



**SPMUD BOARD OF DIRECTORS
REGULAR MEETING: 4:30 PM**

July 2, 2015

SPMUD Board Room
5807 Springview Drive, Rocklin, CA 95677

The District's regular Board meeting is held on the first Thursday of every month. This notice and agenda is posted on the District's web site (www.spmud.ca.gov) and posted in the District's outdoor bulletin board at the SPMUD Headquarters at the above address. Meeting facilities are accessible to persons with disabilities. Requests for other considerations should be made through the District Headquarters at (916)786-8555.

AGENDA

I. CALL MEETING TO ORDER

II. ROLL CALL OF DIRECTORS

Director Gerald Mitchell,	Ward 1
Director William Dickinson,	Ward 2
President John Murdock,	Ward 3
Director Victor Markey,	Ward 4
Director James Williams,	Ward 5

III. PLEDGE OF ALLEGIANCE

IV. CONSENT ITEMS

[pg 4 to 13]

Consent items should be considered together as one motion. Any item(s) requested to be removed will be considered after the motion to approve the Consent Items.

ACTION: (Voice vote)

Motion to approve the consent items for the July 2, 2015 meeting

1. MINUTES from the June 4, 2015 Regular Board Meeting.
2. ACCOUNTS PAYABLE in the amount of \$2,14,301.80 through June 30, 2015.
3. MONTHLY INVESTMENT REPORT in the total amount of \$47,228,258.33, through June 30, 2015.

V. PUBLIC COMMENTS

Items not on the Agenda may be presented to the Board at this time; however, the Board can take no action.

VI. BOARD BUSINESS

Board action may occur on any identified agenda item. Any member of the public may directly address the Board on any identified agenda item of interest, either before or during the Board's consideration of that item.

1. Consideration of Ordinance No. 15-01 – Public Hearing and 1st Reading of an Ordinance Establishing Requirements for Credit Reimbursement Agreements [pg 14 to 21]

Recommendation:

The Credit Reimbursement Ordinance provides a mechanism for developers/sub-dividers to obtain credits in lieu of payment of sewer participation charges for the construction of major facilities, and/or seek reimbursement for the costs of construction.

Action Requested: (Roll call vote)

1. Waive the 1st reading and conduct a Public Hearing for the adoption of Ordinance No. 15-01 establishing the requirements for Credit Reimbursement Agreements.

2. Consideration of Resolution No. 15-17 To Accept the Nexus Study for the Amendment of the Sewer Participation Charge and; Conduct a Public Hearing for the Consideration of Ordinance No. 15-02 – 1st Reading Of An Ordinance Amending Sewer Participation Charges [pg 22 to 47]

Recommendation:

Staff has evaluated the hydraulic capacity of the collection system under various scenarios to assure capacity for existing customers, and to obtain information in preparation for future development. The District has prepared a nexus study to establish an increase in fees which meets the Mitigation Fee Act. The current Sewer Participation Charge is \$2100/EDU. Staff proposes that the charge be increased to \$3750/EDU by April 1, 2017, with increases every 6 months commencing October 1, 2015. Future adjustments to the charge will be in alignment with the Engineering News Record Construction Cost Index.

Action Requested: (Roll call vote)

1. Adopt Resolution No.15-17 accepting the Nexus Study for the amendment of the Sewer Participation Charge.
2. Waive the 1st reading and conduct a Public Hearing for the adoption of Ordinance No. 15-02 amending the Sewer Participation Charge.

3. Consideration and Approval of Resolution No. 15-18 Fiscal Year 2015/16 Budget [pg 48 to 73]

Recommendation:

The 2015/16 Fiscal Year Budget, beginning July 1, 2015 and ending June 30, 2016 outlines projected revenues and expenses for the General and Capital Funds and is the fiscal planning tool to accomplish the District's strategic goals and objectives and establish the proposed spending plan.

Action Requested: (Roll call vote)

- 1. *Adopt Resolution No. 15-18, adopting the Budget for Fiscal Year 2015/16 and proposed spending plan.***

4. Consideration and Approval of Resolution No. 15-19 Establishing and Amending The Schedule of Fees & Charges

[pg 74 to 76]

Recommendation:

Staff has prepared an updated fee schedule to establish and amend fees and charges for FY 15/16.

Action Requested: (Roll call vote)

- 1. *Adopt Resolution No. 15-19 establishing the Fee Schedule for FY 15/16.***

VII. REPORTS

[pg 77 to 83]

The purpose of these reports is to provide information on projects, programs, staff actions and committee meetings that are of general interest to the Board and public. No decisions are to be made on these issues.

1. Legal Counsel (A. Brown)
2. General Manager (H. Niederberger)
 - 1) FSD, ASD & TSD Reports
 - 2) Informational items
3. Director's Comments:

Directors may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

VIII. ADJOURNMENT

If there is no other Board business the President will adjourn the meeting to its next regular meeting on August 6, 2015 at 4:30 p.m.

**BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT**

Meeting	Location	Date	Time
Regular	District Office	June 4, 2015	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 Murdock presiding at 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

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

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
Sam Rose, Superintendent
Gary Gibson, Field Services Manager

Others: Dane Wadlé, CSDA Governmental Representative

III. PLEDGE OF ALLEGIANCE: Director Murdock led the Pledge of Allegiance.

IV. CONSENT ITEMS:

1. Minutes from the May 7, 2015 Regular Board Meeting.
2. Accounts Payable in the amount of \$1,419,351.58 through May 31, 2015.
3. Monthly Investment Report in the total amount of \$46,884,357.95, through May 29, 2015.

The Accounts Payable item (IV.2) was pulled from the Agenda for further discussion, by Director Mitchell. Director Dickinson made a motion to approve all other items on the consent calendar; a second was made by Director Mitchell, which carried 5-0. Items within the Accounts Payable item were discussed for clarification purposes. Director Williams made a motion to approve Item 2. On the consent calendar, a second was made by Director Mitchell, which carried 5-0.

V. PUBLIC COMMENTS:

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

VI. BOARD BUSINESS:

1. ACKNOWLEDGMENT OF THE RETIREMENT OF SUPERINTENDENT JODY ALLEN & DESIGNATION OF SAM ROSE AS THE NEW SUPERINTENDENT & APPROVAL OF RESOLUTION No. 15-10 COMMENDING JODY ALLEN FOR ELEVEN YEARS OF SERVICE TO SPMUD.

President Murdock presented Resolution No. 15-10 to Superintendent J. Allen commending him for his service to the District. Each Director made congratulatory comments thanking Mr. Allen for his work and dedication to the District and wishing him well in his retirement. Mr. Allen made brief comments of thanks to the District. Director Mitchell made a motion to approve Resolution 15-10 acknowledging the

retirement of Jody Allen, and designating Sam Rose as the new superintendent; a second was made by Director Williams, the motion carried 5-0.

2. CONSIDERATION OF ACCEPTANCE OF BILL OF SALE & ADOPTION OF RESOLUTION No. 15-11 AUTHORIZING THE REFUND AGREEMENT FOR THE ROCKLIN 60 – PHASE 2 SUBDIVISION, BETWEEN SPMUD & TAYLOR MORRISON SERVICES, INC.

General Manager Niederberger reported that the Rocklin 60 – Phase 2 Subdivision located in Rocklin consists of 88 single-family residential homes and a total of 88 EDU's. He stated that a Refund Agreement is established to collect a fee in the amount of \$139.76 for each EDU accepted by the District in the refund agreement area, the Agreement expires June 4, 2025. Director Mitchell made a motion to accept the Bill of Sale, a second was made by Director Dickinson the motion carried 5-0. A motion was made by Director Williams to adopt Resolution No. 15-11, a second was made by Director Mitchell the motion carried 5-0.

3. CONSIDERATION OF RESOLUTION No. 15-12 AUTHORIZING THE GENERAL MANAGER TO CONTRACT FOR ENGINEERING SERVICES FOR PHASE 2 OF THE FOOTHILL TRUNK SEWER REPLACEMENT PROJECT.

District Engineer Nielsen reported that Phase 1 of the Foothill Trunk Sewer project was complete, and recommended approval of a contract in the amount of \$182,907 with Waterworks Engineers for the design and permitting for Phase 2 of the project to be constructed in FY15/16. Director Dickinson asked why the contract was broken into two phases. District Engineer Nielsen stated that the project was split between the two fiscal years. Director Mitchell asked if there is a potential for delays related to the environmental permitting, District Engineer stated that there is potential for delay, however staff and the contract engineer isn't sure of the extent of any delays. Director Mitchell made a motion to approve Resolution No. 15-12, a second was made by Director Dickinson the motion carried 5-0.

4. SDRMA ADOPTION OF RESOLUTION No. 15-13 ELECTION OF CANDIDATES TO SERVE AS DIRECTORS FOR THE (SDRMA) SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

General Manager Niederberger reported that the ballots had been received for the SDRMA board, he asked the Board for their selection of candidates. Director Mitchell made a motion with his preferred candidates; further discussion ensued between the Directors until consensus was made on the chosen candidates. Director Mitchell modified his motion and indicated the following three candidates were selected for election to the Special District Risk Management Authority Board of Directors: Robert Swan, Michael Wright & Sandy Seifert-Raffelson, a second was made by Director Williams the motion carried 5-0. A motion was made by Director Dickinson to adopt Resolution No. 15-13, a second was made by Director Markey the motion carried 5-0.

5. PUBLIC HEARING AND CONSIDERATION OF RESOLUTION No. 15-14 TO COLLECT DELINQUENT SERVICE CHARGES FOR SOUTH PLACER MUNICIPAL UTILITY DISTRICT ON THE PLACER COUNTY TAX ROLLS FOR TAX YEAR

General Manager Niederberger asked the Board to hold a Public Hearing regarding the collection of delinquent service charges for 2014 and take into consideration any comments received from the public. Administrative Services Manager Joanna Belanger reported the most up to date number of accounts to be assigned as 1,068 in the amount of \$287,333. Further reporting that payments were continuing to be received online and over the phone throughout the meeting and until the file was sent to Placer County. No public comments were received in the hearing. Director Mitchell made a motion to approve Resolution 15-14, a second was made by Director Williams the motion carried 5-0.

6. CONSIDERATION OF THE ASSOCIATE ENGINEER & COLLEGE INTERN JOB SPECIFICATIONS AND SALARY, RESOLUTION No. 15-15 & 15-16

General Manager Niederberger reported that during the budget preparation for the upcoming fiscal year a needs analysis was performed in each department. It was determined that the Technical Services department has needs for a professional level position for the level of work, and that the current Engineering Technician will be reclassified at the Associate Engineer level. Director Dickinson asked why the Associate level versus an Assistant level position was necessary at this time. District Engineer replied that additional engineering work is being completed and into the future staff will be updating the Hydraulic Model, the flow infiltration studies and high risk facilities evaluation. Director Mitchell asked if the position is correctly classified as non-exempt. General Manager reported that the salary analysis for surrounding agencies placed the position as non-exempt. Director Mitchell asked for clarification regarding the internship program and number of hours the position would work. District Engineer Nielsen stated that the position would be working up to 20 hours per week throughout the year in conjunction with the students college work. Director Mitchell made a motion to approve Resolution 15-15, a second was made by Director Dickinson the motion carried 5-0. Director Dickinson made a motion to approve Resolution 15-16, a second was made by Director Williams the motion carried 5-0.

7. CONSIDERATION OF THE FISCAL YEAR 2015/16 BUDGET WORKSHOP

A workshop was for the proposed Budget for the 2015/16 Fiscal Year (FY2015/16, beginning July 1, 2015 and ending June 30, 2016). General Manager Niederberger outlined projected revenues and expenses for the General and Capital Funds. A summary presentation of general fund expenses including salaries and benefits and the operational expenses for the upcoming year was demonstrated. Capital projects for the upcoming year were described, with staff answering Director questions regarding specific project information. General Manager Niederberger lined out the total budget recommendation for FY 2015/16 in the amount of \$14.95 Million, broken down to \$11.15 Million in Annual Expenses and \$3.8 Million in Capital Investments. The budget represents an increase of approximately \$0.43 Million (3%) over the approved Budget for FY 2014/15. Anticipated revenues for the upcoming 2015/16 Fiscal Year were projected to be: General Fund revenues \$11.57 Million (79% of total), and Capital Fund revenues \$3.12 Million (21% of total).

General discussion regarding expenditures followed, with no action taken. The 2015/16 Budget document will be presented for approval at the 07/02/15 board meeting.

VII. REPORTS:

- 1. District Legal Counsel (A. Brown):** Legal Counsel Brown reported that he continues to work with the GM in review of the Board Policies. He also reported that he had been reviewing additional contract items for the district which would be presented to the board for discussion at future board meetings.
- 2. General Manager (H.Niederberger):**
 - A. ASD, FSD & TSD Reports:** General Manager Niederberger reported that the departmental reports were included in the agenda materials. He also reported that his General Manager report will contain a tentative calendar of future board meeting agenda items.
 - B. Information Items:** No further information was reported.
- 3. Directors Comments:** Director Markey reported that the Loomis 2x2 meetings continue with further discussion regarding the Loomis Diversion Line alignment. Additional meetings are

scheduled with the Town. Director Mitchell reported that he would be attending the next SPWA Board meeting to be held on 06/25/15.

VIII. ADJOURNMENT

The meeting was adjourned at 6:20 p.m. to the next regularly scheduled meeting on July 2, 2015 at 4:30 p.m.

A handwritten signature in black ink, appearing to read "Joana Felonges". The signature is written in a cursive style with a horizontal line at the end.



South Placer Municipal Utility District, CA

Check Report

By Check Number

Date Range: 05/30/2015 - 06/24/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
1128	Golden 1 Credit Union	06/05/2015	Regular	0.00	142.00	6141
1021	ARC	06/09/2015	Regular	0.00	98.00	6143
1022	AT&T	06/09/2015	Regular	0.00	186.32	6144
1004	AT&T	06/09/2015	Regular	0.00	106.31	6145
1068	City of Roseville	06/09/2015	Regular	0.00	376,210.13	6146
1086	Dataprose	06/09/2015	Regular	0.00	1,772.47	6147
1087	Dawson Oil Co.	06/09/2015	Regular	0.00	3,135.90	6148
1088	Dell Business Credit	06/09/2015	Regular	0.00	1,766.42	6149
1479	Discount Metal Panels, Inc.	06/09/2015	Regular	0.00	9,873.33	6150
1479	Discount Metal Panels, Inc.	06/09/2015	Regular	0.00	-9,873.33	6150
1094	Donald S. Wilson	06/09/2015	Regular	0.00	93.02	6151
1108	Everything Radios, Inc.	06/09/2015	Regular	0.00	230.00	6152
1112	FedEx	06/09/2015	Regular	0.00	19.19	6153
1124	Gold Country Media Publications	06/09/2015	Regular	0.00	289.00	6154
1145	Innovyze	06/09/2015	Regular	0.00	1,000.00	6155
1146	InSight Mobile Data Inc.	06/09/2015	Regular	0.00	330.00	6156
1159	Jensen Precast	06/09/2015	Regular	0.00	719.37	6157
1173	KBA Docusys	06/09/2015	Regular	0.00	212.08	6158
1174	KBA Docusys, Inc.	06/09/2015	Regular	0.00	612.97	6159
1500	Pacific Lift and Equipment Company Inc.	06/09/2015	Regular	0.00	149.99	6160
1221	PG&E	06/09/2015	Regular	0.00	724.13	6161
1473	Pitney Bowes Purchase Power	06/09/2015	Regular	0.00	320.99	6162
1232	Pitney Bowes, Inc.	06/09/2015	Regular	0.00	40.83	6163
1244	Preferred Alliance	06/09/2015	Regular	0.00	137.76	6164
1289	Sonsray Machinery LLC	06/09/2015	Regular	0.00	6,666.56	6165
1333	SPOK, Inc.	06/09/2015	Regular	0.00	50.40	6166
1297	Stanley Convergent Security Solutions, Inc.	06/09/2015	Regular	0.00	421.54	6167
1299	Staples Contract & Commercial	06/09/2015	Regular	0.00	304.42	6168
1306	Superior Equipment Repair	06/09/2015	Regular	0.00	390.62	6169
1499	TechRoe.com LLC	06/09/2015	Regular	0.00	420.00	6170
1491	Vanguard Cleaning Systems	06/09/2015	Regular	0.00	395.00	6171
1492	Wave Broadband - Rocklin	06/09/2015	Regular	0.00	209.85	6172
1026	AUS Sacramento MC Lockbox	06/16/2015	Regular	0.00	1,031.01	6194
1073	Consolidated Communications	06/16/2015	Regular	0.00	941.73	6195
1105	Eric Nielsen	06/16/2015	Regular	0.00	81.75	6196
1501	FedEx Freight	06/16/2015	Regular	0.00	102.81	6197
1118	Frank Laguna	06/16/2015	Regular	0.00	248.29	6198
1139	Hill Rivkins Brown & Associates	06/16/2015	Regular	0.00	6,344.00	6199
1188	Lucity, Inc.	06/16/2015	Regular	0.00	375.00	6200
1207	Municipal Maintenance Equipment	06/16/2015	Regular	0.00	1,243.05	6201
1231	Pipe Tool Specialties LLC	06/16/2015	Regular	0.00	1,393.68	6202
1487	RJA Heating & Air, Inc.	06/16/2015	Regular	0.00	250.00	6203
1280	SAM's Club/Synchrony Bank	06/16/2015	Regular	0.00	344.45	6204
1299	Staples Contract & Commercial	06/16/2015	Regular	0.00	21.49	6205
1499	TechRoe.com LLC	06/16/2015	Regular	0.00	3,883.00	6206
1338	Verizon Wireless	06/16/2015	Regular	0.00	380.24	6207
1355	Xylem Water Solutions USA	06/16/2015	Regular	0.00	6,103.91	6208
1128	Golden 1 Credit Union	06/19/2015	Regular	0.00	142.00	6209
1240	Placer County Personnel	06/19/2015	Regular	0.00	2,992.44	6210
1246	Prudential Municipal Pool	06/19/2015	Regular	0.00	152.98	6211
1017	Anderson's Sierra Pipe	06/23/2015	Regular	0.00	64.88	6224
1018	Andre Kalinyuk	06/23/2015	Regular	0.00	247.20	6225
1020	Aqua Sierra Controls, Inc.	06/23/2015	Regular	0.00	17,940.31	6226
1458	Carie Huff	06/23/2015	Regular	0.00	35.00	6227

ITEM IV.2.

