



SOUTH PLACER MUNICIPAL UTILITY DISTRICT

POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2024



TABLE OF CONTENTS

MESSAGE FROM THE GENERAL MANAGER	2
About the District.....	3
Strategic Plan.....	3
Organizational Structure	4
Community Outreach	4
District-at-a-Glance	5
Service Rates.....	6
Capital Improvement Projects	7
FINANCIAL PERFORMANCE.....	10
Revenue and Expenses	11
Revenue by Sources.....	12
Breakdown of Expenses	13
Investments.....	14
Debts and Liabilities	14
District Awards	16



What is a Popular Annual Financial Report?

This Popular Annual Financial Report (PAFR) is part of the South Placer Municipal Utility District's ongoing commitment to transparency in its operations and governance. This report provides a condensed, accurate, and highlighted version of the District's annual financial reports.

Additional information, including the District's Annual Budget, Annual Comprehensive Financial Report (ACFR), planning documents and more can be found at www.spmud.ca.gov.

SPMUD VISION

To be a reliable, innovative, sustainable, efficient, and cost-effective sewer service provider.

SPMUD MISSION

PROTECT public health and the water environment.

PROVIDE efficient and effective sanitary sewer service.

PREPARE for the future.

SPMUD VALUES

INTEGRITY We will be trustworthy, truthful, and honest.

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

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

QUALITY We will be dedicated to continuous improvement.

A MESSAGE FROM THE GENERAL MANAGER

To the Valued Constituents of the South Placer Municipal Utility District:

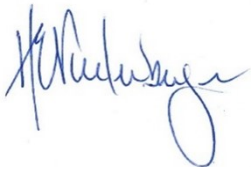
The South Placer Municipal Utility District is excited to present the Popular Annual Financial Report (PAFR) for fiscal year 2023/24. This report provides a summary of the information presented in the Annual Comprehensive Financial Report for the fiscal year ending on June 30, 2024. These reports provide customers, constituents, and partners with information about the financial condition of the District, services provided, projects planned, and other general information that may be useful in the consideration of the services and operations provided by the District.

While the PAFR was created by the District, all financial statements were audited by Mann, Urrutia, Nelson, Certified Public Accountants in order to safeguard assets and ensure proper recording and reporting of transactions using Generally Accepted Accounting Principles.

The full Annual Comprehensive Financial Report and additional information about the items presented in this report may be viewed on the District's website, www.spmud.ca.gov.

We look forward to continuing to serve the community and our customers, and as always, we are here to help and answer any questions. Please don't hesitate to contact us at 916-786-8555.

