

BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Meeting	Location	Date	Time
Regular	District Office	October 6, 2016	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 Dickinson presiding at 4:30 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
Sam Rose, Superintendent
Eric Nielsen, District Engineer
Joanna Belanger, Administrative Services Manager

Others: Paul Stroub, Stroub, Thompson & Noble
Michael O'Hagan, Forsgren Associates Inc.

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

IV. CONSENT ITEMS:

1. Minutes from the September 1, 2016 Regular Board Meeting.
2. Accounts Payable in the amount of \$2,704,873.37 through September 29, 2016.
3. Monthly Investment Report in the total amount of \$52,102,278.29 through September 29, 2016.
4. Bills of Sale Acceptance of the Bill of Sale for sewer improvements associated with the Croftwood 3A – Crowne Subdivision Phase 1 – 30 EDUs/\$124,690.
5. Bill of Sale Acceptance of the Bill of Sale for sewer improvements associated Garnet Creek Multi Family Development – 260.26 EDUs/\$234,770.

Director Williams pulled item #3 from the consent items. Director Williams made a motion to approve all remaining items on the consent calendar, a second was made by Director Mitchell; the motion carried 5-0. A discussion followed regarding the investment report, and unrealized gains and losses for Caltrust and Wells Fargo investments. It was also decided that in future reports a year to date total should be displayed. Director Williams made a motion to approve the investment report a second was made by Director Mitchell; the motion carried 5-0.

V. PUBLIC COMMENTS:

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

VI. BOARD BUSINESS:

1. Fiscal Year 15/16 Audit Report

General Manager Niederberger introduced Paul Stroub, from the Public Accounting firm of Stroub, Thompson & Noble. Mr. Stroub provided a review of the Districts Financial Statements and reported a clean opinion of District Financials, stating that he had not identified any deficiencies in internal control. Board members asked specific line item questions from the Statement of Net Position and Cash Flows. Director Williams asked about the unfunded liability for retirement with CalPERS, and stated that it might be wise for the Board to review the unfunded liability and other post-employment benefits (OPEB) in the near future. Director Mitchell stated that the Investment Policy allowed the District to diversify its investments during the year, and suggested the Fee & Finance Committee and staff provide a board level discussion during the year to address the investment approach and desired complexity for investments.

Director Williams made a motion to accept the Fiscal Year 15/16 Audit Report; a second was made by Director Mitchell, the motion carried 5-0.

2. Consideration & Approval of Resolution #16-21, authorizing the General Manager to sign & execute a preliminary design agreement with Water Works Engineering for the Lower Clover Valley Trunk Project

District Engineer Nielsen reported that the risk assessment of high risk facilities identified a number of segments of the Lower Clover Valley Trunk Sewer as high risk assets. This particular asset is an 18 inch trunk along Antelope Creek, just south of Sunset Blvd. in Rocklin. He reported that five proposals had been received for the project, and three firms were invited to present their proposal before a review committee. Water Works Engineers was evaluated as the top proposal; this agreement will authorize them to proceed in preparing the preliminary design for the project.

Director Mitchell asked if any of the sections were close to homes that the District would need easements from. DE Nielsen said that there were some sections that might be challenging, but there weren't areas needed for easements on this project. Director Murdock asked what had brought this project to the top of the list. DE Nielsen stated that creek crossings or pipelines in close proximity to the creek such as Lower Clover Valley are higher priority projects, and this particular pipeline has pipe materials which are wearing faster than others and it is necessary to realign the pipeline further away from the creek. GM Niederberger stated that staff has determined that this type of project is typically taking three years to complete, particularly with the environmental process that needs to be completed ahead of construction.

Director Mitchell made a motion to approve Resolution #16-21 authorizing the General Manager to sign & execute an Agreement with Water Works Engineering for the Lower Clover Valley Trunk Project, a second was made by Director Murdock; the motion carried 5-0.

3. Consideration & Approval of Resolution #16-22, amending Policy 3160-Utility Billing Reconciliation & Payments & Policy 3165- Delinquent (Past Due) Bills

General Manager Niederberger reported that Policy 3160 for Utility Billing, Reconciliation & Payments was brought to the board in February 2015; however it had been omitted from the Policy handbook which was adopted in September 2015, this formal adoption will add the policy to the handbook. GM Niederberger reported that Policy 3165 addresses the Boards concerns for delinquent service charges which are currently collected on the tax rolls. The Board directed the Policy & Ordinance Committee to prepare a delinquent (past due) policy. Director Murdock asked why the committee was suggesting a flat fee of \$2.50 per EDU, versus using a percentage amount. Director Mitchell responded that the committee felt it would be a simpler calculation for residents.

Director Mitchell made a motion to approve Resolution #16-22 amending Policy 3160 – Utility Billing Reconciliation & Payments, & Policy 3165 – Delinquent (Past Due) Bills, a second was made by Director Markey; the motion carried 5-0.

VII. REPORTS:

- 1. District General Counsel (A. Brown):** General Counsel Brown provided a brief legislative update regarding AB1244, AB2389, AB2853, AB2257 & AB2435.
- 2. General Manager (H. Niederberger):** GM Niederberger reported that there would be an additional item on the November Agenda for a residential appeal of Ordinance 09-02. President Dickinson asked for clarification regarding a meeting with the interim Town Manager of Loomis. Director Williams indicated that the meeting arrangement was at his suggestion since it appears that development activity in Loomis had stalled. GM Niederberger replied that the meeting with Joan Phillippe was very amicable and that the interim Town Manager was very appreciative of the Districts responsiveness. Mrs. Phillippe indicated that not much had changed since she was the Town Manager in the late 1980's, early 1990's. Director Williams inquired what would be the impact if the Villages at Loomis project were to be delayed. GM Niederberger replied that the Loomis Basin Diversion project would still proceed, but that without the extension of the trunk line thorough the Villages, the District would not be able to abandon sewage lifts stations as planned. There was additional discussion that a delay of the Villages project would impact the pro-forma financial projections for the Loomis Basin Diversion that are provided by the Villages project. The GM was directed to set up a 2x2 meeting with the Town of Loomis. GM Niederberger replied that he would wait until after the November elections to arrange for the meeting.
 - A. ASD, FSD & TSD Reports:** Director Mitchell asked DE Nielsen about the status of encroachments on District easements. DE Nielsen indicated that an SOP had been written and that staff is working towards gaining further information of approximately 40 encroachments and will be going out to verify each situation and take the appropriate next steps. DE Nielsen also provided a short report regarding the file server failure and the actions taken to bring everything back on-line.
 - B. Information Items:** No additional items were reported.
- 3. Directors Comments:** Director Mitchell reported that the Policy & Ordinance Committee had met to discuss a Lower Lateral Policy and Joint Use Policy, stating that the report would be

provided by staff to the full board at the November meeting. President Dickinson reported that he would like to hold an Evaluation Committee meeting before the end of the year for the purpose of evaluating the General Manager. He also indicated that a closed session special meeting might be appropriate.

VIII. ADJOURNMENT

The meeting was adjourned at 5:50 p.m. to the next Regular Meeting to be held on Thursday, November 3, 2016 at 4:30 p.m.

A handwritten signature in black ink, appearing to read "Joanna Belanger". The signature is written in a cursive, flowing style with a prominent loop at the beginning.

Joanna Belanger, Board Secretary