Check Report

Date Range: 05/30/2015 - 06/24/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1068	City of Roseville	06/23/2015	Regular	0.00	1,513,921.00	6228
1080	CWEA Renewal	06/23/2015	Regular	0.00	468.00	6229
1498	DLT Solutions	06/23/2015	Regular	0.00	4,465.38	6230
1124	Gold Country Media Publications	06/23/2015	Regular	0.00	155.20	6231
1140	Holt of California	06/23/2015	Regular	0.00	3,277.16	6232
1163	Joe Gonzalez Trucking, LLC.	06/23/2015	Regular	0.00	16,570.48	6233
1167	John Marquis	06/23/2015	Regular	0.00	246.13	6234
1187	Loomis News	06/23/2015	Regular	0.00	38.00	6235
1207	Municipal Maintenance Equipment	06/23/2015	Regular	0.00	2,663.03	6236
1315	Placer Herald	06/23/2015	Regular	0.00	38.00	6237
1253	Recology Auburn Placer	06/23/2015	Regular	0.00	297.02	6238
1292	SPMUD Petty Cash	06/23/2015	Regular	0.00	45.01	6239
1299	Staples Contract & Commercial	06/23/2015	Regular	0.00	150.06	6240
1306	Superior Equipment Repair	06/23/2015	Regular	0.00	3,895.43	6241
1332	USA Blue Book	06/23/2015	Regular	0.00	2,151.68	6242
1475	Van Erp, Petersen & Babcock, LLP	06/23/2015	Regular	0.00	3,756.25	6243
1343	Water Works Engineers, LLC	06/23/2015	Regular	0.00	14,706.44	6244
1479	Discount Metal Panels, Inc.	06/23/2015	Regular	0.00	9,873.33	6245
1140	Holt of California	06/23/2015	Regular	0.00	2,697.94	6246
1229	Pers (EFT)	06/04/2015	Bank Draft	0.00	27.44	DFT0001290
1229	Pers (EFT)	06/04/2015	Bank Draft	0.00	57.26	DFT0001291
1229	Pers (EFT)	06/04/2015	Bank Draft	0.00	343.04	DFT0001292
1229	Pers (EFT)	06/04/2015	Bank Draft	0.00	715.71	DFT0001293
1149	Internal Revenue Service	06/04/2015	Bank Draft	0.00	533.94	DFT0001294
1098	EDD (EFT)	06/04/2015	Bank Draft	0.00	152.61	DFT0001295
1098	EDD (EFT)	06/04/2015	Bank Draft	0.00	38.75	DFT0001296
1149	Internal Revenue Service	06/04/2015	Bank Draft	0.00	124.88	DFT0001297
1149	Internal Revenue Service	06/04/2015	Bank Draft	0.00	330.03	DFT0001298
1229	Pers (EFT)	06/04/2015	Bank Draft	0.00	18.18	DFT0001300
1229	Pers (EFT)	06/04/2015	Bank Draft	0.00	37.94	DFT0001301
1229	Pers (EFT)	06/04/2015	Bank Draft	0.00	227.26	DFT0001302
1229	Pers (EFT)	06/04/2015	Bank Draft	0.00	474.16	DFT0001303
1149	Internal Revenue Service	06/04/2015	Bank Draft	0.00	353.74	DFT0001304
1098	EDD (EFT)	06/04/2015	Bank Draft	0.00	35.61	DFT0001305
1098	EDD (EFT)	06/04/2015	Bank Draft	0.00	25.68	DFT0001306
1149	Internal Revenue Service	06/04/2015	Bank Draft	0.00	82.74	DFT0001307
1149	Internal Revenue Service	06/04/2015	Bank Draft	0.00	112.05	DFT0001308
1149	Internal Revenue Service	06/04/2015	Bank Draft	0.00	2,306.30	DFT0001309
1098	EDD (EFT)	06/04/2015	Bank Draft	0.00	1,614.81	DFT0001310
1098	EDD (EFT)	06/04/2015	Bank Draft	0.00	167.39	DFT0001311
1149	Internal Revenue Service	06/04/2015	Bank Draft	0.00	539.38	DFT0001312
1149	Internal Revenue Service	06/04/2015	Bank Draft	0.00	4,597.76	DFT0001313
1045	Cal Pers 457 Plan (EFT)	06/05/2015	Bank Draft	0.00	100.00	DFT0001315
1135	Mass Mutual (EFT)	06/05/2015	Bank Draft	0.00	4,250.00	DFT0001316
1229	Pers (EFT)	06/05/2015	Bank Draft	0.00	147.25	DFT0001317
1229	Pers (EFT)	06/05/2015	Bank Draft	0.00	231.90	DFT0001318
1229	Pers (EFT)	06/05/2015	Bank Draft	0.00	483.88	DFT0001319
1229	Pers (EFT)	06/05/2015	Bank Draft	0.00	2,898.70	DFT0001320
1229	Pers (EFT)	06/05/2015	Bank Draft	0.00	6,047.75	DFT0001321
1229	Pers (EFT)	06/05/2015	Bank Draft	0.00	971.42	DFT0001322
1229	Pers (EFT)	06/05/2015	Bank Draft	0.00	1,530.94	DFT0001323
1229	Pers (EFT)	06/05/2015	Bank Draft	0.00	769.30	DFT0001324
1229	Pers (EFT)	06/05/2015	Bank Draft	0.00	769.30	DFT0001325
1149	Internal Revenue Service	06/05/2015	Bank Draft	0.00	8,136.10	DFT0001326
1098	EDD (EFT)	06/05/2015	Bank Draft	0.00	2,257.36	DFT0001327
1098	EDD (EFT)	06/05/2015	Bank Draft	0.00	590.56	DFT0001328
1149	Internal Revenue Service	06/05/2015	Bank Draft	0.00	1,902.84	DFT0001329
1149	Internal Revenue Service	06/05/2015	Bank Draft	0.00	6,900.55	DFT0001330
1045	Cal Pers 457 Plan (EFT)	06/19/2015	Bank Draft	0.00	100.00	DFT0001332
1135	Mass Mutual (EFT)	06/19/2015	Bank Draft	0.00	3,900.00	DFT0001333
1229	Pers (EFT)	06/19/2015	Bank Draft	0.00	147.25	DFT0001334

Check Report

Date Range: 05/30/2015 - 06/24/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1229	Pers (EFT)	06/19/2015	Bank Draft	0.00	231.90	DFT0001335
1229	Pers (EFT)	06/19/2015	Bank Draft	0.00	483.88	DFT0001336
1229	Pers (EFT)	06/19/2015	Bank Draft	0.00	2,898.70	DFT0001337
1229	Pers (EFT)	06/19/2015	Bank Draft	0.00	6,047.74	DFT0001338
1229	Pers (EFT)	06/19/2015	Bank Draft	0.00	978.75	DFT0001339
1229	Pers (EFT)	06/19/2015	Bank Draft	0.00	1,542.50	DFT0001340
1229	Pers (EFT)	06/19/2015	Bank Draft	0.00	778.82	DFT0001341
1229	Pers (EFT)	06/19/2015	Bank Draft	0.00	778.82	DFT0001342
1149	Internal Revenue Service	06/19/2015	Bank Draft	0.00	8,557.72	DFT0001343
1098	EDD (EFT)	06/19/2015	Bank Draft	0.00	2,287.25	DFT0001344
1098	EDD (EFT)	06/19/2015	Bank Draft	0.00	594.14	DFT0001345
1149	Internal Revenue Service	06/19/2015	Bank Draft	0.00	2,001.46	DFT0001346
1149	Internal Revenue Service	06/19/2015	Bank Draft	0.00	7,060.11	DFT0001347
1015	American Fidelity Assurance	06/19/2015	Bank Draft	0.00	1,216.89	DFT0001348
1230	Pers (EFT)	06/19/2015	Bank Draft	0.00	31,901.33	DFT0001349

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	97	72	0.00	2,030,763.36
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-9,873.33
Bank Drafts	57	57	0.00	122,411.77
EFT's	0	0	0.00	0.00
	154	130	0.00	2,143,301.80

Fund Summary

Fund	Name	Period	Amount
100	GENERAL FUND	6/2015	2,143,301.80
			<u>2,143,301.80</u>

Account Number	Name	Date	Type	Amount Reference	Packet	Receipt	Adj Type
106-0013470-02	Bailey, Rhonda	6/9/2015	Refund	84.60 Check #: 6179	UBPKT00789		
102-0003449-01	Baskin, Jospeh J	6/9/2015	Refund	95.76 Check #: 6173	UBPKT00789		
102-0008920-01	Benkosky, Jenny	6/9/2015	Refund	7.06 Check #: 6175	UBPKT00789		
112-1024573-02	Campos, Cintia	6/9/2015	Refund	46.15 Check #: 6186	UBPKT00789		
106-0017093-01	Carol L Tomlin	6/19/2015	Refund	85.58 Check #: 6219	UBPKT00828		
106-0014810-01	Cohen, Paula	6/19/2015	Refund	84.00 Check #: 6217	UBPKT00828		
112-1022345-01	Conover, Ronald H	6/19/2015	Refund	32.84 Check #: 6220	UBPKT00828		
102-0006453-01	Conway, Larry L	6/19/2015	Refund	85.60 Check #: 6212	UBPKT00828		
102-0008127-02	Costo, Greg	6/19/2015	Refund	133.30 Check #: 6213	UBPKT00828		
112-1026344-01	D R Horton	6/9/2015	Refund	133.31 Check #: 6190	UBPKT00789		
112-1026364-01	D R Horton	6/9/2015	Refund	123.20 Check #: 6191	UBPKT00789		
112-1026530-00	D R Horton	6/9/2015	Refund	78.25 Check #: 6193	UBPKT00789		
102-0005819-01	DONG WON YI	6/3/2015	Refund	84.00 Check #: 6142	UBPKT00761		
212-1021624-01	E H WHEELER COMPANY LLC	6/19/2015	Refund	5.53 Check #: 6221	UBPKT00828		
106-0017859-01	Ennis, Ryan	6/9/2015	Refund	102.60 Check #: 6184	UBPKT00789		
112-1024629-01	Evaro, Katherine	6/9/2015	Refund	84.67 Check #: 6187	UBPKT00789		
102-0005146-01	Kamp, Joshua Van Der	6/9/2015	Refund	80.87 Check #: 6174	UBPKT00789		
102-0008127-03	LLC, Saide and Associates	6/22/2015	Refund	133.30 Check #: 6222	UBPKT00844		
106-0017795-01	MAHONEY MATTHEW	6/9/2015	Refund	84.00 Check #: 6183	UBPKT00789		
106-0013941-01	Neely, Richard	6/19/2015	Refund	84.00 Check #: 6216	UBPKT00828		
102-0011644-01	NOAH SCHROEDER	6/19/2015	Refund	400.92 Check #: 6215	UBPKT00828		
106-0014046-01	Palmer, Faith	6/9/2015	Refund	84.00 Check #: 6180	UBPKT00789		
106-0016754-03	Reed, Joshua Woods and Kerianne	6/9/2015	Refund	6.68 Check #: 6182	UBPKT00789		
102-0011357-01	Schroeder, Gene R	6/9/2015	Refund	84.00 Check #: 6176	UBPKT00789		
106-0012781-01	Shaltz, Gerald	6/9/2015	Refund	29.54 Check #: 6178	UBPKT00789		
106-0016489-01	SHANE W DIXON	6/9/2015	Refund	84.60 Check #: 6181	UBPKT00789		
103-0016041-01	SHAWN A CASH	6/9/2015	Refund	557.77 Check #: 6177	UBPKT00789		
106-0016918-01	Smith, Charles H	6/22/2015	Refund	78.10 Check #: 6223	UBPKT00844		
106-0016918-01	Smith, Charles H	6/19/2015	Refund	78.10 Check #: 6218	UBPKT00828		
112-1021687-01	STACEY L DETRICK	6/9/2015	Refund	83.65 Check #: 6185	UBPKT00789		
102-0009214-01	Sween, Peter L	6/19/2015	Refund	84.00 Check #: 6214	UBPKT00828		
112-1026312-01	Tim Lewis Communities	6/9/2015	Refund	84.52 Check #: 6189	UBPKT00789		
112-1026493-00	Tim Lewis Communities	6/9/2015	Refund	117.44 Check #: 6192	UBPKT00789		
112-1024652-02	Warn, Scott and Rebecca	6/9/2015	Refund	84.00 Check #: 6188	UBPKT00789		

MONTHLY INVESTMENT REPORT

**SOUTH PLACER MUNICIPAL
UTILITY DISTRICT**

Local Agency Investment Fund As of June 24, 2015	\$9,763,452.58
Average Interest for Month Ended April 30, 2015	0.26%
Placer County Treasury As of May 31, 2015	\$35,066,077.78
Effective Rate of Return for Month Ended May 31, 2015	0.76 %
Checking Account Balance (U.S. Bank) As of June 24, 2015	\$2,398,727.97

Investments are in compliance with the SPMUD Investment Policy, and have the ability to meet the next six months of cash flow requirements.

ITEM IV. 3.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT

To: Board of Directors
From: Herb Niederberger, General Manager
Cc: Eric Nielsen, District Engineer
Subject: Adoption of Ordinance 15-01 allowing Credit/Reimbursement Agreements
Meeting Date: July 2, 2015

Overview

South Placer Municipal Utility District (District) Sewer Use Ordinance, No. 09-02, mandates the payment of a sewer participation charge for the privilege of connecting to the District’s wastewater system and to fund the fair share portion of the cost of construction of the Major Facilities, i.e. trunk sewer upgrades and expansion facilities that have been identified by the District’s System Evaluation and Capacity Assurance Plan (SECAP) as necessary to serve new development within the District’s service area boundaries. Section 5.04D of Ordinance No.09-02 allows the District to negotiate and enter into refund agreements with the owner of lands in cases where such lands are being improved and the owner has or will install major facilities which can be used for the benefit of property not participating in the original cost of construction. This has provided uncertainty for those developers installing Major Facilities, as it is unknown when other development contributing to the refund agreement will occur

Staff believes that it is prudent to establish the framework whereby a property owner or developer may obtain credits in lieu of payment of sewer Participation Charges for the construction of Major Facilities and/or seek reimbursement for the costs of construction of Major Facilities under the eligibility criteria set forth herein. This Ordinance shall further the policy of the Board of Directors of the District to provide alternative mechanisms to facilitate the construction and financing of District infrastructure.

Recommendation

Staff recommends that the Board of Directors adopt the attached Ordinance 15-01 whereby developers/subdividers may obtain credits in lieu of payment of sewer participation charges for the construction of these major facilities, and/or seek reimbursement for the costs of construction.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:

V. Financial Stability

Goal 5.2 – Explore and Evaluate Investment and Business Practice Alternatives

Fiscal Impact

The impact on Sewer Participation Charge revenue and cash flow is unknown at this time. This ordinance will provide an incentive for developers to install Major Facilities since the timing of reimbursement will be set by agreement.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

ORDINANCE 15-01

AN ORDINANCE ESTABLISHING REQUIREMENTS FOR CREDIT AND REIMBURSEMENT AGREEMENTS

SECTION 1: GENERAL PROVISIONS

SECTION 1.01 PURPOSE:

The purpose of this Ordinance shall be to establish the framework whereby a property owner or developer may obtain credits in lieu of payment of sewer Participation Charges for the construction of Major Facilities (as defined herein) and/or seek reimbursement for the costs of construction of Major Facilities under the eligibility criteria set forth herein. This Ordinance shall further the policy of the Board of Directors of the District to provide alternative mechanisms to facilitate the construction and financing of District infrastructure.

SECTION 1.02 DEFINITIONS:

- A. “District” means the South Placer Municipal Utility District.
- B. “Board” means the Board of Directors of the South Placer Municipal Utility District.
- C. “Applicant” means the owner or authorized agent of the owner, or subdivider of real property who applies for credits against Participation Charges or a reimbursement agreement pursuant to the provisions of this Ordinance with respect to the acquisition or construction of Major Facilities, a portion of which benefits the applicant's property.
- D. “Benefit Area” means the area comprising all lands benefited by the improvements, or any portion thereof, acquired or constructed pursuant to this Ordinance with respect to which a reimbursement agreement has been entered into.
- E. “Benefitted Property” means any parcel or parcels of improved or unimproved real property benefited by any improvement, or any portion thereof, acquired or constructed pursuant to this Ordinance with respect to which a reimbursement agreement has been entered into.
- F. “District Specifications” shall mean the *Standard Specifications and Improvement Standards for Sanitary Sewers* prepared and ordered effective by the General Manager pursuant to the provisions of Section 11937(e) of the Municipal Utility District Act, Division 6, of the Public Utilities Code, State of California, as such may be amended from time to time.

- G. “General Manager” means the General Manager of the District appointed pursuant to the provisions of Section 11926 of the Public Utilities Code.
- H. “Major Facilities” means trunk sewer upgrades and expansion facilities that have been identified by the District’s System Evaluation and Capacity Assurance Plan (SECAP) as necessary to serve new development within the District’s service area boundaries and which in the General Manager’s determination are suitable both in terms of size, scope, expense and general benefit to the District so as to be eligible for credits and/or reimbursements under the provisions of this Ordinance.
- I. “Person” means any individual, partnership, co-partnership, firm, company, association, society, corporation, joint stock company, trust, estate, governmental entity or any other legal entity, or their legal representatives, agents or assigns. The masculine gender shall include the feminine and the singular shall include the plural where indicated by context.
- J. “Participation Charge”, means the Sewer Participation Charge as contained in Section 3 of SPMUD Sewer Use Ordinance No. 09-02, also known as a fee, connection fee, participation fee or developer impact fee, shall mean the sum paid to the District in lawful money of the United States by any person, for the privilege of connecting to the District’s facilities, whether such connection is voluntary or mandatory, to be used to fund the fair share portion of the cost of construction of the trunk sewer upgrades and expansion facilities that have been identified by the District’s System Evaluation and Capacity Assurance Plan (SECAP) as necessary to serve new development within the District’s service area boundaries.. The District's facilities shall include local collection systems, trunk lines, and capacity.
- K. Property Owner” means the record owner of the real property upon which is being served or to be served by the District’s Wastewater system.
- L. “Wastewater Collection System” shall mean the pipe system and appurtenances for collecting and carrying water and water-carried wastes from domestic, nonresidential and industrial sources to a wastewater treatment plant.
- M. “Wastewater System” shall mean all facilities for collecting, pumping, treating and disposing of wastewater.

SECTION 2: APPLICATION

Any owner or subdivider of real property who or which is required by the District to bear the costs of constructing and installing improvements which are dedicated to, or acquired for, public use and which contain supplemental size, capacity, numbers or length which benefit or benefits property not owned by said owner or not within said subdivider's subdivision, may apply for credits and/or a reimbursement agreement pursuant to which such improvements shall be acquired or constructed and providing for reimbursement of the excess costs thereof from Benefitted Properties and/or the Benefit Area, as such may be determined by the District. Applications shall be made in the form and manner prescribed by the General Manager.

SECTION 3: CREDITS

Upon application by the property owner or the property owner's authorized representative, the District may authorize credit for the construction of any Major Facilities in lieu of payment of all, or a portion of, the sewer Participation Charge required. If authorized, such credit shall be recognized only by prior written agreement between the parties, based upon the provisions hereinafter stated.

Section 3.01: Major Facilities.

The amount of credit for construction of Major Facilities shall equal the actual cost of construction as determined under a construction contract awarded by the competitive bid process in accordance with California state law and District policy, plus eight (8) percent of the actual cost of construction as an offset for engineering costs. This credit shall be allowed only if the actual cost of construction is the result of a competitive bidding process that is consistent with competitive bidding and prevailing wage requirements of the Public Contracts Code and Labor Code that would be imposed on the District as if it was contracting directly for the construction.

Notwithstanding any provision herein to the contrary, credits shall not be allowed for costs incurred for the purpose of accelerating a development schedule, unless required by the District, and then only if the amount of such credit is approved in writing by the District Engineer prior to commencement of the work.

Credits shall not be allowed for additional costs incurred when the proximate cause is an action or inaction of the owner, developer, or Applicant, including but not limited to delays, lost productivity, change orders and claims.

Section 3.02: Competitive Bid Process.

Credit for actual cost when authorized herein shall only be allowed if:

- A. A project for the construction of an eligible Major Facility is advertised and awarded in the same manner and subject to the same laws and regulations as if the District was advertising and awarding the project, including but not limited to compliance with the California Labor and Public Contracts Codes, and incorporation into the construction contract documents the District Specifications then in effect. Projects shall be advertised for a minimum of thirty (30) days and shall not be advertised for bidding prior to approval of the improvements plans by the District and any other jurisdiction for which approval is required. Project bids shall not include schedule acceleration or acceleration alternatives; and
- B. All real property interests necessary to complete delivery of the Major Facilities to the District have been transferred to District or other jurisdiction as appropriate.

Section 3.03: Apportionment of Credit.

Credit for Major Facilities shall be uniformly apportioned among the parcels for which the Major Facilities were approved at the time of installation.

Section 3.04: Participation Charge Credit.

Credits allowed pursuant to this Ordinance shall be applied toward a maximum of 50% of the amount of the Participation Charges due for the real property to which the credit is apportioned. Allowable costs of construction of Major Facilities which exceed the amount of Participation Charge credits allowed in this section shall be reimbursed in accordance with Section 3, below.

Section 3.05: Divided Parcel Credit.

Where credit is allowed pursuant to this Ordinance and apportioned to a particular parcel that is to be divided, the credit shall be apportioned uniformly among the divided parcels.

Section 3.06: Designated Construction.

Unless otherwise determined by the Board, an owner of real property shall construct any Major Facility shown by the District to be designated for construction on that real property.

Section 3.07: Public Financing District Credits.

Credits for Major Facilities financed by an assessment district, community facilities (Mello Roos) district, special tax district, or similar public infrastructure financing may be allowed by the District. The Applicant shall immediately notify District of any proposal to provide funding for construction of Major Facilities by a public infrastructure financing entity. The District may, at its sole discretion, redetermine and reassign credits for sewer Participation Charges based on the amount of public funding thereby provided.

Any credit allowed shall be for a pro rata portion of those incidental expenses of the public infrastructure financing entity which are considered by the Board to be the ordinary expenses for construction of Major Facilities, and which are not incidental to and peculiar to the public infrastructure financing entity. Such incidental expenses for which credit shall not be allowed include, but are not limited to, attorneys' fees, preparation of legal descriptions, preparation of documents, all expenses related to the sale of bonds, and other expenses required by the Placer County Treasurer or appropriate administrative authority.

SECTION 4: REIMBURSEMENT AGREEMENTS

Section 4.01: Reimbursement Agreement Terms.

Where allowable costs of construction of Major Facilities exceed the amount of any Participation Charge credits, then in that event the amount of such exceedance shall be reimbursed by the District to the entity which constructed the Major Facilities, provided:

- A. The Major Facilities were constructed pursuant to plans approved by the District Engineer prior to commencement of any construction.
- B. The construction was not financed by a public infrastructure financing entity.
- C. Fee requirements, allowable credits and reimbursable amounts all have been determined consistent with this Ordinance.
- D. The Applicant has paid all fees required by the ordinance.
- E. The reimbursement request was submitted in writing to the District prior to the final approval of an improvement plan, or where no improvement plan is filed, prior to commencement of any construction.
- F. A written reimbursement agreement has been executed by the party who executed the subdivision agreement with the County of Placer, City of Rocklin, or Town of Loomis. Where no subdivision map is to be filed and before the time the improvement plans for the real property are approved by the County of Placer, City of Rocklin, or Town of Loomis, the written reimbursement agreement shall be executed by the owner of the real property where the construction of the Major Facilities will occur.
- G. The written reimbursement agreement shall set forth the terms, conditions, amount of reimbursement and time frame for reimbursement, including no prepayment penalties and interest per annum at the net County of Placer treasury pool rate for the prior fiscal year on the unpaid balance, with interest not beginning to accrue until sixty (60) days have passed from the date construction is accepted by the District and from the date of receipt by the District of releases of liens, claims, and encumbrances on the Major Facilities, a reimbursement invoice for an amount consistent with the terms of the reimbursement agreement, and all documents necessary to substantiate the actual costs.
- H. Notwithstanding any other provisions contained herein, reimbursements will be made under the following terms:
 - a. Reimbursements less than \$100,000 shall be made within the year of execution of the reimbursement agreement.
 - b. Reimbursements greater than \$100,000, but less than \$1,000,000, shall be made over 5 years, commencing at the date of the execution of the reimbursement agreement.
 - c. Reimbursements greater than \$1,000,000, shall be made over 10 years, commencing at the date of the execution of the reimbursement agreement.
- I. The Board has approved the written reimbursement agreement.