Respectfully submitted,



Herb Niederberger,
General Manager



BOARD OF DIRECTORS

James Durfee

Board President, Ward 4

Christy Jewell

Board Vice President, Ward 2

Jim Williams

Board Member, Ward 5

Jerry Mitchell

Board Member, Ward 1

Will Dickinson

Board Member, Ward 2

DISTRICT MANAGEMENT

Herb Niederberger

General Manager

Eric Nielsen

Superintendent

Carie Huff

District Engineer

Emilie Costan

Administrative Services Manager

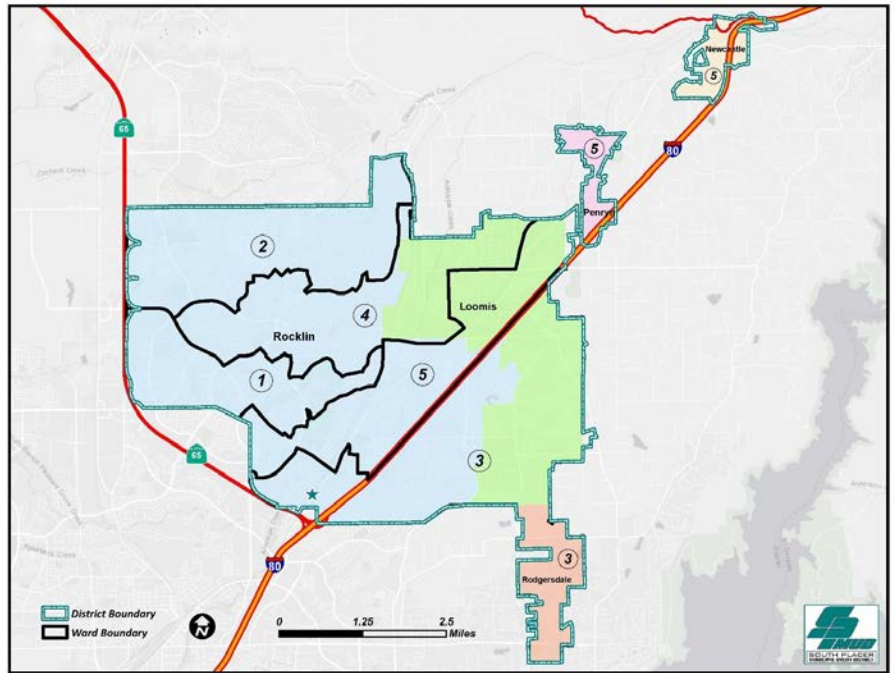


ABOUT THE DISTRICT

The South Placer Municipal Utility District provides sewer collection and maintenance services to the City of Rocklin, Town of Loomis, the communities of Penryn and Newcastle, as well as the Rodgersdale area of Granite Bay. The service area covers thirty-one square miles.

The District provides service to 26,433 connections or an equivalent population of about 86,965 people.

The District collects sewage and transports it through District-owned and operated sewer mains. The District also maintains lower laterals within its easements or public rights-of-way.



STRATEGIC PLAN

The District adopted its Strategic Plan in September 2022. The 2023/2027 Strategic Plan confirms the District's Mission, Vision, and Core Values as a customer-driven utility dedicated to protecting public health by providing quality sanitary sewer collection service while protecting and preserving our water environment and resources for future generations.

The Strategic Plan consists of two parts. The first part is comprised of five strategic priorities with twelve associated work plans and action steps. The second part is comprised of seventy performance measures established using the Effective Utility Management (EUM) framework created by WEF (Water Environment Federation), the AWWA (American Water Works Association), and other professional organizations in the water and wastewater industry. The full strategic plan is available on the District's website, <https://spmud.ca.gov/strategic-plan>.



