



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

June 7, 2018

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

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

III. PLEDGE OF ALLEGIANCE

IV. CONSENT ITEMS

[pg 4 to 44]

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 June 7, 2018 meeting

1. MINUTES from the May 3, 2018 Meeting. [pg 4 to 5]
2. ACCOUNTS PAYABLE in the amount of \$673,214.40 through May 31, 2018. [pg 5 to 10]
3. MONTHLY INVESTMENT REPORT in the total amount of \$54,381,544 through May 31, 2018. [pg 11]
4. RESOLUTION #18-14 – ADOPTION OF POLICY #3170 CREDIT CARD TRANSACTION POLICY. [pg 12 to 17]
5. RESOLUTION #18-15 – ADOPTION OF THE INVESTMENT STRATEGY FOR DISTRICT FUNDS FOR FY 2018/19. [pg 18 to 21]
6. RESOLUTION #18-16 – ADOPTION & EXECUTION OF CONSTRUCTION COOPERATION & REIMBURSEMENT AGREEMENT FOR THE CITY OF ROCKLIN 2018 PAVEMENT REHABILITATION PROJECT. [pg 22 to 44]

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 & 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

[pg 45 to 59]

During construction of the Loomis Diversion Trunkline Project significant quantities of hard rock were encountered which were not included in the contract documents with the Contractor, T&S Construction. This change order includes amounts for additional expenses incurred for excavation of the rock and a change in quantity of sewer stubs and laterals.

Action Requested: (Roll Call Vote)

Staff Recommends that the Board of Directors:

- 1. 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.**

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

[pg 60 to 64]

The Notice of Public Hearing regarding transfer of delinquent service charges to the Placer County Tax roll has been published per state law for the June 7, 2018 meeting. A Public Hearing should be held to hear testimony and make any Board approved adjustments.

Action Requested: (Roll-Call Vote)

Staff Recommends that the Board of Directors:

- 1. Hold a Public Hearing regarding delinquent service charges and adopt Resolution #18-18 requesting that Placer County Collect Delinquent Service Charges for SPMUD on the Placer County Tax Roll for Tax Year 2017.**

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: 048-101-028-000)

[pg 65 to 77]

The property owner at 6117 Rockhurst Way has a failed septic system and is located within Placer County Sewer Maintenance District No.2 (SMD2). The owner wishes to connect to District sewer facilities along Rockhurst Way.

Action Requested: (Roll Call Vote)

Staff Recommends that the Board of Directors:

1. **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**
2. **Approve the Out of Area Service Agreement in form, and**
3. **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.**

4. CONSIDERATION OF THE FISCAL YEAR 2018/19 BUDGET WORKSHOP [pg 78 to 84]

Hear a report from the General Manager and conduct a public Budget Workshop for the Annual Budget for the upcoming 2018/19 fiscal year. The budget provides the Board of Directors with projected fiscal year revenues and expenses for the General and Capital Funds. Following Board of Directors additional direction, a Final Budget will be prepared and submitted for approval at the next regularly scheduled meeting on June 28, 2018.

Action Requested: None - Informational Item

VII. REPORTS

[pg 85 to 92]

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 June 28, 2018 at 4:30 p.m.

**BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT**

Meeting	Location	Date	Time
Regular	District Office	May 3, 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
(Director Murdock arrived at 4:55 p.m.)

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 April 5, 2018 Meeting.
2. MINUTES from the April 19, 2018 Special Meeting.
3. ACCOUNTS PAYABLE in the amount of \$3,110,437.32 through April 26, 2018.
4. MONTHLY INVESTMENT REPORT in the total amount of \$52,758,338 through April 26, 2018.
5. BILL OF SALE FOR WHITNEY RANCH PHASE 2J UNIT 65, 66 & 67AB (PHASE1)
6. NOTICE OF GOVERNING BOARD MEMBER ELECTION – RESOLUTION #18-13 Declaring an election to be held in the South Placer Municipal Utility District and requesting the Board of Supervisors consolidate this election with the election to be conducted on November 6, 2018.

General Manager Niederberger noted that minor revisions had been made to the minutes from April 19, 2018. Board Directors were provided a copy of the revisions. Director Dickinson made a motion to approve all items from the consent calendar; a second was made by Director Williams. 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. SECOND READING & ADOPTION OF ORDINANCE #18-01 – CREATING THE SPMUD SEWER CODE

GM Niederberger asked if the Board had any comments regarding the redlined version of Ordinance #18-01 or the final version of the Sewer Code. President Mitchell asked a clarifying question regarding Accessory Dwelling units 2.05.003. He was satisfied with the response provided by GM Niederberger. No further deliberation was heard.

Director Williams made a motion to waive the second reading of Ordinance #18-01, a second was made by Director Markey, the motion carried 4-0.

ITEM IV.1

Director Williams made a motion to adopt Ordinance #18-01, creating the SPMUD Sewer Code which becomes effective on June 1, 2018; a second was made Director Dickinson, the motion carried 4-0.

VII. REPORTS:

- 1. District General Counsel (A. Brown):** General Counsel Brown provided a brief report regarding SB 831 which relates to Accessory Dwelling Units (ADU's). He stated that the proposed bill will have no impact to the District, particularly as the Board has already addressed state law ADU changes.
- 2. General Manager (H. Niederberger):** GM Niederberger provided a brief update to items on the long-range agenda calendar.
 - A. ASD, FSD & TSD Reports:** Staff answered brief questions from the Board regarding SSO's, FOG permits, the status of the Loomis Diversion project and the Lucity Program.
 - B. Information Items:** No additional items were reported.
- 3. Directors Comments:** Director Dickinson thanked staff and Committee members for the work to complete the SPMUD Sewer Code. President Mitchell stated that he will provide a report to the Board after he attends the next SPWA Board meeting on June 28, 2018.

VIII. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Subdivision (a) of Section 54956.9)

Name of case: South Placer Municipal Utility District vs. Dean Richard Dickson and Perlita Dickson
Placer County Superior Court Case No. SCV0039692

The Board entered into closed session at 4:56 pm. A report was heard from District Legal Counsel regarding pending litigation. No action was taken.

IX. ADJOURNMENT

The President adjourned the meeting at 5:17 pm. to its next regular meeting on June 7, 2018 at 4:30 p.m.



Joanna Belanger, Board Secretary



South Placer Municipal Utility District, CA

Check Report

By Check Number

Date Range: 04/27/2018 - 05/30/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
248	AT&T (916.663.1652) & (248.134.5438.608.80)	05/03/2018	Regular	0.00	149.59	9933
1458	Carie Huff	05/03/2018	Regular	0.00	67.41	9934
1509	Crystal Communications	05/03/2018	Regular	0.00	311.64	9935
1080	CWEA (Main)	05/03/2018	Regular	0.00	90.00	9936
1087	Dawson Oil Co.	05/03/2018	Regular	0.00	3,678.64	9937
1485	Industrial Safety Supply Corporation	05/03/2018	Regular	0.00	150.00	9938
1174	KBA Docusys, Inc. (Copier Contracts)	05/03/2018	Regular	0.00	441.13	9939
1180	Lands' End Business Outfitters	05/03/2018	Regular	0.00	245.85	9940
1223	Pape Machinery	05/03/2018	Regular	0.00	4,076.47	9941
1221	PG&E (Current Accounts)	05/03/2018	Regular	0.00	5,092.00	9942
1554	Service Master	05/03/2018	Regular	0.00	675.28	9943
1287	Sierra Safety	05/03/2018	Regular	0.00	10.19	9944
1507	Silke Communications	05/03/2018	Regular	0.00	605.08	9945
1333	SPOK, Inc.	05/03/2018	Regular	0.00	26.25	9946
1306	Superior Equipment Repair	05/03/2018	Regular	0.00	10,298.05	9947
	Void	05/03/2018	Regular	0.00	0.00	9948
1499	TechRoe.com LLC	05/03/2018	Regular	0.00	900.00	9949
1343	Water Works Engineers, LLC	05/03/2018	Regular	0.00	18,064.38	9950
1492	Wave Broadband - Rocklin	05/03/2018	Regular	0.00	209.85	9951
	Void	05/03/2018	Regular	0.00	0.00	9952
	Void	05/03/2018	Regular	0.00	0.00	9953
	Void	05/03/2018	Regular	0.00	0.00	9954
	Void	05/03/2018	Regular	0.00	0.00	9955
	Void	05/03/2018	Regular	0.00	0.00	9956
1327	US Bank Corporate Payment	05/03/2018	Regular	0.00	11,141.67	9957
	Void	05/03/2018	Regular	0.00	0.00	9958
	Void	05/03/2018	Regular	0.00	0.00	9959
	Void	05/03/2018	Regular	0.00	0.00	9960
	Void	05/03/2018	Regular	0.00	0.00	9961
1022	AT&T (9391035571)& (9391053973)	05/10/2018	Regular	0.00	297.62	9969
1026	AUS West Lockbox (Aramark Uniforms)	05/10/2018	Regular	0.00	1,034.98	9970
1652	Cintas Corporation	05/10/2018	Regular	0.00	3,010.31	9971
1068	City of Roseville	05/10/2018	Regular	0.00	114,510.00	9972
1086	Dataprose	05/10/2018	Regular	0.00	6,646.78	9973
1107	ESRI	05/10/2018	Regular	0.00	8,519.00	9974
1123	Gladding McBean	05/10/2018	Regular	0.00	116.15	9975
1136	Helix Laboratories, Inc.	05/10/2018	Regular	0.00	1,812.53	9976
1145	Innovyze Inc	05/10/2018	Regular	0.00	4,500.00	9977
1173	KBA Docusys (Copies)	05/10/2018	Regular	0.00	246.61	9978
1218	PCWA	05/10/2018	Regular	0.00	674.05	9979
1221	PG&E (Current Accounts)	05/10/2018	Regular	0.00	299.64	9980
1473	Pitney Bowes Purchase Power	05/10/2018	Regular	0.00	372.39	9981
1554	Service Master	05/10/2018	Regular	0.00	1,426.25	9982
1396	Sierra Trench Protection	05/10/2018	Regular	0.00	65.44	9983
1656	SmartCover Systems	05/10/2018	Regular	0.00	1,500.00	9984
1325	Tyler Technologies, Inc.	05/10/2018	Regular	0.00	400.00	9985
1143	Inch's Tooling & Machining	05/10/2018	Regular	0.00	75.00	9986
1020	Aqua Sierra Controls, Inc.	05/17/2018	Regular	0.00	2,728.21	9987
1021	ARC	05/17/2018	Regular	0.00	101.16	9988
248	AT&T (916.663.1652) & (248.134.5438.608.80)	05/17/2018	Regular	0.00	9.36	9989
1652	Cintas Corporation	05/17/2018	Regular	0.00	781.48	9990
1073	Consolidated Communications	05/17/2018	Regular	0.00	521.84	9991
1080	CWEA (Main)	05/17/2018	Regular	0.00	90.00	9992
1139	Hill Rivkins Brown & Associates	05/17/2018	Regular	0.00	28,267.00	9993

Check Report

Date Range: 04/27/2018 - 05/30/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1536	Jeff Brackenbury	05/17/2018	Regular	0.00	119.90	9994
1218	PCWA	05/17/2018	Regular	0.00	72.51	9995
1650	Precision Earthworks, Inc.	05/17/2018	Regular	0.00	140,679.10	9996
1650	Precision Earthworks, Inc.	05/17/2018	Regular	0.00	-140,679.10	9996
1244	Preferred Alliance Inc	05/17/2018	Regular	0.00	147.60	9997
1306	Superior Equipment Repair	05/17/2018	Regular	0.00	412.61	9998
1338	Verizon Wireless	05/17/2018	Regular	0.00	1,091.90	9999
1221	PG&E (Current Accounts)	05/18/2018	Regular	0.00	624.77	10000
1650	Precision Earthworks, Inc.	05/18/2018	Regular	0.00	113,770.55	10001
1498	DLT Solutions	05/23/2018	Regular	0.00	553.78	10014
1218	PCWA	05/23/2018	Regular	0.00	1,898.73	10015
1253	Recology Auburn Placer	05/23/2018	Regular	0.00	300.84	10016
1518	Sonitrol of Sacramento	05/23/2018	Regular	0.00	789.10	10017
1305	Sunbelt Rentals, Inc.	05/23/2018	Regular	0.00	214.99	10018
1240	Placer County Personnel	05/24/2018	Regular	0.00	2,822.84	10019
1007	Advanced Integrated Pest	05/30/2018	Regular	0.00	106.00	10020
1061	Central Valley Engineering	05/30/2018	Regular	0.00	26,466.50	10021
1174	KBA Docusys, Inc. (Copier Contracts)	05/30/2018	Regular	0.00	441.13	10022
1221	PG&E (Current Accounts)	05/30/2018	Regular	0.00	4,115.52	10023
1658	Sharjo Inc. dba Service Master Restoration Servic	05/30/2018	Regular	0.00	1,426.25	10024
1660	Socal Pacific Construction Corp	05/30/2018	Regular	0.00	90,148.35	10025
1518	Sonitrol of Sacramento	05/30/2018	Regular	0.00	904.00	10026
1045	Cal Pers 457 Plan (EFT)	05/04/2018	Bank Draft	0.00	375.00	DFT0003602
1135	Mass Mutual (EFT)	05/04/2018	Bank Draft	0.00	6,073.00	DFT0003603
1135	Mass Mutual (EFT)	05/04/2018	Bank Draft	0.00	685.02	DFT0003604
1580	TASC	05/04/2018	Bank Draft	0.00	196.14	DFT0003605
1580	TASC	05/04/2018	Bank Draft	0.00	330.75	DFT0003606
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	147.25	DFT0003607
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	261.70	DFT0003608
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	381.90	DFT0003609
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	3,271.35	DFT0003610
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	4,774.14	DFT0003611
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	91.51	DFT0003612
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	110.03	DFT0003613
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	1,307.32	DFT0003614
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	1,572.14	DFT0003615
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	1,688.15	DFT0003616
1229	Pers (EFT)	05/04/2018	Bank Draft	0.00	1,764.61	DFT0003617
1149	Internal Revenue Service	05/04/2018	Bank Draft	0.00	11,293.22	DFT0003618
1098	EDD (EFT)	05/04/2018	Bank Draft	0.00	3,232.69	DFT0003619
1098	EDD (EFT)	05/04/2018	Bank Draft	0.00	910.77	DFT0003620
1149	Internal Revenue Service	05/04/2018	Bank Draft	0.00	2,641.22	DFT0003621
1149	Internal Revenue Service	05/04/2018	Bank Draft	0.00	7,748.57	DFT0003622
1045	Cal Pers 457 Plan (EFT)	05/18/2018	Bank Draft	0.00	375.00	DFT0003624
1135	Mass Mutual (EFT)	05/18/2018	Bank Draft	0.00	6,073.00	DFT0003625
1135	Mass Mutual (EFT)	05/18/2018	Bank Draft	0.00	685.02	DFT0003626
1580	TASC	05/18/2018	Bank Draft	0.00	196.14	DFT0003627
1580	TASC	05/18/2018	Bank Draft	0.00	330.75	DFT0003628
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	147.25	DFT0003629
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	262.48	DFT0003630
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	383.03	DFT0003631
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	3,281.08	DFT0003632
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	4,788.34	DFT0003633
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	91.51	DFT0003634
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	110.03	DFT0003635
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	1,307.32	DFT0003636
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	1,572.14	DFT0003637
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	1,688.15	DFT0003638
1229	Pers (EFT)	05/18/2018	Bank Draft	0.00	1,764.61	DFT0003639
1149	Internal Revenue Service	05/18/2018	Bank Draft	0.00	11,569.14	DFT0003640
1098	EDD (EFT)	05/18/2018	Bank Draft	0.00	3,226.68	DFT0003641

Check Report

Date Range: 04/27/2018 - 05/30/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1098	EDD (EFT)	05/18/2018	Bank Draft	0.00	898.01	DFT0003642
1149	Internal Revenue Service	05/18/2018	Bank Draft	0.00	2,705.76	DFT0003643
1149	Internal Revenue Service	05/18/2018	Bank Draft	0.00	7,693.12	DFT0003644
1015	American Fidelity Assurance	05/24/2018	Bank Draft	0.00	999.24	DFT0003667
1230	Pers (EFT)	05/24/2018	Bank Draft	0.00	41,188.12	DFT0003668
1586	Principal Life Insurance Company	05/24/2018	Bank Draft	0.00	403.71	DFT0003669

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	104	65	0.00	621,346.25
Manual Checks	0	0	0.00	0.00
Voided Checks	0	11	0.00	-140,679.10
Bank Drafts	45	45	0.00	140,596.11
EFT's	0	0	0.00	0.00
	149	121	0.00	621,263.26

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	104	65	0.00	621,346.25
Manual Checks	0	0	0.00	0.00
Voided Checks	0	11	0.00	-140,679.10
Bank Drafts	45	45	0.00	140,596.11
EFT's	0	0	0.00	0.00
	149	121	0.00	621,263.26