- J. The General Manager shall provide for the accounting of the collection and payment of reimbursement charges from the Benefit Area or Benefitted Property. Nothing herein contained shall require the District to segregate reimbursement charges collected by the District from general funds of the District or to maintain special funds or accounts for such charges.
- K. The maximum term of any reimbursement agreement authorized by this Ordinance shall be ten (10) years. Upon expiration of the term, all obligations of the District thereunder to collect the reimbursement charge and to reimburse the applicant shall cease.

Section 4.02: Public Financing District Reimbursements.

If reimbursement is sought from the District for the construction of Major Facilities financed by an assessment district, community facilities (Mello Roos) district, special tax district, or any similar public infrastructure financing entity, then any reimbursement from the District due there from shall be paid solely to the assessment district, community facilities (Mello Roos) district, special tax district, or any similar public infrastructure financing entity, or its successor, and not to the person constructing or causing the construction of the project. At no cost to the District, the person claiming entitlement to reimbursement shall have the entire burden of establishing to the District's complete satisfaction that the project is not constructed as a project of an assessment district, community facilities (Mello Roos) district, special tax district, or any similar public infrastructure financing entity. At no cost to the District, such District satisfaction may include, by way of illustration and not limitation, reimbursement conditioned upon indemnification, bond, mediation, judicial interpleader, and payment of District's actual attorney's fees. Notwithstanding the foregoing, the District Engineer may determine, in his or her sole discretion that reimbursement may be made to the property owner who constructed the Major Facilities.

If the construction of Major Facilities is financed by a public infrastructure financing entity and where the person, firm or corporation seeking reimbursement has deposited cash into the incidental expense special deposit trust fund established for the financing of the assessment district, reimbursement may be allowed provided all provisions of this Ordinance are met. The reimbursable amount shall be the lesser of the amount of the cash deposit or the amount by which the allowable costs for construction exceed the amount of any water development fee.

By entering into a reimbursement agreement, the District shall not be deemed an insurer of payment to the applicant of any reimbursement charge or charges or otherwise guarantee the collection and payment over to the applicant of any reimbursement charge.

SECTION 5: MISCELLANEOUS PROVISIONS

Section 5.01 Conflicts:

In the event of a conflict between any provision of this Ordinance and the provisions of any other ordinance, rule or regulation promulgated by any California city or county or by any federal or state agency, the provisions of this Ordinance shall prevail except in cases where Federal or California law provide otherwise.

Section 5.02 Severability:

It is hereby declared that in the event any provision or section of this Ordinance is declared void or invalid by any Court of competent jurisdiction, that the remaining sections of the Ordinance shall not be affected thereby, and it is the intent of said Board of Directors to enact each and every, all and singular, of the provisions of this Ordinance irrespective of any provision which may be declared null and void.

Section 5.03 Vested Contractual Rights Not Affected:

No provision of this Ordinance shall be construed as altering or affecting any vested contractual rights between the District and any person, firm, or corporation with whom a valid contract exists as of the effective date of this Ordinance.

Section 5.04 Introduction/Publication/Effect:

- A. This Ordinance was introduced at a regular meeting of the Board of Directors on the **2nd** day of **July, 2015**.
- B. Upon final passage, this Ordinance or a summary of this Ordinance shall be published once a week for two successive weeks in a newspaper of general circulation within the District, pursuant to the provisions of Sections 11534 and 11910 of the Public Utilities Code.
- C. Ordinance to take effect upon final passage.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the South Placer Municipal Utility District on this ___ day of **July, 2015** by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT

To: Board of Directors
From: Herb Niederberger, General Manager
Cc: Eric Nielsen, District Engineer
Subject: Amendment of the Sewer Participation Charge
Meeting Date: July 2, 2015

Overview

South Placer Municipal Utility District (District) Sewer Use Ordinance, No. 09-02, mandates the payment of a sewer participation charge for the privilege of connecting to the District's wastewater system. Staff desires to establish a sewer participation charge that can be used to fund the fair share portion of the cost of construction of the trunk sewer upgrades and expansion facilities that have been identified by the District's System Evaluation and Capacity Assurance Plan (SECAP) as necessary to serve new development within the District's service area boundaries. The Mitigation Fee Act, Section 66000 et seq. of the State of California Government Code, requires that all public agencies make findings and satisfy certain requirements when establishing, increasing, or imposing a fee as a condition of approval of development. Staff has prepared the Sewer Participation Fee Nexus Study that meets the requirements of the Mitigation Fee Act.

The current Sewer Participation Charge is \$2100/EDU. Staff proposes that the charge be increased to \$3000/EDU on October 1, 2015 and \$3750/EDU on October 1, 2016. Future adjustments to the charge will be in alignment with the Engineering News Record Construction Cost Index.

Recommendation

Staff recommends that the Board of Directors:

1. Adopt the attached Resolution making findings and accepting the Nexus Study for the amendment of the Sewer Participation Charges; and
2. Adopt the attached Ordinance amending the Sewer Participation Charge.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:

III. Infrastructure Management

Goal 3.2 – Provide Engineering and Design to optimize the Capital Improvement Program

V. Financial Stability

Goal 5.2 – Explore and Evaluate Investment and Business Practice Alternatives

Fiscal Impact

Staff projects adding approximately 500 EDUs each year over foreseeable future. . At the current rate of \$2100/EDU this calculates to \$1.05M in annual fee revenue. With the approval of the Staff recommendation, annual fee revenue is estimated to increase to \$1.875M by Fiscal Year 2017/18. The revenue will fund capital improvements identified in the SECAP.

ITEM VI.2.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 15-17

MAKING FINDINGS AND ACCEPTING THE NEXUS STUDY FOR THE AMENDMENT OF THE SEWER PARTICIPATION CHARGE

WHEREAS, the South Placer Municipal Utility District (district) has evaluated the hydraulic capacity of the collection system under various scenarios to assure capacity for existing customers and to obtain information to prepare for future development; and

WHEREAS, The District desires to establish a sewer participation charge to be used to fund the fair share portion of the cost of construction of the trunk sewer upgrades and expansion facilities that have been identified by the District as necessary to serve certain new development within the District’s service area boundaries; and.

WHEREAS, the Mitigation Fee Act, Section 66000 et seq. of the State of California Government Code, requires that all public agencies make findings and satisfy the requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project; and

WHEREAS, the District has prepared the Sewer Participation Charge Nexus Study that meets the requirements of the Mitigation Fee Act.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the South Placer Municipal Utility District hereby accepts the Sewer Participation Charge Nexus Study attached hereto as Exhibit “A” and incorporated by this reference and adopt the findings therein stated.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 2nd day of July 2015.

Signed: _____
John R. Murdock, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary



Sewer Participation Charge Nexus Study

South Placer Municipal Utility District

Prepared by:
Herb Niederberger, General Manager
Eric Nielsen, District Engineer

July 2015

ORGANIZATION OF THIS NEXUS STUDY

This study has been organized into the following sections:

Section	Description	Page
I	Introduction, Background, Purpose of the Charge and the Mitigation Fee Act	1
II	Provides a detailed explanation of the charge methodology used to calculate the charges	4
III	Defines the land use and demand assumptions used in the detailed calculations and in the application of the Participation Charge	6
IV	Summarizes the backbone infrastructure costs included in the Program to be funded by the charge	9
V	Provides the detailed calculations for the sewer participation charge	13
VI	Addresses future charge adjustments, implementation, annual administrative duties, and Participation Charge credits or reimbursements	15

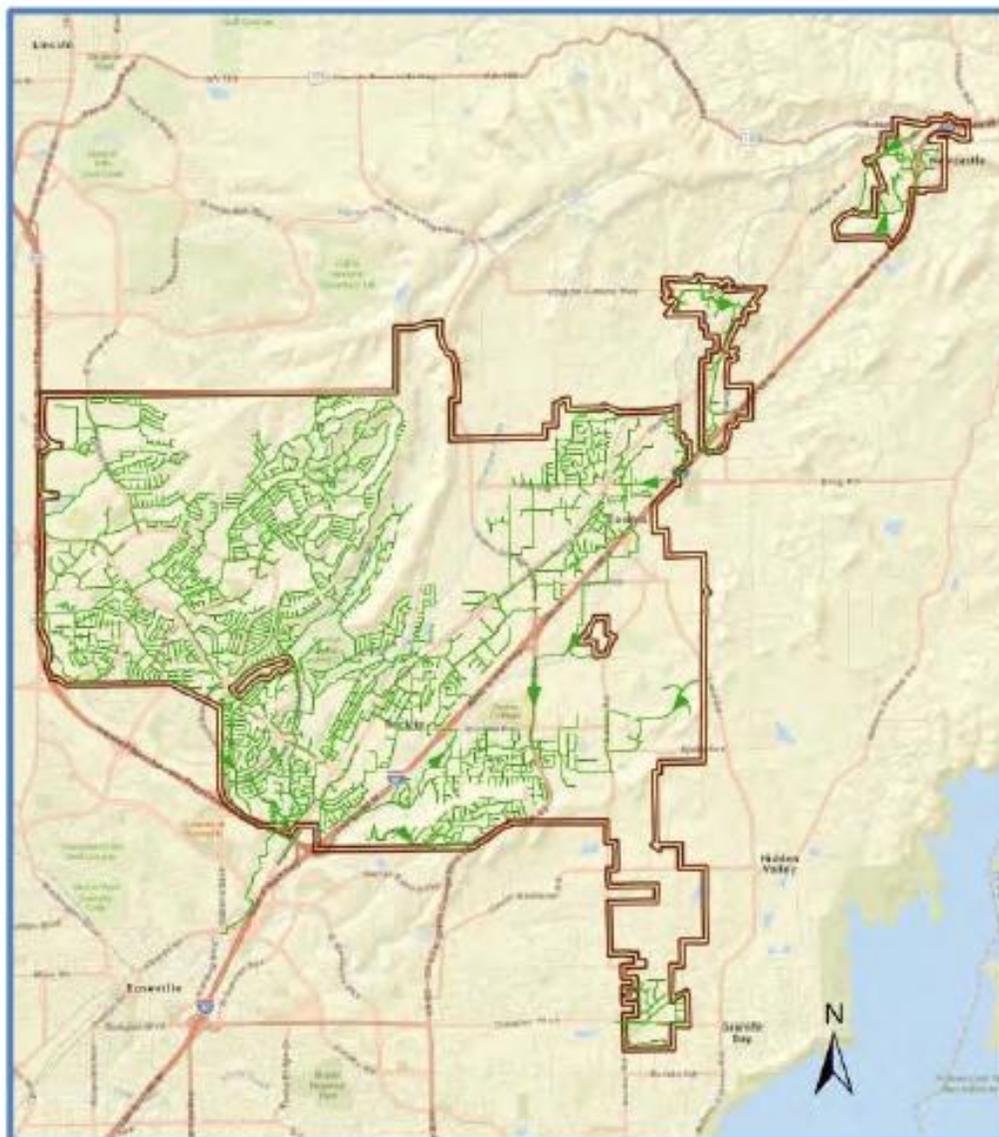
Appendix	Description	
A	South Placer Municipal Utility District: System Evaluation and Capacity Assurance Plan (SECAP)	A
B	Equivalent Dwelling Unit Determination by Land Use and Customer Type: Excerpt from Sewer Use Ordinance 09-02	B

SECTION I: INTRODUCTION

Background

South Placer Municipal Utility District (District) serves the communities of Rocklin, Loomis, Penryn, Newcastle, and portions of Granite Bay and unincorporated Placer County. The District owns, operates, and maintains a collection system, which consists of approximately 250 miles of mainline pipe (ranging from 4-inch to 42-inches in diameter), over 5000 manholes, thirteen lift stations, and ten permanent flow monitoring stations. Figure 1, shows a map of the District service area as well as the area evaluated with the hydraulic model as part of the Wastewater Collection System Evaluation and Capacity Assurance Plan (SECAP), included as Appendix A.

Figure 1 – South Placer Municipal Utility District Service Area Map



The purpose of the SECAP is to provide the District guidance in its efforts to assure capacity for existing customers and information on how to prepare and plan for future development. This document summarizes the District's compliance with provision D.13.viii – System Evaluation and Capacity Assurance Plan of the California State Water Resources Control Board (SWRCB) Order No. 2006-0003-DWQ, the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (SSS WDR). It is included by reference to the District's Sewer System Management Plan (SSMP); is reviewed annually; and is updated as deemed necessary by District staff (at minimum every five years) to account for conditions affecting collection system capacity. The evaluation summarized herein utilized previous District master planning efforts as its foundation, but the results stand alone as the District's current SECAP and 5-year planning document related to capacity.

The SECAP area coincides with the study area identified in the South Placer Municipal Utility District Wastewater Collection System Master Plan (2009) and the District's urban growth area (UGA) identified in the South Placer Regional Wastewater and Recycled Water Systems Evaluation Updated Final Report (2009), which evaluated the combined systems of the regional partners discharging to the two regional wastewater treatment plants. It is important to note that the areas evaluated are the same, since one of the objectives of the SECAP is to build off of those previous planning studies to maintain consistency of analysis but replace the results with updated model simulation results.

Figure 1 also shows the areas that were not included in the SECAP and thus were not evaluated with the hydraulic model. The Rodgersdale community was not included in the hydraulic model for the same reasons it was not evaluated in the 2009 master plan (i.e., the entire community is built out with no room for future development and according to District records, there are no existing capacity related issues). Additionally, the District sphere of influence (SOI), which represents the full extent of the District's potential service range, was not included in the hydraulic model. This is consistent with the foundational assumptions related to growth potential made in the previous hydraulic evaluations (i.e. the extension of the collection system into this area is not likely based on current planning projections, even under long-term scenarios.)

The City of Rocklin and Town of Loomis are located in Placer County approximately 20 miles northeast of Sacramento, along Interstate 80. Increased population and employment in Rocklin and Loomis will lead to increased demand on public infrastructure and services and will ultimately impact infrastructure and the facilities required to provide such services. Where backbone infrastructure and capital facilities are inadequate, permitting development is contrary to the responsibility of local government to protect the public's health, safety, and welfare. Consequently, the District has planned for the construction of backbone infrastructure and capital facilities that will adequately serve its existing areas as well as its future development.

Purpose of Study

New backbone infrastructure and capital facilities will be required to meet the demands of

future development within the District's Service Area Boundaries, in addition to upsizing existing trunk sewers. The District has decided to implement a development impact fee program¹ for these sewer projects and collect fee revenues as development occurs to pay for the system expansion.

The Fee Program is compliant with the regulations set forth in the Mitigation Fee Act (also commonly referred to as AB 1600) and ensures that a rational nexus exists between future development area, and: 1) the use and need of the proposed infrastructure; and 2) the amount of the fee assigned to future development. This Nexus Study demonstrates that a reasonable relationship exists between the fee to be levied on each type of land use and the cost of the facilities attributable to that land use.

Impact Fee Nexus Requirements (AB1600)

Assembly Bill (AB) 1600, which was enacted by the State of California in 1987, created the Mitigation Fee Act – Section 66000 et seq. of the Government Code. The Mitigation Fee Act requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put.
3. Determine how there is a reasonable relationship between:
4. The fee's use and the type of development project on which the fee is imposed.
5. The need for the public facility and the type of development project on which the fee is imposed.
6. The amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

As stated above, the purpose of this Nexus Study is to demonstrate that the proposed sewer project fee complies with the Mitigation Fee Act. The assumptions, methodologies, facility standards, costs, and cost allocation factors that were used to establish the nexus between the fees and the development on which the fees will be levied are summarized in subsequent sections of this study.

¹ For the purposes of this study, any use of the terms Fee, Fee Program, Connection Fee or Development Impact Fee, relates to the Sewer Participation Charge as contained in Section 3 of SPMUD Sewer Use Ordinance No. 09-02.

SECTION II: FEE (CHARGE) METHODOLOGY

When development impact fees are calculated, an analysis must be presented in enough detail to demonstrate that a logical, thorough consideration was applied in the process of determining how the fees relate to the impacts from new development. Findings must be made to ensure that there is a reasonable relationship between the fee and the development on which the impact fee will be levied. There are several generally accepted methods of determining impact fees for future development. Following is a discussion of the method used in this study to calculate the individual fees in the Fee Program.

The plan-based fee methodology utilized in this study is typically applied to infrastructure and capital facilities that must be designed based on future demand projections and/or the geographic location of anticipated growth. For example, the need for transportation improvements depends specifically on the future area that will be served. An analysis of existing facilities, geographic constraints, and current levels of service must be completed in order to identify future facility needs. This information is analyzed in conjunction with a projection of the amount and location of future development in order to determine the adequacy of existing facilities and the demand for new improvements that will be required.

The steps to calculate an impact fee under the plan-based fee methodology include the following:

Step 1 - Determine the future development anticipated to generate demand for new or upgraded infrastructure.

Step 2 - Identify the facilities needed to serve the anticipated growth and determine the cost of these facilities.

Step 3 - Subtract expected revenues that will be available from alternative funding sources, if any, to determine the net facilities cost that will be allocated to future development.

Step 4 - Select the applicable equivalent dwelling unit (EDU) factor that will be used to allocate facilities costs based on a reasonable relationship basis; apply EDU factors to each of the land uses based on their expected level of service demand.

Step 5 - Calculate the total EDUs that will be generated from future development for all land use categories by multiplying each land use type by its EDU factor and taking the sum of the EDUs.

Step 6 - Divide the total EDUs for each land use category by the total EDUs for all future land uses to determine each land use's percentage share of the total EDUs.

Step 7 - Multiply each land use's percentage share of the total EDUs by the applicable infrastructure or facilities cost to determine the cost attributable to each land use

category.

Step 8 - Divide the cost attributable to each land use category by the quantity (i.e., dwelling units or building square feet) of each land use type to determine the fee for each residential or non-residential land use category.

SECTION III: LAND USES AND EDUs

The Mitigation Fee Act requires that a reasonable relationship exists between the need for public facilities and the type of development on which an impact fee is imposed. The need for public facilities is related to the level of service demanded, which usually varies in proportion to the number of residents or employees generated by a particular land use type. Therefore, land use categories have been defined in order to distinguish between relative impacts on the proposed sewer infrastructure. Fees in the Fee Program have been calculated on an equivalent dwelling unit basis for residential land use categories and per 1,000 square feet of building space for non-residential land use categories. For a more detailed breakdown of EDU determine by land use and customer type please consult Appendix B or the District's Sewer use Ordinance 09-02.

The District applies a number of equivalent dwelling units (EDUs) to its customers as they connect to the collection system in accordance with the current District Ordinance. An EDU is a unit of measure that standardizes all land use types and represents a unit of flow (gallons per day), at a certain wastewater strength, from a single family residential unit. As an example how this could be applied to other types of land uses, a small business designed to discharge three times as much water as an average single-detached dwelling would be assigned three EDUs.

The number of EDUs for each customer was used to calculate flows from each parcel into the collection system. To maintain a foundational capacity evaluation criteria consistent with previous planning studies, 190 gpd/EDU was applied as the unit generation factor throughout all model simulations.

Existing Development

The parcels connected to the existing collection system and the usage type of each parcel were identified using District records. Three main categories for usage type were applied in the model (i.e., residential, commercial, and school). Diurnal patterns were developed for each of the usage types and applied to the flows generated from each parcel.

Model results from the existing dry weather simulation were used to compare against the recorded flow monitoring data to calibrate the model. This is a crucial step to assure that the model results accurately reflect the amount of flow observed in the system. The assumed flowrate per EDU used in the model matched well with the dry weather flows recorded by the flow monitors.

Near-Term Development

Parcels that are anticipated to be developed in the near-term were identified and assigned EDUs. The basis for identifying Near-Term Developments was the foundational research developed and presented in the 2009 master plan. The following sources for future land use were identified in the 2009 master plan and these remain applicable for the SECAP.