MAINTAIN AN EXCELLENT REGULATORY COMPLIANCE RECORD



PREPARE FOR THE FUTURE AND FORESEEABLE EMERGENCIES



LEVERAGE EXISTING AND APPLICABLE TECHNOLOGIES TO IMPROVE EFFICIENCIES



PROVIDE EXCEPTIONAL VALUE FOR THE COST OF SEWER SERVICE



MAKE SPMUD A GREAT PLACE TO WORK

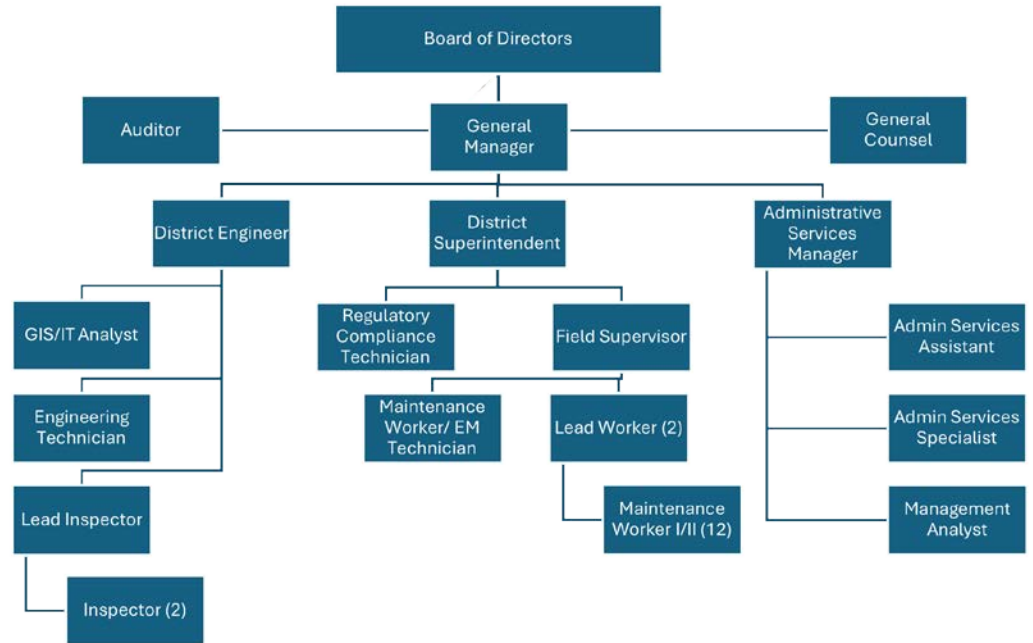
ORGANIZATIONAL STRUCTURE

The District is organized into three departments: Field Services, Technical Services, and Administrative Services, and employs 29 full-time employees between the three departments. The District also has approved personnel positions for 5 elected officials and 2 contracted employees.



< 20 minutes
average response time for service calls during business hours

<50 minutes
average response time for service calls after hours



The District is available **24/7** for sewer emergencies! Call us at 916-786-8555 and press option 1.

COMMUNITY OUTREACH

BOARD MEETINGS The District conducts regular Board Meetings that are open to the public, both remotely and in-person. Meetings are normally held on the first Thursday of the month, with information available at the District headquarters on the District’s website, www.spmud.ca.gov.

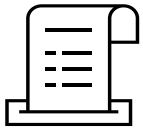
PRESENTATIONS District staff provides presentations to civic groups, service organizations, and local schools.

COMMUNITY EVENTS The District participates in community events including Hot Chili Cool Cars and the Loomis Thanksgiving Parade. Staff and family members attend and pass out information and giveaways.

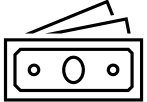
NEWSLETTERS The District publishes two newsletters per year, in the fall and spring. The primary focus of these newsletters is to inform customers of District activities and achievements and to share with customers ways that they can help prevent sanitary sewer overflows.



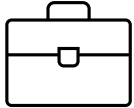
DISTRICT-AT-A-GLANCE



\$37.44 (per EDU)
monthly service charge



\$110,591
median household income



4.6%
unemployment rate




\$5.00 (per month)
discount for eligible residents



80% residential and 20% commercial
EDUs in the District

SPMUD
STRATEGIC PRIORITY

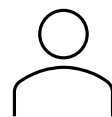
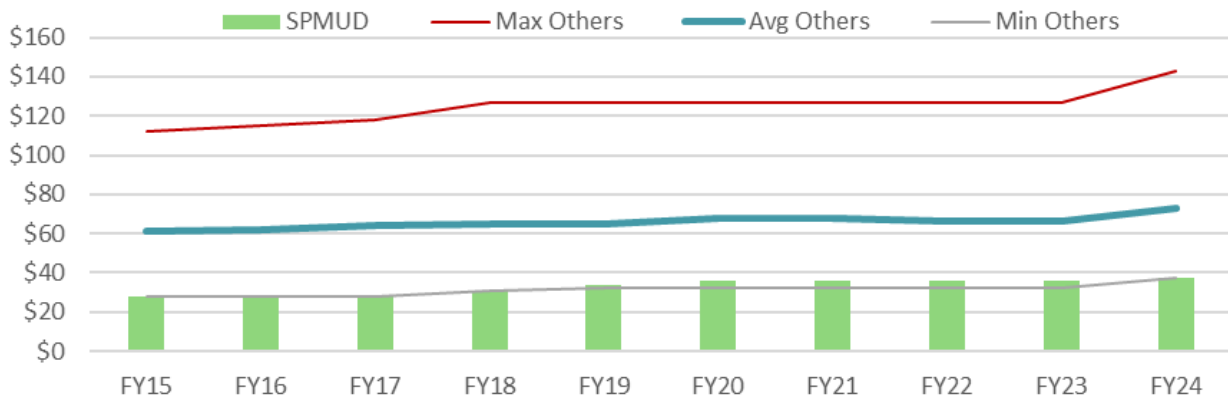
PROVIDE EXCEPTIONAL VALUE
FOR THE COST OF SEWER SERVICE



SPMUD is proud to offer the lowest
monthly service rate in the area!

