

BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT

| Meeting | Location | Date | Time |
|----------------|-----------------|--------------|-------------|
| Regular | District Office | June 7, 2018 | 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 Mitchell presiding at 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

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

Absent: Will Dickinson

Vacant: None

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

Others: None

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

IV. CONSENT ITEMS:

1. MINUTES from the May 3, 2018 Meeting.
2. ACCOUNTS PAYABLE in the amount of \$673,214.40 through May 31, 2018.
3. MONTHLY INVESTMENT REPORT in the total amount of \$54,381,544 through May 31, 2018.
4. RESOLUTION #18-14 – ADOPTION OF POLICY #3170 CREDIT CARD TRANSACTIONS.
5. RESOLUTION #18-15 ADOPTION OF THE INVESTMENT STRATEGY FOR DISTRICT FUNDS FOR FY 2018/19.
6. RESOLUTION #18-16 ADOPTION OF CONSTRUCTION COOPERATION & REIMBURSEMENT AGREEMENT FOR THE CITY OF ROCKLIN 2018 PAVEMENT REHABILITATION PROJECT.

Director Markey pulled item #4 for further discussion. Director Williams made a motion to approve all items except item #4 from the consent calendar; a second was made by Director Murdock. A roll call vote was taken, the motion carried 4-0.

A short discussion followed regarding Policy 3170 for Credit Card transactions to clarify the types of transactions accepted by the District, with no further questions, Director Markey made a motion to approve item #4; a second was made by Director Williams. A roll call vote was taken, the motion carried 4-0.

V. PUBLIC COMMENTS:

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

VI. BOARD BUSINESS

1. **CONSIDERATION & ADOPTION OF RESOLUTION #18-17 AUTHORIZING THE GENERAL MANAGER TO EXECUTE CHANGE ORDER NO.7 FOR \$1,504,495.50 WITH T&S CONSTRUCTION FOR THE LOOMIS DIVERSION TRUNKLINE PROJECT**

DE Nielsen provided a brief presentation on the status of the Loomis Diversion Trunkline Project, explaining the hurdles the contractor has been experiencing throughout the project and three components that they anticipate encountering during the next phase:

1. Blasting on Brace Road.
2. Blasting on Tulip LLC Property, North of Horseshoe Bar Road.
3. Additional Laterals and Stubs on Brace Road and Dias Lane.

Board Directors asked a number of questions regarding the type of pipe installed, the length of the installation and coordination the District has been working on with the Town of Loomis. DE Nielsen responded that 1.4 miles of SD26 PVC Pipe is being installed. He reported that the District recently attended a Loomis Chamber of Commerce event and provided a presentation regarding the project. He mentioned that he is working with the Town of Loomis Engineer to meet with local businesses and residents who will be affected by traffic flow disruptions in the upcoming weeks.

Director Markey made a motion to adopt Resolution #18-17, authorizing the General Manager to execute Change Order #7 for \$1,504,495.50 with T&S Construction for the Loomis Diversion Trunkline Project; a second was made Director Murdock, the motion carried 4-0.

2. PUBLIC HEARING & CONSIDERATION OF RESOLUTION #18-18 TO COLLECT DELINQUENT SERVICE CHARGES FOR SOUTH PLACER MUNICIPAL UTILITY DISTRICT ON THE PLACER COUNTY TAX ROLLS FOR TAX YEAR 2017.

ASM Belanger provided a brief report to the Board, documenting the process for collection of delinquent service charges. At the time of the Board meeting there were 875 outstanding accounts with a total of approximately \$275,000 in delinquent charges that will be sent to Property Taxes for collection through Placer County. The Public Hearing was opened to hear any testimony from District customers. Hearing no comments, the item was brought back to the Board for discussion.

Director Williams made a motion to adopt Resolution #18-18, requesting that Placer County collect delinquent charges for SPMUD on the Placer County Tax Roll for Tax year 2017; a second was made Director Markey, the motion carried 4-0.

3. CONSIDERATION & ADOPTION OF RESOLUTION #18-19 AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN OUT OF AREA SERVICE AGREEMENT WITH PLACER LAFCO FOR THE PROPERTY LOCATED AT 6117 ROCKHURST WAY, GRANITE BAY (APN: 04/-101-028-000.

DE Nielsen presented a report demonstrating the location of the property in Granite Bay. He explained that the home has a failed septic system and that Placer County Health is requiring the property connect to public sewer before the premise can be occupied. The owner has requested connecting to the 6-inch sewer pipe owned by the District on the opposite side of the street. Since the home is located just outside of District boundaries an Out of Area Service agreement is necessary. Director Williams asked which Agency would receive the Connection Fee. DE Nielsen responded that the fees would be paid to Placer County and service charges would be paid to the County until such time as the LAFCO process is completed. President Mitchell asked about the District boundaries and if there was a desire to clean up annexations in Granite Bay. DE Nielsen explained that the District is in discussions with the County to update agreements and review the boundaries.

Director Murdock made a motion to adopt Resolution #18-19, authorizing the General Manager to apply with Placer LAFCO for an Out of Area Service Agreement for the property located at 6117 Rockhurst Way, Granite Bay, and Approve the Out of Area Service Agreement in form, and Authorize the General Manager to execute an Out of Area Service Agreement for the provision of Sewer Collection Services and Treatment for APN 048-101-028-000 subject to final approval by District General Counsel and the General Manager; a second was made Director Williams, the motion carried 4-0.

4. CONSIDERATION OF THE FISCAL YEAR 2018/19 BUDGET WORKSHOP

GM Niederberger provided a PowerPoint presentation covering components of the Fiscal Year 2018/19 Budget, including Revenue analysis, General Fund expenditures, Capital expenditures, SPWA expenses, Fund balances, Revenue tests, Rate comparisons and Organizational structure. During the presentation, staff provided further details for both general fund and capital fund expenditures along with information for the projects to be completed in the upcoming fiscal year. Discussion followed, with Board Directors asking questions regarding specific projects and requesting any clarifications from the schedules provided.

President Mitchell discussed the SPWA true-ups due to the District and the credits to be used in the upcoming fiscal year for projected costs of approximately \$10 Million for both O&M and R&R at the treatment plant. At the conclusion of the discussion, GM Niederberger stated that the final budget workbook would be brought to the next Board meeting to be held on June 28th, 2018 for the Boards adoption.

This item was informational for discussion purposes; no formal action was taken.

VII. REPORTS:

- 1. District General Counsel (A. Brown):** General Counsel Brown provided a brief report regarding the Dickson Trial, held on June 5, 2018. He reported that representatives from the District including the Districts contractor working on the Loomis Diversion project attended the hearing to provide testimony. The Restraining Order against Mr. Dickson was granted covering the period through December 31, 2018.
- 2. General Manager (H. Niederberger):** GM Niederberger corrected his staff report to reflect the Dickson trial date of June 5, 2018.
 - A. ASD, FSD & TSD Reports:** No further comments were made.
 - B. Information Items:** No additional items were reported.
- 3. Directors Comments:** President Mitchell stated that he will provide a report to the Board after he attends the next SPWA Board meeting on June 28, 2018. He also reported that he had attended the final meeting for the Rocklin Redevelopment Oversight Committee. Now that the Committee has been dissolved the Placer Regional Redevelopment Oversight Committee will take over the groups responsibilities.

VIII. ADJOURNEMENT

The President adjourned the meeting at 6:17 pm. to its next regular meeting to be held on June 28, 2018 at 4:30 p.m.



Joanna Belanger, Board Secretary