- City of Rocklin Draft General Plan Update (Quad Knopf, Inc., March 2005)
- Town of Loomis General Plan (Crawford Multari & Clark Associates, July 2001)

- Placer County General Plan (Placer County, August 1994)
- Horseshoe Bar / Penryn Community Plan (August 1994)
- Granite Bay Community Plan (May 1989)

The rate of development since the 2009 master plan has slowed dramatically due to the economic downturn that is generally agreed to have really hit the development community in late 2008. Most of the near-term developments that were identified in the 2009 master plan were anticipated to be in service by the year 2020, yet much of this development has yet to be constructed and only recently started to have potential to move forward out of planning and into construction. For this reason, the near-term developments from the 2009 master plan were carried forward into this near-term scenario for the SECAP (i.e. by the year 2030). The assigned near-term EDUs were used to calculate the hydraulic loading of the system for near-term scenarios.

Long-Term Development – Ultimate Build-Out (UBO)

The long-term hydraulic loading of the model was completed by including all of the developable parcels within the Urban Growth Area (UGA). This scenario models all parcels as contributing to the collection system and thus represents the ultimate build out (UBO) of the UGA. The general plans referenced above, along with Placer County zoning information were used to determine the use and assumed hydraulic loading of long-term developments.

Additionally, the general plan for downtown Rocklin identifies a densification of the area during future development. The densification resulted in an increase in the number of EDUs in the area and thus an increase in the calculated hydraulic loading to the system. Many of the parcels designated as connecting to the collection system under the long-term (UBO) scenario are located in rural areas of the UGA. Many of the parcels currently contain residences that have individual septic systems and are located on large areas of land. Because of the lack of detailed data about potential for densification of these parcels (to a level consistent with the currently approved general planning documents) as part of future development plans, it is difficult to definitively determine the eventual loading onto the system. To investigate the potential range of flows entering the collection system under the long-term (UBO) conditions, two scenarios were developed to investigate the upper and lower bound of anticipated Long-Term hydraulic loadings.

The **Long-Term Lower Bound** assumed that parcels that currently contain residences or businesses will not develop (e.g., subdivide) in the future. Those residences/businesses will abandon their individual septic systems and connect to the District collection system when the District expands service into those areas. Currently vacant or undeveloped parcels were assumed to develop according to the Placer County zoning requirements regarding minimum parcel size to determine the future hydraulic loading. For the purposes of quantifying future improvement costs, the lower bound scenario best represents the current potential for growth within the UGA.

As part of the District's periodic SECAP updates, this assumption will be evaluated and modifications made as necessary to match growth planning data available at such time.

The **Long-Term Upper Bound** assumed that all parcels not currently served by the District’s collection system will subdivide and/or develop according to the Placer County zoning requirements for minimum parcel size. This scenario may be unrealistic since many parcels that currently have residences will never subdivide. However, this upper bound represents the theoretical maximum hydraulic loading on the collection system within the UGA. The results from this upper bound scenario were not used as a basis for determining future improvement costs.

The results of the Long-Term upper bound scenario were retained as a source for comparison against the lower bound results. For example, the required upsize in pipe diameter to accommodate the upper bound flow may only be one pipe size larger than the required upsize to accommodate the lower bound flow. Construction of the larger diameter pipe may add only a small amount to the project cost while providing the capacity for the ultimate potential development. The District retains the right to require the larger of the two pipe sizes be built based on growth and development data available at the time the individual projects are submitted and approved.

The total EDUs for each scenario and their associated average dry weather flow are show in Table 1.

Table 1 – Summary of EDUs and ADWF by Modeled Growth Scenario

Sewer Trunk	Total EDUs	Additional EDUs from Existing	Total ASWF EDUx190 GPD/EDU (MGD)
Existing (2014)	30,696		5.8
Near Term (2030)	39,964	9,268	7.6
Long-Term Lower Bound (2060)	49,285	18,589	9.4
Long-Term Upper Bound (2060)	57,620	26,924	10.9

SECTION IV: TRUNK SEWER EXPANSION COSTS

The District utilized the results of this SECAP to identify, quantify and prioritize the recommended Capital Improvement Projects (CIPs) and the associated impacts on services charges to existing customers to rectify existing capacity deficiencies and participation charges to build capacity to serve future developments. These CIPs were established and prioritized to develop a schedule of completion for the planned capital improvements projects. The schedule for planning, design and construction of the identified improvements shall be based on the District's analysis of risk of failure, actual pace of development, and location. CIPs relieving existing system deficiencies are the highest priority improvements, while CIPs related to future development shall be addressed by the District in coordination with submitted, approved, and constructed developments.

Project Cost Assumptions

The identified CIPs are consistent with much of the foundational sizing, slope and alignment that was identified in previous planning studies. For all proposed improvements, the capital cost estimates were built off of previous estimates but updated to current construction costs. As such, a value of \$20 per inch/diameter-foot was used to estimate construction costs for the proposed improvements (2014 Dollars with an ENR 20 Cities Construction Cost Index of 9664). Additionally, a 30% planning contingency was applied to the construction costs and an additional 10% was used to account for the engineering design and administration costs. These values are consistent with percentages used to quantify costs in foundational planning work. All costs are rounded to the nearest \$10,000. These planning costs are used to define the District's short-term (5-year) and long-term financial liabilities related to capacity improvements. The District intends to maintain this method of generating project costs so that the potential impact on charges levied by the District can be evaluated by comparing the periodic SECAP updates and refining services and participation charges to fund CIPs associated with existing customers and future development customers.

Mitigation CIPs

Growth potential in the Loomis Basin is included in near-term scenario. Some of the CIPs required to serve this growth also provide relief of the existing condition capacity deficiencies. To take advantage of the cost efficiencies associated with accelerating the construction of these projects to mitigate existing capacity deficiencies as well as provide service for the proposed development, the District has planned a number of projects to mitigate the capacity deficiencies for existing and future users in the trunk sewers through the Loomis basin. The Sierra College Lift Station was one of the mitigation projects identified in previous planning studies and was completed in 2013. Table 2 contains a list of the remaining projected mitigation projects and their associated costs. This SECAP assumed that these mitigation improvement projects would be constructed to convey flows from near-term and long-term development, in lieu of constructing the identified existing condition CIPs. The mitigation improvement projects are displayed in all of the near-term and long-term figures in the SECAP, Appendix A.

Table 2 - Summary of Mitigation Infrastructure

Sewer Trunk	Existing Diameter(s)	Proposed Diameter(s)	Length (LF)	Cost (\$)
Boyington Diversion	-	12"	3,480	840,000
Lower Loomis Div. A	-	15"	4,710	1,420,000
Lower Loomis Div. B	-	18"	5,320	1,920,000
Contingency (30%)				1,260,000
Subtotal – Construction Costs				5,440,000
Design/Administration (10%)				550,000
Total Capital Costs				5,990,000

Near-Term CIPs

The improvement projects listed in Table 3 were developed to address the near-term wet weather capacity deficiencies described in the SECAP, Appendix A.

Table 3 - Summary of Near-Term System Improvements

Sewer Trunk	Existing Diameter(s)	Proposed Diameter(s)	Length (LF)	Cost (\$)
Clover Valley A	8"	15"	6,250	1,880,000
Clover Valley B	10"	18"	3,260	1,180,000
Foothill	12"	24"	2,275	1,100,000
Lower Clover Valley	18"	24"	3,115	1,500,000
Contingency (30%)				1,700,000
Subtotal – Construction Costs				7,360,000
Design/Administration (10%)				740,000
Total Capital Costs				8,100,000

Long-Term CIPs

As previously described, two scenarios were modeled to represent possible long-term conditions. One scenario represented the long-term, lower bound condition which assumes that existing residences and businesses within the UGA, not currently connected to the collection system, will connect once service is available, and undeveloped parcels will develop according to the documented general plans and current county zoning. The long-term, upper bound scenario assumes that all parcels not currently connected to the collection system will develop (e.g., subdivide) according to current county zoning. For the purposes of District UBO planning efforts, the lower bound scenario best represents the current potential for growth within the UGA. As part of the District’s periodic SECAP updates, this assumption will be evaluated and modifications made as necessary to match growth planning data available at such time.

In addition, the results of both scenarios indicate the need for significant, yet similar

improvements to the collection system, only the costs of the improvements to address the lower bound, long-term scenario will be considered. Table 4 contains the list of proposed improvements to provide sufficient capacity for long-term development.

Table 4 - Summary of Long-Term Lower Bound System Improvements

Sewer Trunk	Existing Diameter(s)	Proposed Diameter(s)	Length (LF)	Cost (\$)
Upper Antelope Creek East	8"	10"	1,980	400,000
Bankhead	8"-12"	15"	9,575	2,880,000
Fiberboard A	15"	18"	6,260	2,260,000
Fiberboard B	18"	21"	6,735	2,830,000
Lower Clover Valley A	18"	24"	3,730	1,800,000
Lower Clover Valley B	24"	27"	3,115	1,690,000
Lower Loomis Diversion	15"-18"	21"	11,945	5,020,000
Sierra College	15"	18"	2,400	870,000
Foothill A	10"	12"	5,300	1,280,000
Foothill B	15"	24"	2,720	1,310,000
Lower Secret Ravine A	24"	30"	4,680	2,810,000
Lower Secret Ravine B	24"-27"	36"	4,000	2,880,000
Woodside A	24"	30"	1,165	700,000
Woodside B	27"-30"	36"	1,150	830,000
Contingency (30%)				8,270,000
Subtotal – Construction Costs				35,830,000
Design/Administration (10%)				3,590,000
Total Capital Costs				39,420,000

New Sewer Trunks and Associated Improvements

Proposed new sewer trunks will need to be constructed to convey flow from future development. The alignments, sizes, and lengths of new sewer trunks were based on foundational data from the District’s 2009 and 1986 master plans, which remained generally consistent with the SECAP current planning effort. In addition, as part of the District’s recently completed Loomis Diversion Route Study (2014), future trunk lines to serve potential development east of Secret Ravine tributary to the Loomis Diversion line were identified. As part of that analysis it was determined that the majority of those trunk lines will flow by gravity to the Loomis Diversion line, but to serve potential future growth east of Secret Ravine within the Brace Road sewer shed will require a pump station to lift flow into the future Loomis Diversion line. As such, these improvements were added to those identified in previous planning studies. Table 5 lists the costs for these new trunk sewers and associated improvements.

Table 5 - Summary of New Sewer Trunks

Sewer Trunk⁽¹⁾	Proposed Diameter(s)	Length (LF)	Cost (\$)
Upper Clover Valley A	8"	8,130	1,310,000
Upper Clover Valley B	10"	7,040	1,410,000
Upper Antelope Creek East ⁽¹⁾	8"	1,800	290,000
Upper Antelope Creek West	8"	7,850	1,260,000
Upper Antelope Creek Middle A	8"	7,900	1,270,000
Upper Antelope Creek Middle B	10"	5,170	1,040,000
Upper Antelope Creek	15"	15,200	4,560,000
Loomis East	8"	11,600	1,860,000
Brace Road East	12"	27,500	6,600,000
Brace Road Pump Station			2,500,000
Croftwood East	8"	10,300	1,650,000
Contingency (30%)			7,130,000
Subtotal – Construction Costs			30,880,000
Design/Administration (10%)			3,090,000
Total Capital Costs			33,970,000

(1) The portion of the Upper Antelope Creek East New Trunk Sewer on Swetzer to Mareta was already constructed by the District in 2013 to eliminate the cost and risk of operating the Munoz Pump Station and as such only a small extension from that line to connect to the future Upper Antelope Creek Trunk was included.

SECTION V: TRUNKSEWER IMPACT FEE

This section of the study addresses the nexus requirements as they relate to the calculation of the trunk sewer fee. It also summarizes the required sewer facilities, estimated costs, and fee amounts.

Nexus Test

As discussed in the Section I of the Study, the Mitigation Fee Act - Section 66000 et seq. of the Government Code, requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of development:

1. *Identify the purpose of the fee.* The purpose of the fee is to fund the trunk sewer upgrades and expansion attributable to the impact from new development.
2. *Identify the use of the fee.* The sewer participation charge will be used to fund the fair share portion of the cost of construction of the trunk sewer upgrades and expansion facilities that have been identified by the District as necessary to serve certain new development within the District's service area boundaries. These facilities are identified in Table 2 through 5 and are more thoroughly discussed in the Districts SECAP, Appendix A.
3. *Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.* The fee to construct trunk sewer upgrades and expansion facilities that have been identified by the District as necessary to serve certain new development within the District's service area boundaries and will be used to ensure that such facilities are available and have the capacity to serve the identified new residential and non-residential development.
4. *Determine how there is a reasonable relationship between the need for the public facility and the type of development project for which the fee is imposed.* The trunk sewer upgrades and expansion facilities that have been identified by the District as necessary to serve certain new development within the District's service area boundaries and will be needed as new residential and non-residential development generate additional sewage and increase the demand placed on existing facilities. The District has identified the facilities incorporated into Table 2 through 5 and contained in the SECAP, Appendix A, as those that are necessary to serve certain future development within the District's service area boundaries.
5. *Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.* The trunk sewer upgrades and expansion facilities that have been identified by the District as necessary to serve certain new development within the District's service area boundaries. Facilities costs are allocated to future development based on EDUs that were developed by the District. The allocated costs translate into fees that are calculated on a fair-share basis to residential and non-residential development. Future fee revenue is anticipated to be sufficient to fully fund the construction of these

facilities.

Required Facilities and Estimated Costs

The total costs of the recommended Capital Improvement Projects (CIPs) that will be required to serve future development included in the Nexus Study is summarize Table 6. As shown in this table, the net cost of these facilities is approximately \$87,480,000.

Table 6 – Total Trunk Sewer Expansion Costs

Capital Improvement Projects	Costs (\$)
Table 2 - Summary of Mitigation Infrastructure	5,990,000
Table 3 - Summary of Near-Term System Improvements	8,100,000
Table 4 - Summary of Long-Term Lower Bound System improvements	39,420,000
Table 5 - Summary of New Sewer Trunks	33,970,000
Total Capital Improvement Projects	87,480,000

Calculation of Sewer Participation Charge (Fee)

In accordance with the SECAP, Appendix A, and as discussed in Section III, for the purposes of quantifying future improvement costs, the long-term lower bound scenario best represents the current potential for growth within the UGA. The number of additional customers anticipated from the long-term lower bound scenarios is 18,589 new EDUs.

Following the recommendations in the SECAP, Appendix A, the total construction costs of the improvement plan to meet the long-term build out of the UGA is shown in Table 6 as \$87,480,000. Table 7, below represents the calculation of the resulting Sewer Participation Charge

Table 7 – Sewer Participation Charge

a) Total Capital Improvement Projects	\$ 87,480,000
b) Existing CIP Fund Balance 2015(includes NSD debt)	<u>\$ 18,400,000</u>
c) CIP needing funds; Cash need to fund improvements (2014 dollars) [a-b]	\$ 69,080,000
d) Additional EDUs Long-Term, Lower Bound (2060)	<u>18,589</u>
e) Resulting Sewer Participation Charge [c/d]	\$3716/edu

SECTION VI: ONGOING ADMINISTRATION OF THE FEE PROGRAM

The Sewer Participation Charge was last adjusted on February 4, 2014. Per Resolution 14-02 the Sewer Participation Charge was lowered to \$2100/EDU. In order to raise the Fee, staff recommends implementing periodic increases over time until the Fee reaches the recommended amount. Please see the following schedule of increases:

<u>Implementation Date</u>	<u>Sewer Participation Charge</u>
10/1/2015	\$3000/EDU
10/1/2016	\$3750/EDU

Participation Charge Study Updates and Adjustments

The charges may be adjusted in future years to reflect revised facility design, revised costs, receipt of funding from alternative sources, or changes in proposed or actual land uses. It is recommended that the District consider updating the Charge Study if circumstances have been materially affected by events such as those listed above. If it is determined that a Charge Study update is not necessary, then the fees will be inflated each year by the change in the index describe under Inflation Adjustments, below

Fee Implementation

According to the California Government Code, prior to levying a new fee or increasing an existing fee, an agency must hold at least one open and public meeting. At least ten days prior to this meeting, the agency must make data on infrastructure costs and funding sources available to the public. Notice of the time and place of the meeting and a general explanation of the matter are to be published in accordance with Section 6062a of the Government Code, which states that publication of notice shall occur for ten days in a newspaper regularly published once a week or more. The District may then adopt the new charges at the second reading.

Inflation Adjustments

All fees calculated in this study are reflected in year 2014 dollars. In addition to the periodic adjustments mentioned earlier, the fees should be inflated each year by the change in the San Francisco Construction Cost Index (CCI) as reported in the *Engineering News Record*.

Fee Program Administrative Requirements

The Government Code requires the District to report every year, and every fifth year, certain financial information regarding the fees. The District must make available within 180 days after the last day of each fiscal year the following information from the prior fiscal year:

1. A brief description of the type of fee in the account or fund
2. The amount of the fee
3. The beginning and ending balance in the account or fund
4. The amount of the fee collected and the interest earned
5. An identification of each public improvement for which fees were expended

- and the amount of expenditures
6. An identification of an approximate date by which time construction on the improvement will commence if it is determined that sufficient funds exist to complete the project
 7. A description of each interfund transfer or loan made from the account and when it will be repaid
 8. Identification of any refunds made once it is determined that sufficient monies have been collected to fund all fee-related projects

The District must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the District must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

1. Identify the purpose to which the fee is to be put
2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
3. Identify all sources and amounts of funding anticipated to complete financing any unfinished improvements
4. Designate the approximate dates on which funding in item (3) above is expected to be deposited into the fee account

As with the annual disclosure, the five-year report must be made public within 180 days after the end of the fiscal year and must be reviewed at the next regularly scheduled public meeting. The District must make these findings; otherwise, the law requires that the District refund the money on a prorated basis to the then current record owners of the development area subject to the fee.

APENDIX A

South Placer Municipal Utility District

System Evaluation and Capacity Assurance Plan (SECAP)

A

APPENDIX B

Equivalent Dwelling Unit Determination by Land Use and Customer Type

Excerpt from Sewer Use Ordinance 09-02

B

Appendix B - Equivalent Dwelling Unit Determination by Land Use and Customer Type
 Excerpt from Sewer Use Ordinance 09-02

Commercial or Industrial Equivalent Dwelling Units.

1. Not Less than 1 EDU per building.
2. Where multiple uses, and/or tenants within the meaning of Ordinance 09-02, are contained or can be contained in the same structure, the General Manager, based on building permit data, applicable zoning, and plans of the developer, will allocate the respective square footage for the various uses and/or tenants, and determine a composite participation charge composed of the respective participation charges for each such use and/or tenant. Subsequent modifications to any structure may result in reclassification and the assessment of additional incremental participation charges.

Low Strength-Low Quantity Commercial or Industrial Users-

For commercial or industrial units having wastewater strength of less than 200 mg/1 B.O.D. and/or suspended solids, and a quantity of less than 25,000 gpd, an EDU shall be determined as follows:

Low Occupancy User Parking Garage (per every 5 Employees) Regional Distribution Facilities Storage Buildings	NOT Less than 1 EDU
Low-Density Users Church (w/o Kitchen)	$\frac{1}{6}$ EDU per 1,000 sq. ft.
Medium Density User Church (w/ Kitchen and Meeting Hall) School (w/o Cafeterias or Gymnasiums w/ Showers) Bowling/Entertainment Center (w/o Showers) Day Care Center (w/o Kitchen and/or Disposal Facilities) Sports/Fitness Center (w/o Showers) Retail Store Bank/Offices (Other than Medical/Dental) Chiropractor's Office Theatres Auditorium/Halls/Lodges	$\frac{1}{3}$ EDU per 1,000 sq. ft.
High Density User. Barber/Beauty Shop School (w/ Cafeterias or Gymnasiums w/ Showers) Bowling/Entertainment Center (w/ Kitchen) Day Care Center (w/ Kitchen and/or Disposal Facilities) Sports/Fitness Center (w/ Showers) Medical/Dental Office	$\frac{2}{3}$ EDU per 1,000 sq. ft

Service Station Pet Grooming Center Veterinary Clinic Bars	
Special Commercial User Car Wash (per Automatic Wash Stall) Car Wash (per Self-service Wash Stall) Laundromat Market/Mini-market (w/o Disposal) Market/Mini-market (w/ Disposal) FSE (FOG producing establishment) FSE (Non FOG Producing Establishment, w/ limited food preparation) FSE Outside/Overflow Dining Area w/ Covered Area w/o Covered Area, but fenced Mortuaries Hospital Rest Home/Convalescent Hospital Camping/Recreational Vehicle Site Recreational Vehicle Dump Site Hotel/Motel Unit (w/ Kitchen) Hotel/Motel Unit (w/o Kitchen)	8 EDU per Unit 2 EDU per Unit 2/3 EDU per Washer 2/3 EDU per 1,000 sq. ft. 2 EDU per 1,000 sq. ft. 2 EDU per 1,000 sq. ft. 1 EDU per 1,000 sq. ft. 2 EDU per 1,000 sq. ft. 1 EDU per 1,000 sq. ft. 2 EDU per 1,000 sq. ft. 1/2 EDU per Licensed Bed 1/3 EDU per Licensed Bed 1/2 EDU per Site 1 EDU per Site 1 EDU per Unit 1/2 EDU per Unit
Other Commercial/Industrial Users not listed	**Based on a Study done by the General Manager**

High Strength-High Quantity Commercial or Industrial Users

For commercial or industrial users having wastewater strength of greater than 200 mg/1 B.O.D. and/or suspended solids, and/or a quantity of greater than or equal to 25,000 gpd, and/or requiring either special handling or treatment, an EDU shall be determined as follows:

$$EDU's = \frac{gpd}{200} \left[0.61 + \frac{B.O.D. \text{ mg/L}}{300} (0.22) + \frac{suspended \text{ solids mg/L}}{200} (0.17) \right] *$$

*[Not less than a multiplier of one (1)]

Industrial Processing Plants and Similar Heavy or Unusual uses

EDUs for industrial processing plants and similar heavy or unusual uses not classified by the provisions of this Ordinance shall be determined by the General Manager.