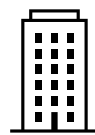
Comparative Rate Rank

\$ SPMUD monthly bill vs average of other similar sewer utilities



TOP 3 CUSTOMERS

1. Meridian Apartments
2. Rocklin Ranch Apartments
3. Sunset Summit Ranch



TOP 3 EMPLOYERS

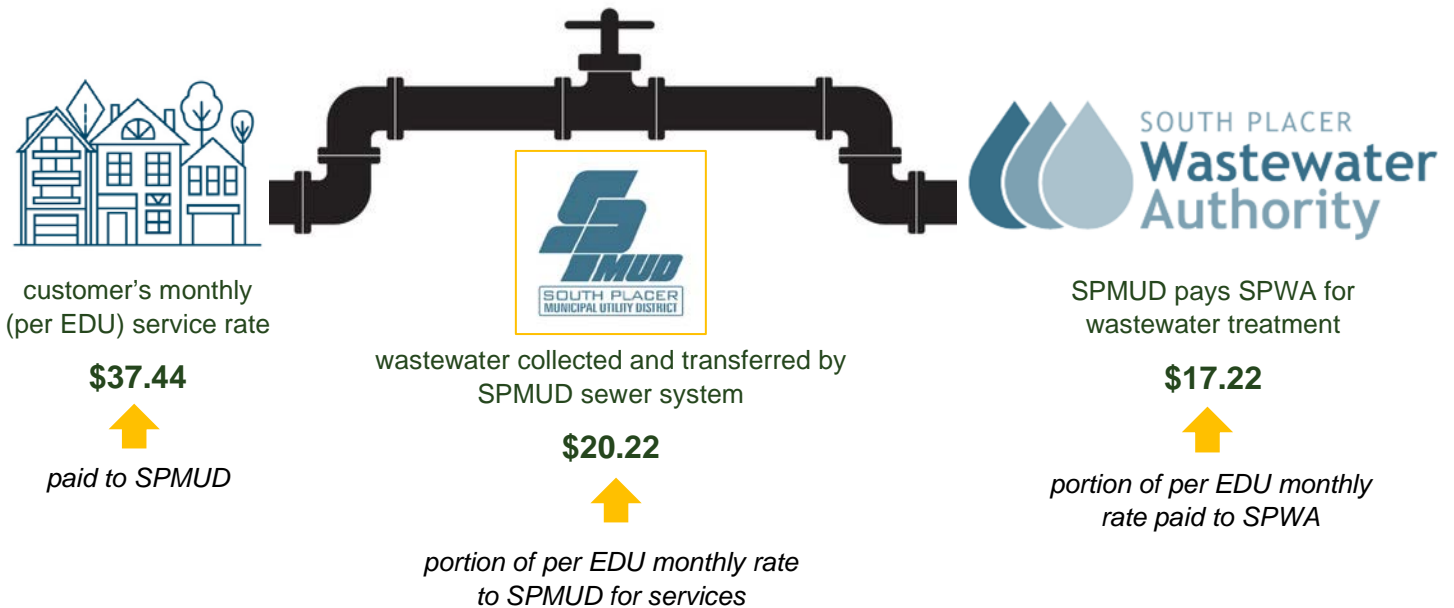
1. Sutter Health
2. Kaiser Permanente
3. Placer County



An **EDU** or **Equivalent Dwelling Unit** is the unit of measurement used to determine design and fee requirements, based on the typical average flow and strength of wastewater from a single-family residential occupancy.

SERVICE RATES

The District owns and operates the sewer collection system that transmits wastewater to two treatment plants operated by the City of Roseville and financed by the South Placer Wastewater Authority (SPWA). The service charges collected by the District fund the cost of collecting and treating wastewater and maintaining sewer facilities. Approximately 46% of the service charge collected from customers in Fiscal Year 2022/23 was paid to SPWA for treatment.



COST OF SERVICE & CAPACITY FEE STUDY

In Fiscal Year 2022/23, the District completed a Wastewater Cost of Service Rate Study and a Capacity Fee Study. The study showed that the District was in a strong financial position with a healthy reserve balance; however, without a rate increase the annual net operating income would diminish and the District would draw down reserves below the minimum requirements within the next five years.

The financial plan adopted provides for modest rate increases and a long-term strategy to implement cost-containing strategies and issue debt to fund necessary capital replacements in Fiscal Year 2032/33. A Capacity Fee Study was also completed based on the reasonable cost to accommodate additional demand from new development or the expansion of existing development. The incremental cost approach was used to determine the appropriate fee.

