

BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT

| Meeting | Location | Date | Time |
|----------------|-----------------|------------------|-------------|
| Regular | District Office | February 1, 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: Will Dickinson, Jerry Mitchell, Vic Markey, John Murdock, Jim Williams

Absent: None

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 December 7, 2017 Meeting.
2. MINUTES from the January 4, 2018 Meeting.
3. ACCOUNTS PAYABLE in the amount of \$4,294,058.94 through January 25, 2018.
4. MONTHLY INVESTMENT REPORT in the total amount of \$54,429,397 through January 25, 2018.
5. RESOLUTION #18-03 - SERVICE LATERAL CIPP LINER & SEAL PROGRAM CONTRACT with NorCal Pipeline Services for \$347,859.
6. RESOLUTION #18-04 – MANHOLE LINER PROGRAM CONTRACT with SoCal Pacific Construction Corp, dba National Coating & Lining Co. for \$89,800.
7. RESOLUTION #18-05 – GENERAL MANAGER EMPLOYMENT AGREEMENT through December 1, 2020.

GM Niederberger introduced clarifications regarding the January 4, 2018 minutes with revisions. Director Williams made a motion to approve the items on the consent calendar; a second was made by Director Murdock; the motion carried 5-0.

V. PUBLIC COMMENTS:

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

VI. BOARD BUSINESS

1. FISCAL YEAR 16/17 AUDIT ACCEPTANCE

GM Niederberger introduced Justin Williams from Mann, Urrutia & Nelson CPA's to present the FY 16/17 Audit. A brief presentation was made to the Board regarding their opinion and findings from the Audit process. He reported that they had issued the District with an Unmodified/Clean Audit. He mentioned that no material weaknesses, compliance exceptions or significant deficiencies were found. After the Auditors report comments and questions were received from Board Directors.

Director Williams asked a question regarding the GASB changes for the OPEB Liability amount reported in the Audit. He asked for clarification of the Unfunded Liability (UL) increases for 2015 in comparison to 2011 & 2013. The UL estimation increases to 102.6% of payroll. The estimation is completed by the Districts Actuary, Bickmore Risk & Associates who use various employee and salary data to calculate the estimation of OPEB items.

Director Dickinson asked for various clarifications from the Audit document. He asked for information on the prior year Audit adjustment. Justin indicated that this adjustment was necessary to correctly classify the retained earnings from Depreciation transfers.

Further questions were asked regarding Capital Fund Balances and Interest Income and Expenses. After some discussion it was decided that the Audit report would be accepted with an Addendum to the MD&A statement. GM Niederberger stated that he will bring a staff report back to the Board in March to capture amendments and provide further clarifications to the Boards queries.

Director Williams made a motion to accept the FY 16/17 Audit report with the recognition of an addendum to the MD&A Statement; a second was made by Director Murdock; the motion carried 5-0.

2. CONSIDERATION & APPROVAL OF MID-YEAR ADJUSTMENTS TO THE FY 17/18 BUDGET

GM Niederberger introduced the Mid-Year Adjustments for the FY 17/18 Budget adjustments. He explained that with the small adjustments to the budget results in a decrease of \$86,000 from \$25.093 Million to \$25.007 Million. Director Murdock asked what the additional training funds would be utilized for. Superintendent Rose stated a number of training strategies were being deployed, including training for new employees who are taking their commercial driver licenses, and additional all hands training from outside consultants.

Director Dickinson made a motion to approve the Mid-Year Budget Adjustments; a second was made by Director Williams; the motion carried 5-0.

3. SOUTH PLACER WASTEWATER AUTHORITY (SPWA) BOARD MEETING REPORT

President Mitchell provided a brief report providing information from his attendance at the SPWA Board meeting in January. He said that the refinancing has been completed related to the Energy Recapture process and the Board has \$149 Million in debt and is in good standing with the Rate Stabilization Fund at \$128 Million.

VII. REPORTS:

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

2. General Manager (H. Niederberger): GM Niederberger Reported that the City of Rocklin, State of the City event is scheduled for March 9, 2018. He asked if any Directors would be interested in attending the event. Director Williams, President Mitchell and Director Dickinson expressed interest in attendance.

A. ASD, FSD & TSD Reports: ASD Manager provided information to the Board Directors regarding opportunities to complete the mandatory Ethics and Harassment Training.

B. Information Items: No additional items were reported.

3. Directors Comments: Director Dickinson commented that he would like the Board to be paid more. He asked if it would be possible to receive more than \$100 per meeting attendance. Legal Counsel Brown stated that with the population size of the District and a five-member board, there are constraints within the State Statutes and the MUD Act, he said he would research any changes to the law. Director Dickinson said

that if it wasn't possible to increase the meeting compensation amount, then he would like to ask the CSDA Association to lobby for increases. He also stated that he would like to see the Health & Wellness benefit include cost of living increases. He stated that the job is getting harder and harder and more time is involved in participating on the Board. Director Mitchell stated that he has served on the Rocklin Oversight Dissolution Board and had received an email from CSDA to serve on a Regional RDA Board and reported that he has opted not to participate.

VIII. ADJOURNMENT

The meeting was adjourned at 5:32 p.m. to the next regularly scheduled meeting to be held on Thursday, March 1, 2018 at 4:30 p.m.

A handwritten signature in black ink that reads "Joanna Belanger". The signature is written in a cursive, flowing style.

Joanna Belanger, Board Secretary