Residential Equivalent Dwelling Units:

Determination of Residential Equivalent Dwelling Units. For purposes of this Ordinance, Residential EDU's shall be determined as follows: Dwelling units, including, but not limited to single family homes, duplexes, condominiums, mobile homes, secondary living units, and apartments shall be one (1) EDU per living unit.

Appendix B - Equivalent Dwelling Unit Determination by Land Use and Customer Type
 Excerpt from Sewer Use Ordinance 09-02

Commercial or Industrial Equivalent Dwelling Units.

1. Not Less than 1 EDU per building.
2. Where multiple uses, and/or tenants within the meaning of Ordinance 09-02, are contained or can be contained in the same structure, the General Manager, based on building permit data, applicable zoning, and plans of the developer, will allocate the respective square footage for the various uses and/or tenants, and determine a composite participation charge composed of the respective participation charges for each such use and/or tenant. Subsequent modifications to any structure may result in reclassification and the assessment of additional incremental participation charges.

Low Strength-Low Quantity Commercial or Industrial Users-

For commercial or industrial units having wastewater strength of less than 200 mg/1 B.O.D. and/or suspended solids, and a quantity of less than 25,000 gpd, an EDU shall be determined as follows:

Low Occupancy User Parking Garage (per every 5 Employees) Regional Distribution Facilities Storage Buildings	NOT Less than 1 EDU
Low-Density Users Church (w/o Kitchen)	$\frac{1}{6}$ EDU per 1,000 sq. ft.
Medium Density User Church (w/ Kitchen and Meeting Hall) School (w/o Cafeterias or Gymnasiums w/ Showers) Bowling/Entertainment Center (w/o Showers) Day Care Center (w/o Kitchen and/or Disposal Facilities) Sports/Fitness Center (w/o Showers) Retail Store Bank/Offices (Other than Medical/Dental) Chiropractor's Office Theatres Auditorium/Halls/Lodges	$\frac{1}{3}$ EDU per 1,000 sq. ft.
High Density User. Barber/Beauty Shop School (w/ Cafeterias or Gymnasiums w/ Showers) Bowling/Entertainment Center (w/ Kitchen) Day Care Center (w/ Kitchen and/or Disposal Facilities) Sports/Fitness Center (w/ Showers) Medical/Dental Office Service Station Pet Grooming Center Veterinary Clinic Bars	$\frac{2}{3}$ EDU per 1,000 sq. ft.

Special Commercial User	
Car Wash (per Automatic Wash Stall)	8 EDU per Unit
Car Wash (per Self-service Wash Stall)	2 EDU per Unit
Laundromat	2/3 EDU per Washer
Market/Mini-market (w/o Disposal)	2/3 EDU per 1,000 sq. ft.
Market/Mini-market (w/ Disposal)	2 EDU per 1,000 sq. ft.
FSE (FOG producing establishment)	2 EDU per 1,000 sq. ft.
FSE (Non FOG Producing Establishment, w/ limited food preparation)	1 EDU per 1,000 sq. ft.
FSE Outside/Overflow Dining Area w/ Covered Area	2 EDU per 1,000 sq. ft.
w/o Covered Area, but fenced	1 EDU per 1,000 sq. ft.
Mortuaries	2 EDU per 1,000 sq. ft.
Hospital	1/2 EDU per Licensed Bed
Rest Home/Convalescent Hospital	1/3 EDU per Licensed Bed
Camping/Recreational Vehicle Site	1/2 EDU per Site
Recreational Vehicle Dump Site	1 EDU per Site
Hotel/Motel Unit (w/ Kitchen)	1 EDU per Unit
Hotel/Motel Unit (w/o Kitchen)	1/2 EDU per Unit
Other Commercial/Industrial Users not listed	**Based on a Study done by the General Manager**

High Strength-High Quantity Commercial or Industrial Users

For commercial or industrial users having wastewater strength of greater than 200 mg/1 B.O.D. and/or suspended solids, and/or a quantity of greater than or equal to 25,000 gpd, and/or requiring either special handling or treatment, an EDU shall be determined as follows:

$$EDU's = \frac{gpd}{200} \left[0.61 + \frac{B.O.D. \text{ mg/L}}{300} (0.22) + \frac{suspended \text{ solids mg/L}}{200} (0.17) \right] *$$

**[Not less than a multiplier of one (1)]*

Industrial Processing Plants and Similar Heavy or Unusual uses

EDUs for industrial processing plants and similar heavy or unusual uses not classified by the provisions of this Ordinance shall be determined by the General Manager.

Residential Equivalent Dwelling Units:

Determination of Residential Equivalent Dwelling Units. For purposes of this Ordinance, Residential EDU's shall be determined as follows: Dwelling units, including, but not limited to single family homes, duplexes, condominiums, mobile homes, secondary living units, and apartments shall be one (1) EDU per living unit.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT

To: Board of Directors

From: Herb Niederberger, General Manager

Cc: Sam Rose, Superintendent
Eric Nielsen, District Engineer
Joanna Belanger, Administrative Services Manager

Subject: Fiscal Year 2015/16 Budget

Meeting Date: July 2, 2015

Overview

On June 3, 2015, the South Placer Municipal Utility District Board of Directors attended a workshop for the proposed Budget for the 2015/16 Fiscal Year (FY2015/16, beginning July 1, 2015 and ending June 30, 2016) outlining projected revenues and expenses for the General and Capital Funds. The Budget's primary use is as a fiscal planning tool to accomplish the District's strategic goals and objectives. The FY 2015/16 budget is being presented to the Board for adoption through Resolution.

Recommendation

Staff recommends that the Board of Directors approve Resolution No. 15-18, adopting the Budget for FY2015/16 and the proposed spending plan therein.

Strategic Plan Goals

The FY 2015/16 Budget continues to supports the Key Areas of Focus & Desired Outcomes; Goals & Key Performance Indicators of the Strategic Plan Goal.

Fiscal Impact

The total budget recommendation for FY 2015/16 is \$14.95 Million which can be broken down to \$11.15 Million in Annual Expenses and \$3.8 Million in Capital Investment. This represents an increase of approximately \$0.43 Million (3%) over the approved Budget for FY 2014/15.

Discussion

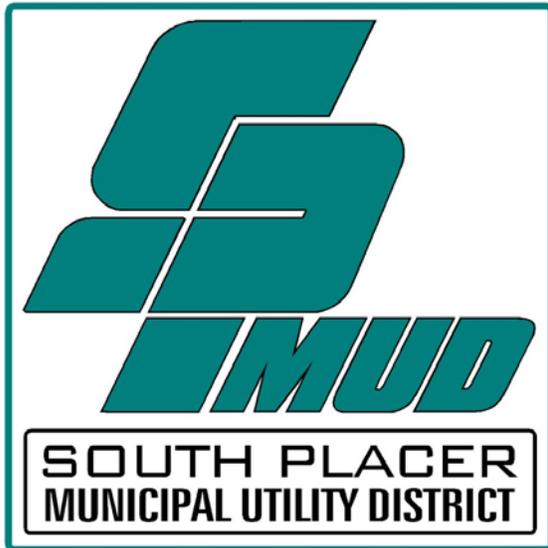
Revenues - FY 2015/16 General Fund revenues are projected to be \$11.57 Million (79% of total), and Capital Fund revenue is projected to be \$3.12 Million (21% of total).

Expenses -FY 2015/16 General Fund expenses are projected to be \$11.15 Million, up approximately \$0.34 Million (3.1%) over the previous year.

Capital Projects -FY 2015/16 Capital Projects are projected to be approximately \$ 3.8 Million. This can be broken down into the following categories: R&R - \$684,000; CIP – \$2,360,000; GF - \$756,500.

Fund Balances - For FY2015/16, year end balances are projected to be \$13.8 Million in the General Fund (31%), \$19.2 Million in Accumulated Depreciation Reserve (41%) and \$11.6 Million in the Capital Fund Reserve (28%).

Fiscal Year
2015/16



Budget Report

South Placer Municipal Utility District
5807 Springview Drive,
Rocklin, CA 95677

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MISSION

We are a customer owned Utility dedicated to:

PROTECT public health and water environment.

PROVIDE efficient and effective sanitary sewer service.

PREPARE for the future.

VISION

Our vision is to be the most reliable, innovative operations and maintenance organization that preserves and prolongs the life of our assets, resulting in sustainable, efficient, cost-effective customer service.

VALUES

Our Core Values are:

INTEGRITY: We will be trustworthy, truthful and honest.

STEWARDSHIP: We will be accountable and committed to responsible management and respect our environment.

SERVICE: We will be responsive, reliable and respectful; putting the needs of the District and customers first.

QUALITY: We will be dedicated to continuous improvement.

South Placer Municipal Utility District Operating Budget – Fiscal Year 15/16

BOARD OF DIRECTORS

Gerald Mitchell	WARD 1: Southwest central area of the City of Rocklin lying north of Interstate 80, including the Woodside, Five Star/Fairway Heights, south Stanford Ranch, and Sunset neighborhoods, as well as the west parts of old Rocklin.
William Dickinson	WARD 2: Northwest part of the City of Rocklin lying on the east side of Highway 65 in the Sunset West and north central Stanford Ranch neighborhoods.
John Murdock	WARD 3: Southeast Rocklin lying south of Interstate 80 in the vicinity of Sierra Community College. Also includes south Loomis and a stretch of land extending into Granite Bay in the Joe Rogers Road area.
Victor Markey	WARD 4: Community of Penryn, the Town of Loomis lying north of King Road, extending west into the north part of the City of Rocklin in the Whitney Ranch and north Whitney Oaks neighborhoods.
James Williams	WARD 5: West and central part of the Town of Loomis lying between Interstate 80 and King Road, extending west into the City of Rocklin into the east Stanford Ranch and south Whitney Oaks neighborhoods, as well as the east part of old Rocklin.

STAFF

Herb Niederberger	General Manager
Joanna Belanger	Board Secretary and Administrative Services Manager
Sam Rose	Superintendent
Eric Nielsen	District Engineer
Gary Gibson	Field Services Manager

SECTION 1 General Manager's Budget Report

SECTION 1.0 INTRODUCTION

Purpose

This budget report provides the South Placer Municipal Utility District (SPMUD or District) Board of Directors with the upcoming fiscal year revenues and expenses for the General and Capital Funds. The Budget's primary use is as a fiscal planning tool to accomplish the District's strategic goals and objectives. The budget is a management tool and not a legal requirement, and therefore not a legal document.

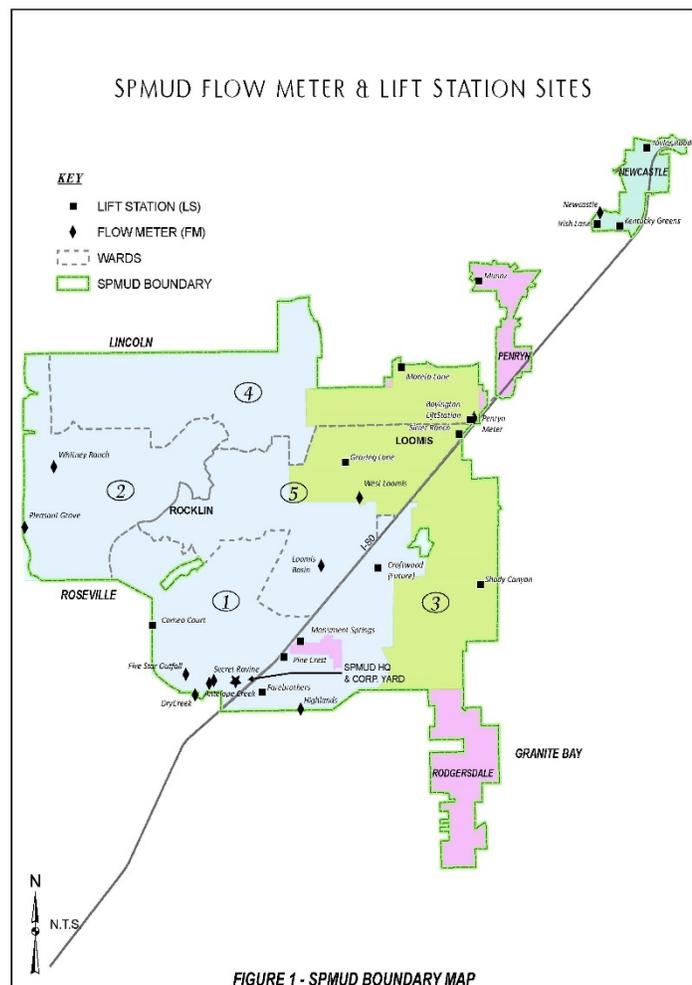
Report Organization

This Annual Budget is intended to provide the Board with an overview of the District's fiscal plan of action, including revenue and expense details for the upcoming fiscal year (FY15/16). This report is organized into a General Manager's report and revenue, expenditures, capital outlays and personnel schedules.

Background

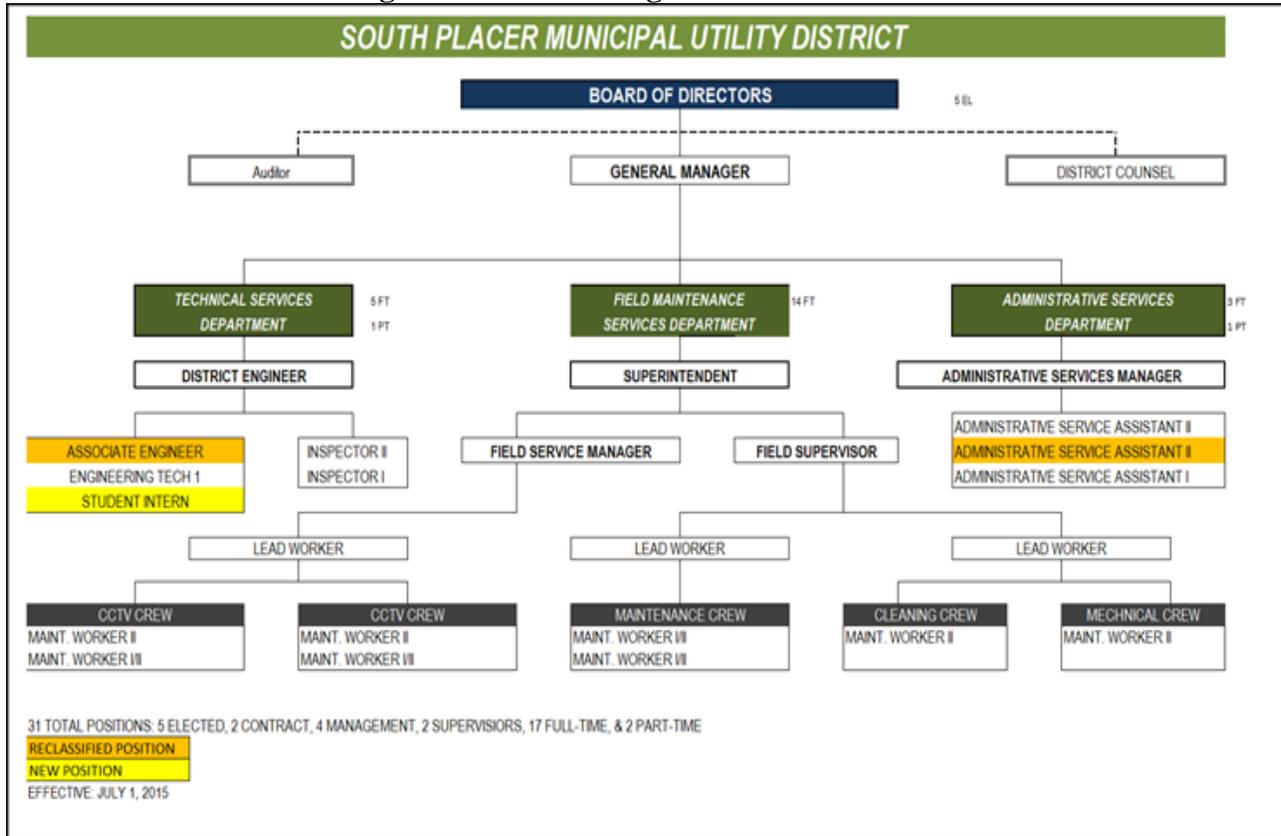
The Rocklin-Loomis MUD was created in 1956 to provide sanitary sewer service to Rocklin and Loomis. In the late 1980's the District was renamed to the SPMUD. The District is divided into five wards and governed by an elected five member Board of Directors whom establish policy and oversee the General Manager, who manages the day-to-day operations. The SPMUD boundaries are shown in Figure 1.

In the 1970's the District decommissioned its sewage treatment facilities and began using the City of Roseville (City) Dry Creek Wastewater Treatment Plant (DCWWTP). In the 1980's, the name changed to South Placer Municipal Utility District to reflect its larger service area. In 2000, the District, the City of Roseville and Placer County (PC) created the South Placer Wastewater Authority (SPWA) to finance the construction of the Pleasant Grove Wastewater Treatment Plant (PG WWTP). In 2008, SPMUD boundaries expanded to match the incorporated town limits of Loomis, and in 2010, annexed the Newcastle Sanitary District (NSD) area.



SPMUD is under the direction of a five-member elected board and managed by the General Manager. The District is organized into three departments, Field Services, Technical Services and Administrative Services as shown in Figure 2.

Figure 2 – District Organizational Chart



Statistics

The SPMUD service area covers 31 square miles as shown in Figure 1 and includes all of the incorporated limits of the City of Rocklin and Town of Loomis, plus portions of southern Placer County around the unincorporated communities of Penryn, Newcastle and the Rodgersdale area of Granite Bay. Rocklin makes up 88%, Loomis is 9%, and 3% is in unincorporated Placer County. The District provides service to 20,928 customers (80% residential and 20% commercial); this equates to 31,241 Equivalent Dwelling Units (EDU) or an equivalent population of about 75,000 people. Our customers discharge an average sewer flow of about five million gallons per day. The District collects the sewage through customer owned sewer laterals (the pipe connecting their building sewer to the sewer mainlines) and transports this via 265 miles of District owned and operated sewer mains (from 4” to 42” diameter). The District maintains an additional 135 miles of customer owned lower laterals (their sewer pipe within our easement or public right-of-way). Other assets include our Headquarters, Maintenance and Corporation Yard facilities, 6050 manholes, 13 lift stations, 10 metering sites, and related buildings, facilities and equipment.

Figure 3 – District Statistics

STATISTICS	UNIT	TOTAL
Service Area	Square Miles	31
Equivalent Population	Each	75,000
Equal Dwelling Units	EDU	31,241
Customers Connected	Each	20,928
Annual Flow to WWTP	Million Gallons	1,500
Sewer Mains	Miles	257.3
Lower Service Laterals	Miles	138.7
Manhole/Flushing Branch	Each	6,050
Lift Stations	Each	13
Force Mains	Miles	6.8
Flow Meter Stations	Each	10
Easements	Miles	20

Regional Wastewater Treatment Plants (RWWTP) & Rate Stabilization Reserve Fund (RSF)

The District collects and transports to one of two RWWTP in Roseville for treatment (Dry Creek and Pleasant Grove) about 1.5 billion gallons of raw sewage annually. Together the two RWWTP and infrastructure used by all three partners make up the regional facilities. SPMUD pays its share of annual O&M costs for the RWWTP’s based on our proportional flows to the other partners and is approximately 25% of total flows into the RWWTP.

The Rate Stabilization Reserve fund (RSF) is currently held by the SPWA. Bonds sold by SPWA and cash contributed by the SPWA participants funded construction of the Pleasant Grove Treatment Plant. The bond payments are made from the RSF from revenues generated from regional connection fees separate and distinct from the Districts Sewer Participation Charges, although both are collected at the same time. The District has covenanted to prescribe and collect rates and charges sufficient to yield net revenues at least equivalent to 110% of its share of debt service. The source of funding for this reserve is from Sewer Service Charges.

SECTION 1.1 REVENUE ANALYSIS

The following discussion highlights the major changes in the Fiscal Year 15/16 budget as compared to the current FY 14/15 budget in support of the detailed line items presented in **Schedule 1 - Revenue Budget**. The General Fund Revenue Budget is made up of service charges, property taxes, miscellaneous revenues and interest revenue. The Capital Outlay Revenue Budget is made up of sewer participation charges, depreciation transfers, investment interests, loan repayments and interest from NSD.