CUSTOMER FUNDED & PROP 218

The District is a single enterprise utility, funded primarily through rates and charges for services. Sewer service charges collected are subject to California's Proposition 218. Under Prop 218, sewer rates must not exceed the cost of providing the service, and the rate structure must be proportional to the



SPMUD OFFERS CUSTOMERS 6 WAYS TO PAY THEIR BILL

1. online at www.spmud.ca.gov
2. by phone 24/7 (833-273-7454)
3. by mail with a check or cash to 5807 Springview Drive
4. by check sent to PO Box 7655, San Francisco, CA 94120
5. by phone during normal business hours (916-786-8555)
6. in person during normal business hours at 5807 Springview Dr.

use. Prop 218 also sets requirements for sending written notices and public hearings. If more than 50% of ratepayers protest the proposed rates, the rates cannot be passed.

CAPITAL IMPROVEMENT PROJECTS

FACTS ABOUT DISTRICT CAPITAL IMPROVEMENT PROJECTS

- ✓ The District collects funds to construct two primary types of Capital Projects.
- ✓ **Capital Expansion Projects**  ensure that as new development occurs, capacity is available downstream to serve the projects. The fees for these projects are collected when development occurs.
- ✓ **Capital Replacement Projects**  ensure that aging infrastructure, including sewer pipes, manholes, and lift stations, is replaced when needed and before the end of its useful life to prevent spills and other environmental hazards. The fees for these projects are collected as part of the monthly service charges.
- ✓ These capital projects can be expensive with the average sewer expansion project costing the District \$7.4 million per mile of pipe, and the average sewer replacement project costing the District \$6.3 million per mile of pipe.
- ✓ Over the last ten years, the District has spent over \$30 million on Capital Projects.
- ✓ The District has saved customers millions of dollars in interest on debt payments by collecting incremental fees proportional to the long-term impacts slowly over time to fund replacement without the use of debt financing.

INVESTING IN INFRASTRUCTURE



292 MILES
Sewer Mains



6,925
Manholes



13
Lift Stations



123 MILES
Lower Laterals

The District has been engaged in a multi-year plan to address expansion projects identified in the Wastewater Collection System Evaluation and Capacity Assurance Plan (SECAP). The SECAP guides the effort to ensure capacity for existing customers and information on how the District is prepared and planning for future development. The cost for currently identified necessary capital expansion projects is approximately \$80.41 million.

The District has developed an ongoing Facilities Program which includes regular visual and TV inspections of manholes and sewer pipes and a system for ranking the condition of sewer pipes and scheduling rehabilitation and/or replacement. The District's Capital Plan addresses the proper management and protection of District assets. Rehabilitation and replacement focus on sewer pipes that are at risk of collapse or prone to more frequent blockages due to pipe