Fund Summary

Fund	Name	Period	Amount
100	GENERAL FUND	5/2018	621,263.26
			621,263.26

Account Number	Name	Date	Type	Amount	Reference
102-0002027-01	Robinson, Ashley	5/8/2018	Refund	\$ 100.22	Check #: 9962
102-0005676-01	Vuletich, Matthew S	5/8/2018	Refund	\$ 23.28	Check #: 9963
102-0006373-01	Aujay, Larry	5/8/2018	Refund	\$ 7.31	Check #: 9964
102-0006987-02	Rapolla, Frank and Michelle	5/8/2018	Refund	\$ 499.22	Check #: 9965
102-0011614-02	Busby, Amanda	5/8/2018	Refund	\$ 225.98	Check #: 9966
103-0004338-02	Johnston, Stephen and Jessica	5/8/2018	Refund	\$ 186.00	Check #: 9967
112-1021232-01	Lamb, Curtis	5/8/2018	Refund	\$ 93.34	Check #: 9968
102-0001741-01	Kuykendall, Ellen	5/23/2018	Refund	\$ 46.50	Check #: 10002
102-0006140-01	Harrison, Elizabeth	5/23/2018	Refund	\$ 93.00	Check #: 10003
103-0004207-01	Stahl, Michael	5/23/2018	Refund	\$ 93.03	Check #: 10004
106-0013140-02	Milinchuk, James	5/23/2018	Refund	\$ 93.21	Check #: 10005
106-0014224-01	Riley, Christie	5/23/2018	Refund	\$ 62.36	Check #: 10006
106-0014950-03	Fasani, Randall and Monica	5/23/2018	Refund	\$ 93.00	Check #: 10007
112-1022054-04	Freitas, John	5/23/2018	Refund	\$ 11.33	Check #: 10008
112-1023854-03	Powell, Daryl and Lauren	5/23/2018	Refund	\$ 93.00	Check #: 10009
112-1026868-00	KB Home Sacramento Inc	5/23/2018	Refund	\$ 93.00	Check #: 10010
112-1027946-00	Garnet Creek Homes LLC	5/23/2018	Refund	\$ 96.25	Check #: 10011
112-1028004-00	Taylor Morrison of California LLC	5/23/2018	Refund	\$ 5.39	Check #: 10012
113-1026463-00	Cherokee Trail, LLC	5/23/2018	Refund	\$ 35.72	Check #: 10013
			TOTAL	\$ 1,951.14	

SPMUD BOARD INVESTMENT REPORT
MEETING DATE: 06/07/18

INVESTMENT		TOTAL FUNDS	Fund 100	Fund 300	Fund 400
			General	CIP & Expansion	Capital Replacement & Rehabilitation
Allocation to Fund Type			22.10%	39.34%	38.56%
CALTRUST		Annual Rate of Return			
Balance at inception		\$ 19,000,000	\$ 4,199,789	\$ 7,474,188	\$ 7,326,023
Cumulative Income	2.85%	\$ 540,690	\$ 119,515	\$ 212,696	\$ 208,479
Cumulative Unrealized Gain/Loss	-1.74%	\$ (329,944)	\$ (72,931)	\$ (129,793)	\$ (127,220)
Cumulative Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
Cumulative Balance at beginning of month		\$ 19,210,746	\$ 4,246,373	\$ 7,557,091	\$ 7,407,283
Current month income	0.15%	\$ 29,105	\$ 6,433	\$ 11,449	\$ 11,222
Current month Unrealized Gain/Loss	-0.14%	\$ (26,440)	\$ (5,844)	\$ (10,401)	\$ (10,195)
Current month Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
TOTALS		\$ 19,213,411	\$ 4,246,962	\$ 7,558,139	\$ 7,408,310
WELLS FARGO - Fixed Income Securities		Actual Rate of Return			
Balance at inception		\$ 18,000,000	\$ 3,978,747	\$ 7,080,810	\$ 6,940,443
Transfers		\$ 4,000,000	\$ 884,166	\$ 1,573,513	\$ 1,542,321
Cumulative Income	2.91%	\$ 523,355	\$ 115,683	\$ 205,877	\$ 201,795
Cumulative Unrealized Gain/Loss	-3.20%	\$ (576,354)	\$ (127,398)	\$ (226,725)	\$ (222,231)
Cumulative Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
Cumulative Balance at beginning of month		\$ 21,947,001	\$ 4,851,199	\$ 8,633,474	\$ 8,462,328
Current month income	0.13%	\$ 27,678	\$ 6,118	\$ 10,888	\$ 10,672
Current month Unrealized Gain/Loss	-0.31%	\$ (68,959)	\$ (15,243)	\$ (27,127)	\$ (26,589)
Current month Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
Market Average/Yield to Worst	1.16%				
TOTALS		\$ 21,905,720	\$ 4,842,074	\$ 8,617,235	\$ 8,446,411
LAIF (Local Agency Investment Fund)		Annual Rate of Return			
Balance		\$ 5,090,099	\$ 1,125,123	\$ 2,002,335	\$ 1,962,641
Quarterly Interest	1.51%	\$ -	\$ -	\$ -	\$ -
TOTALS		\$ 5,090,099	\$ 1,125,123	\$ 2,002,335	\$ 1,962,641
PLACER COUNTY TREASURY		Annual Rate of Return			
Balance		\$ 5,153,149	\$ 1,139,060	\$ 2,027,137	\$ 1,986,952
Monthly Interest	1.81%	\$ 7,663	\$ 1,694	\$ 3,014	\$ 2,955
TOTALS		\$ 5,160,812	\$ 1,140,754	\$ 2,030,151	\$ 1,989,907
SUB-TOTALS		\$ 51,370,041	\$ 11,354,912	\$ 20,207,860	\$ 19,807,269
CHECKING ACCOUNT BALANCE		\$ 3,011,503	\$ 665,667	\$ 1,184,660	\$ 1,161,176
GRAND TOTALS		\$ 54,381,544	\$ 12,020,580	\$ 21,392,520	\$ 20,968,445

Investments are in compliance with Policy# 3120 - Investment Policy, and have the ability to meet the next six months of cash flow requirements.

*Please note information presented is current at print time, and may be delayed by approximately 30 days.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Herb Niederberger, General Manager

Cc: Joanna Belanger, Administrative Services Manager

Subject: Adopt Resolution 18-14, Creating Policy 3170, Credit Card Transactions

Meeting Date: June 7, 2018

Overview

During routine policy review, it was determined that the Board should adopt a policy regarding the District's payment of the Monthly Service Charges by both credit and debit cards. Use of the credit or debit cards can be transacted over the counter, online, over the phone and by preauthorized automatic payment (auto-pay). To encourage bill payment by credit or debit cards, the District has decided to absorb the cost of the convenience fees charged by the banking industry for credit/debit card transactions.

The District desires to move customers to lower cost transactions, while providing a full range of payment type options to make it simple and convenient for customers to pay on time. There has been some industry discussion concerning those public agencies that pay transactional charges and whether this implied subsidy runs contrary to Prop 218. Staff believes that payment of the transactional charges is a business and cost savings decision that is enjoyed by all District's customers.

Staff's estimates of the cost of each type of transaction:

- \$0.02 to process Credit card ACH Auto payment
- \$0.02 to process Online credit/debit card payments
- \$0.07 to process Over the phone credit/debit card payments
- \$0.09 to process Checks received via Lockbox
- \$0.16 to process Bank ACH Auto payment
- \$0.32 to process Checks received through the mail
- \$1.69 to process Cash payments over the counter

Costs to perform manual transactions typically calculate at a higher processing rate attributed to time and motion labor expenses. Transactions completed online or via lockbox (US Bank) take less time to complete as they are typically combined into a packet of payments.

The District, by encouraging auto-pay and online payments by credit or debit cards, is experiencing the lowest cost transaction. Automation and changes to processes away from manual tasks has

significantly improved efficiencies and offset labor costs and any need for additional staff in Administrative Services.

The intended policy of encouraging auto-pay and online payments by credit and debit cards and absorbing the transactions fees was discussed by the Fee & Finance Advisory Committee on April 24, 2018. The Advisory Committee recommended that the Policy be drafted for consideration by the Board of Directors.

Recommendation

1. Adopt Resolution 18-14, Creating Policy 3170, Credit Card Transactions

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:

Goal 1.2: Improve Communications.

Goal 1.3: Maintain transparency with all District activities

Goal 7.3: Business Efficiencies

Fiscal Impact

Adoption of Resolution 18-14, Creating Policy 3170, Credit Card Transactions, will allow the District to by encourage auto-pay and online payments by credit or debit cards, experiencing the lowest cost transaction. Additional cost savings are anticipated by this action.

Attachments

Resolution 18-14

Policy 3170

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 18-14

CREATION OF POLICY 3170 – CREDIT CARD TRANSACTIONS

WHEREAS, in accordance with the South Placer Municipal Utility District Sewer Code, adopted under Ordinance 18-01, the District charges a monthly service charge; and

WHEREAS, the District accepts payment of the monthly service charge via Credit card ACH Auto payments, check payments processed through Lockbox, Bank ACH Auto payments, check payments received through the mail and cash payments over the counter; and

WHEREAS, the District desires to move customers to lowest cost transactions, while providing a full range of payment type options to make it simple and convenient for customers to pay on time.

WHEREAS, The District, by encouraging auto-pay and online payments by credit or debit cards, is experiencing the lowest cost transaction. Automation and changes to processes away from manual tasks has significantly improved efficiencies and offset labor costs and any need for additional staff in Administrative Services.

WHEREAS, the use of the credit or debit cards can be transacted over the counter, online, over the phone and by preauthorized automatic payment (auto-pay).; and

WHEREAS, to encourage bill payment by credit or debit cards, the District has decided to absorb the cost of the convenience fees charged by the banking industry for credit/debit card transactions; and

WHEREAS, On September 3, 2015, the South Placer Municipal Utility District (District) adopted Resolution 15-23 creating a Policy Handbook; and

WHEREAS, in accordance with Section 1 of Policy 1000 – Purpose of Board Policies, policies may be added, eliminated or modified from time to time and will be enacted by resolution of the Board; and

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the South Placer Municipal Utility District that:

1. The Board has decided to absorb the cost of the convenience fees charged by the banking industry for credit/debit card transactions; and
2. The attached Policy 3170 is adopted in its entirety and to be included in the aforementioned District Policy Handbook.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 7th Day of June 2018.

Signed: _____
Gerald P. Mitchell, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary

SOUTH PLACER MUNICIPAL UTILITY DISTRICT POLICIES

Policy Name:	3170 – CREDIT CARD TRANSACTION CHARGES		
Approval Authority:	SPMUD BOARD OF DIRECTORS	Adopted:	06/07/2018
Resolution No.	18-14	Revised:	

PURPOSE

The purpose of this policy is to establish criteria for the assessment of credit or debit card transactional charges.

POLICY STATEMENT

Section 1: General

The District allows payment of the Monthly Service Charges by both credit and debit cards. Use of the credit or debit cards can be transacted over the counter, online, over the phone and by preauthorized automatic payment (auto-pay). To encourage bill payment by credit or debit cards, the District has decided to absorb the cost of the convenience fees charged by the banking industry for credit/debit card transactions.

Section 2: Justifications

- A. The District currently collects revenues of over \$12 million annually from monthly sewer service charges. Of that amount, almost \$2.1 million (17%) is received via credit and debit card transactions. The transactional costs for these charges is approximately 2% for 12,000 transactions.

- B. To support the decision to absorb credit/debit transaction fees staff has developed an estimate of the cost of each type of transaction: Credit card ACH Auto payments, check payments processed through Lockbox, Bank ACH Auto payments, check payments received through the mail or cash payments over the counter.
 - \$0.02 to process Credit card ACH Auto payment
 - \$0.02 to process Online credit/debit card payments
 - \$0.07 to process Over the phone credit/debit card payments
 - \$0.09 to process Checks received via Lockbox
 - \$0.16 to process Bank ACH Auto payment
 - \$0.32 to process Checks received through the mail
 - \$1.69 to process Cash payments over the counter

Costs to perform manual transactions typically calculate at a higher processing rate attributed to time and motion labor expenses. Transactions completed online or via lockbox (US Bank) take less time to complete as they are typically combined into a packet of payments.

- C. The District desires to move customers to lower cost transactions, while providing a full range of payment type options to make it simple and convenient for customers to pay on time.
- D. The District, by encouraging auto-pay and online payments by credit or debit cards, is experiencing the lowest cost transaction. Automation and changes to processes away from manual tasks has significantly improved efficiencies and offset labor costs and any need for additional staff in Administrative Services.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT

To: Board of Directors

From: Herb Niederberger, General Manager

Cc: Joanna Belanger, Administrative Services Manager

Subject: Adopt Resolution 18-15, Investment of District Funds Strategy for 2018/19

Meeting Date: June 7, 2018

Overview

The South Placer Municipal Utility District (District) operates in accordance with the Municipal Utilities District Act of California, and codified in the State of California Public Utilities Code § 11501, et seq. Public Utilities Code § 12871 allows the District to invest surplus money in its treasury and Government Code of the State of California, primarily §53601 and related subsections, authorizes the type of investment vehicles allowed in a California local agency's portfolio.

On December 3, 2015, the Board of Directors adopted Resolution 15-27 that created a District Policy Handbook and contained Policy No. 3120 – Investment of District Funds. Policy 3120 allows investments consistent with the three primary principals of public fund investment, 1) Safety, 2) Liquidity and 3) Return on Investment, in that order of priority. The District elected to utilize a “dual portfolio” approach to its investments, consisting of a “Liquidity Portfolio” and a “Long-Term Portfolio.” Later, on February 4, 2016, the District adopted Resolution 16-04 which initiated an investment strategy that complied with Policy 3120 and expanded the District's investment portfolio into the Investment Trust of California (CalTrust), as well as other government back fixed income securities.

It has now been two years of performance and the District wishes to slowly divest itself of certain Fixed Income Securities held in the Long-Term Portfolio without incurring penalty or greater risk, and to distribute the divested funds evenly among the CalTrust Medium Term holdings and the Placer County Treasury. This strategy was discussed during the Fee and Finance Advisory Committee on April 24, 2018 with the recommendation that it be forwarded to the Board of Directors for consideration

Recommendation

1. Adopt Resolution 18-15, Investment of District Funds Strategy for 2018/19

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:

Goal 1.2: Improve Communications.

Goal 1.3: Maintain transparency with all District activities

Goal 5.2: Explore and evaluate investment and business practice alternatives

Goal 5.3: Maintain financial responsibility by ensuring allocated funding sources are adequate to meet expenses; and that available funds and resources are managed efficiently.

Goal 7.3: Business Efficiencies

Related District Ordinances and Policies

This action complies with the following District Policy:

Policy No. 3120 – Investment of District Funds

Fiscal Impact

This action has the potential increase to the rate of return on District investments thereby increasing the funds available in the District's treasury.

Attachments

Resolution 18-15

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
RESOLUTION NO. 18-15
ADOPTION OF INVESTMENT OF DISTRICT FUNDS STRATEGY FOR 2018/2019

WHEREAS, Public Utilities Code § 12871 allows the District to invest money in its treasury; and,

WHEREAS, on December 3, 2015, the Board of Directors adopted Resolution 15-27 which reflected that Policy No. 3120 – Investment of District Funds - was adopted in its entirety and included in the District Policy Handbook; and

WHEREAS, on February 4, 2016, the District adopted Resolution 16-04 which expanded its investment portfolio into the Investment Trust of California (CalTRUST), a program established by public agencies in California for the purpose of pooling and investing local agency funds, and to permit the use long term securities up to the maximum maturities allowed by Government Code §53601; and

WHEREAS, Consistent with the three primary principals of public fund investment, 1) Safety, 2) Liquidity and 3) Return on Investment, in that order of priority, the District elected to utilize a “dual portfolio” approach to its investments, consisting of a “Liquidity Portfolio” and a “Long-Term Portfolio;” and

WHEREAS, The Board of Directors wishes to slowly divest itself of certain Fixed Income Securities held in the Long-Term Portfolio without incurring penalty or greater risk, and to distribute the divested funds evenly among the CalTrust Medium Term holdings and the Placer County Treasury.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the South Placer Municipal Utility District that in accordance with the aforementioned Policy No. 3120 – Investment of District Funds, the following investment strategy shall be employed for the

investment of District funds for the year 2018:

Section 1:

Investment	Maximum Amount
Checking (US Bank)	\$ 2,000,000
Liquidity Portfolio	
LAIF	\$ 5,000,000
Placer County Treasury	\$15,000,000
CalTrust Short-Term	\$ 5,000,000
CalTrust Medium Term	\$15,000,000
Long-Term Portfolio	
CalTrust Medium Term	\$ 10,000,000
Fixed Income Securities	\$18,000,000

As Fixed Income Securities being held in the Long-Term Portfolio mature, rather than reinvesting into other Fixed Income Securities, the proceeds will be distributed evenly among the CalTrust Medium Term holdings and the Placer County Treasury.

Section 2:

This strategy assumes \$50,000,000 in District funds available for investment. Individual investments are limited to the limits of Policy 3120 and funds actually available. Any funds in excess of \$50,000,000 will be invested in those investments listed in the Liquidity Portfolio

Section 3:

This Strategy shall be employed for the year 2018/2019 and shall remain in effect unless further refined from year-to-year as necessary by resolution.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 7th day of June, 2018.

Signed: _____
Gerald P. Mitchell, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Eric Nielsen, District Engineer

Cc: Herb Niederberger, General Manager

Subject: Resolution #18-16 Construction Cooperation and Reimbursement Agreement for the City of Rocklin 2018 Pavement Rehabilitation Project

Meeting Date: June 7, 2018

Background

The City of Rocklin intends to rehabilitate failed portions of pavement in Sunset Boulevard, Lonetree Boulevard, West Oaks Boulevard, Blue Oaks Boulevard, and Park Drive in 2018.