Operating Revenues

General Fund operating revenues are comprised of monthly service charges, service fees collected during the year property taxes and interest revenues. For FY15/16, the District's operating revenues are projected to increase by \$200,000 (approximately 1.8%) due to an estimated additional 500 new EDU service connections during the upcoming year. The District still has the lowest monthly customer service fees in the region and does not project to increase the \$28/per EDU/per month service charge for the fourth consecutive year.

Non-Operating Revenues

Non-operating Capital Outlay funds are made up of sewer participation charges, depreciation transfers, investment interest income, loan repayments and interest from NSD, Capital non-operating revenue is projected to be \$3.1M, an increase of approximately 8.65%.

Total Revenues

The District's total revenues for FY15/16 are projected to increase by \$470,000 or 3.2% over last year based upon projected additional EDUs of 500. The SPMUD total investment and cash balance is projected to increase to \$46.97 Million.

SECTION 1.2 OPERATIONS EXPENSE ANALYSIS

The following discussion provides a summary of the FY15/16 operational expenses, in support of the detailed line items presented in **Schedule 2** - Expense Budget of this report. The operating expenses are those District wide costs for goods and services and are comprised of employee, administrative, operational costs and capital projects less than \$5,000.

Salary & Benefits

The SPMUD is under the direction of a five-member elected board and managed by the General Manager. The District is organized into three departments, Field Services, Technical Services and Administrative Services as shown in Figure 3. Due to recent retirements and reorganization within the District, Salary and Benefits in FY 15/16 projected to decrease from approximately \$2.838M to \$2.812M (\$26,000).

Operations & Maintenance Including Regional Wastewater Treatment

Total Operation and Maintenance expenses for FY15/16 are projected to be \$11.15M, an increase of \$350,000 over last year's budget.

Included in these expenses are costs paid to the City of Roseville, who own and operate the two RWWTP (Dry Creek and Pleasant Grove) providing sewage treatment for the regional partners. SPMUD pays for its share of the RWWTP Operation & Maintenance (O&M) and Rehabilitation & Replacement (R&R) costs based on the District's proportional share of total flows (currently around 25%). For FY 15/16 the RWWTP costs are projected to be \$5.89M, a decrease of \$160,272 from FY14/15. These costs include O&M costs of \$4.52M and R&R costs of \$1.36M.

The breakdown of FY15/16 the General Fund Budget of \$11.15M is as follows: \$2.8M Salaries & Benefits, \$1.1 Local SPMUD General Fund expenses, \$5.89M RWWTP expenses and a \$1.35M depreciation expense.

SECTION 1.3 CAPITAL OUTLAY ANALYSIS

FY15/16 Programmed Capital Outlays

Schedule 3 in this report includes a listing of the proposed capital outlays for the upcoming 15/16 Fiscal Year. Section 5 provides written justifications and estimated costs that total \$3,801,100.

Capital Replacement & Rehabilitation Outlays for FY15/16 - \$684,000

Various items such as replacement of two vehicles, Board Room Furniture replacements, Audio/Visual upgrades, Corp Yard Storage Enclosure and Vehicle Wash Facility upgrades, a Portable Dry-Prime trailered pump, replacement of Portable Flow Recorders, Hydro-Vac Excavation Kit, upgrades to the Fire and Security systems in District buildings, Hydro Cleaning nozzle, HRF Pre-Design, GPS Survey unit and System Rehabilitation.

General Fund Capital Outlays for FY15/16 - \$756,500

Easement Roadway Replacements, Hands Free communication equipment for Field crew, Building Access Control systems and HQ Lobby improvements, Solar Upgrades, Lobby T.V. Screen, Data Acquisition related to the Lucity Project, System Rehabilitation, and District Participation in Regional Projects.

Capital Improvement & Expansion Outlays for FY15/16 - \$2,360,000

Final Design and Right of Way in conjunction with the Loomis Diversion Trunk Sewer, and Final Design & Construction of the Foothill Trunk Project.

SECTION 1.4 PERSONNEL

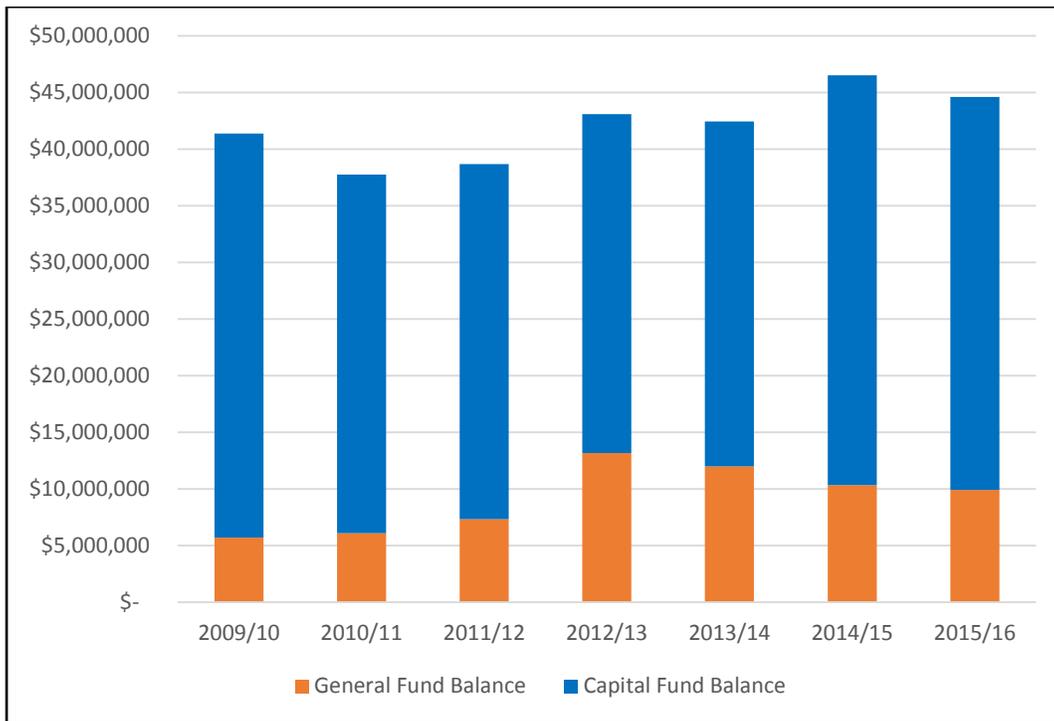
Schedule 5 - Personnel Classification Positions as authorized by the Board, and **Schedule 6** - Employee Salary Ranges and Steps per the current Employee/Employer MOU, represents schedules for the Board's review as a part of the Budget process and includes the reclassification of two existing employees and the addition of a college Intern position. There are classifications that remain, but are scheduled to be unfunded for this fiscal year.

SECTION 1.5 FUND BALANCES AND RESERVES

Projected Cash and Investment Balances

The Total Fund Balance is broken up into the General Fund and Capital Fund and is projected to decrease slightly by approximately \$258,000 to \$44.59M by the end of FY15/16. Of the \$44.59M, \$13.79M (31%), is projected to be in the General Fund balance, \$19.20M (43%) in the Capital Replacement Fund (Depreciation Reserve) and \$11.61M (26%) in the Capital Fund Reserve. The decrease in the fund balance is attributed to large Capital Improvement Projects, specifically design and right-of-way acquisition related to the Lower Loomis Diversion Sewer project and Foothill Trunk Project construction being completed in FY 15/16.

Figure 4 – Fund Balances



District Reserves

Reserve funds are accumulated and maintained in a manner that allows the funding of costs and capital investments consistent with the District’s Capital and Financial Plans while avoiding significant rate fluctuations due to changes in cash flow requirements. The District will also maintain an emergency reserve position that may be utilized to fund disasters or unanticipated major failures. The classification of these reserve fund balances shall be in conformance with Government Accounting Standards Board (GASB) Statement No.54 (Fund balance reporting and governmental fund type definitions).

A. Assigned General Fund Balance Reserves

1. Operations and Maintenance Reserve:

The purpose of the District Operation and Maintenance (O&M) Reserve Fund is to ensure that the district will have sufficient funding available at all times to meet its operating obligations. Operating revenue is flat rate and consistent over the year. Delinquencies are trued up through tax liens which are recoverable twice a year. Operating expenses are generally incurred uniformly over the year; however, work can be planned or deferred during the year to accommodate minor fluctuations in revenue. The source of funding for this reserve shall be from Sewer Service Charges. The District shall maintain an O&M Reserve Fund equivalent to 6 months O&M expenses.

2. Rate Stabilization Reserves:

The purpose of the District Rate Stabilization Reserve Fund is to establish a means to provide more stable sewer service charges to the District’s customers. This fund buffers the impacts of unanticipated fluctuations or revenue shortfalls in sewer revenues and should be capable of defraying the need for an immediate rate increase to cover the cost of an unanticipated rise in

expenses. Unexpected fluctuations can include, but are not limited to natural disasters, an economic downturn, and unanticipated increases in other utility expenses and/or other extraordinary circumstances. The source of funding for this reserve shall be from Sewer Service Charges. The District shall maintain a Rate Stabilization Reserve Fund equivalent to 10% of the annual revenue.

3. Emergency Reserves:

The purpose of the Emergency Reserve Fund is to provide funds for emergency response for potential repair or replacement of capital facilities due to damage from a natural disaster or unanticipated failure. The Emergency Reserve would be used when capital improvement funds have otherwise been purposefully spent down to a preset limit on planned projects. The source of funding for this reserve shall be from Sewer Service Charges. The District shall maintain an Emergency Reserve of \$3 Million.

B. Committed Capital Fund Balance Reserve

1. Capital Improvement Fund Reserve

The purpose of the District Capital Improvement Reserve is to fund, on a pay-as-you-go basis. Future capital facilities that are expansion or growth related. These capital improvements are identified in a Wastewater Collection Master Plan, a System Evaluation and Capacity Assurance Plan or other such capital improvement plan designated by the District. These funds are accumulated in an orderly manner in conformance with State law and drawn down as required to fund growth related projects. The source of funding for the Capital Improvement Reserve is the Sewer Participation Charge.

C. Assigned Capital Fund Balance Reserve

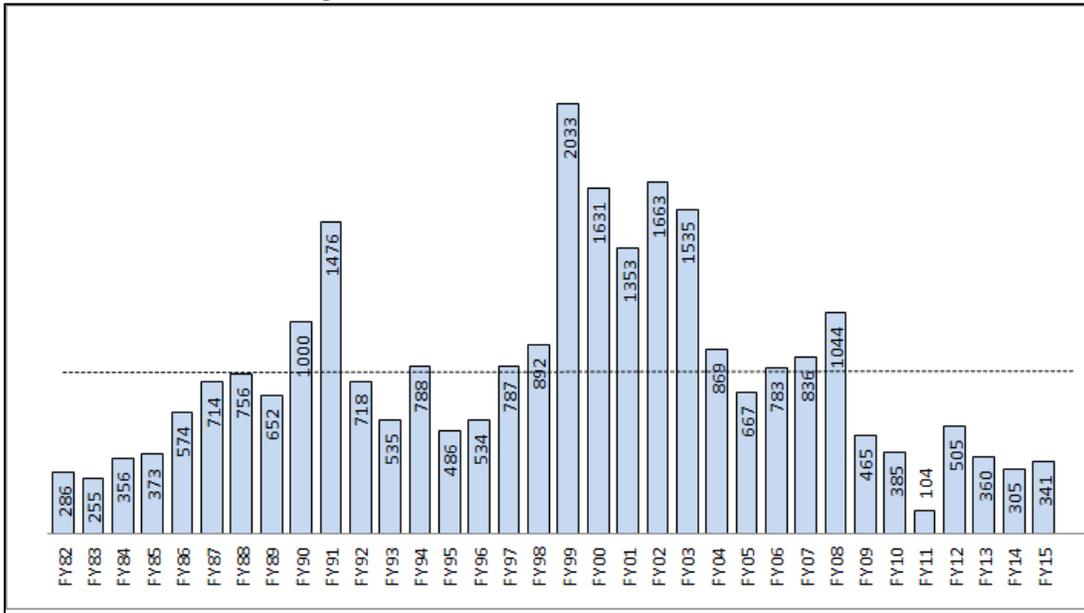
1. Capital Replacement Fund (Depreciation Reserve)

The purpose of the District Capital Replacement Fund is to accumulate the probable replacement cost of equipment each year over the life of the asset, so it can be replaced readily when it becomes obsolete, is totally depreciated or are scheduled for replacement. Annual depreciation is calculated as a function of the depreciation schedule maintained within the District's Financial Management Software. The source of funding for this reserve shall be in the form of an annual operating expense (transfer) to the Capital Replacement (Depreciation Reserve) Fund. The District shall incur an annual expense equivalent to the annual depreciation and accumulate this balance in a Capital Replacement Fund (Depreciation Reserve) to fund replacements of assets that have reached their useful life, are fully depreciated.

Past Growth Trends:

Figure 5 shows how the growth varies greatly from year to year. Based upon an analysis performed in the Sewer Evaluation and Capacity Assurance Plan (SECAP) the District is forecasting growth of 500 EDU's each year for the next five years.

Figure 5 – SPMUD Historical Growth



General Fund Projections

The annual growth is based on the projected annual service fees and that expenses will increase 2.5% per year during this period. The District will maintain its reserve balances through this analysis period. If the assumptions used prove accurate and the current economic factors remain the same, Sewer Service charges in FY15/16 are projected to remain at \$28/per month. Figure 6 shows a comparison of other local agencies service fees.

Figure 6 - Monthly Sewer Rate Comparison Placer County

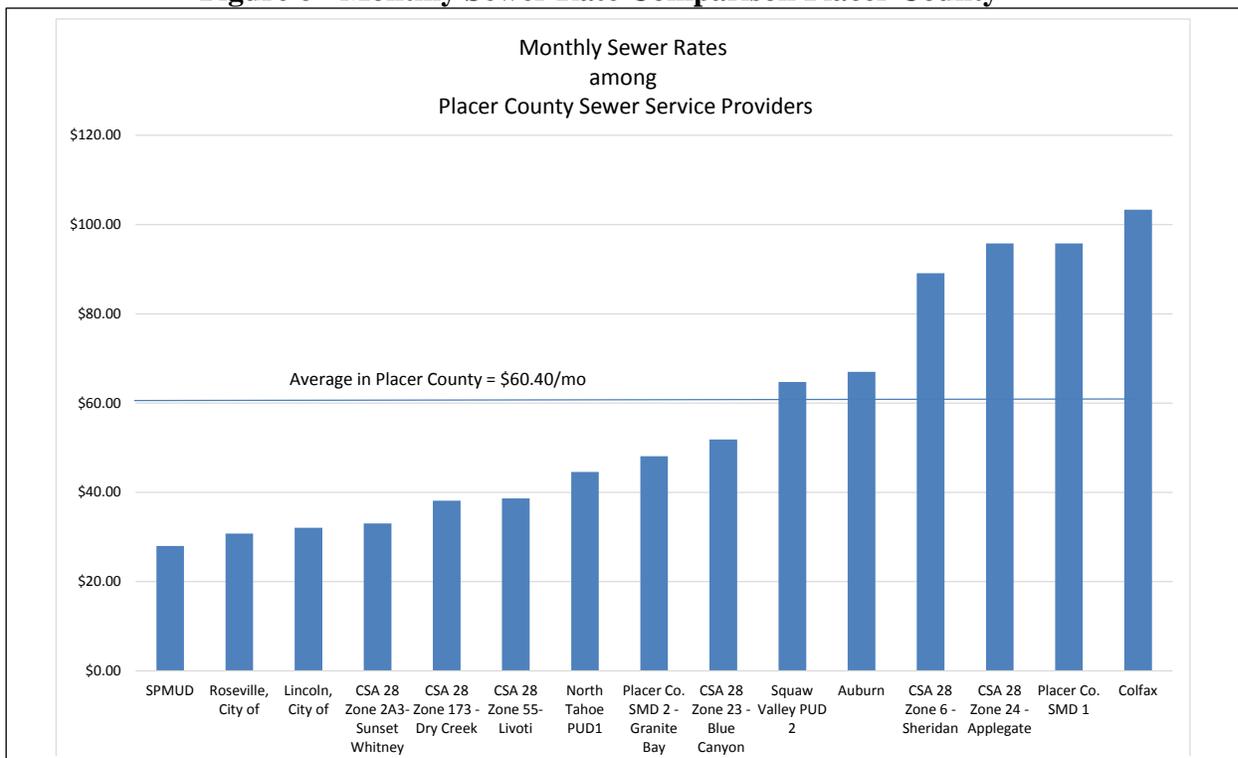


Figure 7, below, shows General Fund Budget projections for the next five years based upon the current year service charges and fees and the assumption of 500 additional EDU connections for each year.

Figure 7 - FIVE-YEAR GENERAL FUND PROJECTIONS

ITEM	AUDITED 13/14	CURRENT 14/15	BUDGET 15/16	ESTIMATE* 16/17	ESTIMATE* 17/18	ESTIMATE* 18/19	ESTIMATE* 19/20	ESTIMATE* 20/21
TOTAL EDU	30,550	31,241	31,741	32,241	32,741	33,241	33,741	34,241
NEW EDU PROJECTIONS	150	500	500	500	500	500	500	500
MONTHLY SERVICE CHRG	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00
ANNUAL SERVICE CHRG REVENUES	10,202,898	10,375,000	10,554,000	10,832,976	11,000,976	11,168,976	11,336,976	11,504,976
OTHER FEES	538,228	234,200	260,000	286,000	314,600	346,060	380,666	418,733
OPER. REVENUES	10,741,126	10,609,200	10,814,000	11,118,976	11,315,576	11,515,036	11,717,642	11,923,709
OTHER REVENUES	973,255	748,338	753,500	791,175	830,734	872,270	915,884	961,678
TOTAL REVENUES	11,714,381	11,357,538	11,567,500	11,910,151	12,146,310	12,387,306	12,633,526	12,885,387
EXPENSES	9,305,812	11,106,274	11,121,612	11,137,896	11,155,129	11,173,314	11,192,453	11,212,550
NET REVENUES	2,408,569	251,264	445,888	772,255	991,181	1,213,993	1,441,073	1,672,836

*Estimate based upon current years service charges & fees

SECTION 1.6 SUMMARY

The total FY 15/16 revenues for all funds are projected to increase by \$0.48M from FY14/15 these increases are fully attributed to additional service connections. General Fund expenses for FY 15/16 are projected to increase by \$40,000 (\$11.14M - \$11.10M) from FY14/15. Capital outlay expenses for FY 15/16 are anticipated to be \$3,801,100.

Personnel and salary schedules are shown in **Schedules 5 and 6**. The District has 31 approved positions comprised of 23 full-time, 2 part-time, five Elected, one part-time Attorney and one contracted Auditor. The District employee and management MOU's are in effect through the end of FY 16/17; MOU adjustments are reflected in this budget. **Schedules 1, 2 & 3** chart the District Budget distribution for FY 15/16.

The proposed budget represents an expenditure plan designed to accomplish the Districts Strategic Plan Goals and Objectives and meets the needs of both present and future customers in the South Placer Municipal Utility District service area, while keeping the District's vision and mission in focus.