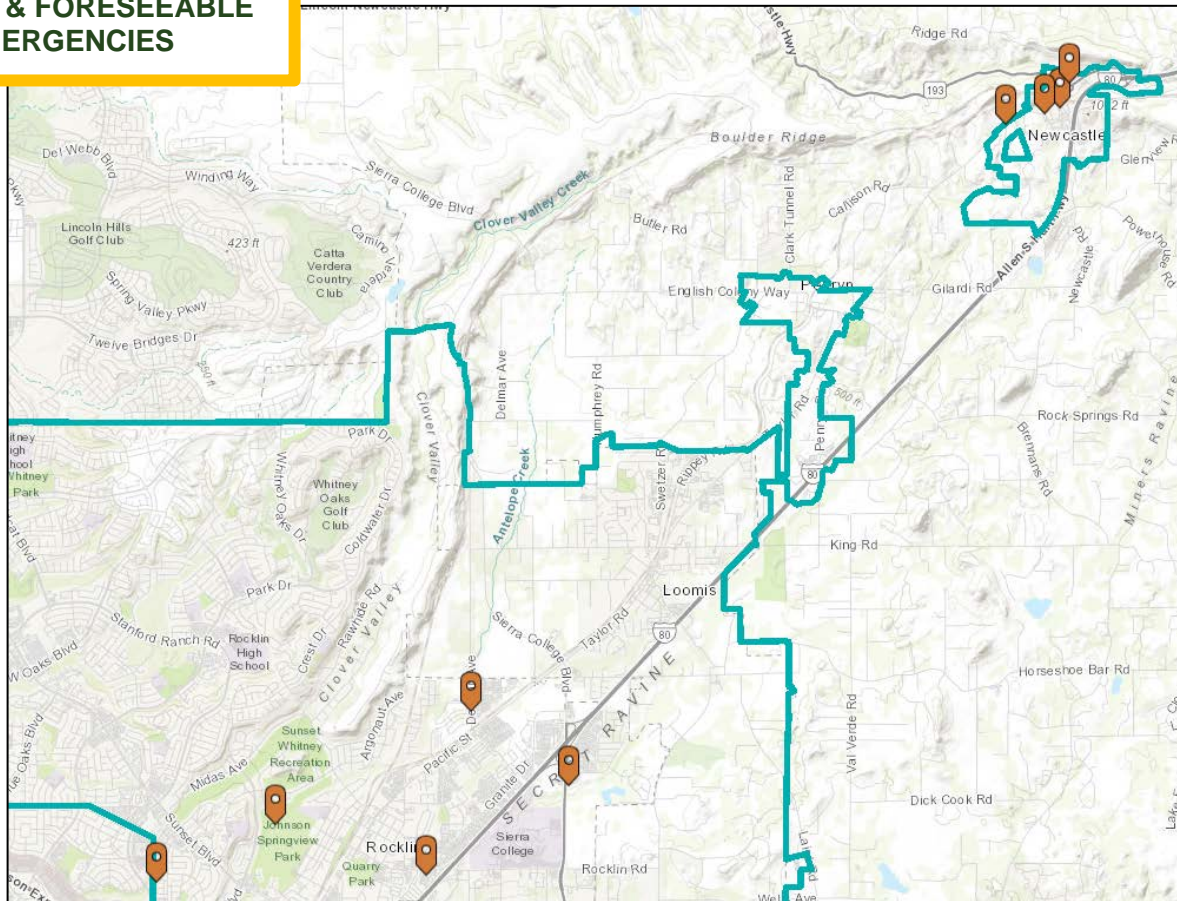
condition. The cost for currently identified capital replacement projects necessary over the next ten years is approximately \$42.59 million.

CURRENT CAPITAL IMPROVEMENT PROJECTS

**SPMUD STRATEGIC
PRIORITY**

**PREPARE FOR THE
FUTURE & FORESEEABLE
EMERGENCIES**

SPMUD is committed to ensuring the community is informed and engaged prior to and during the work associated with each of its projects, updated information about District projects is available on the District's website, <https://spmud.ca.gov/sewer-improvement-projects>.



DEL RIO COURT AND DELMAR SEWER EXTENSION

Estimated Completion: FALL 2025

Estimated Cost: \$4.7 million

This expansion project consists of the construction of approximately 3,300 feet of 15-inch sewer line. In addition, there will be stubs for two future development projects on Delmar Avenue.

Benefit: This project extends the sewer along Del Rio Court and Delmar Avenue and to the Town of Loomis to accommodate future development.

CAMEO COURT LIFT STATION ABANDONMENT

Estimated Completion: FALL 2027

Estimated Cost: \$5.5 million

The District's System Evaluation and Capacity Assurance Plan (SECAP) identifies the Cameo Trunk Line as a future trunk sewer that would eliminate the Cameo Court Lift Station. Construction of the Cameo Trunk Line will connect across Stanford Ranch Road to the City of Roseville's sewer system.

Benefit: *The elimination of the Cameo Court Lift Station eliminates a high-risk facility and reduces the long-term costs of maintaining a sewer lift station.*

SIERRA COLLEGE TRUNK

Estimated Completion: TBD

Estimated Cost: TBD

The District's System Evaluation and Capacity Assurance Plan (SECAP) identifies the Sierra College Trunk Line as a future trunk sewer that would eliminate the Sierra College Lift Station. The project requires significant coordination with Sierra College and construction is not anticipated for several years.