The template for this agreement was reviewed by the District's legal counsel in 2016 and has been updated to reflect the details of this project. It outlines the responsibilities and items of coordination for both parties (e.g., collaboration during design, coordination during construction, reimbursement of costs).

Should the Board approve Resolution 18-16, the signed agreement will be sent to the City of Rocklin's City Council for approval and signature. The District and City intend to use a similar process for coordination of future work to meet the parties' individual and shared objectives.

Recommendation

Staff recommends that the Board of Directors:

- Approve the attached Construction Cooperation Agreement in form, and
- Adopt Resolution 18-16 to authorize the General Manager to execute the attached Construction Cooperation and Reimbursement Agreement subject to final approval by the District General Counsel and General Manager.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

Goal 1.2: Improve communications.

Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances.

Fiscal Impact

Per the agreement, the District will be responsible to pay the actual costs for the adjustment of three manhole frames and covers through a competitive bidding process. The engineer's estimate for this work is \$9,000. The budget for involvement with other regional projects is sufficient to accommodate this project. Should the bidding process result in a cost for this work that is in excess of what the District is willing to pay, the District has the option to perform this work with its own forces.

Attachments:

1. Resolution No. 18-16 – Authorization to Enter Construction Cooperation and Reimbursement Agreement for the City of Rocklin 2018 Pavement Rehabilitation Project.
2. Construction Cooperation and Reimbursement Agreement between South Placer Municipal Utility District and the City of Rocklin for Utility Cover Adjustments Associated with Citywide Digouts at Various Locations within the City of Rocklin

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 18-16

**AUTHORIZATION TO ENTER CONSTRUCTION COOPERATION AND
REIMBURSEMENT AGREEMENT FOR THE CITY OF ROCKLIN 2018 PAVEMENT
REHABILITATION PROJECT**

WHEREAS, South Placer Municipal Utility District (District), hereinafter called SPMUD, owns and operates the sewer facilities within the City of Rocklin (City), and

WHEREAS, the City proposes to rehabilitate failed portions of Sunset Boulevard, Lonetree Boulevard, West Oaks Boulevard, Blue Oaks Boulevard, and Park Drive, in Rocklin, Placer County, California, hereinafter referred to as “Project”, and

WHEREAS, the project requires the adjustment of the District’s facilities concurrently with the Project, and

WHEREAS, the District agrees to pay for the actual cost to adjust the District’s facilities which are adjusted during the Project, and

WHEREAS, the District is willing to accept the improvements in accordance with the provisions of this agreement, the District’s Standard Specifications and Improvement Standards for Sanitary Sewers.

NOW, THEREFORE BE IT RESOLVED, the South Placer Municipal Utility District Board of Directors authorizes the General Manager to enter into the attached construction cooperation and reimbursement agreement for the City of Rocklin 2018 Pavement Rehabilitation Project.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 7th day of June 2018.

Signed: _____
Gerald P. Mitchell, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary

**CONSTRUCTION COOPERATION AND REIMBURSEMENT AGREEMENT
BETWEEN SOUTH PLACER MUNICIPAL UTILITY DISTRICT AND THE CITY OF ROCKLIN
FOR UTILITY COVER ADJUSTMENTS ASSOCIATED WITH CITYWIDE DIGOUTS
AT VARIOUS LOCATIONS WITHIN THE CITY OF ROCKLIN**

This agreement, by and between the SOUTH PLACER MUNICIPAL UTILITY DISTRICT, hereinafter called "OWNER", and the CITY of ROCKLIN, a political subdivision of the State of California, herein called "LOCAL AGENCY", shall be effective on the later of the dates executed by both the OWNER and the LOCAL AGENCY.

RECITALS

WHEREAS, the LOCAL AGENCY proposes to rehabilitate failed portions of Sunset Boulevard, Lonetree Boulevard, West Oaks Boulevard, Blue Oaks Boulevard, and Park Drive, in Rocklin, Placer County, California, hereinafter referred to as "Project," as shown on the approved improvement plans for the Project and also identified as city project number 45405, Metropolitan Transportation Plan project number PLA25551, and Federal Aid No. STPL-5095(025); and

WHEREAS, the LOCAL AGENCY and the OWNER agree that the project requires the relocation of the OWNER's facilities concurrently with the Project per the approved improvement plans; and WHEREAS, the Project will require the relocation of sewer facilities which will be described more fully in the plans to be prepared by the LOCAL AGENCY, and which are hereinafter referred to as the "Facilities"; and

WHEREAS, the LOCAL AGENCY intends to engage a qualified contractor and has agreed to bear all expense to relocate existing Facilities as required and shall be reimbursed for construction of such Facilities as described below; and

WHEREAS, the OWNER is willing to accept the Facilities in accordance with the provisions of this Agreement, the OWNER's Personnel and Administrative Manual, Improvement Standards, Technical Provisions, and Standard Drawings.

AGREEMENT

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN PROVIDED, it is agreed as follows:

1. The LOCAL AGENCY shall competitively bid and award the contract to the lowest responsible bidder for the entire Project. "Responsible bidder" includes the requirement that the selected contractor, or its subcontractor performing the OWNER work, meet the LOCAL AGENCY shall competitively bid and award the contract to the lowest responsible bidder for the entire Project. "Responsible bidder" includes the requirement that the selected contractor, or its subcontractor performing the OWNER work, meet the OWNER's and LOCAL AGENCY's minimum requirements for relocation of sewer facilities, including possessing and maintaining a California State Class A or C-34 Contractor's License. LOCAL AGENCY shall be the lead for the Project will manage the construction contract and be responsible for all payments to the contractor.
2. The LOCAL AGENCY and the OWNER shall mutually agree on a method to coordinate construction administration, construction engineering, construction surveying, shop drawing review, communications and meetings, traffic control, scheduling, inspection and testing of the work that pertain to construction of the OWNER Facilities.
3. OWNER reserves the right to raise the manholes instead of the contractor at its discretion.
4. During relocation of the OWNER Facilities, the OWNER shall determine whether relocation of the OWNER Facilities is satisfactorily performed in accordance with the construction contract and OWNER requirements and shall notify the LOCAL AGENCY in writing of approval and acceptance of the completed OWNER Facilities. OWNER shall coordinate with the LOCAL AGENCY to bring the completed OWNER Facilities into service. After OWNER acceptance of

the completed OWNER Facilities, the OWNER shall own and be responsible for the operation and maintenance of the completed OWNER Facilities pursuant to any encroachment permits obtained from the LOCAL AGENCY at the time of construction of the Project. Such acceptance of the completed work shall not relieve the contractor of any liability or modify the contractor's guarantee.

5. The OWNER shall reimburse the LOCAL AGENCY for costs paid to the LOCAL AGENCY's contractor(s) to install the OWNER Facilities in accordance with the following procedure:
 - a. There OWNER shall pay its share of the actual cost of said work included in the LOCAL AGENCY's highway construction contract within 90 days after receipt of LOCAL AGENCY's bill; compiled on the basis of the actual bid price of said contract. The estimated cost to OWNER for the work being performed by the LOCAL AGENCY's highway contractor is \$9,000.
 - b. Prior to the LOCAL AGENCYs issuance of the construction documents for the Project for bids, the OWNER and the LOCAL AGENCY shall agree on the construction line items to be included in the bid schedule for the OWNER Facilities. The LOCAL AGENCY shall require the contractor to submit with each monthly payment application an itemization indicating progress on these unit price line items. Upon payment to the Contractor for any of the OWNER Facilities line items, LOCAL AGENCY may submit an invoice to OWNER for reimbursement hereunder of the amounts paid. OWNER shall pay said invoice within thirty (30) days of receipt.
 - c. The OWNER shall be responsible to reimburse LOCAL AGENCY for all payments to the contractor for approved change orders for extra work performed on the OWNER Facilities. LOCAL AGENCY will be responsible for all other Project-related change orders,

delays, and extra work incurred by the contractor. The OWNER and LOCAL AGENCY will jointly work to negotiate change order requests and claims by the contractor to resolve any claims directly related to the OWNER Facilities in a timely manner, provided that neither the LOCAL AGENCY nor the OWNER shall agree to the resolution of any such change order request or claim without the other's approval. In the event agreement cannot be reached related to active ongoing work within one (1) working day of presentation of a request for change order, or claim, the LOCAL AGENCY shall have the right to direct the contractor to proceed on a force account basis.

6. The OWNER will not unnecessarily delay progress of work or hold up final contract acceptance of the project during the period of closeout. The OWNER shall bear no responsibility for contractor for LOCAL AGENCY caused delays on work other than those directly related to only the OWNER Facilities. The OWNER shall have no obligation under this Agreement to make any direct payment to the LOCAL AGENCY's contractor or to any subcontractor (of any tier) or material supplier or equipment supplier for materials, equipment or labor supplied on the Project.
7. Performance by either party under this Agreement shall not be deemed to be in default where delays or default are due to Force Majeure when a party gives notice, in writing, with details of particulars to the other party as soon as possible. Force Majeure as used in this contract shall mean acts of nature, wars, insurrections, riots, epidemics, major landslides, earthquakes, fires, floods, and civil disturbances, which are not within the control for the party claiming suspension, which by the exercise of due diligence, such party may not have been able to avoid or overcome.
8. Except as otherwise provided in the section on indemnity below, costs arising from claims or

lawsuits for personal injury or property damage which are alleged to have resulted from construction of the OWNER Facilities only, including the payment of damages pursuant to a final judgment in favor of a claimant, shall be the OWNER's responsibility. In the event of disagreement concerning the responsibility of any claim resolution costs related to the affected items of work, the parties each expressly reserve the right to seek a judicial determination of the responsibility of each party with respect to any claim or lawsuit arising out of their performance under this agreement.

INDEMNITY

OWNER agrees to save harmless and indemnify LOCAL AGENCY from any liability, claim or demand which may be made by any person resulting from the negligence of OWNER in the performance of its responsibilities under this Agreement, and further agrees, at its own cost and expense, to defend any action which may be brought against LOCAL AGENCY resulting from such negligence of OWNER, and further agrees to pay or satisfy any judgment which may result from such action. The foregoing provisions shall not be applicable to claims or actions that arise from the negligence of LOCAL AGENCY in its performance of the terms of this Agreement.

The LOCAL AGENCY agrees to save harmless and indemnify OWNER from any liability, claim or demand which may be made by any person resulting from the negligence of LOCAL AGENCY in the performance of its responsibilities under this Agreement, and further agrees, at its own costs and expense, to defend any action which may be brought against OWNER resulting from such negligence of LOCAL AGENCY, and further agrees to pay or satisfy any judgment which may result from such action. The foregoing provisions shall not be applicable to claims or actions that arise from the negligence of OWNER in its performance of the terms of this Agreement.

INSURANCE

The LOCAL AGENCY's Contractor shall carry Automobile Liability insurance in the amount of at least \$1,000,000, and Commercial General Liability in the amount of at least \$1,000,000 per occurrence and \$2,000,000 aggregate with a maximum \$5,000 deductible, which insurance shall be primary and underlying to the OWNER's insurance and Commercial General Liability and shall specifically name the OWNER as an additional insured and certificate holder. Before work is commenced, the LOCAL AGENCY's Contractor shall furnish the OWNER with a certificate(s) of insurance and Additional Insured Endorsement (ISO CG 2010) or equivalent as satisfactory proof that the LOCAL AGENCY's Contractor carries the insurance required by the Agreement and Worker's Compensation Insurance in compliance with the laws of the State of California. The LOCAL AGENCY's Contractor's insurance shall be primary and any insurance or self-insurance maintained by the OWNER shall be excess and not contribute to it. The insurance carriers will have a Best Rating of no less than A:-VII or equivalent or as otherwise approved by the OWNER.

PERFORMANCE AND PAYMENT BONDS

All bonds shall be issued by California admitted surety insurers. The estimated cost of the Facilities is \$9,000. Prior to construction of any of the Facilities and during all such construction, the LOCAL AGENCY or LOCAL AGENCY's Contractor shall provide a Performance Bond with a penal sum of 100% of the estimated cost of the Facilities. The performance bond shall be in a form acceptable to the OWNER. The OWNER may formally waive the requirement for a performance bond if the LOCAL AGENCY's Contractor demonstrates that it has provided a comparable performance bond to the LOCAL AGENCY pursuant to Government Code Section 66499.1, which bond encompasses the installation of the Facilities and names the OWNER as co-

obligee. The LOCAL AGENCY shall maintain the Performance Bond at all times during the life of this agreement and for a period one (1) year after the completion and acceptance of the Facilities by the OWNER.

In addition, prior to construction, the LOCAL AGENCY or LOCAL AGENCY's Contractor shall provide a Public Works Payment Bond with a penal sum of 100% of the estimated cost of the Facilities. The payment bond shall be in a form that is acceptable to the OWNER. The OWNER may waive the requirement for a payment bond if the LOCAL AGENCY's Contractor demonstrates that it has provided a comparable payment bond to the LOCAL AGENCY pursuant to Government Code Section 66499.2, which bond encompasses the installation of the Facilities. The LOCAL AGENCY shall maintain the Payment Bond at all times until the OWNER accepts the Facilities.

WARRANTIES AND REPAIRS

The LOCAL AGENCY hereby agrees that the OWNER may enforce all warranties provided by LOCAL AGENCY's contractor with respect to OWNER's Facilities, and the LOCAL AGENCY shall require its contractor to provide a warranty against any defects in materials or workmanship in the installed OWNER Facilities for a period of one year following final acceptance of the Project. This Agreement shall cover defects which shall be in existence during such one year period but which shall not become apparent until thereafter. As to any equipment which bears a guarantee or warranty in writing or by law for a period longer than one year, the LOCAL AGENCY hereby stipulates and agrees that such guarantee shall inure to the benefit of the OWNER for such longer period.

This Agreement shall terminate after the OWNER Facilities have been completed and accepted by the OWNER and final payment has been made to the LOCAL AGENCY. However, such

termination shall not relieve the contractor of any liability or modify contractor's guarantee or prohibit either the LOCAL AGENCY or the OWNER from enforcing any rights against, or seeking damages from the contractor.

This Agreement shall not inure to the benefit of or create any rights in any third party not a signatory hereto.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the later of the dates executed by both the OWNER and the LOCAL AGENCY below.

LOCAL AGENCY

(OWNER)

By: _____

By: _____

Justin Nartker
Local Agency Director

Herb Niederberger
General Manager

Date: _____

Date: _____

Distribution: 1) Owner, 2) Utility Coordinator, 3) DLAE –File, 4) District Utility Coordinator – File

**CONSTRUCTION COOPERATION AND REIMBURSEMENT AGREEMENT
BETWEEN SOUTH PLACER MUNICIPAL UTILITY DISTRICT AND THE CITY OF ROCKLIN
FOR UTILITY COVER ADJUSTMENTS ASSOCIATED WITH CITYWIDE DIGOUTS
AT VARIOUS LOCATIONS WITHIN THE CITY OF ROCKLIN**

This agreement, by and between the SOUTH PLACER MUNICIPAL UTILITY DISTRICT, hereinafter called "OWNER", and the CITY of ROCKLIN, a political subdivision of the State of California, herein called "LOCAL AGENCY", shall be effective on the later of the dates executed by both the OWNER and the LOCAL AGENCY.

RECITALS

WHEREAS, the LOCAL AGENCY proposes to rehabilitate failed portions of Sunset Boulevard, Lonetree Boulevard, West Oaks Boulevard, Blue Oaks Boulevard, and Park Drive, in Rocklin, Placer County, California, hereinafter referred to as "Project," as shown on the approved improvement plans for the Project and also identified as city project number 45405, Metropolitan Transportation Plan project number PLA25551, and Federal Aid No. STPL-5095(025); and

WHEREAS, the LOCAL AGENCY and the OWNER agree that the project requires the relocation of the OWNER's facilities concurrently with the Project per the approved improvement plans; and WHEREAS, the Project will require the relocation of sewer facilities which will be described more fully in the plans to be prepared by the LOCAL AGENCY, and which are hereinafter referred to as the "Facilities"; and

WHEREAS, the LOCAL AGENCY intends to engage a qualified contractor and has agreed to bear all expense to relocate existing Facilities as required and shall be reimbursed for construction of such Facilities as described below; and

WHEREAS, the OWNER is willing to accept the Facilities in accordance with the provisions of this Agreement, the OWNER's Personnel and Administrative Manual, Improvement Standards, Technical Provisions, and Standard Drawings.

