

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

Meeting	Location	Date	Time
Regular	District Office	June 27, 2019	2:30 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 Williams presiding at 2:30 p.m.

II. ROLL CALL OF DIRECTORS:

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

Absent: None

Vacant: None

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

Others: Chad Stites, Field Supervisor
Ryan Gonzalez-DelValle, Administrative Services Assistant

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

IV. CONSENT ITEMS:

1. MINUTES from June 6, 2019 Regular Meeting
2. ACCOUNTS PAYABLE in the amount of \$2,480,739.91 through 06/20/19
3. MONTHLY INVESTMENT REPORT in the amount of \$57,035,992 through 06/20/19
4. RESOLUTION #19-13 APPROVING SELECTED BALLOTS FOR SDRMA BOARD OF DIRECTORS
5. RESOLUTION #19-14 ESTABLISHING A FEE SCHEDULE FOR FISCAL YEAR 2019/20

GM Niederberger advised there was a revised set of minutes for the June 6, 2019 meeting. Director Dickinson asked to pull item #5 from the consent calendar for further discussion of the proposed fee schedule. Director Dickinson made a motion to approve items #1-#4 on the consent calendar; a second was made by Director Mitchell; a roll call vote was taken, the motion carried 5-0.

Director Dickinson directed several questions regarding the basis for the fees. GM Niederberger stated that the fee schedule is calculated with a time and motion study, indicating the amount of time spent on activities, a loaded labor rate for the individual completing these activities is then applied to determine the fee. Participation fees are indexed to the ENR index based upon San Francisco. Director Dickinson stated that he would like to see the actual calculations in the future. GM Niederberger stated that he would like to bring the item to the Fee & Finance Committee at a future meeting for their review, Director Dickinson agreed. Director Murdock asked if the time and motion study is reviewed on an annual basis, DE Nielsen explained that generally a task is reviewed as necessary, if there are variable processes that need to be reviewed more

frequently. Another question was asked regarding the PRPF fees for the Newcastle area. DE Nielsen stated that the PRPF is driven by a schedule which was adopted by the Board in 2013, and the fee increases each year.

President Williams asked a question regarding the Residential injector pump inspection fee. DE Nielsen explained the inspection review process and how a review is necessary to meet the District standards. He explained that pumps on private property needs to be reviewed, as the District is interested in what is discharged into the system.

Director Dickinson made a motion to approve consent item #5; a second was made by Director Murdock; a roll call was taken, and the motion carried 5-0.

V. PUBLIC COMMENTS:

President Williams opened the meeting for public comments. Hearing no comments, the public comments session was closed.

VI. BOARD BUSINESS

1. CONSIDERATION & APPROVAL OF RESOLUTION #19-15 ADOPTING THE FISCAL YEAR 2019/20 BUDGET AND PROPOSED SPENDING PLAN

GM Niederberger introduced the Final Budget document for FY 19/20 and noted changes that were made to the Budget after the June 6, 2019 Budget Workshop discussions. Director Dickinson asked if he could ask about the Foothill Trunk project and extension of life the project will give to the pipe. GM Niederberger stated that the pipeline lifeline will be extended by an additional 70 years.

Director Dickinson asked if the Fee & Finance Committee could discuss the General Fund Reserve Policy at a future meeting to determine if sewer charges can be kept at current rates, and other uses that could be made such as the Unfunded Liability in Pensions through CalPERS. He also asked about District funds that SPWA manages on the Districts behalf and the District reviews the management of these funds. He also asked if the investments of the District could be reviewed and a simpler format might be better for reporting to the Board. GM Niederberger stated that the format was developed by the District contract accountant and believed to be as simplified as possible given that with the laddered investments with Wells Fargo, the interest isn't realized until certificates are brought to call, and are either reinvested or moved into a different investment vehicle.

Director Dickinson restated items he would like to review with the Fee & Finance Committee:

- Reserve Policy
- Investment terms
- SPWA debt service calculation
- A review of fund projections and whether programmed fee increases will be necessary

Director Dickinson made a motion to approve Resolution #19-15 with recommended corrections to the FY 2019/20 Budget; a second was made by Director Murdock, a roll call was taken, and the motion passed 5-0.

2. SOUTH PLACER WASTEWATER AUTHORITY (SPWA) BOARD MEETING INFORMATIONAL REPORT-DIRECTOR JERRY MITCHELL

Director Mitchell reported that he had attended the SPWA Board meeting that morning. He invited Director Dickinson to attend a future meeting if he is available. He reported that it can be difficult to understand the

total debt and options that might be available to the Board. The rate stabilization fund has over \$125M. SPMUD has \$57M in the fund. He said that he is very impressed with the staff of SPWA and particularly Ken Glotzbach from the plant and all that they are doing. The improvement projects for Pleasant Grove Treatment plant will cost over \$37M. The City is almost ready to get started with the expansion and energy recovery projects, and place it out for bidding in 2020. This item was informational; no action was taken.

VII. REPORTS:

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

2. General Manager (H. Niederberger): GM Niederberger reported that he would be out of the office on vacation from 7/11/19 to 7/15/19. He also reported that ASM Belanger was retiring from the District and recruitment for the ASM position would begin right away.

A. ASD, FSD & TSD Reports: There were no additions to the managers' reports. Sam Rose reported that since the Lower Laterals were taken over, the amount of stoppages we have seen has significantly reduced.

B. Information Items: No additional items.

3. Directors Comments: Director Mitchell reported he would be attending the CSDA/SDLF session in Napa at the beginning of July. Director Markey asked what may happen now that Loomis has not accepted the development agreement for the Villages. GM Niederberger stated that there may still be future projects that are allowed by the existing entitlements to be approved in the future. President Williams reported that he had attended the Rocklin Chamber Government Relations meeting. One of the take-aways from the meeting was that Power outages of prolonged nature could be extremely impactful to the District. GM Niederberger reported that the District does have generators and back up failure measures in place. No additional comments were made.

VIII. ADJOURNMENT

The President adjourned the meeting at 3:32 p.m. to the next regular meeting to be held on August 1, 2019 at 4:30 p.m.



Joanna Belanger, Board Secretary