17 Audit.
5. Consideration of Resolution #17-13 Adopting a Memorandum of Understanding with District Employees for the period of 07/01/17 through 06/30/20.
6. Consideration of Resolution #17-14 Adopting a Memorandum of Understanding with Individual Management Employees for the period of 07/01/17 through 06/30/20.

Director Dickinson requested a minor correction to the April 6, 2017 minutes and made a motion to approve all items on the consent calendar, a second was made by Director Williams; the motion carried 5-0.

**V. PUBLIC COMMENTS:**

President Markey opened the Public comments. Hearing no comments, public comments were closed.

## **VI. BOARD BUSINESS**

### **1. SPWA WORKSHOP: CAPITAL IMPROVEMENT PROJECT OVERVIEW & UPDATE ON PLEASANT GROVE WWTP EXPANSION IMPROVEMENTS.**

General Manager Niederberger introduced Ken Glotzbach, Executive Director from SPWA, Kevin Kennedy from Kennedy & Jenks and Adam Ross from Brown & Caldwell. A presentation was made providing information for the Pleasant Grove WWTP Expansion and Energy Recovery Project. A number of questions from Board Directors were answered by the presenters regarding various components of the project. In response to Director Dickinson's inquiries, Mr. Ross addressed specific benefits and costs associated with the Energy Recovery Project and the various financing options to fund the project. After some discussion President Markey stated that hearing consensus from the Board, Director Mitchell had his direction to represent the District's position to support the project at the SPWA Board meeting held on May 11<sup>th</sup>, 2017.

### **2. RESOLUTION #17-15 EASEMENT ENCROACHMENT PERMIT FOR DOUPNIK PROPERTY**

District Engineer Nielsen reported that during plan check review for a property improvement the District became aware of an encroachment of two structures on the District's easement at the Doupnik Property. DE Nielsen reported that an encroachment permit had been prepared and asked for approval of the Board.

Director Williams made a motion to approve Resolution #17-15 authorizing the General Manager to execute the consent agreement regarding use of easement for the Doupnik Property (APN-043-020-031-000), a second was made by Director Murdock; the motion carried 5-0.

### **3. NEWCASTLE MASTER PLAN PRESENTATION**

General Manager Niederberger introduced this informational item, indicating that most of the items within the Master Plan have been incorporated into the five-year Financial Plan. Superintendent Rose presented the Newcastle Master Plan, demonstrating the findings made by Bennett Engineering Consultants. The presentation showed a prioritization of suggested rehabilitation work in the Newcastle area. Rehabilitation includes 29 projects throughout Newcastle, necessary to bring the system up to District standards. The cost to complete this work is estimated at over \$2.3 Million, the program of work will be scheduled to be included in the annual budget over the next 10 years. Director Mitchell asked if staff was aware of any significant growth programmed in the Newcastle area. DE Nielsen stated that at this time staff isn't aware of any projects being proposed. Further discussion continued regarding the costs for improvements and the content included within the original agreement between NSD and SPMUD prior to acceptance of these additional customers into the District.

### **4. CONSIDERATION & ACCEPTANCE OF THE 5-YEAR FINANCIAL PLAN AND COST SERVICES STUDY AND APPROVAL OF THE PROP 218 NOTICE TO PROPERTY OWNERS**

General Manager Niederberger reported that the District is required to prepare a 5-Year Financial Plan identifying costs for services. GM Niederberger indicated that the District hasn't had a rate increase since 2012, when the increase to a \$30 per EDU/per month rate was deferred. In preparation of the plan, staff came to the conclusion that revenues would be insufficient to cover expenses. Staff has met with the Fee & Finance Committee to review the 5-Year Financial Plan and

Cost of Service study who has recommended the plan is presented to the full board for consideration. GM Niederberger reported that rate analysis within the plan meets the requirements of Prop 218 and was developed in a manner consistent with industry standards. A presentation was made demonstrating the costs for services and the conclusions made from preparing the 5-Year financial Plan and Cost of Service Study. GM Niederberger made the following recommendations 1) Accept the 5-Year Financial Plan and Cost of Service Study. 2) Approve a Notice to Property Owners for a Public Hearing on July 6, 2017, for 3 consecutive annual increases in the Monthly Service Charge; 3) Following the state requirements for a majority protest vote and public hearings, adopt an Ordinance implementing the rate prescribed in the Public Notice; 4) Pursue implementation of a Lifeline Low-Income Rate Assistance Program; and 5) Annually review the financial performance of the District using the SPMUD Revenue and Expense Model to ensure that all financial goals are being met and that the revenue generated by these proposed rates meets the revenue requirements of the District.

Director Dickinson made a motion to accept the 5-year Financial Plan and Cost Services Study, approve the proposed 3-year increases in monthly services charges to be included in a Prop 218 Notice to Property Owners and authorized the Notice to Property Owners of a Public Hearing on Proposed Wastewater (Sewer) Rate Increases scheduled for July 6, 2017, a second was made by Director Williams; the motion carried 5-0.

#### **VIII. REPORTS:**

- 1. District General Counsel (A. Brown):** General Counsel Brown was absent from the meeting.
- 2. General Manager (H. Niederberger):** GM Niederberger had no additions to his monthly report.
  - A. ASD, FSD & TSD Reports:** no further report.
  - B. Information Items:** No additional items were reported.
- 3. Directors Comments:** Director Mitchell stated that he appreciated all of the work completed by staff on the five year plan and the MOU with employees & managers.

#### **IX. ADJOURNMENT**

The meeting was adjourned at 6:27 p.m. to the next regularly scheduled meeting to be held on Thursday June 1, 2017 at 4:30 p.m.



Joanna Belanger, Board Secretary