AGREEMENT

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN PROVIDED, it is agreed as follows:

1. The LOCAL AGENCY shall competitively bid and award the contract to the lowest responsible bidder for the entire Project. "Responsible bidder" includes the requirement that the selected contractor, or its subcontractor performing the OWNER work, meet the LOCAL AGENCY shall competitively bid and award the contract to the lowest responsible bidder for the entire Project. "Responsible bidder" includes the requirement that the selected contractor, or its subcontractor performing the OWNER work, meet the OWNER's and LOCAL AGENCY's minimum requirements for relocation of sewer facilities, including possessing and maintaining a California State Class A or C-34 Contractor's License. LOCAL AGENCY shall be the lead for the Project will manage the construction contract and be responsible for all payments to the contractor.
2. The LOCAL AGENCY and the OWNER shall mutually agree on a method to coordinate construction administration, construction engineering, construction surveying, shop drawing review, communications and meetings, traffic control, scheduling, inspection and testing of the work that pertain to construction of the OWNER Facilities.
3. OWNER reserves the right to raise the manholes instead of the contractor at its discretion.
4. During relocation of the OWNER Facilities, the OWNER shall determine whether relocation of the OWNER Facilities is satisfactorily performed in accordance with the construction contract and OWNER requirements and shall notify the LOCAL AGENCY in writing of approval and acceptance of the completed OWNER Facilities. OWNER shall coordinate with the LOCAL AGENCY to bring the completed OWNER Facilities into service. After OWNER acceptance of

the completed OWNER Facilities, the OWNER shall own and be responsible for the operation and maintenance of the completed OWNER Facilities pursuant to any encroachment permits obtained from the LOCAL AGENCY at the time of construction of the Project. Such acceptance of the completed work shall not relieve the contractor of any liability or modify the contractor's guarantee.

5. The OWNER shall reimburse the LOCAL AGENCY for costs paid to the LOCAL AGENCY's contractor(s) to install the OWNER Facilities in accordance with the following procedure:
 - a. There OWNER shall pay its share of the actual cost of said work included in the LOCAL AGENCY's highway construction contract within 90 days after receipt of LOCAL AGENCY's bill; compiled on the basis of the actual bid price of said contract. The estimated cost to OWNER for the work being performed by the LOCAL AGENCY's highway contractor is \$9,000.
 - b. Prior to the LOCAL AGENCYs issuance of the construction documents for the Project for bids, the OWNER and the LOCAL AGENCY shall agree on the construction line items to be included in the bid schedule for the OWNER Facilities. The LOCAL AGENCY shall require the contractor to submit with each monthly payment application an itemization indicating progress on these unit price line items. Upon payment to the Contractor for any of the OWNER Facilities line items, LOCAL AGENCY may submit an invoice to OWNER for reimbursement hereunder of the amounts paid. OWNER shall pay said invoice within thirty (30) days of receipt.
 - c. The OWNER shall be responsible to reimburse LOCAL AGENCY for all payments to the contractor for approved change orders for extra work performed on the OWNER Facilities. LOCAL AGENCY will be responsible for all other Project-related change orders,

delays, and extra work incurred by the contractor. The OWNER and LOCAL AGENCY will jointly work to negotiate change order requests and claims by the contractor to resolve any claims directly related to the OWNER Facilities in a timely manner, provided that neither the LOCAL AGENCY nor the OWNER shall agree to the resolution of any such change order request or claim without the other's approval. In the event agreement cannot be reached related to active ongoing work within one (1) working day of presentation of a request for change order, or claim, the LOCAL AGENCY shall have the right to direct the contractor to proceed on a force account basis.

6. The OWNER will not unnecessarily delay progress of work or hold up final contract acceptance of the project during the period of closeout. The OWNER shall bear no responsibility for contractor for LOCAL AGENCY caused delays on work other than those directly related to only the OWNER Facilities. The OWNER shall have no obligation under this Agreement to make any direct payment to the LOCAL AGENCY's contractor or to any subcontractor (of any tier) or material supplier or equipment supplier for materials, equipment or labor supplied on the Project.
7. Performance by either party under this Agreement shall not be deemed to be in default where delays or default are due to Force Majeure when a party gives notice, in writing, with details of particulars to the other party as soon as possible. Force Majeure as used in this contract shall mean acts of nature, wars, insurrections, riots, epidemics, major landslides, earthquakes, fires, floods, and civil disturbances, which are not within the control for the party claiming suspension, which by the exercise of due diligence, such party may not have been able to avoid or overcome.
8. Except as otherwise provided in the section on indemnity below, costs arising from claims or

lawsuits for personal injury or property damage which are alleged to have resulted from construction of the OWNER Facilities only, including the payment of damages pursuant to a final judgment in favor of a claimant, shall be the OWNER's responsibility. In the event of disagreement concerning the responsibility of any claim resolution costs related to the affected items of work, the parties each expressly reserve the right to seek a judicial determination of the responsibility of each party with respect to any claim or lawsuit arising out of their performance under this agreement.

INDEMNITY

OWNER agrees to save harmless and indemnify LOCAL AGENCY from any liability, claim or demand which may be made by any person resulting from the negligence of OWNER in the performance of its responsibilities under this Agreement, and further agrees, at its own cost and expense, to defend any action which may be brought against LOCAL AGENCY resulting from such negligence of OWNER, and further agrees to pay or satisfy any judgment which may result from such action. The foregoing provisions shall not be applicable to claims or actions that arise from the negligence of LOCAL AGENCY in its performance of the terms of this Agreement.

The LOCAL AGENCY agrees to save harmless and indemnify OWNER from any liability, claim or demand which may be made by any person resulting from the negligence of LOCAL AGENCY in the performance of its responsibilities under this Agreement, and further agrees, at its own costs and expense, to defend any action which may be brought against OWNER resulting from such negligence of LOCAL AGENCY, and further agrees to pay or satisfy any judgment which may result from such action. The foregoing provisions shall not be applicable to claims or actions that arise from the negligence of OWNER in its performance of the terms of this Agreement.

INSURANCE

The LOCAL AGENCY's Contractor shall carry Automobile Liability insurance in the amount of at least \$1,000,000, and Commercial General Liability in the amount of at least \$1,000,000 per occurrence and \$2,000,000 aggregate with a maximum \$5,000 deductible, which insurance shall be primary and underlying to the OWNER's insurance and Commercial General Liability and shall specifically name the OWNER as an additional insured and certificate holder. Before work is commenced, the LOCAL AGENCY's Contractor shall furnish the OWNER with a certificate(s) of insurance and Additional Insured Endorsement (ISO CG 2010) or equivalent as satisfactory proof that the LOCAL AGENCY's Contractor carries the insurance required by the Agreement and Worker's Compensation Insurance in compliance with the laws of the State of California. The LOCAL AGENCY's Contractor's insurance shall be primary and any insurance or self-insurance maintained by the OWNER shall be excess and not contribute to it. The insurance carriers will have a Best Rating of no less than A:-VII or equivalent or as otherwise approved by the OWNER.

PERFORMANCE AND PAYMENT BONDS

All bonds shall be issued by California admitted surety insurers. The estimated cost of the Facilities is \$9,000. Prior to construction of any of the Facilities and during all such construction, the LOCAL AGENCY or LOCAL AGENCY's Contractor shall provide a Performance Bond with a penal sum of 100% of the estimated cost of the Facilities. The performance bond shall be in a form acceptable to the OWNER. The OWNER may formally waive the requirement for a performance bond if the LOCAL AGENCY's Contractor demonstrates that it has provided a comparable performance bond to the LOCAL AGENCY pursuant to Government Code Section 66499.1, which bond encompasses the installation of the Facilities and names the OWNER as co-

obligee. The LOCAL AGENCY shall maintain the Performance Bond at all times during the life of this agreement and for a period one (1) year after the completion and acceptance of the Facilities by the OWNER.

In addition, prior to construction, the LOCAL AGENCY or LOCAL AGENCY's Contractor shall provide a Public Works Payment Bond with a penal sum of 100% of the estimated cost of the Facilities. The payment bond shall be in a form that is acceptable to the OWNER. The OWNER may waive the requirement for a payment bond if the LOCAL AGENCY's Contractor demonstrates that it has provided a comparable payment bond to the LOCAL AGENCY pursuant to Government Code Section 66499.2, which bond encompasses the installation of the Facilities. The LOCAL AGENCY shall maintain the Payment Bond at all times until the OWNER accepts the Facilities.

WARRANTIES AND REPAIRS

The LOCAL AGENCY hereby agrees that the OWNER may enforce all warranties provided by LOCAL AGENCY's contractor with respect to OWNER's Facilities, and the LOCAL AGENCY shall require its contractor to provide a warranty against any defects in materials or workmanship in the installed OWNER Facilities for a period of one year following final acceptance of the Project. This Agreement shall cover defects which shall be in existence during such one year period but which shall not become apparent until thereafter. As to any equipment which bears a guarantee or warranty in writing or by law for a period longer than one year, the LOCAL AGENCY hereby stipulates and agrees that such guarantee shall inure to the benefit of the OWNER for such longer period.

This Agreement shall terminate after the OWNER Facilities have been completed and accepted by the OWNER and final payment has been made to the LOCAL AGENCY. However, such

termination shall not relieve the contractor of any liability or modify contractor's guarantee or prohibit either the LOCAL AGENCY or the OWNER from enforcing any rights against, or seeking damages from the contractor.

This Agreement shall not inure to the benefit of or create any rights in any third party not a signatory hereto.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the later of the dates executed by both the OWNER and the LOCAL AGENCY below.

LOCAL AGENCY

(OWNER)

By: _____

By: _____

Justin Nartker
Local Agency Director

Herb Niederberger
General Manager

Date: _____

Date: _____

Distribution: 1) Owner, 2) Utility Coordinator, 3) DLAE –File, 4) District Utility Coordinator – File

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Eric Nielsen, District Engineer

Cc: Herb Niederberger, General Manager

Subject: Authorization to Execute Change Order No. 7 to the Contract for Loomis Diversion Trunkline Project for Blasting from Station 34+00 to Station 40+00 and Blasting from Station 69+00 to Station 79+00 and Additional Sewer Stubs and Laterals

Meeting Date: June 7, 2018

Overview

The Loomis Diversion Trunkline Project construction contract was awarded to T&S Construction Company, Inc. (T&S) on June 1, 2017 through Resolution 17-18. During construction, T&S encountered significant quantities of hard rock that were not included in the contract documents. This requires additional blasting efforts to excavate and install the proposed trunk sewer. To better quantify the amount and location of hard rock along the pipeline alignment, the District directed T&S to pre-drill the alignment.

Construction of the sewer pipeline will require drilling and blasting the hard rock in Brace Road and on the Tulip LLC property north of Horseshoe Bar Road. These areas were identified during pre-drilling activities. The Brace Road area has unique characteristics (e.g., high-speed traffic, multiple parallel utilities) that differ from the blasting previously completed for the project and this is reflected in the cost to complete the work. The hard rock in these areas will require the drilling of approximately 61,000-vertical feet (11.6 miles) of bore holes and 27 additional blast days.

During the coordination of construction activities, the Town of Loomis expressed an interest in partnering with the District to pave additional portions of Brace Road during the District project. The District would contribute the funds already planned for the surface restoration related to pipeline installation and the Town would contribute funds for the additional portions. This would extend the new paving completed during the recent modifications to the Brace Road overpass, allow the Town to repave more of Brace Road with a contractor already mobilized to the site, and provide a better surface to the residents in the area at the conclusion of the Loomis Diversion Trunkline project. In anticipation of this partnering opportunity, the District adjusted the quantities of sewer laterals and stubs along Brace Road to avoid having to cut into new pavement for future connections to the sewer system. Additionally, four sewer laterals were added on Dias Lane for

ITEM VI.1

four future lots as part of the agreement with the property owner for temporary construction easement.

Change Order No. 7 includes an amount of \$1,504,495.50 for the additional expense to excavate the hard rock encountered based on the previous efforts required to complete similar work during this project and additional quantities of sewer stubs and laterals.

Item	Cost
Blasting – STA 34+00 to STA 40+00 (Brace Road)	\$ 1,173,887.00
Blasting – STA 69+00 to STA 79+00 (Tulip North)	\$ 273,458.50
Change in Quantities for Sewer Laterals and Stubs	\$ 57,150
Total	\$ 1,504,495.50

Alternatives

The most likely potential alternative would be to stop work, pay the contractor for the work performed to date, and rebid the remaining portions of the project with the anticipation that the work could be completed for less in the future. This alternative likely would not meet the desired objective. The District would have to pay the contractor for the work completed to date, pay for the materials already purchased by the contractor, and pay for the contractors to demobilize. This would leave many of the construction areas in an unfinished/temporary state for the residents. In the current bidding and construction environment, it is unlikely that the District would be able to receive multiple competitive bids on the rebid project, making it unlikely that the District would gain any significant savings. Lastly, time is of the essence with the completion of this project. In accordance with the agreement between the District and Town of Loomis, will serve letters began to be issued to projects that drain through the Lower Loomis Trunk Sewer as soon as the District awarded the contract for this project. With a known capacity issue in the Lower Loomis Trunk Sewer, it is critical that the Loomis Diversion Trunkline project be completed.

Recommendation

Staff recommends that the Board of Directors:

- Adopt Resolution 18-17 to authorize the General Manager to execute Change Order No. 7 to the Loomis Diversion Trunkline construction contract.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

- Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances.
- Goal 3.2: Provide construction management to ensure the best possible facilities for the District.

Related District Ordinances, Policies, or Resolutions

This action relates to the following SPMUD Ordinances, Policies, or Resolutions:

- Resolution 17-18: Authorization to Award the Contract to T&S Construction Company, Inc. for the Loomis Diversion Trunkline Project
- Resolution 17-27: Authorization to Award Defined Change Orders for the Loomis Diversion Trunkline Project Construction Contract
- Policy 3150: Purchasing Policy

Fiscal Impact

All costs associated with the Loomis Diversion Trunkline Project will be paid for out of Fund 300. The impact of this project on Fund 300 will be examined with the update of the District’s System Evaluation and Capacity Assurance Plan (SECAP), which is scheduled to be completed by 2020. Any adjustment to the local participation fee recommended in the SECAP will be evaluated and presented to the Board for consideration.

The table below shows the amounts of the original contract, this change order, and the total of all change orders. The table also shows the percentage of this change order and the total of all change orders against the original contract amount.

Item	Amount	% of Original Contract
Original contact amount	\$ 5,086,485.00	-
Change Order #7	\$ 1,504,495.50	30%
Total Change Orders to Date (#1- #6)	\$ 2,687,828.90	53%
Total Project Cost	\$ 9,278,809.40	182%

Attachments:

1. Resolution 18-17– Authorization to Sign Change Order No. 7 for the Loomis Diversion Trunkline Project Construction Contract for Blasting between Station 34+00 to Station 40+00 and Blasting between Station 69+00 to Station 79+00
2. Change Order No. 7

‘SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 18-17

**AUTHORIZATION TO SIGN CHANGE ORDER NO. 7 FOR THE
LOOMIS DIVERSION TRUNKLINE PROJECT CONSTRUCTION CONTRACT FOR
BLASTING BETWEEN STATION 34+00 TO STATION 40+00 AND
BLASTING BETWEEN STATION 69+00 AND STATION 79+00 AND
ADDITIONAL SEWER STUBS AND LATERALS**

WHEREAS, South Placer Municipal Utility District, hereinafter called SPMUD, owns and operates the sewer facilities within the Town of Loomis and the City of Rocklin, and

WHEREAS, SPMUD awarded the contract for the construction of the Loomis Diversion Trunkline Project to T&S Construction with Resolution No. 17-18, and

WHEREAS, significant quantities of hard rock were discovered during construction and necessitate a change to the contract for the additional work to excavate through the rock, and

WHEREAS, the unforeseen conditions of hard rock in Brace Road resulted in additional project costs of \$1,173,887.00 to drill and blast hard rock located within the trench of the proposed pipeline, and

WHEREAS, the unforeseen conditions of hard rock on the Tulip LLC property north of Horseshoe Bar Road resulted in additional project costs of \$273,458.50 to drill and blast hard rock located within the trench of the proposed pipeline, and

WHEREAS, the SPMUD Purchasing Policy (Policy 3150) requires authorization for the General Manager to approve commitments greater than \$50,000.

NOW, THEREFORE BE IT RESOLVED, the South Placer Municipal Utility District Board of Directors authorizes the General Manager to execute Change Order No. 7 to the Loomis Diversion Trunkline Project construction contract. Change Order No. 7 pays for the additional cost of blasting hard rock between Station 34+00 and Station 40+00 and Station 69+00 and Station 79+00.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 7th day of June 2018.

Signed: _____
Gerald P. Mitchell, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary



**SOUTH PLACER
MUNICIPAL UTILITY DISTRICT**

CHANGE ORDER FORM

Change Order No. 7

Contract Name: Loomis Diversion Trunkline Project
Executed: 6/7/2018
Owner: South Placer Municipal Utility District (District)
Contractor: T&S Construction (T&S)

The Contract is changed as follows:

In accordance with Section 6.7 of the Bidding Requirements and Contract Documents (page 18), the District agrees to pay T&S \$1,173,887.50 for all the expenses required (including, but not limited to, materials, labor, and equipment) to drill and blast the hard rock located within the sewer alignment in Brace Road (STA 34+00 to STA 40+00) and on the Tulip LLC property north of Horseshoe Bar Road (STA 69+00 to STA 79+00) in order to install the proposed trunk sewer.

A breakdown of the labor, equipment, and materials associated with the costs to perform this work, as provided by T&S on May 24, 2018, is attached to this change order.

In accordance with Section 6.7 of the Bidding Requirements and Contract Documents (page 18), the District agrees to pay T&S \$273,458.50 for all the expenses required (including, but not limited to, materials, labor, and equipment) to drill and blast the hard rock located within the sewer alignment on the Tulip LLC property north of Horseshoe Bar Road (STA 69+00 to STA 79+00) in order to install the proposed trunk sewer.

A breakdown of the labor, equipment, and materials associated with the costs to perform this work, as provided by T&S on May 20, 2018 and revised on May 29, 2018, is attached to this change order.