Schedule 1

FY15/16 Budget Distribution

REVENUES & INVESTMENTS

SOUTH PLACER MUNICIPAL UTILITY DISTRICT REVENUE BUDGET FY 15/16				
GENERAL FUND	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YR 12/13	FISCAL YR 13/14	FISCAL YR 14/15	FISCAL YR 15/16
SEWER SERVICE CHARGES REVENUES	\$ 10,260,093	\$ 10,202,898	\$ 10,375,000	\$ 10,554,000
PERMITS, PLAN CHECK FEES & INSPECTIONS	\$ 132,774	\$ 538,228	\$ 234,200	\$ 260,000
PROPERTY TAXES	\$ 610,400	\$ 893,954	\$ 698,768	\$ 700,000
INTEREST	\$ 73,066	\$ 64,757	\$ 31,000	\$ 33,500
GAIN ON SALE FIXED ASSET DISPOSAL	\$ 4,039	\$ -	\$ 1,570	\$ 2,000
OTHER REVENUES	\$ 12,271	\$ 14,544	\$ 17,000	\$ 18,000
TOTAL GENERAL FUND	\$ 11,092,643	\$ 11,714,381	\$ 11,357,538	\$ 11,567,500
CAPITAL OUTLAY FUND				
SEWER PARTICIPATION FEES	\$ 680,755	\$ 1,005,529	\$ 1,074,550	\$ 1,150,000
INTEREST	\$ 522,254	\$ 480,439	\$ 279,000	\$ 301,500
LOAN REPAYMENT NSD - PRSC	\$ -	\$ 357,240	\$ 193,054	\$ 194,000
DEPRECIATION TRANSFER FROM GENERAL FUND	\$ 1,022,054	\$ 1,088,844	\$ 1,180,000	\$ 1,350,600
INTEREST FROM LOAN REPAYMENT NSD - PRSC	\$ -	\$ 128,417	\$ 125,412	\$ 126,000
TOTAL CAPITAL OUTLAY FUND	\$ 2,225,063	\$ 3,060,469	\$ 2,852,016	\$ 3,122,100
TOTAL FY2015/16 SPMUD REVENUE	\$13,317,706	\$14,774,850	\$14,209,554	\$ 14,689,600

SOUTH PLACER MUNICIPAL UTILITY DISTRICT INVESTMENTS FY 15/16				
GENERAL FUND	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YR 12/13	FISCAL YR 13/14	FISCAL YR 14/15	FISCAL YR 15/16
PLACER COUNTY TREASURY POOLED CASH - GENERAL FUND	\$ 4,506,095	\$ 4,324,089	\$ 4,357,589	\$ 4,619,044
LAIF - LOCAL AGENCY INVESTMENT FUND - GENERAL FUND	\$ 7,575,738	\$ 7,496,264	\$ 9,763,453	\$ 9,166,386
TOTAL GENERAL FUND INVESTMENTS	\$12,081,833	\$11,820,353	\$14,121,042	\$13,785,430
CAPITAL FUND				
PLACER COUNTY TREASURY POOLED CASH - CAPITAL	\$ 29,873,881	\$ 30,491,446	\$ 30,727,670	\$ 30,805,170
LAIF - LOCAL AGENCY INVESTMENT FUND - CAPITAL	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL FUND INVESTMENTS	\$ 29,873,881	\$ 30,491,446	\$ 30,727,670	\$ 30,805,170
TOTAL INVESTMENT FUNDS	\$41,955,714	\$42,311,799	\$44,848,712	\$44,590,600

Schedule 2

FY15/16 Budget Distribution

GENERAL FUND EXPENSES

**South Placer Municipal Utility District
General Fund Expenditure Budget FY15/16**

GENERAL FUND EXPENDITURES	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YR 12/13	FISCAL YR 13/14	FISCAL YR 14/15	FISCAL YR 15/16
Salaries/Wages	\$ 1,557,370	\$ 1,618,011	\$ 1,618,011	\$ 1,660,000
FICA - Social Security	\$ 116,139	\$ 127,270	\$ 129,760	\$ 128,000
CalPERS Retirement	\$ 346,649	\$ 371,688	\$ 346,385	\$ 336,000
457 Retirement	\$ 34,725	\$ 36,850	\$ 43,750	\$ 40,000
Insurance Benefits	\$ 532,148	\$ 393,690	\$ 515,704	\$ 448,000
Pers OPEB	\$ 42,000	\$ 183,883	\$ 185,000	\$ 200,000
Sub Total Salaries & Benefits	\$ 2,629,031	\$ 2,731,392	\$ 2,838,610	\$ 2,812,000
Property & Liability Insurance	\$ 117,708	\$ 95,021	\$ 93,250	\$ 100,000
Professional Services	\$ 101,306	\$ 127,606	\$ 165,000	\$ 164,000
Vehicle Repair and Maintenance	\$ 49,166	\$ 68,410	\$ 60,000	\$ 56,000
Professional Development	\$ 31,482	\$ 38,688	\$ 47,000	\$ 58,000
Legal Services	\$ 99,997	\$ 109,765	\$ 85,000	\$ 100,000
Utility Billing/Banking Expense	\$ 107,185	\$ 80,498	\$ 129,209	\$ 129,000
General Operating Supplies & Maintenance	\$ 108,993	\$ 150,014	\$ 203,125	\$ 216,800
Gas & Oil Expenses	\$ 54,215	\$ 46,584	\$ 55,000	\$ 50,000
Utilities	\$ 77,489	\$ 78,802	\$ 92,000	\$ 92,000
Repair/Maintenance Agreements	\$ 25,423	\$ 34,623	\$ 46,000	\$ 67,800
Regulatory Compliance/Government Fees	\$ 16,775	\$ 17,014	\$ 28,396	\$ 30,000
Lift Station & Flow Recorder Programs	\$ 30,705	\$ 30,288	\$ 25,000	\$ 25,000
Sub Total Local SPMUD General Fund Expenses	\$ 820,444	\$ 877,313	\$ 1,028,980	\$ 1,088,600
RWWTP Maintenance & Operations	\$ 3,000,590	\$ 3,404,043	\$ 4,098,779	\$ 4,526,131
RWWTP Rehab & Replacement	\$ 1,065,997	\$ 1,204,220	\$ 1,959,905	\$ 1,369,281
Sub Total SPWA O&M + R&R Expenses	\$ 4,066,587	\$ 4,608,263	\$ 6,058,684	\$ 5,895,412
Total Operations Expense before Depreciation	\$ 7,516,062	\$ 8,216,968	\$ 9,926,274	\$ 9,796,012
Depreciation expense	\$ 1,022,054	\$ 1,088,844	\$ 1,180,000	\$ 1,350,600
Total General Fund Expenses	\$ 8,538,116	\$ 9,305,812	\$ 11,106,274	\$ 11,146,612

Schedule 3

FY15/16 Budget Distribution

CAPITAL FUND EXPENSES

South Placer Municipal Utility District CAPITAL INVESTMENT FY15/16

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YR 12/13	FISCAL YR 13/14	FISCAL YR 14/15	FISCAL YR 15/16
CIP	\$ 1,800,000	\$ 593,000	\$ 458,000	\$ 2,360,000
R&R	\$ 269,248	\$ 1,039,575	\$ 1,131,937	\$ 684,600
CAPITAL OUTLAY FUND EXPENDITURE	\$ 2,069,248	\$ 1,632,575	\$ 1,589,937	\$ 3,044,600
TOTAL GENERAL FUND CAPITAL IMPROVEMENTS	\$ 25,446	\$ 31,330	\$ 497,195	\$ 756,500
TOTAL CAPITAL INVESTMENT	\$ 2,094,694	\$ 1,663,905	\$ 2,087,132	\$ 3,801,100

South Placer Municipal Utility District Capital Expenditure Budget FY15/16

	PROPOSED FISCAL YR 15/16			
	Capital Replacement & Rehabilitation	General Fund Capital	CIP & Expansion	
CAPITAL IMPROVEMENTS				
Board Room Furniture	\$ 6,500	\$ 6,500		
Board Room Audio/Visual upgrades	\$ 5,000	\$ 5,000		
Corp Yard Storage Enclosure Upgrade	\$ 26,000	\$ 26,000		
Corp Yard Bathroom Renovation	\$ 7,500	\$ 7,500		
Corp Yard Vehicle Wash Facility Upgrades	\$ 5,500	\$ 5,500		
Bypass Equipment	\$ 77,000	\$ 77,000		
Easement Roadway Replacements	\$ 35,000	\$ 17,500	\$ 17,500	
Vehicle Replacement (x2)	\$ 125,000	\$ 125,000		
Hydro-Vac Excavation Kit	\$ 6,800	\$ 6,800		
Portable Flow Recorder Replacement	\$ 40,000	\$ 40,000		
Hands-Free Communication	\$ 6,500		\$ 6,500	
CY & HQ Fire/Bldg Access Ctrl/HQLobby/Camera Security	\$ 60,000	\$ 15,000	\$ 45,000	
Hydro Cleaning Nozzle - Chain Flail	\$ 7,800	\$ 7,800		
RPS Tyler Software Upgrades	\$ 10,000	\$ 10,000		
Solar Upgrades	\$ 200,000		\$ 200,000	
Corp Yard/HQ Smart TV Screens	\$ 7,500		\$ 7,500	
Data Acquisition - Lucity	\$ 60,000		\$ 60,000	
System Rehabilitation	\$ 440,000	\$ 220,000	\$ 220,000	
Lower Loomis Diversion Sewer - Final Design & R.O.W.	\$ 490,000			\$ 490,000
Foothill Trunk Project - Design	\$ 230,000			\$ 230,000
Foothill Trunk Project - Construction	\$ 1,640,000			\$ 1,640,000
HRF Pre-Design	\$ 100,000	\$ 100,000		
GPS Survey Unit	\$ 15,000	\$ 15,000		
District Participation in Regional Projects	\$ 200,000		\$ 200,000	
Total Capital Improvements	\$ 3,801,100	\$ 684,600	\$ 756,500	\$ 2,360,000

Schedule 4A – Capital Replacement & Rehabilitation Outlay - \$684,000 FY15/16 Capital Outlay Justifications

ITEM#	TITLE/DESCRIPTION	BUDGET
1	<p>Board Room Audio-Visual System Upgrade - The Audio-Visual equipment in the board room is outdated and in disrepair. New technology exists to provide better quality graphic resolutions for visual presentations at board meetings and for training sessions held in the board room. The audio equipment is failing and in need of replacement with upgrades to sound quality. All board meetings are recorded and the quality of sound from the recordings needs to be improved for quality minutes to be documented.</p> <p>Strategic Plan Goals Goal 1.3 - Build Business Efficiencies Goal 8.2 - Evaluate available technology and databases Goal 8.4 - Continuously evaluate available technology to ensure efficient programs and processes</p>	\$5,000
2	<p>Corp Yard Vehicle Wash Facilities Upgrades – The wash facilities were completed as designed last year. After use it was discovered the water tends to run off the facility (and ultimately into the drainage ditch/creek that runs through the corp. yard) instead of through the oil/sand separator, as intended. This work will include the installation of approximately 120' of recessed drain along the low side of the facility that will collect the water and direct it into the oil/sand separator.</p> <p>Strategic Plan Goals Goal 4.2 - Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.</p>	\$5,500
3	<p>Board Room Furniture - The Board room furniture is approximately 18 years old. The mechanisms in the Director chairs are failing, and beyond repair. The board room will be furnished with new Director chairs and matching chairs for the audience.</p> <p>Strategic Plan Goals Goal 1.3 - Build Business Efficiencies</p>	\$6,500
4	<p>Hydro-Vac Excavation Kit - Hydro-vac excavation allows for excavation in tight areas, especially around other utilities. In some cases, other utility operators require this method be used around their facilities in lieu of the more traditional backhoe excavation to help prevent damage. This kit will improve our ability to perform the monthly lift station wet well cleaning at the District's 13 lift station sites. This kit would be retro-fitted to the Vac-Con hydro-vac unit.</p> <p>Strategic Plan Goals Goal 1.3- Build Business Efficiencies Goal 4.2 - Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.</p>	\$6,800
5	<p>Corp Yard Restroom Renovation – An existing bathroom, which doubles as an equipment room for telephone and fire alarm hardware, is in need of renovation. This renovation would include a wall to separate the hardware from the bathroom facilities, installation of a new door to access the bathroom, new flooring, drywall work, painting and minor electrical work for lighting and outlets.</p> <p>Strategic Plan Goals Goal 4.2 - Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.</p>	\$7,500
6	<p>Hydro-Cleaning Nozzle - Chain Flail - This nozzle is generally used to remove the more difficult problems encountered in a sewer pipe. Roots, calcium/mineral deposits, other items encrusted or hardened like concrete, mortar and grout. Can be used in pipe diameters ranging from 8" to 24."</p> <p>Strategic Plan Goals Goal 1.3 – Build Business Efficiencies Goal 4.2 – Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.</p>	\$7,800

Schedule 4A (cont'd)

FY15/16 Capital Outlay Justifications

ITEM#	TITLE/DESCRIPTION	BUDGET
7	Software Upgrades (Tyler Software) - The District completed the software conversion to Tyler Technologies in the FY14/15 fiscal year. As business practices continue to be improved upon it may be necessary to create specific upgrades to the program. There is a possibility that these funds will not be necessary in the upcoming fiscal year.	\$10,000
8	Easement Road Replacement - A continuation of access road reconstruction from the previous budget. This line item will cover materials and equipment rental. Work will be performed by District forces.	\$17,500
9	GPS Survey Unit - The District's current GPS unit is ten years old. The reliability of the current unit and the advancement of GPS surveying technology over the last ten years have necessitated the purchase of a new GPS survey unit which will allow District staff to improve the accuracy and expand the types of the information being collected in the new databases (i.e., Lucity and GIS). District staff would also use the GPS survey unit to collect elevation data and conduct preliminary engineering tasks such as determining the potential for new sewer alignments. Strategic Plan Goals Goal 3.2 - Provide Engineering and Design to optimize the Capital Improvement Program Goal 8.3 - Implement and Integrate Databases	\$15,000
10	<u>Corp Yard and Headquarters Fire Alarm & Security System Upgrades</u> <u>Corp. Yard Fire Alarm Upgrade:</u> The existing corp. yard system was installed in 1985 and the hardware is no longer supported. \$12,000 <u>Headquarters Fire Alarm Upgrade:</u> The Headquarters building was evaluated and it was determined several additional items (Sensors and indicators) were required for compliance with existing code. \$3,000 Strategic Plan Goals Goal 4.2 – Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.	\$15,000
11	Corp Yard Storage Enclosure Upgrades – This existing 20' x 20' storage area has a raised-seam metal roof and is enclosed with chain-link fencing and a gate. The space is underutilized, as items stored there are exposed to the weather anything of value can be easily seen. We have experienced vandalism in the past. These upgrades would include adding a concrete footing/floor, replace the fencing with wood-framed walls and change the gate to an 8' wide bay door. The outside walls will be stucco to match corporation yard building. Lighting and shelving/racks will be included. The Corp yard facilities support operations and maintenance efforts. These upgrades will help improve business efficiencies by creating organized place for many items stored and/or used. In addition it will help support the District's current purchasing policy. A reduced number of employees now have the authorization to purchase items. Small inventories of key items will be stored here rather than purchasing these items on an as-needed/just-in-time basis. This will help ensure proper inventory levels are maintained. Strategic Plan Goals Goal 1.3 – Build Business Efficiencies Goal 4.2 – Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.	\$26,000
12	Replace Portable Flow Recorders - The District currently has three (3) portable flow recorders that are used for Infiltration and Inflow studies, spill volume estimation in the event of a Sanitary Sewer Overflow (SSO) and to provide data to support the District's Hydraulic Model. All are in need of expensive upgrades, as they are old and don't communicate well with current computers and software. There are improved flow recorders available that are more accurate, can be installed in a variety of different manhole configurations and can monitor lower (minimum) flow volumes, which would help to better pin-point sources of I&I and add more resolution to the hydraulic model. Strategic Plan Goals Goal 1.3- Build Business Efficiencies Goal 2.2 - Maintain compliance with pertinent regulations Goal 4.2 - Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.	\$40,000

Schedule 4A (cont'd)

FY15/16 Capital Outlay Justifications

ITEM#	TITLE/DESCRIPTION	BUDGET
13	<p>By-Pass Equipment - 6" Dry-Prime Trailered Pump: The District currently does not have a portable pump capable of bypassing the flows of the large diameter lines. This pump can be used for maintaining lower flow lines as well. It will replace an existing 4" pump (Tier 1) that was purchased in 2002. Currently, diesel motors are required to be Tier 4. This equipment includes suction and discharge piping, fittings, traffic ramps and storage for the discharge pipe on the corp. yard grounds.</p> <p>Strategic Plan Goals Goal 2.3 - Prevent and mitigate Sewer System Overflows (SSO) Goal 4.2 - Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.</p>	\$77,000
14	<p>High Risk Facilities Pre-Design - The results of the High Risk Facilities (HRF) analysis and prioritization will be used to identify District assets that need to be rehabilitated. Those assets will be bundled into projects and preliminary designs and cost estimates will be prepared. The results of the pre-design work will be used to schedule projects over time to plan future funding needs. The results of the pre-design work will also be used as a basis to prepare RFPs for the design and permitting of the projects when applicable.</p> <p>Strategic Plan Goals Goal 2.1 - Develop High Risk Facilities Master Plan</p>	\$100,000
15	<p>Vehicle Replacements</p> <p>Callout Truck - This is outfitted as a first-response vehicle for customer service calls. It is a 2002 model and has already been repurposed once (formerly it served as the Construction Truck). It is in need of some expensive frond-end repair work.</p> <p>Entry Truck – The Entry truck contains all the equipment necessary to perform Confined Space Entries into manholes and lift station wet wells. The current entry truck is a 1987 model and has served us well, but during the past two years it has begun to demonstrate dependability issues.</p> <p>Strategic Plan Goals Goal 1.3- Build Business Efficiencies Goal 4.2 - Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.</p>	\$125,000
16	<p>System Rehabilitation - The District plans to rehabilitate a number of assets based on the analysis of inspection and work order history data. The planned improvements include rehabilitation of 12 mainline pipes with CIPP liners, rehabilitation of connections between mainline pipe and service laterals with inserts, rehabilitation of 22 manholes with calcium aluminate mortar lining.</p> <p>The District coordinates with regional agencies to protect District assets during the construction of other agency improvements. The cost of CCTV inspection before and after the agency's project to ensure damage caused from construction is repaired and the cost to adjust District assets to conform to new finished grades are born by the District.</p> <p>Strategic Plan Goals Goal 3.3 – Provide Construction Management to Ensure the Best Possible Facilities for the District</p>	\$220,000
	SUB-TOTAL Capital Replacement & Rehabilitation Expenses	\$684,600

Schedule 4B – General Fund Capital Outlays - \$756,500

15/16 Capital Outlay Justifications

ITEM#	TITLE/DESCRIPTION	BUDGET
17	<p>Hands-Free Communication - Provides hearing protection and hands-free communication, which enhance operation and safety on the job. This will be utilized primarily by hydro team. Other uses include confined space, traffic control and CCTV operations.</p> <p>Strategic Plan Goals Goal 1.3- Build Business Efficiencies Goal 4.2 - Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.</p>	\$6,500
18	<p><u>Corp Yard and Headquarters Fire Alarm & Security System Upgrades</u></p> <p><u>Headquarters Fire Alarm Upgrade:</u> The Headquarters building was evaluated and it was determined several additional items (Sensors and indicators) were required for compliance with existing code. \$3,000</p> <p><u>Building Access Control:</u> This item will replace two doors on each building with card-swipe security doors entry system with electronic locking hardware. \$21,000</p> <p><u>Camera Surveillance:</u> This item will include six (6) cameras located behind and around the corporation yard grounds to enhance security. These will monitor behavior as well as identity, but will not be tied directly to the (monitored) alarm system. \$16,000</p> <p><u>Headquarters Lobby Partition:</u> This item is for the construction of a barrier to prevent customers from entering into the office areas without being directed to do so by staff. \$5,000</p> <p>Strategic Plan Goals Goal 4.2 – Operate and maintain sewer appurtenances to provide functional, reliable, efficient and effective service life.</p>	\$45,000
19	<p>Corp Yard & HQ Smart T.V. Screens - The District Intranet Site is the next step towards continued improvements for internal business efficiencies and communications. These T.V. screens are hardware to compliment the use of the intranet. Screens will display District information to the public in both the Headquarter lobby and the Field Services lobby.</p> <p>Strategic Plan Goals Goal 1.3 - Build Business Efficiencies Goal 1.4 - Improve Communications Goal 8.3 - Evaluate available technology and databases Goal 8.4 - Continuously evaluate available technology to ensure efficient programs and processes</p>	\$7,500
20	<p>Easement Road Replacement - A continuation of access road reconstruction from the previous budget. This line item will cover materials and equipment rental. Work will be performed by District forces.</p>	\$17,500
21	<p>Data Acquisition - Staff continues to implement and improve the databases (i.e., Lucity, GIS, CCTV) that support the key functions of the District. It is anticipated that services from Lucity will be needed to support District staff as the Lucity and GIS databases and tools will be used throughout the District. As part of the next phase of the implementation of the District's Information Technology Master Plan, mobile devices (i.e., tablets with cellular data plans) will be purchased to leverage the Lucity and GIS databases and tools in the field.</p> <p>Staff will evaluate a module available from the District's CCTV inspection software provider (Infrastructure Technologies) that integrates the Lucity and ITPipes databases to facilitate the work flow between the creation and completion of work orders in Lucity with the CCTV inspections performed with ITPipes.</p> <p>Strategic Plan Goals Goal 8.2 – Evaluate and Select Available Technology and Databases Goal 8.3 – Implement and Integrate Databases Goal 8.4.C – Establish an IT Support Program</p>	\$60,000

Schedule 4B (cont'd)

FY15/16 Capital Outlay Justifications

ITEM#	TITLE/DESCRIPTION	BUDGET
22	<p>District Participation in Regional Projects - As projects are submitted to the District for review, opportunities occur where modifications to the proposed plans that extend beyond the project limits might provide additional direct benefit and minimization of lifecycle costs to the District (e.g., extension of a mainline to eliminate the need for an existing lift station).</p> <p>Strategic Plan Goals Goal 3.2 - Provide Engineering and Design to optimize the Capital Improvement Program</p>	\$200,000
23	<p>Solar Upgrades - This budget item provides for the installation of solar panels at the Headquarter buildings of SPMUD, along with the installation of a natural gas/propane generator as a backup power supply to both buildings.</p> <p>Strategic Plan Goals Goal 1.3 - Build Business Efficiencies Goal 8.3 - Evaluate available technology and databases Goal 8.4 - Continuously evaluate available technology to ensure efficient programs and processes</p>	\$200,000
24	<p>System Rehabilitation - The District plans to rehabilitate a number of assets based on the analysis of inspection and work order history data. The planned improvements include rehabilitation of 12 mainline pipes with CIPP liners, rehabilitation of connections between mainline pipe and service laterals with inserts, rehabilitation of 22 manholes with calcium aluminate mortar lining.</p> <p>The District coordinates with regional agencies to protect District assets during the construction of other agency improvements. The cost of CCTV inspection before and after the agency's project to ensure damage caused from construction is repaired and the cost to adjust District assets to conform to new finished grades are born by the District.</p> <p>Strategic Plan Goals Goal 3.3 – Provide Construction Management to Ensure the Best Possible Facilities for the District</p>	\$220,000
SUB-TOTAL General Fund Capital Expenses		\$756,500