In accordance with Section 6.7 of the Bidding Requirements and Contract Documents (page 18), the District agrees to pay T&S for all the expenses required (including, but not limited to, materials, labor, and equipment) to construct additional quantities of the following bid items:

Item	Description	Additional Quantity	Unit	Unit Cost	Cost
7A	4" SS Pipe	60	LF	\$ 357.00	\$ 21,420
7B	6" SS Pipe	45	LF	\$ 344.00	\$ 15,480
7C	8" SS Pipe	45	LF	\$ 450.00	\$ 20,250
Projected Total					\$ 57,150

Except as provided herein, all terms and conditions of the Contract referenced above remain unchanged and in full force and effect.	
<p>Signature of person authorized to execute this change order on behalf of District.</p> <p>By: _____ (authorized Signature)</p> <p>_____</p> <p style="text-align: center;">(printed name of person signing above)</p> <p>Title: _____</p> <p>Date: _____</p>	<p>Signature of person authorized to execute this change order on behalf of Contractor.</p> <p>By: _____ (authorized Signature)</p> <p>_____</p> <p style="text-align: center;">(printed name of person signing above)</p> <p>Title: _____</p> <p>Date: _____</p>

T&S Construction Company Inc.
 6108 Hedge Avenue
 Sacramento, CA 95829
 916-381-3052

Owner: South Placer Municipal Utility District

Project: Loomis Diversion Trunkline Project

Subject: Unforeseen rock encountered on Brace road Cost Estimate

cut depth	T & S is looking at the drilling and blasting scenario, the following way.		days drills X2 drilling	days Blasting	T&S estimated rock volume	
23.59'	34 + 65 to 34 + 75 MH (34 + 57 to 34 + 83)	10' 26'	per the drill log drilled at 10' centers reality	4	2	94
21.50'	35 + 50 to 37 + 10 (34+ 42 to 37 + 18)	160' 176'	per the drill log drilled at 10' centers reality	24	10	663
20.50'	37 + 45 to 37 + 65 (37 + 37 to 37 + 73)	20' 36'	per the drill log drilled at 10' centers reality	5	2	74
19.50'	38 + 10 to 39 +10 (38 + 02 to 39 +18)	100' 116'	per the drill log drilled at 10' centers reality	16	8	103
354' l.f. estimated amount that will be drilled & shot			49 days	22 days	893 yds	note:1

note:1 T&S estimated volume of rock

290'lf pre-drill drilling @ 10 centers.

354'lf in reality, compensating 8' lf before and for 8' lf after the pre-drill discovery of rock.

Vibration Monitoring

	qty.	each		
pre-survey	13 structures	500	6,500.00	\$ 6,500.00
blast day monitoring	22 each	1,100.00	24,200.00	\$ 24,200.00

Estimated drilling costs

6,547.00 per day x 49 days = 320,803.00 \$ 320,803.00

354 l.f. of trench line drilling

Traffic control for Drilling

	qty.			
flaggers	2	49 days x 18 hours p.d.	441hrs x 65.00	\$ 28,665.00
message boards	2	58.00 x 2 = 116.00	116.00 x 49 days	\$ 5,684.00

Estimated Blasting costs

13,644.00 per day x 22 days = 300,168.00 \$ 300,168.00

note: 6,547.00 = average day of drilling cost

note: 13,644 = average cost per blast

note: 49 days of drilling

note: 22 days of Blasting

Services to Remove and Replace
prior to the Blast and replaced right after the blast

	qty	each	
water services	2	2,500.00	\$ 5,000.00
irrigation services	4	1,500.00	\$ 6,000.00
irrigation main	1	12,000.00	\$ 12,000.00
gas services	4	7,500.00	\$ 30,000.00

low bed to move air track and mats from North Tulip to Brace road
8 hours x \$120 per hour = 960.00 \$ 960.00

diesel fuel lube truck / diesel / driver = 3.50 per gallon
air tracks fuel 2 each air tracks = 144 gallons per day x \$3.50 = \$504.00 x 49 days = \$24,696.00 \$ 24,696.00

water truck to bring water to drills for dust control \$95.00 labor + \$45.00 for the water truck and fuel = \$140.00 x 49 days = \$6,860.00	\$ 6,860.00
T&S foreman dealing with the drillers every day labor 49 days x 1 hour per day = 49 hours x \$96.00 = \$4,704.00	\$ 4,704.00
truck 49 days x 1 hour per day = 49 hours x \$20.00 = \$980	\$ 980.00
PVC pipe for casing the drill hole from caving in due to ground water 2,832 holes x 20' average = 56,640 l.f. x \$ 1.62 = \$ 91,756	\$ 91,756.00
 <u>T&S dealing with blast day</u>	
foreman 2hrs x \$96.00 = \$192 x 22 days	\$ 4,224.00
truck 2hrs x \$20.00 = \$40 x 22 days	\$ 880.00
operator 8hrs x \$95.00 = \$760 x 22 days	\$ 16,720.00
labor 8hrs x \$65.00 = \$520 x 22 days	\$ 11,440.00
excavator 4hrs x \$55.00 = \$220 x 22 days	\$ 4,840.00
loader 4hrs x \$45.00 = \$180 x 22 days	\$ 3,960.00
stemming gravel material 14 ton x \$23.25 per ton = 325.00 (covering and uncovering the blasted area)	\$ 325.00
survey crew 8 hours x \$250.00 = \$2,000 (re-surveying the blasted area)	\$ 2,000.00

354 l.f. 15" gravity sewer

as-bid conditions : vertical walls, less yardage to excavate
 as-bid production: 3 each 14' joints of 15" pvc pipe = 42' l.f. per day
 change of conditions: rock excavation, 1 : 1 trench sloping = more yardage to move in a confined street area.
 354' divided by 42' ft. per day = 8.42 days x 200% = 16 days.
 impact: doubles the the pipe installation costs.
 the impact days are 8 x 9 hour day = 72 hours

	<u>qty.</u>	<u>rate</u>	<u>hours</u>	<u>labor</u>	<u>equipt.</u>	<u>fuel</u>	
foreman	1	\$ 96.00	72	\$ 6,912.00	\$ -	\$ -	\$ 6,912.00
operator	3	\$ 95.00	216	\$ 20,520.00	\$ -	\$ -	\$ 20,520.00
labor	3	\$ 65.00	216	\$ 14,040.00	\$ -	\$ -	\$ 14,040.00
excavator digging	1	\$ 75.00	72	\$ -	\$ 5,400.00	\$ 2,016.00	\$ 7,416.00
excavator compacting	1	\$ 55.00	72	\$ -	\$ 3,960.00	\$ 1,764.00	\$ 5,724.00
loader	1	\$ 45.00	72	\$ -	\$ 3,240.00	\$ 1,512.00	\$ 4,752.00
tool truck	1	\$ 20.00	72	\$ -	\$ 1,440.00	\$ 480.00	\$ 1,920.00
trench shield	1	\$ 15.00	72	\$ -	\$ 1,080.00	\$ -	\$ 1,080.00
hydraulic impact hammer #8500	1s	\$ -	0	\$ -	\$ 3,375.00	\$ -	\$ 3,375.00
generator & pump	1	\$ 15.00	192	\$ -	\$ 2,880.00	\$ 1,344.00	\$ 4,224.00

extra bedding for extra width and depth / due to shot rock
 191 ton x 23.25 = 4,440.00 \$ 4,440.00

haul off shot rock 893 yds

111 loads = 2 hour round trip = 222 hours

		<u>rate</u>	<u>hours</u>	<u>labor</u>	<u>equipment</u>	<u>fuel</u>	
dump truck	1	\$ 95.00	222	\$ -	\$ 21,090.00	\$ -	\$ 21,090.00
operator	1/3 time	\$ 95.00	74	\$ 7,030.00	\$ -	\$ -	\$ 7,030.00
loader	1/3 time	\$ 45.00	74	\$ -	\$ 3,330.00	\$ 1,554.00	\$ 4,884.00

	cost	\$ 1,020,772.00
mark-up & overhead	0.15%	\$ 153,115.00
Estimated	Costs	\$ 1,173,887.00

T&S Construction Company Inc.
 6108 Hedge Avenue
 Sacramento, CA 95829
 916-381-3052

Owner: South Placer Municipal Utility District

Project: Loomis Diversion Trunkline Project

Subject: Unforeseen rock encountered on North Tulp Estimate

cut depth	T & S is looking at the drilling and blasting scenario, the following way.	days drills X2 drilling	days Blasting	T&S estimated rock volume
18.25'	69 + 70 to 70 + 00 (69 + 60 to 70 + 10) 30' 46'	7	2	66
17.90'	70 + 60 to 70 + 70 (70 + 50 to 70 + 80) 10' 26'	4	1	53
10.50'	76 + 10 to 76 + 30 (76 + 00 to 76 + 40) 20' 36'	4	2	44
10.79'	76 + 80 to 76 + 90 (76 + 70 to 77 + 00) 10' 26'	4	1	13
11.00'	77 + 20 to 77 + 30 (77 + 10 to 77 + 40) 10' 26'	4	1	13
	160' l.f. estimated amount that will be drilled & shot	15	5	189 cy note:1

} Hammer

note:1 T&S estimated volume of rock

80'lf per pre-drill drill @ 10 centers.
 160'lf in reality, compensating 8' lf before and for 8' lf after the pre-drill discovery of rock.

Estimated drilling costs

6,547.00 per day x ¹⁵~~21~~ days = ~~137,487.00~~ 98,205
180 l.f. of drilling

\$ ~~137,487.00~~
98,205

Estimated Blasting costs

13,644.00 per day x ⁵~~7~~ days = ~~95,508.00~~ 68,220

\$ ~~95,508.00~~
68,220

note: 6,547.00 = average day of drilling cost
note: 13,644 = average cost per blast
note: 21 days of drilling
note: 7 days of Blasting

low bed to move air track and mats from Dias to north Tulp
8 hours x \$120 per hour = 960.00

\$ 960.00

diesel fuel lube truck / diesel / driver = 3.50 per gallon
air tracks fuel 2 each air tracks = 144 gallons per day x \$3.50 = \$504.00 x ¹⁵~~21~~ days = ~~10,584.00~~ 7,560

\$ ~~10,584.00~~
7,560

water truck to bring water to drills for dust control	15		
\$95.00 labor + \$45.00 for the water truck and fuel = \$140.00 x 21 days = \$2,940.00			\$ 2,940.00
		2,100	2,100
T&S foreman dealing with the drillers every day			
21 days x 1 hour per day = 21 hours x \$96.00 = \$2,016.00	1,440		\$ 2,016.00
labor 21 days x 1 hour per day = 21 hours x \$20.00 = \$420	300		\$ 420.00
truck 15			
PVC pipe for casing the drill hole from caving in due to ground water			
426 holes x 17' average = 7,242 l.f. x \$ 1.62 = \$ 11,732.00			\$ 11,732.00
290 x ↓ = 4,930 x ↓ = 7,986			7,986
<u>T&S dealing with blast day</u>	5		
foreman 2hrs x \$96.00 = \$192 x 7 days			\$ 1,344.00
truck 2hrs x \$20.00 = \$40 x 7 days			\$ 280.00
operator 8hrs x \$95.00 = \$760 x 7 days			\$ 5,320.00
labor 8hrs x \$65.00 = \$520 x 7 days			\$ 3,640.00
excavator 4hrs x \$55.00 = \$220 x 7 days			\$ 1,540.00
loader 4hrs x \$45.00 = \$180 x 7 days			\$ 1,260.00
stemming gravel material 10 ton x \$23.25 per ton = 232.00			\$ 232.00
(covering and uncovering the blasted area)			232
survey crew			
8 hours x \$250.00 = \$2,000			\$ 2,000.00
(re-surveying the blasted area)			

180 l.f. 15" gravity sewer

as-bid conditions : vertical walls, less yardage to excavate
 as-bid production: 6 each 14' joints of 15" pvc pipe = 84' l.f. per day
 change of conditions: rock excavation, 1 : 1 trench sloping = more yardage to move in a confined area.
 180' divided by 84' ft. per day = 2.14 days x 200% = 4.28 days.
 impact: doubles the pipe installation costs. **3**
 the impact days are 4 x 9 hour day = 36 hours

	qty.	rate	hours	labor	equip.	fuel		
foreman	1	\$ 96.00	36 27	\$ 3,456.00	\$ -	\$ -	\$ -	\$ 3,456.00
operator	3	\$ 95.00	108 81	\$ 10,260.00	\$ -	\$ -	\$ -	\$ 10,260.00
labor	3	\$ 65.00	108 81	\$ 7,020.00	\$ -	\$ -	\$ -	\$ 7,020.00
excavator digging	1	\$ 125.00	36	\$ -	\$ 4,500.00	\$ 1,260.00	\$ -	\$ 5,760.00
excavator compacting	1	\$ 55.00	36 } 27	\$ -	\$ 1,980.00	\$ 1,008.00	\$ -	\$ 2,988.00
loader	1	\$ 45.00	36	\$ -	\$ 1,620.00	\$ 756.00	\$ -	\$ 2,376.00
tool truck	1	\$ 20.00	36	\$ -	\$ 720.00	\$ 210.00	\$ -	\$ 930.00
trench shield	1	\$ 15.00	36	\$ -	\$ 540.00	\$ -	\$ -	\$ 540.00
hydraulic impact hammer #8500	1s	\$ -	0	\$ -	\$ 3,375.00	\$ -	\$ -	\$ 3,375.00
generator & pump	1	\$ 15.00	36 72	\$ -	\$ 1,440.00	\$ 672.00	\$ -	\$ 2,112.00

extra bedding for extra width and depth / due to shot rock
 87 ton x 23.25 = 2,022.00 \$ 2,022.00

haul off shot rock 189 yds

24 loads = 2 hour round trip = 48 hours

	rate	hours	labor	equipment	fuel	
dump truck	\$ 95.00	48	\$ -	\$ 4,560.00	\$ -	\$ 4,560.00
operator 1/3 time	\$ 95.00	16	\$ 1,520.00	\$ -	\$ -	\$ 1,520.00
loader 1/3 time	\$ 45.00	16	\$ -	\$ 720.00	\$ 448.00	\$ 1,168.00

mark-up & overhead cost \$ 325,350.00 **237,790**
 0.15% \$ ~~48,802.00~~ **35,668.50**
 Estimated Costs \$ ~~374,152.00~~ **273,458.50**

AS ✓
 5-29-18

T&S Construction Co., Inc.
 accepted by: *Arthur T. Spinella*
 Arthur T. Spinella

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT

To: Board of Directors

From: Joanna Belanger, Administrative Services Manager

Cc: Herb Niederberger, General Manager

Subject: Public Hearing for Delinquent Service Charges Tax Year 2017 and adoption of Resolution #18-18 collecting delinquent service charges on the Placer County Tax Rolls

Meeting Date: June 7, 2018

Background

From April through June of each year all customer accounts are reviewed to determine any delinquent service charges that remain outstanding for the previous calendar year. Customers are notified by mail if they have any delinquent charges. The notification advises of the date to pay these charges, along with a legal notice of the authority under which the District may request for the County of Placer to collect delinquent charges on the 2018/19 Direct Charges County Tax rolls.

Payments are accepted to avoid the assignment to the tax rolls up to the completion of the public hearing which is held at the June Board meeting each year.

The Notice for the June 7, 2018 Public Hearing regarding transfer of delinquent service charges to the Placer County tax roll has been published in the Placer Herald newspaper for two consecutive weeks. A Public Hearing should be held to hear testimony and allow the board to make any adjustments to assigned accounts.

Recommendation

Staff recommends that the Board of Directors:

1. Conduct a public hearing to receive public testimony, consider said testimony and close the public hearing; and
2. After consideration of the testimony, adopt Resolution 18-18 requesting that Placer County collect delinquent service charges for the South Placer Municipal Utility District on the Placer County Tax Rolls for the Year 2017.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:

Goal 5.1: Recover sufficient revenues to maintain wastewater operations, capital and regulatory requirements.

Goal 5.2: Explore and evaluate investment and business practice alternatives.

Fiscal Impact

Over the past few years the final amount assigned to the Property Taxes for collections is as follows:

Calendar Year 2016	\$336,459
Calendar Year 2015	\$257,783
Calendar Year 2014	\$271,287
Calendar Year 2013	\$223,130

At print time for the Agenda packet there are 1,015 outstanding accounts in the amount of \$311,430. Staff will provide updated numbers for outstanding accounts and the amount to be assigned to the County at the Board meeting.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
RESOLUTION 18-18**

**A RESOLUTION
REQUESTING THAT PLACER COUNTY COLLECT
DELINQUENT SERVICE CHARGES FOR SOUTH PLACER MUNICIPAL
UTILITY DISTRICT ON THE PLACER COUNTY TAX ROLLS FOR TAX YEAR 2017
TAX CODE #71100
DIRECT CHARGE NAME: SOUTH PLACER MUNICIPAL UTILITY DISTRICT**

WHEREAS, The South Placer Municipal Utility District (hereinafter “District”) requests the County of Placer collect on the County tax rolls certain charges which have been imposed pursuant to Section 12811 of the Public Utilities Code and Sections 5473 and 5473(a) of the Health and Safety Code, attached hereto, and

WHEREAS, The County has required as a condition of the collection of said charges that the District warrant the legality of said charges and defend and indemnify the County from any challenge to the legality thereof,

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the South Placer Municipal Utility District that:

- (a) The Auditor-Controller of Placer County is requested to attach for collection on the County tax rolls those taxes, assessments, fees and/or charges, attached hereto.
- (b) The District warrants and represents that the taxes, assessments, fees and/or charges imposed by the District and being requested to be collected by Placer County comply with all requirements of state law, including but not limited to Articles XIIC and XIID of the California Constitution (Proposition 218).
- (c) The District releases and discharges County, and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of the collection by County on the property tax roll of any taxes, assessments, fees and/or charges on behalf of District.

- (d) In consideration for the County’s collection of the charge through the County’s property tax roll, the District agrees to and shall defend, indemnify and hold harmless the County, its officers, agents and employees (the “Indemnified Parties”) from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of the collection by County of any of District’s said taxes, assessments, fees and/or charges requested to be collected by County for District, or in any manner arising out of District’s establishment and imposition of said taxes, assessments, fees and/or charges. District agrees that, in the event a judgment is entered in a court of law against any of the Indemnified Parties as a result of the collection of one of District’s taxes, assessments, fees and/or charges, the County may offset the amount of the judgment from any other monies collected by County on behalf of District, including property taxes.

- (e) The District agrees that its officers, agents and employees will cooperate with the County by responding to all inquiries referred to District by County from any person concerning the District’s taxes, assessments, fees and/or charges, and that District will not refer such persons to County officers and employees for response.

- (f) The District agrees to pay the County for the reasonable and ordinary charges to recoup its costs of placement and collection on the tax rolls at the agreed upon rate of 1% of the taxes, assessments, fees and/or charges, as provided by Government Code sections 29304 and 51800.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 7th, day of June 2018.

Signed: _____
Gerald P. Mitchell, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary

ATTACHMENT A

Section 12811 of the Public Utilities Code

The board may provide for the collection of fees, tolls, rates, rentals, or other charges in any lawful manner and may provide for collection by action at law, and all remedies for the collection and enforcement thereof are cumulative and may be pursued alternatively or consecutively as the board determines. In addition to the amount of the fees, tolls, rates, rentals, or other charges, the board may provide for a penalty of not more than 10 percent or interest at the prevailing prime interest rate, but not to exceed 112 percent per month, or both, in the event of nonpayment within the time and in the manner prescribed by the board, and may provide for collection of the penalty and interest.

Sections 5473 and 5473(a) of the Health and Safety Code

5473. Any entity which has adopted an ordinance pursuant to this article or an order pursuant to Section 6520.5 may, by such ordinance or by separate ordinances or resolutions approved by a two-thirds vote of the members of the legislative body thereof, elect to have such charges collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes. In such event, it shall cause a written report to be prepared each year and filed with the clerk, which shall contain a description of each parcel of real property receiving such services and facilities and the amount of the charge for each parcel for the year, computed in conformity with the charges prescribed by the ordinance or resolution.

Any ordinance or resolution adopted pursuant to this section authorizing the collection of charges on the tax roll shall remain in effect for the time specified in the ordinance or resolution or, if no time is specified in the ordinance or resolution, until repealed or until a change is made in the rates charged by the entity.

The powers authorized by this section shall be alternative to all other powers of any entity, and alternative to other procedures adopted by the legislative body thereof for the collection of such charges. The real property may be described by reference to maps prepared in accordance with Section 327, Revenue and Taxation Code, and on file in the office of the county assessor or by reference to plats or maps on file in the office of the clerk.

5473a. Any entity may make the election specified in Section 5473 with respect only to delinquent charges and may do so by preparing and filing the written report, giving notice and holding the hearing therein required only as to such delinquencies.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Eric Nielsen, District Engineer

Cc: Herb Niederberger, General Manager

Subject: Resolution #18-19 6117 Rockhurst Way Out-of-Area Service Agreement and LAFCO Application

Meeting Date: June 7, 2018

Overview

6117 Rockhurst Way is located within Placer County Sewer Maintenance District No. 2 (SMD 2). The septic system which served 6117 Rockhurst Way has failed. The property owner wishes to remodel the existing home but is unable to do so until the failed septic system is addressed. South Placer Municipal Utility District (District) owns a 6-inch collector sewer in Rockhurst Way that serves the properties on the opposite side of the street from 6117 Rockhurst Way. The 6-inch collector sewer was constructed as part of the Oakleaf Glen project in 1990. A lower lateral was extended to 6117 Rockhurst Way as part of that project. Placer County Health is requiring that the property connect to public sewer before the premise can be occupied.

This agreement outlines the plan for immediate sewer service as well as outlines a plan for future sewer service. In the near-term scenario, the property will connect to the District sewer system under this agreement between Placer County, the property owner, and the District. The agreement addresses the plan for immediate sewer service to address the immediate public health issue and prepare for the permanent solution of annexation to address the issues with the current District/SMD 2 boundary in this area.

Recommendation

Staff recommends that the Board of Directors:

- Adopt Resolution 18-19 authorizing the General Manager to apply with Placer LAFCO for an Out-of-Area Service Agreement, and
- Approve the Out-of-Area Service Agreement in form, and
- Authorize the General Manager to execute 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 the District General Counsel and General Manager.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances.

Fiscal Impact

The property will be required to pay the connection/participation fee to Placer County when the connection is made to the District sewer system. When the property is annexed into the District, the property will become a District customer. The addition of one single family residential connection to the District sewer system will not create a perceptible increase to the maintenance activities already performed on the sewer facilities during the period between connection and the eventual annexation of the property into the District.

Attachments:

1. Resolution 18-19 – Resolution of Application by South Placer Municipal Utility District, Establishing Out-of-Area Service Agreement to APN 048-101-028-000
2. Out-of-Area Service Agreement for the Provision of Sewer Collection Services and Treatment
 - a. Figure of APN 048-101-028-000.
 - b. Plan for Providing Sewer Services.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 18-19

RESOLUTION OF APPLICATION BY SOUTH PLACER MUNICIPAL UTILITY DISTRICT

ESTABLISHING OUT-OF-AREA SERVICE AGREEMENT TO

APN 048-101-028-000

WHEREAS, The South Placer Municipal Utility District (District) desires to initiate proceedings pursuant to the Cortese-Know-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq) for sewer service extension outside the District's boundaries (Government Code Section 56133).

WHEREAS, the territory proposed to be provided services outside the boundaries of the DISTRICT, the parcel is set forth in Exhibits A of the attached agreement and incorporated herein by reference, and

WHEREAS, the Property is located within Placer County (County) Sewer Maintenance District No. 2, but which presently lacks the facilities readily available to serve the Property, as the nearest facilities capable of serving the Property lie within the District boundaries, and

WHEREAS, the Parties desire for the County and the District to enter into this Agreement to provide sanitary sewer service to the Property, and

WHEREAS, the reason for the proposed extension of services is to provide sewage disposal services to the parcel, which currently has a failed septic system, and

WHEREAS, it is desired to provide that the proposed agreement to provide services be subject to the terms and conditions of the attached agreement, and

WHEREAS, a plan for providing services has been prepared in accordance with Government Code Section 56653 and will be submitted herewith as Exhibit B of the attached agreement,

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the South Placer Municipal Utility District that this Resolution of Application is hereby adopted, and the Placer

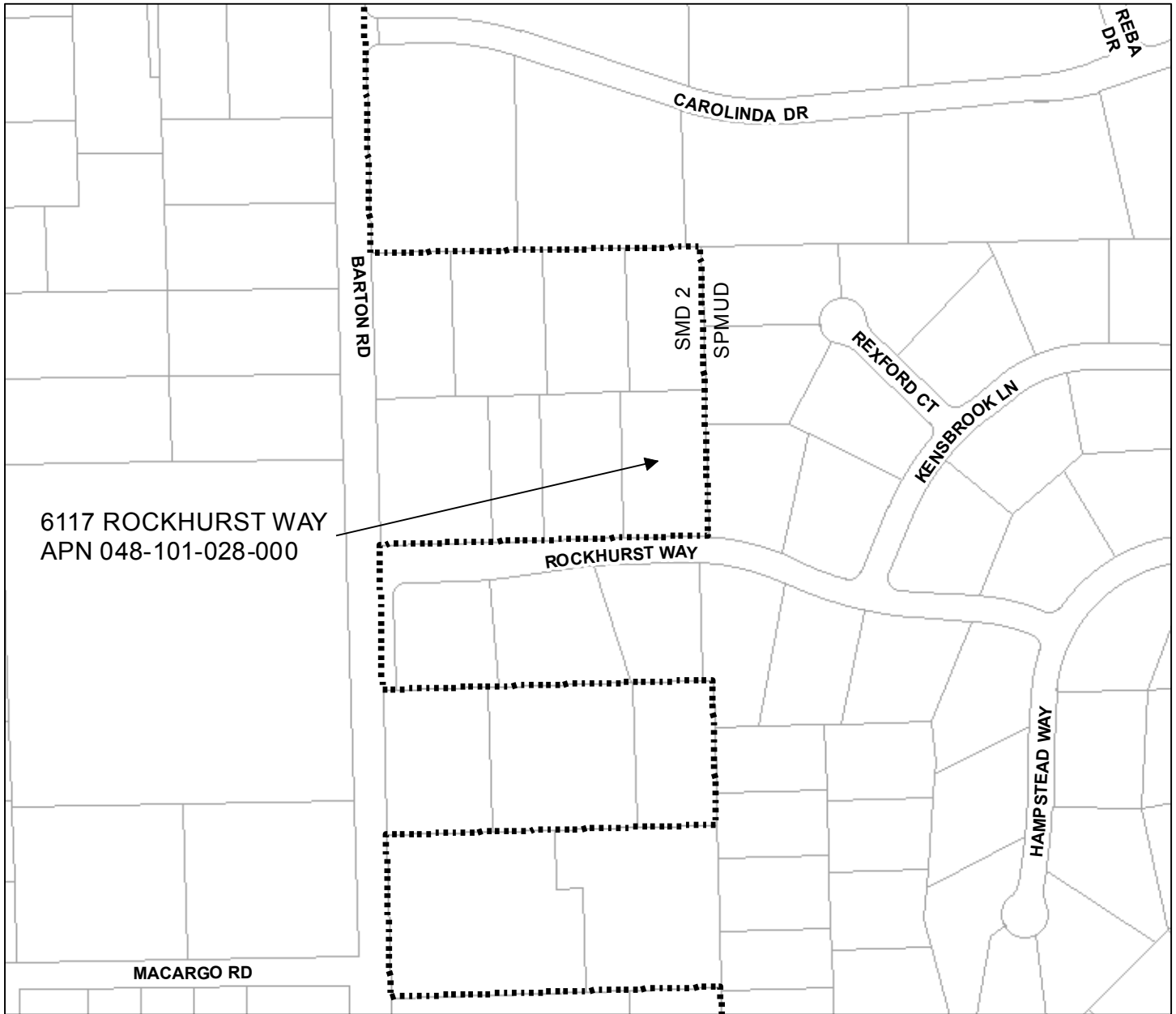
Local Agency Formation Commission is hereby requested to take the above-requested action according to the terms and conditions stated herein, all in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 7th day of June 2018.

Signed: _____
Gerald P. Mitchell, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary

EXHIBIT "A"



SEWER SERVICE APN: 048-101-028-000 PLACER COUNTY, CALIFORNIA

6117 ROCKHURST WAY

Date: 5/30/2018

Author: Eric Nielsen

Document Path: G:\spmud_gis\mxd\Eric\2018-0530_6117 Rockhurst Way.mxd

0 100 200 300 Feet



1 in = 300 ft



Exhibit “B”

Plan for Providing Sewer Services to APN 048-101-028-000

Government Code Section 56653.

- (a) *If a proposal for a change of organization or reorganization is submitted pursuant to this part, the applicant shall submit a plan for providing services within the affected territory.*
- (b) *The plan for providing services shall include all of the following information and any additional information required by the commission or the executive officer:*

(1) An enumeration and description of the services to be extended to the affected territory.

- a. Sanitary Sewer Collection Service – collection of sewage from the building and transportation, via pipes, to the treatment facility.
- b. Sanitary Sewer Treatment Service (disposal) via the City of Roseville’s Dry Creek Waste Water Treatment Plant (WWTP)

(2) The level and range of those services.

Services provided include collection, transportation and treatment, as well as 24-hour emergency services related to sewer problems.

(3) An indication of when those services can feasibly be extended to the affected territory.

The sewer utility is readily available for connection. The District owns and operates an 6-inch sewer pipe that is located in Rockhurst Way, which abuts the property being served (see Exhibit A).

(4) An indication of any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions that will be required as a result of the proposal.

In order to connect to the District’s facilities, the owner is required to construct, at his/her expense, the sewer facilities required to connect to sewer. All work on District facilities shall be in accordance with District’s Sewer Code and District Standard Specifications.

(5) Information with respect to how those services will be financed.

Monthly service fees, collected from those connected to the sewer system, cover the cost of services provided. All applicable fees, including but not limited to, Connection and Inspection fees must be received by the District prior to connection.

OUT OF AREA SERVICE AGREEMENT

FOR THE PROVISION OF SEWER COLLECTION SERVICES AND TREATMENT

This Out of Area Service Agreement for the Provision of Sewer Collection Services and Treatment (“Agreement”) is made and entered into to be effective as of the _____ day of _____, 2018 (the “Effective Date”) by and among the South Placer Municipal Utility District (“District”), a California Municipal Utility District, the County of Placer, a political subdivision of the State of California (“County”) and _____ (“Owner”). The District, County and Owner may sometimes be referred to individually as “Party” or collectively as “Parties” throughout this Agreement.

RECITALS

WHEREAS, Owner owns real property proposed to be provided sewer collection and treatment services, identified in the Official Records of the County of Placer at APN _____, commonly known as 6117 Rockhurst Way, Granite Bay, California (hereinafter the “Property”), located in the County of Placer.

WHEREAS, The Property is located outside the exterior boundaries of the South Placer Municipal Utility District (the “District”); and

WHEREAS, a single family dwelling is currently located on the Property and is served by a septic system, which is failing and presents a hazard to public health and safety; and

WHEREAS, the Property is located within Placer County Sewer Maintenance District No. 2, but which presently lacks the facilities readily available to serve the Property, as the nearest facilities capable of serving the Property lie within the District boundaries; and

WHEREAS, the Parties desire for the County and the District to enter into this Agreement to provide sanitary sewer service to the Property; and

WHEREAS, Owner shall be required to pay, among other costs, all required sewer connection fees to the County in order to connect to the District’s sanitary sewer system; and

WHEREAS, Owner shall construct all improvements necessary to enable such sewer service to the Property; and

WHEREAS, Owner shall consent to the annexation of the Property to the District if and when such proceedings are initiated; and

WHEREAS, until such time as the Property is annexed into the District, the Parties hereto desire to enter into this Agreement pursuant to Section 56133 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq*), which allows for provision of services outside of the District boundaries if said property is within the District’s sphere of influence, and the Property is within the District’s sphere of influence.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises herein contained, it is hereby agreed by and among the District, the County and Owner as follows:

1. Recitals

The Recitals herein are expressly made part of this Agreement.

2. Sewer Service to the Property

2.1 District Shall Provide Sewer Collection Service

The District shall provide sanitary sewer service to the Property pursuant to the plan for providing services as set forth in Exhibit A, attached hereto, which shall be constructed according to District specifications and subject to inspection and approval of the District. Wastewater from the Property shall be conveyed to a sewer lateral, where it will be conveyed by District facilities to the South Placer Wastewater Authority (“SPWA”) for transmission, treatment and disposal. Owner shall convey to the District such easements as the District may require for the sewer system. Owner and its successors and assigns shall be obligated to pay to the County all costs associated with the operation and maintenance of the sewer lateral, including all costs of collection and treatment, and related District facilities until such time that the Property is annexed to the District, after which time the Property shall be subject to all District ordinances, rules, regulations and charges with regard to the collection, transmission and maintenance of the sewer system serving the Property.

The Owner of the Property shall be responsible for the payment of the participation charge, connection fee and monthly service charges to the County upon connection. Owner consents to the annexation of the Property to the District.

Said service is conditioned upon the payment by the Owner and its successors and assigns of all service charges and inspection fees established by the District and compliance by the Owner with all rules, regulations and procedures established by the District for the provision of sewer services to customers located within its boundaries, and all requirements for new service connections applicable to customers within the District’s boundaries. All fees, costs and expenses associated with the preparation, processing and approval of this Agreement by the District, County and the Placer County Local Agency Formation Commission (“LAFCO”) shall be borne solely by the Owner

2.2 Annexation

The District shall provide sanitary sewer service to the Property as if it was within the District’s boundaries. Owner shall also pay all annexation fees applicable to the Property in connection with the annexation of the Property to the District when such occurs.

2.3 Level of Service

The County and District, as applicable, shall maintain the same level of service to the Property which the District maintains in its overall service area in accordance with Federal, State and regional laws, regulations and permits.

2.4 System Maintenance

The District (by means of its contractors, agents or employees) shall own, operate, rehabilitate, replace and maintain the District sewer facilities located within its easement that service the Property, up to the property line clean out (PLCO) located at the limits of the easement once annexed to the District.

3. Term. This Agreement shall remain in full force and effect until the District has annexed the Property, provided that Owner (and/or its successors and assigns) pays the monthly sewer service charges required by the County to provide sewer service to the Property and any parcel thereon.