Schedule 4C – Capital Improvement & Expansion Outlays - \$2,360,000

FY15/16 Capital Outlay Justifications

ITEM#	TITLE/DESCRIPTION	BUDGET
25	<p>Foothill Trunk Sewer Project – Design and R/W Acquisition The Foothill Trunk Sewer Replacement Project was identified in the recent System Evaluation and Capacity Assurance Plan (SECAP) as a section of the collection system that would have insufficient capacity for the anticipated growth in accordance with the various general plans from the communities served by the District. Phase 1 of the Foothill Trunk Sewer design which included 60% plans and preparation of the Initial Study/Mitigated Negative Declaration was completed in FY 2014/2015. Phase 2 will be completed in FY 2015/2016 and includes 100% design, permitting, and right-of-way acquisition.</p> <p>Strategic Plan Goals Goal 3.2 – Provide Engineering and Design to optimize the Capital Improvement Program Goal 3.2.A – Design Capital Improvement Projects to Minimize Lifecycle Costs of District Assets</p>	\$230,000
26	<p>Lower Loomis Diversion Sewer – Design and R/W Acquisition - The Route Study for the Loomis Diversion Line was completed in FY 2014/2015 and the Town of Loomis completed the environmental documents for the project. The District plans to move forward with final design, permitting, and right-of-way acquisition for the project during the 2015/2016 fiscal year. Construction of the Loomis Diversion Line will allow for future growth in the upstream sewer shed and allow for the eventual abandonment of two lift stations.</p> <p>Strategic Plan Goals Goal 3.2 - Provide Engineering and Design to optimixe the Capital Improvement Program Goal 3.2A - Design Capital Improvement Projects to Minimize Llfecycle Costs of District Assets</p>	\$490,000
27	<p>Foothill Trunk Sewer Project - Construction of the Foothill Trunk Sewer Replacement Project will commence following the completion of the final design and right-of-way acquisition. The budget for this line item includes construction costs, anticipated monitoring to comply with environmental permits, and construction management services.</p> <p>Strategic Plan Goals Goal 3.2 – Provide Engineering and Design to optimize the Capital Improvement Program Goal 3.3 – Provide Construction Management to Ensure the Best Possible Facilities for the District</p>	\$1,640,000
	SUB-TOTAL CIP & Expansion Expenses	\$2,360,000
	TOTAL CAPITAL IMROVEMENTS EXPENSES	\$3,801,100

Schedule 5

FY15/16 PERSONNEL CLASSIFICATIONS

JOB TITLES	ID	Approved	Filled
BY DEPARTMENTS	CODE	Positions	Positions
<u>Administrative Services</u>			
General Manager	GM	1	1
Administrative Services Manager/Board Secretary	ASM	1	1
Administrative Services Assistant III	ASA 3	(a)	0
Administrative Services Assistant II	ASA 2	(a)	2
Administrative Services Assistant I	ASA 1	3 (c)	1
Project Manager	PM	1	0
ASD Total		6	5
<u>Technical Services</u>			
District Engineer	DE	1	1
Associate Engineer	AE	1	1
Engineering Technician II	ET2	(a)	0
Inspector II	INSP2	(a)	1
Inspector I	INSP1	2	1
Student Intern I/II/III	INT	1(d)	1
Engineering Technician I	ET1	2	1
Project Manager	PM	1	0
TSD Total		8	6
<u>Field Services</u>			
Superintendent	SUP	1	1
Assistant Superintendent	AS	1	0
Field Services Manager	FSM	1	1
Field Supervisor	FS	1	1
Leadworker	LW	3	3
Maintenance Worker II	MW2	(a)	5
Maintenance Worker I	MW1	8	3
Laborer I/II/III	TL	4	0
FSD Total		19	14
Regular Positions		33	25
<u>Miscellaneous (Elected/Contract)</u>			
Board of Directors	EO	5	5
District Legal Counsel	DC	1	1
Contract Auditor	CA	1	0
Total Miscellaneous Positions		12	6
Total Authorized Positions		39	30
(a) Promotional			
(b) Vacant position			
(c) one regular part-time (less than 34 hrs/wk- with benefits)			
(d) one part-time (up to 20 hours per week/without benefits)			

Schedule 6

FY15/16 SCHEDULE OF SALARY RANGES

2015/16 SCHEDULE OF SALARY RANGE/STEPS - effective 07/01/15

SALARY - MONTHLY/HOURLY RATES

RANGE	ID	POSITION	STEPS (\$/MO)					
			A	B	C	D	E	F
9	TL I/SI I	Laborer I / Student Intern I	12.64	13.27	13.93			
15	TL II/SI II	Laborer II / Student Intern II	14.66	15.39	16.16			
21	TL III/SI III	Laborer III / Student Intern III	17.00	17.85	18.74			
22	ASA I	Admin Svc. Asst I	3020	3171	3329	3496	3671	3763
29	MW1	Maint. Worker I	3590	3769	3958	4156	4363	4472
33	ASA II	Admin Svc. Asst II	3962	4161	4369	4587	4816	4937
34	MW2	Maint. Worker II	4061	4265	4478	4702	4937	5060
35	ET1	Eng'r. Tech. I	4163	4371	4590	4819	5060	5187
38	INS1	Inspector I	4483	4707	4943	5190	5449	5586
41	INS2	Inspector II	4828	5069	5323	5589	5868	6015
42	ASA III	Admin Svc. Asst III	4949	5196	5456	5729	6015	6165
43	LW	Lead Worker	5072	5326	5592	5872	6165	6319
44	ET2	Eng'r. Tech. II	5199	5459	5732	6019	6319	6477
50	FS	Field Supervisor	6029	6331	6647	6980	7329	7512
53	AE	Associate Engineer	6493	6818	7158	7516	7892	8089

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 15-18

ADOPTING THE BUDGET FOR FISCAL YEAR 2015/16

WHEREAS, the South Placer Municipal Utility District (District) desires to annually adopt a budget that provides the Board of Directors with the upcoming fiscal year revenues, expenses and spending plan for the General and Capital Funds.; and

WHEREAS, the Budget for the 2015/16 Fiscal Year (FY2015/16, beginning July 1, 2015 and ending June 30, 2016), attached as Exhibit "A" to this resolution and incorporated herein, outlines projected revenues, expenses and spending plan for the General and Capital Funds and is the fiscal planning tool to accomplish the District's strategic goals and objectives.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the South Placer Municipal Utility District hereby adopting the Budget for FY2015/16 and the proposed spending plan therein stated.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 2nd day of July 2015.

Signed: _____
John R. Murdock, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT

To: Board of Directors
From: Herb Niederberger, General Manager
Cc: Eric Nielsen, District Engineer
Subject: Adoption of Resolution No 15-19
Amendment of the Sewer Participation Charge
Meeting Date: July 2, 2015

Overview

The South Placer Municipal Utility District (District) Board Directors established a Fee Schedule per Resolution 09-04 in order to cover the cost of services provided to the public ranging from copying to annexations. Section 5 of Resolution 09-04, dictates that the fees and charges shown on the fee schedule shall be adjusted by the General Manager on the 1st of July of each fiscal year based on the prior fiscal year Revised Budget for projected expenses plus total transfers, as distributed over the District's workforce and total available work hours per year.

Recommendation

Staff recommends that the Board of Directors adopt Resolution 15-19 establishing and amending the schedule of fees and charges, as shown on Exhibit "A-1" attached thereto.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:

V. Financial Stability

Goal 5.2 – Explore and Evaluate Investment and Business Practice Alternatives

Fiscal Impact

Staff estimates an annual fee revenue increase of approximately \$25,000 will be generated by this change and the projected increase is included in the FY2015/16 Budget.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
RESOLUTION NO. 15-19**

**A RESOLUTION AMENDING AND REPLACING EXHIBIT "A"
OF FEE SCHEDULE RESOLUTION 09-04**

WHEREAS, the South Placer Municipal Utility District (District) Board Directors sought to develop a schedule of fees and charges based on the District's budgeted and projected costs; and

WHEREAS, the district previously established a Fee Schedule per Resolution 09-04; and

WHEREAS, Section 5 of Resolution 09-04, dictates that the fees and charges shown on the fee schedule shall be adjusted by the General Manager on the 1st of July of each fiscal year based on the prior fiscal year Revised Budget for projected expenses plus total transfers, as distributed over the District's workforce and total available work hours per year; and

WHEREAS, the District desires to amend and replace Exhibit "A" of said Resolution 09-04.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of South Placer Municipal Utility District that the schedule of fees and charges, as shown on Exhibit "A-1" attached hereto and incorporated herein by reference, are hereby fixed and established, and said Exhibit "A-1" hereby amends and replaces Exhibit "A" of Resolution 09-04.

PASSED AND ADOPTED by the Board of Directors of South Placer Municipal Utility District on this 2nd day of July, 2015.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

John Murdock, President

ATTEST:

Joanna Belanger, Secretary

**South Placer Municipal Utility District
Resolution No. 15-19**

**Fee Schedule
Exhibit 'A-1'**

Updated for Fiscal Year 2015-2016

Fee Description	Fee Amount
District Hourly Bill-Out-Rate	\$109.00
Building Sewer Inspection	\$365.00
Building Sewer Inspection Repairs (Existing Customers)	\$110.00
Project Plan Check & Inspection Processing Fee	\$760 Deposit + District Costs
Tenant Improvement Processing Fee	\$220 Deposit + District Costs
Reconnect Fee per Ordinance 09-02	\$450
Annexation Deposit	N/A
Annexation Fee	
Single Parcel/Single Home	\$1,090
Large Annex (up to 50 acres)	\$4,090
Large Annex (More than 50 acres)	\$5,175
One-Time Discharge Permit	\$485 (minimum) + treatment costs
Tap - Mainline	\$1,200.00
Tap - Manhole	\$2,075.00
Participation Fee (Ord. 09-04)	\$9,332
Monthly Service Charge (Ord. 09-03)	\$28/EDU
Document Copy Fees	
~ Copy of 8.5 x 11 - 11 x 17	\$0.50
~ Copy 24 x 36	\$9.00
~ Copy GIS Document	\$55
~ Copy Electronic Files onto CD	\$55
Warranty TV/Flush Fee	6"- 15" \$1.60/ft; 15"> \$2.25/ft + District Costs
Wastewater Discharge Permit	\$325 for initial permit; \$110 for renewal
Inspection Overtime Fee	\$325 for Weekday; \$875 for Nights/Weekends

ITEM VII.2 GENERAL MANAGER REPORT

To: Board of Directors
From: Herb Niederberger, GM
Date: July 2, 2015
Subject: General Manager Monthly Staff Report – June 2015

1) DEPARTMENT REPORTS

Attached are the monthly status reports for the Boards information:

- A. Facility Services Department
- B. Administrative Service Department, and
- C. Technical Services Department

The Department Managers are prepared to answer any questions from the Board.

2) INFORMATION ITEMS

The majority of the month was spent; 1) finalizing the District Budget Report for approval during the July 2, 2015, Board of Directors meeting; 2) finalizing the Manual of Policies; 3) preparation of the Participation Charge Nexus Study; and 4) preparation of the pending Ordinances changing the Sewer Participation charge and allowing Credit and Reimbursement agreements. Of significance during June:

- A. On June 3, 2015, Directors Mitchell, Williams and the General Manager attended the Rocklin Chamber of Commerce Joint Economic & Government Affairs Quarterly Meeting featuring presentations from Hacker Lab, Placer County, the Family Resource Center, the Placer County Transportation Planning Agency (PCTPA) regarding their proposed Transportation Sales Tax Measure and an update of the activities at Sierra College.
- B. On June 17, 2015, the General Manager met with the District Legal Counsel to discuss District legal needs. Among some of the items that were discussed:
 - i. Easement encroachments and easement right's enforcement
 - ii. Preparation of an Ordinance regarding Encroachment Permits
 - iii. E-mailing info to Board Members prior to posting on District website
 - iv. Godfrey Update
 - v. Legislative Update
- C. On June 23, 2015, the District received a copy of the 2014-2015 Placer County Grand Jury report entitled, "*Review of Placer County Government and Special District/Agency Websites.*" Staff will be preparing a District response for the Board review at the September Board meeting. The response will be transmitted with the Board President's signature before September 22, 2015.
- D. I was out of the office for 3 days from June 22 through June 24, 2015.

E. Advisory Committee Meetings:

- i. Policy and Ordinance Review Committee - Directors Mitchell and Markey, met on June 10, 2015, to finalize the proposed District Manual of Policies in preparation for the up-coming District Policy workshop in August. Staff will bind the pending policies and transmit to each Board member in early July 2015.
- ii. Fee and Finance Committee – Directors Williams and Dickinson, met with staff on June 26, 2015, to review the Participation Charge Nexus Study and the proposed ordinances to revise the Sewer Participation Charge and to allow for Credit and Reimbursement Agreements for the construction of major (trunk) facilities.
- iii. Loomis 2x2 – Directors Markey and Williams, along with the General Manager and the District Engineer, Eric Nielson, met with the representatives from the Town of Loomis for a 2x2 meeting on June 3, 2015, to discuss the current proposed alignment of the Loomis Basin Diversion through the Turtle Island property as well as any the necessary environmental documentation to accommodate any revisions to that alignment due to development of the property.
- iv. SPWA – On June 25, 2015 Director Mitchell attended the semi-annual Board of Directors meeting of the South Placer Wastewater Authority to approve resolutions regarding: 1) Approval of Proposed Revisions to Conflict of Interest Code; 2) Approval of FY2016 Investment Policy and Swap Policy; and 3) Approval of Annual Operating Budget for FY2015-16. The board also heard informational items regarding: 1) Overview of Swap Performance & Annual Reporting Requirements; 2) Investments Report; 3) Rate Stabilization Fund Balances & Connection Fee Revenues; and 4) Capital Improvement Projects Overview.

3) **LONG RANGE AGENDA**

August 2015

High Risk Facilities

Foothill Trunk Design Contract

Ordinance #15-01 Credit – Reimbursement Agreements – 2nd Reading

Ordinance # 15-02 Participation Fee – 2nd Reading

Ordinance # 15-03 Easement Encroachment Permits - 1st Reading

District Policies Workshop (Sandwiches)

September 2015

Ordinance # 15-03 Easement Encroachment Permits - 2nd Reading

District Policies Adoption Resolution

District Review of the 2014-2015 Placer County Grand Jury report entitled, “*Review of Placer County Government and Special District/Agency Websites*”

Strategic Plan Annual Report

October 2015

FY 2014/15 Audit Report

To: Board of Directors
From: Sam Rose, Assistant Superintendent
Cc: Herb Niederberger, General Manager
Subject: Field Services Department Monthly Report
Meeting Date: July 2, 2015

Overview

This report provides the Board with an overview of Field Services operations since the last Board meeting. The work listed is not all inclusive.

1. Recordable Accidents/Injuries (OSHA 300)

- a. None to Report (1080 Days since last Recordable Illness/Injury)

2. Service Calls / Sanitary Sewer Overflows (SSOs)

- a. Service Calls
 - i. Eleven (11)
 - 1. 8 - Customer's Responsibility
 - 2. 3 - SPMUD Responsibility
 - a. Rattling/noisy manhole cover
 - b. Odor Complaint (x2)
- b. Sanitary Sewer Overflows (SSOs)
 - i. Zero (0) (176 Days since last SSO)

3. Safety/Training/Professional Development

- a. All supervisors (Lead Workers [x3], Field Services Manager and Field Supervisor) attended "Managing Multiple Tasks & Deadlines" seminar
- b. Frank Laguna/Field Supervisor completed English 1A at Sierra College
- c. All Field employees attended (in-house) Safety/Training Sessions
 - i. Traffic Safety
 - ii. Chemical/Asbestos Safety
- d. Five (5) "Tailgate" safety sessions were held

4. Maintenance

- | | | |
|----------------------------------|-------------|--------|
| a. CCTV Mainline Segments | 44 Segments | 9,188' |
| b. CCTV Service Laterals & Clean | 70 Laterals | 5,460' |
| c. Hydro-Clean Mainline Segments | 14 segments | 3,126 |
| d. Chemical Root Foam Program | 3 segments | 605' |

5. Construction

- a. Corp Yard Parking Structure Project – completed second concrete pour for footings for support (upright) structures.
- b. Completed reconstruction of 1,700 feet of easement road near Lonetree Blvd and Blue Oaks Blvd.
- c. Relocated service lateral, which allowed for the abandonment of 300' of 10-inch mainline and one (1) manhole on Lincoln Ave/Rocklin
- d. Rehabilitated three (3) manholes
- e. Located and Raised four (4) Property Line Cleanouts (PLCOs)

6. Facilities

- a. Lift Stations (x13)
 - i. All Weekly lift station Function Checks completed
 - ii. All Monthly lift station Wet Well Cleaning completed
- b. Replaced Transducer at Kentucky Greens Lift Station

7. Miscellaneous

- a. SPMUD assisted Sierra College (under T&M agreement) with CCTV inspection and maintenance of two problem line segments on the Sierra College campus.
- b. Corporation Parking Structure is nearing completion:
 - i. Structure uprights and roof frames are installed
 - ii. Paving is completed and drain pipe is installed
 - iii. Pending Fence/gates installation
 - iv. Pending Structure Roof installation
- c. Completed paving at the Loomis Basin recorder site (by contracted forces)
- d. Completed patch paving at various locations related to pipe repair projects (by contracted forces)

ITEM VII. ASD REPORT

To: Board of Directors

From: Joanna Belanger, Administrative Services Manager

CC: Herb Niederberger, General Manager

Subject: Administrative Services Department Monthly Report

Board Mtg. Date: July 2, 2015

Voice over IP (VoIP)

The deployment of new telephone equipment and initial staff training has been completed for the VOIP system. Staff will complete an analysis of long term cost savings for this project with the strategic plan report next year.

Solar Request for Proposal (RFP)

Staff continues to gather data in preparation for an RFP for the installation of solar systems for District buildings. An estimation for the project was included within the FY 15/16 Capital Budget which also includes installation of the natural gas/propane generator as a backup power supply.

Utility Billing Staggered invoice preparations

A billing insert has been prepared to be included with the July billing to all South Placer customers. The insert explains the transition to staggered Utility billing cycles. The largest area of customers in zip code 95677 will remain on the regular billing cycle. The other two cycles will be phased in over August and September, with full implementation of the new cycles by October 2015.

Budget Preparation FY15/16

Staff has continued to work with the General Manager and District Accountant to review the District's financial accounts in preparation for the FY 2015/16 Budget as well as research for the pending 5-year Financial Plan. The budget is presented for the Boards approval at this meeting.

ITEM VII. TSD REPORT

To: Board of Directors
From: Eric Nielsen, District Engineer
Cc: Herb Niederberger, General Manager
Subject: Technical Services Department Monthly Report
Board Date: July 2, 2015

IT Master Plan

Staff continues to work towards Phase One Implementation, which will include discontinued use of the existing WWMS database and implementation of the Lucity database. A Lucity representative was onsite in June to assist with tasks to launch Lucity. The mapping functionality of Lucity was updated and refined and is ready for launch. The process of configuring iPads for use in the field was completed and one tablet was brought online for testing.

Loomis Diversion Line

Staff continues to support the Town of Loomis CEQA consultant. The Draft Initial Study / Mitigated Negative Declaration (IS/MND) is currently being circulated by the Town for public comment.

The representative for the Turtle Island property made a proposal to realign the pipeline through the property from the preferred route study alignment. Staff provided comment on the proposed alignment and is coordinating with the Town of Loomis on steps for moving forward.

Staff is coordinating the contracting of final design and right-of-way acquisition to begin once the IS/MND is certified by the Town Council and the project is approved by the Board.

High Risk Facilities (HRF) Program

The process of loading data from various District databases into the risk assessment tool is underway. The prioritized list of assets will be bundled into proposed capital improvement projects (CIPs) and receive preliminary design and cost estimates.

Foothill Trunk Sewer Upsizing Project

The Draft Initial Study / Mitigated Negative Declaration (IS/MND) was reviewed by staff and District Counsel and it is currently being circulated for public comment. After the project team responds to any comments received during the comment period, the final document will be brought to the Board for certification and project approval.

Construction of this project is planned for spring of 2016.

Loomis 10-Inch CIPP Project

The project work is complete and staff is closing out the project invoicing, paperwork and documentation. Staff is following up to repair the access road / driveway at 5540 Tudor Way in Loomis that was damaged by construction traffic.

Department Performance Indicators

The following charts depict the efforts and performance of the department in two areas. Additional charts will be added in the future for other areas of work in the department.