4. Termination. Should the Owner of the Property fail to pay the monthly service charges required by the County and/or the District, as applicable, to provide sewer service to such parcel, such unpaid charges shall constitute a lien on the Property and subject to enforcement as provided by law.

5. Recording; Binding on Successors and Assigns

A copy of this Agreement shall be recorded in the Official Records of the County of Placer within ten (days) after the District and the County execute the Agreement, and thereafter the District shall provide the County and Owner with a copy of the recorded Agreement. The provisions of this Agreement shall constitute covenants which shall run with the Property and shall be binding upon and benefit the Parties and their successors and assigns.

6. Miscellaneous

6.1 Entire Agreement

This Agreement (including the Exhibits hereto) constitutes the entire understanding and agreement of the Parties relating to the District's agreement to the potential future provision of sewer services for the Property.

6.2 Waiver

No waiver of any right or remedy by a Party with respect to any occurrence or event under this Agreement shall constitute a continuing waiver or be deemed a waiver of any right or remedy in respect to any other or subsequent occurrence or event.

6.3 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

6.4 Severability

If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished.

6.5 Amendments

All amendments to this Agreement shall be in writing and, if approved, must be signed by all Parties.

6.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

7. Legal Action

In addition to any other rights and remedies, any party may institute legal action to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of this Agreement. Nothing in this Section 7 is intended to, nor does it, limit the District's, the County's or Owner's rights to equitable remedies as permitted by law.

8. Authority to Execute Agreement

The person or persons executing this Agreement on behalf of Owner warrant and represent that they have the authority to execute this Agreement and the authority to bind Owner to the performance of its obligations hereunder.

9. Consent

Where consent or approval of a Party hereto is required or necessary under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

10. Interpretation of Agreement

All Parties hereto have been represented by legal counsel in the preparation of this Agreement and no presumption or rule that ambiguity shall be construed against the drafting party shall apply to interpretation or enforcement hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend, or affect the meaning of the provision to which they pertain.

11. No Joint Venture or Partnership

The District, County and Owner hereby renounce the existence of any form of joint venture, partnership or other association between the District, County and Owner, and agree that nothing in this Agreement or in any document executed in conjunction with this Agreement shall be construed as creating any such relationship between the District, the County and Owner.

12. Partial Invalidity Due to Governmental Action

In the event that State or Federal laws or regulations enacted after the Effective Date of this Agreement, or formal action of any governmental jurisdiction other than the District, LAFCO or the County, prevent compliance with one or more provisions of this Agreement, the Parties agree that the provisions of this Agreement shall be modified or suspended only to the minimum extent necessary to comply with such laws or regulations.

13. Further Actions and Instruments

The Parties agree to provide reasonable assistance to each other and cooperate to carry out the intent and fulfill the provisions of this Agreement. Each of the Parties shall promptly execute and deliver all documents and perform all acts as necessary to carry out the matters contemplated by this Agreement.

14. No Third Party Beneficiaries

This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right or action based upon any provision of this Agreement.

15. Venue

Any action arising out of this Agreement shall be brought in the Superior Court of Placer County, California, regardless of where else venue may lie.

16. Time is of the Essence

Time is of the essence of each and every provision of this Agreement.

17. Notices

All notices required or provided under this Agreement shall be in writing and shall be sent by (i) U.S. mail first class postage prepaid with return receipt requested, (ii) by overnight courier or hand delivery, or (iii) by facsimile with original forwarded by U.S. mail, addressed as follows, with any email copies provided to the email addresses below:

Notice to the District:

South Placer Municipal Utility District
Attention: General Manager
5807 Springview Drive
Rocklin, CA 95677
Telephone: (916) 786-8555
Facsimile: (916)

Notice to County:

County of Placer
Attention: _____

Telephone:
Facsimile:

Notice to Owner:

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the date first set forth above.

“DISTRICT”

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

ATTEST:

By: _____
District Secretary

By: _____
General Manager

APPROVED AS TO FORM:

By: _____
District General Counsel

ATTEST:

COUNTY OF PLACER

By: _____

Name: _____

APPROVED AS TO FORM:

By: _____
County Counsel

“OWNER”

By: _____

Name: _____

Its: _____

Exhibits:

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 2018/19 Budget Workshop

Meeting Date: June 7, 2018

Overview

For each forthcoming fiscal year, the South Placer Municipal Utility District adopts an annual budget that provides the 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. This staff report along with the information conveyed during the staff presentation and accompanying workshop will provide the background for the Fiscal Year 2018/19 Budget.

Discussion

The District's primary funding goals are

- Fully funding all Operations, Maintenance and Regulatory Obligations
- Providing adequate funding for Capital Investments
- Fully funding the District's obligations to CalPERS
- Fully funding the District's annual required contribution (ARC) for Other Post-Employment Benefits (OPEB)
- Maintaining minimum reserve fund balances
- Meeting the Debt Coverage Ratio mandated by the South Placer Wastewater Authority (SPWA) debt indenture

Revenues

In accordance with Ordinance 17-02, an increase is programmed for July 1, 2018, changing monthly service charges to \$34.00/month/EDU. In addition, per Ordinance 17-03, an increase in the Local Participation Fee is also scheduled for July 1, 2018 that will increase the fee to \$3,923 per EDU. Total revenues for FY 2018/19 are projected to be \$17.97 Million with General Fund revenues projected to be \$15.58 Million (87% of total), and Capital Fund Revenues projected to be \$2.39 Million (13% of total). Please see attached Appendix A.

Expenses

The District is in the second year of the Employee and Managers MOU adopted under Resolutions 17- 13 and 17-14. In accordance with the MOU, salaries are expected to increase in accordance with the US Department of Labor, Bureau of Labor Statistics Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W), currently at 3.9%. Also, the District is in the second year of the Performance Merit Program; the District is budgeting an additional \$52,500 for the program. Total Salary and Benefits are programmed to increase \$0.33 Million (9%) over the prior year. Expenses anticipated by the South Placer Wastewater Authority for operations and maintenance (O&M) costs as well as funding annual

rehabilitation and replacement (R&R) projects are expected to increase significantly in the coming year. The Board was notified of these dramatic increases during the adoption of the 5-Year Financial Plan on May 4, 2017¹. Total SPWA O&M and R&R are projected to be \$4.96 Million and \$5.00 Million, respectively, for FY 2018/19. However, during preparation of the budget documents, District Staff discovered that annual SPWA true-ups have not been applied for either FY 2016/17 or 2017/18 and has noticed SPWA of its desire to apply \$2.50 Million in credits to the upcoming fiscal year. This lowers the budgeted need for SPWA R&R to \$2.50 Million.

FY 2018/19 General Fund expenses are budgeted to be \$14.48 Million (\$13.1 Million before depreciation), up approximately \$1.18 Million over the previous year. Please see attached Appendix B.

Capital Projects

FY 2018/19 Capital Projects are projected to be approximately \$11.22 Million. This can be broken down into the following categories: General Fund (GF) Capital Projects (Fund 100) - \$712,000; Capital Improvements & Enlargement (CIP) projects (Fund 300) – \$8,521,000; Capital Replacements & Rehabilitation (R&R) projects (Fund 400) - \$1,985,200GF. Please see attached Appendix C.

Fund Balances

FY 2017/18, projected year end balances are projected to be \$12.07 Million in Fund 100 (22%), \$21.48 Million in the Fund 300 (39%) and \$21.06 Million in Fund 400 (39%). Please see attached Appendix D.

Compliance with Policy #3130

In accordance with Section 3 of the District’s Reserve Policy #3130, the General Fund Assigned Fund Balance Reserves consists of three parts: i) Operation and Maintenance Reserve; ii) Rate Stabilization Reserve; and iii) Emergency Reserve; and are shown in Table 1 – General Fund Reserve Requirements: The adoption of this budget allows the District to have demonstrated compliance with the Reserve Policy #3130.

The District has a current General Fund Reserve balance of \$12.07 Million which is projected to be \$11.97 Million by year end. This will exceed the minimum requirement of \$ 11.11M.

Table 1. General Fund Reserve Requirements

Reserve Fund	Description	Amount
Operation and Maintenance Reserve	6 months O&M expenses (before depreciation)	50% (\$13.1)= \$ 6,550,000
Rate Stabilization Reserve	10% of the annual revenue	10% (\$15.58) = \$ 1,558,000
Emergency Reserve	\$3 Million	\$ 3,000,000
Total		\$ 11,108,000

¹ The District proposes that these R&R charges be smoothed over the planning period by amortizing the total sum of the proposed charges over the 5-Year Financial Plan. In effect, this would be accomplished by annual loans from another fund to cover the shortfall. The District proposes to cover the SPWA R&R with an amortized annual payment of \$1.606 Million each year over the planning period. This has an added benefit by lowering prospective annual increases in the monthly service charge.

Compliance with SPWA Funding Agreement and Debt Indenture

The SPWA Funding Agreement established a Rate Stabilization Account to be used for the payment of debt service on the Bonds and other costs of the Authority. Monthly contributions of regional connection fees are deposited into the Rate Stabilization Account, and SPWA pays the debt service and other costs from the Account, based on each member's proportionate share. The District is projected to have a FY2018/19 balance of \$51,751,498 in the Rate Stabilization Account on deposit with the Authority. Also, under the projected funding scenarios for the Pleasant Grove WWTP Expansion and Energy Recovery Project, the annual SPWA Debt assigned to SPMUD is projected to increase to \$2,959,780. Without any changes, the District currently has approximately 11.5 years' worth of debt service on account with SPWA.

In accordance with the South Placer Wastewater Authority (SPWA) debt indenture, the net revenues of the respective members are expected to provide Debt Coverage Ratio of 110% over the lives of the Bonds.

$$\begin{aligned} \text{DCR} &= [\text{All revenues} - \text{All O\&M (before dep)}] / \text{SPWA Debt} > 1.1. \\ \text{All SPMUD Revenues} &= \$17,973,200 \\ \text{All SPMUD Expenses (before depreciation)} &= \$13,107,800 \end{aligned}$$

$$\text{DCR} = (\$17,973,200 - 13,107,800) / \$2,959,780 = 1.6 > 1.1$$

The adoption of this budget allows the District to have demonstrated compliance with the required Debt Coverage Ratio required by the SPWA Bond Indenture.

Strategic Plan Goals

The FY 2018/19 Budget continues to support the Key Areas of Focus & Desired Outcomes; Goals & Key Performance Indicators of the Strategic Plan Goal.

Related District Ordinances and Policies

This action complies with the following District Policies:

- Policy No. 3105 – Budget Preparation
- Policy No. 3115 – Fixed Asset Capitalization and Accounting Control
- Policy No. 3120 – Investment of District Funds
- Policy No. 3130 – Reserve Policy

Fiscal Impact

The total budget recommendation for FY 2018/19 is \$25.69 Million which can be broken down to \$14.47 Million in Annual Expenses and \$11.21 Million in Capital Investment. This represents a significant increase over previous budgets primarily due to the amount of construction of SECAP related projects.

APPENDIX A

SOUTH PLACER MUNICIPAL UTILITY DISTRICT REVENUE BUDGET FY 18/19				
GENERAL FUND	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YR 15/16	FISCAL YR 16/17	FISCAL YR 17/18	FISCAL YR 18/19
SEWER SERVICE CHARGES REVENUES	\$ 10,911,091	\$ 11,196,000	\$ 11,461,816	\$ 13,840,000
PERMITS, PLAN CHECK FEES & INSPECTIONS	\$ 443,885	\$ 475,524	\$ 439,036	\$ 488,000
PROPERTY TAXES	\$ 790,587	\$ 874,218	\$ 902,693	\$ 910,000
LATE FEES SEWER SERVICE CHARGES	\$ -	\$ -	\$ 142,855	\$ 145,000
INTEREST	\$ 104,626	\$ 764,133	\$ 141,852	\$ 143,900
GAIN/LOSS ON SALE FIXED ASSET DISPOSAL	\$ -	\$ (27,186)	\$ 9,600	\$ 9,800
MISCELLANEOUS INCOME	\$ -	\$ -	\$ 47,832	\$ 48,000
TOTAL GENERAL FUND	\$ 12,250,189	\$ 13,282,689	\$ 13,145,684	\$ 15,584,700
CAPITAL IMPROVEMENT FUND				
SEWER PARTICIPATION FEES	\$ 1,443,773	\$ 4,700,227	\$ 2,945,717	\$ 1,961,500
INTEREST	\$ 599,492	\$ -	\$ 141,446	\$ 142,000
TOTAL CAPITAL IMPROVEMENT FUND	\$ 2,043,265	\$ 4,700,227	\$ 3,087,164	\$ 2,103,500
CAPITAL REPLACEMENT FUND				
INTEREST	\$ 121,486	\$ -	\$ 283,298	\$ 285,000
TOTAL CAPITAL REPLACEMENT FUND	\$ 121,486	\$ -	\$ 283,298	\$ 285,000
TOTAL SPMUD REVENUE	\$ 14,414,940	\$ 17,982,916	\$ 16,516,147	\$ 17,973,200

APPENDIX B

South Placer Municipal Utility District General Fund Expenditure Budget FY 18/19				
GENERAL FUND EXPENDITURES	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YR 15/16	FISCAL YR 16/17	FISCAL YR 17/18	FISCAL YR 18/19
Salaries/Wages	\$ 1,957,192	\$ 2,021,529	\$ 2,292,000	\$ 2,384,000
FICA - Social Security	\$ 148,117	\$ 134,846	\$ 173,100	\$ 180,800
CalPERS Retirement	\$ 450,481	\$ 459,750	\$ 230,000	\$ 240,000
CalPERS UAL	\$ -	\$ 580,669	\$ 205,000	\$ 320,000
457 & 401a Retirement	\$ 39,960	\$ 46,575	\$ 82,000	\$ 86,200
Performance Merit Pay Program	\$ -	\$ -	\$ -	\$ 52,500
Insurance Benefits	\$ 505,351	\$ 496,890	\$ 603,000	\$ 627,000
Pers OPEB	\$ 203,965	\$ 216,683	\$ 235,000	\$ 264,200
Sub Total Salaries & Benefits	\$ 3,305,066	\$ 3,956,942	\$ 3,820,100	\$ 4,154,700
Property & Liability Insurance	\$ 92,070	\$ 98,407	\$ 120,000	\$ 130,000
Professional Services	\$ 335,261	\$ 59,643	\$ 81,000	\$ 166,000
Vehicle Repair and Maintenance	\$ 55,333	\$ 82,277	\$ 85,000	\$ 85,000
Professional Development	\$ 31,479	\$ 33,384	\$ 48,000	\$ 62,500
Legal Services	\$ 66,913	\$ 111,568	\$ 74,000	\$ 100,000
Utility Billing/Banking Expense/Printing	\$ 150,350	\$ 163,984	\$ 131,000	\$ 155,000
Discount - LIL Rate Assistance Program	\$ -	\$ -	\$ 7,644	\$ 7,800
Other Operating Expenses	\$ 187,889	\$ 19,892	\$ 28,000	\$ 48,800
General Operating Supplies & Maintenance	\$ 139,038	\$ 158,048	\$ 136,000	\$ 131,000
Gas & Oil Expenses	\$ 25,617	\$ 29,109	\$ 33,000	\$ 40,000
Election Expenses	\$ -	\$ -	\$ -	\$ 80,000
Safety Gear/Uniforms	\$ 11,266	\$ 16,128	\$ 17,000	\$ 23,000
Utilities	\$ 105,851	\$ 134,652	\$ 126,000	\$ 130,000
Repair/Maintenance Agreements	\$ 56,212	\$ 74,792	\$ 28,000	\$ 89,400
Regulatory Compliance/Government Fees	\$ 13,857	\$ 39,289	\$ 42,000	\$ 62,500
Root Control Program	\$ -	\$ -	\$ -	\$ 45,000
Lift Station & Flow Recorder Programs	\$ 29,600	\$ 46,533	\$ 9,000	\$ 35,000
Building & Grounds Maintenance	\$ 199,155	\$ 39,810	\$ 83,000	\$ 75,100
Asphalt Paving	\$ -	\$ 6,795	\$ 20,000	\$ 25,000
Sub Total Local SPMUD General Fund Expenses	\$ 1,499,891	\$ 1,114,311	\$ 1,068,644	\$ 1,491,100
RWWTP Maintenance & Operations	\$ 4,513,821	\$ 4,711,758	\$ 4,887,293	\$ 4,962,000
RWWTP Rehab & Replacement	\$ 1,312,368	\$ 1,505,199	\$ 2,159,674	\$ 2,500,000
Sub Total SPWA O&M + R&R Expenses	\$ 5,826,189	\$ 6,216,957	\$ 7,046,967	\$ 7,462,000
Total Operations Expense before Depreciation	\$10,631,146	\$11,288,210	\$ 11,935,711	\$ 13,107,800
Depreciation expense	\$ 1,381,819	\$ 1,343,872	\$ 1,362,085	\$ 1,370,000
Total General Fund Expenses	\$12,012,965	\$12,632,082	\$ 13,297,796	\$ 14,477,800
<i>EDU Count</i>	<i>31,737</i>	<i>32,825</i>	<i>33,445</i>	<i>33,945</i>
<i>Customer Count</i>	<i>21,476</i>	<i>22,175</i>	<i>22,775</i>	<i>23,275</i>

APPENDIX C

South Placer Municipal Utility District CAPITAL INVESTMENT FY18/19				
	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YR	FISCAL YR	FISCAL YR	FISCAL YR
	15/16	16/17	17/18	18/19
TOTAL GENERAL FUND CAPITAL IMPROVEMENTS	\$ 75,910	\$ 157,190	\$ 136,274	\$ 712,100
TOTAL CIP & EXPANSION	\$ 259,533	\$ 842,722	\$ 4,592,725	\$ 8,521,000
TOTAL REPLACEMENT & REHABILITATION	\$ 159,558	\$ 714,054	\$ 1,241,438	\$ 1,985,200
TOTAL CAPITAL INVESTMENT	\$ 495,001	\$ 1,713,966	\$ 5,970,437	\$11,218,300

South Placer Municipal Utility District Capital Expenditure Budget FY 18/19				
		PROPOSED		
		FISCAL YR		
		18/19		
		FUND 100	FUND 300	FUND 400
		General Fund Capital	CIP & Expansion	Capital Replacement & Rehabilitation
CAPITAL IMPROVEMENTS				
All Weather Access Roads	\$ 46,000	\$ 46,000		
Archiving/Disaster Development Plan	\$ 45,000	\$ 45,000		
Asset Management Master Plan	\$ 100,000			\$ 100,000
Board Room Audio/Visual upgrades	\$ 10,000			\$ 10,000
Computers/Office Furniture	\$ 17,500	\$ 17,500		
Confined Space Entry Equipment	\$ 6,500	\$ 6,500		
CY Concreting Projects	\$ 40,000	\$ 40,000		
CY Master Plan Capital Improvements - Locker Room	\$ 100,000	\$ 100,000		
District Participation in Regional Projects	\$ 365,000	\$ 30,000		\$ 335,000
Easement Inspection Equipment	\$ 5,400	\$ 5,400		
Easement Roadway Replacements	\$ 17,500	\$ 17,500		
Easement Roadway Upgrades	\$ 17,500			\$ 17,500
Electric Rodder W/Attachments	\$ 20,000	\$ 20,000		
Energy Upgrades	\$ 100,000	\$ 100,000		
Flow Recorder Replacement - Five Star Outfall	\$ 18,000			\$ 18,000
Foothill Trunk Project - Construction	\$ 3,140,000		\$ 3,140,000	
HQ Front Office/Reception Area	\$ 15,000			\$ 15,000
HRF Creek Crossings - Design & Permitting	\$ 50,000			\$ 50,000
Lateral Camera Replacements	\$ 5,700			\$ 5,700
Loomis Diversion Trunkline - Construction	\$ 4,820,000		\$ 4,820,000	
Lower Clover Valley Trunk - Design	\$ 401,000		\$ 401,000	
Newcastle Master Plan Improvements	\$ 200,000	\$ 200,000		
Pipe Trailer Replacement	\$ 14,000			\$ 14,000
Rocklin 60 Reimbursement	\$ 160,000		\$ 160,000	
SCADA Master Plan	\$ 200,000			\$ 200,000
Server Replacement	\$ 50,000			\$ 50,000
Software Upgrades/Tyler	\$ 10,000	\$ 10,000		
Software/Data Acquisition	\$ 10,000	\$ 10,000		
System Improvements	\$ 50,000	\$ 50,000		
System Rehabilitation (CY Fencing, Mainline CIPP Liners, Lateral Liners)	\$ 1,020,000			\$ 1,020,000
Vehicle Improvements - Hydro Vac & Unit 20	\$ 14,200	\$ 14,200		
Vehicle Replacement (x1 Construction Truck)	\$ 150,000			\$ 150,000
Total Capital Improvements	\$ 11,218,300	\$ 712,100	\$ 8,521,000	\$ 1,985,200

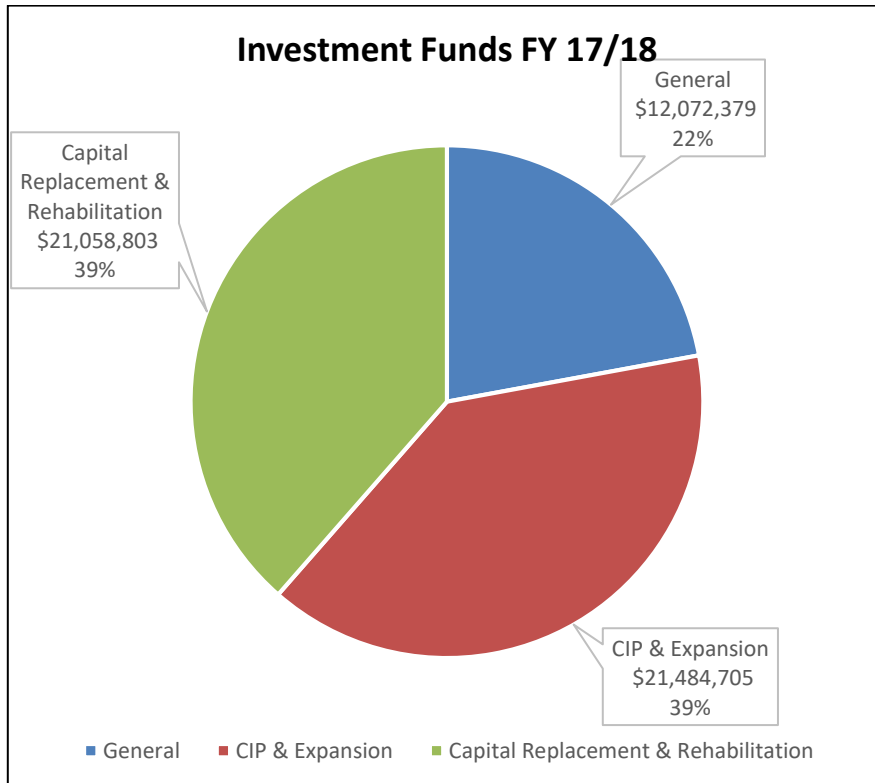
APPENDIX D

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
INVESTMENTS FY 17/18**

Projected FY 17/18

CASH & INVESTMENTS	TOTAL AUDITED FUNDS FY 16/17	Fund 100	Fund 300	Fund 400
		General	CIP & Expansion	Capital Replacement & Rehabilitation
CALTRUST	\$ 19,181,657	\$ 4,235,585	\$ 7,537,893	\$ 7,388,465
WELLS FARGO - Fixed Income Securities	\$ 22,011,525	\$ 4,866,562	\$ 8,660,816	\$ 8,489,129
LAIF (Local Agency Investment Fund)	\$ 5,042,235	\$ 1,111,983	\$ 1,978,949	\$ 1,939,719
PLACER COUNTY TREASURY	\$ 5,094,193	\$ 1,123,363	\$ 1,999,201	\$ 1,959,570
CHECKING ACCOUNT BALANCE	\$ 3,324,652	\$ 734,886	\$ 1,307,846	\$ 1,281,920
TOTALS	\$ 54,654,262	\$ 12,072,379	\$ 21,484,705	\$ 21,058,803

TOTAL INVESTMENT FUNDS FY 17/18 \$ 54,615,888



ITEM VII.2 GENERAL MANAGER REPORT

To: Board of Directors

From: Herb Niederberger, GM

Date: June 7, 2018

Subject: General Manager Monthly Staff Report – May 2018

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

- A. On May 2, 2018, the General Manager, along with President Mitchell, attended the Rocklin Chamber of Commerce Government Relations Committee to hear Barry Broome, Greater Sacramento Economic Council (GSAC), discuss the economic opportunities benefitting the greater Sacramento Region, and Willy Duncan, President, Sierra College, giving the virtues of Yes on Measure E, the Sierra College Bond vote on the June 2018 Ballot.
- B. On May 3, 2018, the General Manager along with District Engineer, Eric Nielsen and Associate engineer, Carie Huff, met with representative of Petkus Brother to discuss development on their property in Loomis, CA and the District's need for all-weather access road over sewer easements.
- C. On May 14, 2018, the General Manager, along with the District Engineer, Eric Nielsen, met with a representative of the City of Rocklin to discuss execution of City of Rocklin Repaving Agreement. The matter will be heard by the Board on June 7, 2018.
- D. On May 15, 2018, the General Manager met with the District General Counsel to discuss the following: 1) Rockhurst emergency connection – draft language to allow the connection will be prepared for Board approval; 2) City of Rocklin SSE Language – a draft agreement will be prepared and forward to the City of Rocklin City attorney for concurrence; 3) Rocklin/CalTrans Reimbursement Agreement – the agreement must go to the Board for approval; 4) SPWA Reallocation – recommendation to the Board that the reallocation should not be retroactive; and 5) Loomis Diversion Line/ Nakashoji Claim – Forwarded to the Board meeting on June 28, 2018, for Board consideration.

E. On May 21, 2018, the General Manager and the District General Counsel appeared in Department 40 of the Santucci Center for a hearing of the Temporary Restraining Order. A trial was set for June 15, 2018 at 1:15 pm at which testimony from the parties will be taken.

F. Advisory Committee Meetings:

1. On May 16, 2018, the General Manager, along with Directors Williams and Markey, and District Engineer, Eric Nielson, met with Loomis representative for a Loomis 2x2 meeting to discuss: 1) SPMUD progress on the Loomis Diversion Trunk Sewer; 2) Updates from Loomis on the Villages at Loomis, development of the Tulip Property (Turtle Island) and the Costco project.

There were no other advisory meetings during April.

3) **LONG RANGE AGENDA**

July 2018 (move to June 28, 2018)

(There will be no Departmental Monthly Staff Reports this month)

Resolution 18-xx Fee Schedule

Resolution 18-xx Schedule of Values

Resolution 18-xx FY 18/-19 Budget Adoption

SPWA Update

Nakashoji Claim

August 2018

OPEB Report

September 2018

Strategic Plan Update

To: Board of Directors
From: Sam Rose, Superintendent
Cc: Herb Niederberger, General Manager
Subject: Field Services Department Monthly Report
Meeting Date: June 7, 2018

Overview

This report provides the Board with an overview of Field Services operations and maintenance activities from 4/24/2018 through 5/28/2018. The work listed is not all inclusive.

1. Recordable Accidents/Injuries (OSHA 300)

- a. Zero (0)
 - i. 573 days without a Recordable Injury

2. Service Calls, Sanitary Sewer Overflows (SSOs) and Lift Station Alarm Calls

- a. Service Calls
 - i. Seventeen (17)
 - A. 12 - Customer's Responsibility
 - B. 5 - SPMUD Responsibility
 - C. 0 - Other
- b. Sanitary Sewer Overflows (SSOs)
 - i. Two (2)
 - A. Eight (8) Days since last SSO
- c. Lift Station Calls
 - i. Three (3)

3. Safety/Training/Professional Development

- a. All Field employees participated in:
 - i. Four (4) "Tailgate" safety sessions.
 - ii. Respiratory Protection
 - iii. Chemical & Asbestos Safety Training
 - iv. Introduction - Emergency Response Plan - All Employees

4. Maintenance

a. CCTV Mainline Segments	127 Segments
b. CCTV Service Laterals	290 Laterals
c. Hydro-Clean Mainline Segments	58 Segments
d. Hydro-Clean Service Laterals	46 Laterals
e. Manhole Inspections	162 Manholes
f. Manhole Cleaning	04 Manholes
g. Rodded/Cleaned Service Laterals	03 Laterals
h. Creek-Crossing Inspections	00 Crossings
i. Chemical Root Treatment (Mainline)	00 Segments
j. Chemical Root Treatment (Lateral)	05 Laterals
k. Easement Maintenance	17 Easement(s)
l. Easement Reconstruction	01 Easement
m. Vector Control (Cockroaches)	02 Manholes

5. Construction

a. Service Taps	00 Taps
b. Lateral Installs	00 Laterals
c. Property Line Cleanout Work	
i. Repaired	11 Cleanouts
ii. Installed	02 Cleanout
d. Mainline Repair	00 Mainline
e. Service Lateral Repair	04 Lateral
f. Service Cap-Off	00 Services
g. Manhole Rehabilitation	01 Manholes

6. Facilities

a. Lift Station Operations Checks	54 Operation Checks
b. Lift Station Repair	02 Repairs Performed
c. Lift Station Wet Well Cleaning	13 Wet Wells
d. Lift Station Site Maintenance	00 Sites
e. Flow Recorder Inspection	10 Sites
f. Portable Flow Rec. Installations	03 Installations
g. Corp Yard Water Facility	03 Operational Checks
h. Vehicle/Equip Maintenance	06 Work Orders
i. Vehicle/Equip Inspections	24 Work Orders
j. Corp Yard Maint./Improvements	02 Work Orders

7. Miscellaneous

- Lateral Liner & Seal Program 2018 Contract – Substantially Complete
- Manhole Lining Program 2018 Contract - Complete
- Newcastle Sewer Repairs 2018 Contract – Substantially Complete
- CIPP Liner Program 2018 Contract – 70% complete
- Root Foaming Program 2018 Contract 80% Complete
- Eric Orlando, Maintenance Worker I achieved his CWEA Grade I Certificate

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: June 7, 2018

Assignment Notifications

Assignment notifications were mailed on April 24, 2018 to customers with delinquent balances from 2017. A public hearing will be held at this evening's Board meeting.

FY 17/18 Audit Preliminary work

The District Auditor will be starting preliminary work for the FY 17/18 Audit in mid-June. Staff have been working on compiling requested documents in preparation for the sampling selections that the Audit team will request prior to their visit.

GASB 75 Webinar

On May 1, 2018 staff participated in the GASB 75 webinar, facilitated by CSDA.

Public Records Act Webinar

On May 23, 2018 staff participated in a Public Records Act webinar, facilitated by Best, Best & Krieger.

District Hazard Assessment SDRMA

On May 11, 2018 the Superintendent and Administrative Services Manager met with a representative from SDRMA to review the Districts Injury, Illness and Prevention Program and complete a hazard assessment for District operations and facilities. This type of review is completed for all Districts every three years. The results from the review provides guidance and recommendations to reduce the risk for accidents and exposure for operational claims. The results from the review will be provided to the District within the next couple of months.

Review of District Emergency Response Plan

On May 16, 2018 the Administrative Services Manager presented the components of the draft Emergency Response Plan to all employees at the Spring Safety meeting. The plan covers the following components: evacuation routes, severe weather, lockdown's, medical emergencies, fire emergencies, hazardous threats, media inquiries, emergency services and fire protection services.

Student Intern Position

The District continues to recruit for the position of Student Intern.

Commercial Account Review

Administrative Services continues to audit Commercial Accounts within the District with the assistance of Inspection services in TSD. Notifications are being sent upon review with any necessary adjustments per Policy 3160 – Utility Billing Reconciliation & Payment Policy.

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: June 7, 2018

Loomis Diversion Trunkline Project

Blasting operations on Dias Lane have concluded. Two crews are working now on different areas of Dias Lane installing sewer pipeline. The installation of pipeline on Dias Lane are scheduled to finish by the end of June. The contractor began the work for the bore and jack crossing of Interstate 80 and is scheduled to finish the crossing by the end of June. The work in Brace Road is scheduled to begin in June and extend through August.

Foothill Trunk Sewer Replacement Project

The District's consultants are collecting and analyzing additional, detailed information to determine the potential presence of hard rock along the entire pipeline alignment. The information will be used to improve the construction contract documents by allowing for improved planning by potential contractors and better defining the methods of payment.

The U.S. Army Corps of Engineers (Corps) is currently reviewing the Historic Properties Treatment Plan the project team submitted this month. Staff anticipates that the Corps has now received the necessary information requested and can now complete the necessary consultation to finish processing the pre-construction notification for the project.

FOG Program

One month remains for staff to meet its goal of permitting all (total of approximately 140) Phase 1 and Phase 2 food service establishments (FSEs) by the end of this fiscal year. The status of these efforts is reflected in the performance indicator chart below. The next stage of the initial implementation of the FOG program is to develop frequencies for inspections of facilities and grease removal devices (GRDs). Equipment to perform these inspections has been purchased and regular inspections of FSEs and GRDs will begin before the end of the fiscal year.

Staff continues to work closely with the owner of 4800 Granite Drive to correct the issues resulting from the private sanitary sewer overflow (SSO) through conditions imposed through a Notice of Violation.

Corporation Yard Perimeter Wall Replacement

The existing concrete masonry perimeter wall along Springview Drive needs to be replaced to address its deteriorated condition and to improve the security of the corporation yard. The plan includes replacing the existing masonry wall with a wrought iron fence with curved pickets, screened by landscaping. The City of Rocklin provided comment on the initial submittal and staff is working to incorporate those comments into the construction documents for approval. Construction of the wall is scheduled to begin early in the next fiscal year.

Lucity

Staff is working to leverage the existing capabilities of the District’s computer maintenance management system, Lucity, to support the workflow of new construction inspection and FOG inspections.

The inspection of sewer construction through new development projects is now being documented with Lucity. TSD inspectors and engineering technician are working collaboratively to refine the process and electronic forms to finalize this procedure. The goal is to make the inspection of new facilities a paperless process to improve the efficiency of collecting information in the field, improve the documentation of inspection efforts, and make the process of reporting on those efforts easier.

Department Performance Indicators

The following charts depict the efforts and performance of the department in four areas of work as of May 29th. Additional charts may be added in the future for other areas of work in the department.