Benefit: *The elimination of the Sierra College Lift Station eliminates a high-risk facility and reduces the long-term costs of maintaining a sewer lift station.*

TAYLOR ROAD CROSSING

Estimated Completion: FALL 2025

Estimated Cost: \$350,000

There is an existing sewer crossing on Taylor Road in Newcastle (near the Portuguese Hall) that is threaded through the existing storm drainpipe. The District will be constructing a new crossing of approximately 125 feet with minimum separation from the existing storm drain system and remove the existing sewer pipe.

Benefit: *This project will eliminate a facility that conflicts with the storm drain system and currently creates a high-risk situation.*

I09-033 SEWER REPLACEMENT PROJECT

Estimated Completion: FALL 2025

Estimated Cost: \$700,000

The I09-033 Sewer Replacement Project is located between the Comfort Inn and Suites and the food service establishments along Rocklin Road. The District currently operates two lines in parallel and one of the lines requires high-frequency maintenance due to the pipe material (ACP) and the flat slope. The District will eliminate the existing ACP lines, remove and replace the existing 8-inch sewer line, and reconnect the existing customers.

Benefit: *This project will eliminate high-frequency maintenance and provide a more efficient sewer system by replacing pipe that is nearing the end of its useful life.*



FINANCIAL PERFORMANCE

The top priority of the District is to provide a level of service that meets state and federal regulatory requirements and the demands and expectations of its customers. Because the District's customers bear the ultimate cost of service, there exists a need to have a financial plan that will permit the utility to meet its priorities at an affordable and stable cost in the long term. The District's growth has remained steady over the reporting period, and the District has continued to invest in infrastructure as well as maintain a relatively stable amount of investment for the necessary rehabilitation and replacement of aging facilities.



25,133 Customer Accounts
24,967 in FY22 (+.7%)



37,555 EDU
36,840 in FY22 (+1.9%)



1,762 Million Gallons Annual Flow to WWTP
1,877 in FY22 (-6.1%)

CONDENSED STATEMENT OF NET POSITION

The Condensed Statement of Net Position as shown below shows the District is investing in capital assets and has no long-term debt.

<u>ASSETS</u>	<u>FY 2023/24</u>	<u>FY 2022/23</u>	<u>\$Difference</u>	<u>%Change</u>
Current Assets	\$ 80,063,447	\$ 74,792,834	\$ 5,270,613	7%
Capital Assets	122,782,635	118,079,205	\$ 4,703,430	4%
Other Non-Current Assets	3,425,665	3,156,947	\$ 268,718	9%
Total Assets	206,271,747	196,028,986	\$ 10,242,761	5.2%
Deferred Outflow of Resources	5,128,527	5,994,013	(865,486)	-14%
<u>LIABILITIES</u>				
Current Liabilities	773,521	1,610,443	(836,922)	-52%
Non-Current Liabilities	9,415,402	9,305,793	109,609	1%
Total Liabilities	10,188,923	10,916,236	(727,313)	-7%
Deferred Inflow of Resources	1,493,802	1,843,727	(349,925)	-19%
<u>Net Position</u>				
Net Investment in Capital Assets	122,782,635	118,079,205	4,703,430	4%
Restricted for Section 115 Pension Trust	3,425,665	3,156,947	268,718	100%
Unrestricted	73,509,249	68,026,884	5,482,365	8%
Total Net Position	199,717,549	189,263,036	10,454,513	6%
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 211,400,274	\$ 202,022,999	\$ 9,377,275	5%

TERMS EXPLAINED

Current Assets: cash and cash equivalents

Capital Assets: land, building, sewer infrastructure, equipment, and other assets owned by the District

Other Non-Current Assets: restricted investments held in the District's pension trust

Current Liabilities: present financial obligations including employee benefits

Non-Current Liabilities: long-term financial obligations, including employee retirement benefits

Deferred Outflow/Inflow of Resources: gains/losses that will be applied in the future including employee retirement benefits

Net Investment in Capital Assets: amounts invested in capital assets less accumulated depreciation

Restricted for Section 115 Pension Trust: restricted investments held in the District's pension trust

Unrestricted: assets and liabilities, not including net investment in capital assets and restricted investments

REVENUES & EXPENSES

The District's total net position at year-end increased from \$189,263,036 to \$199,717,549 (6%).

	<u>FY 2023/24</u>	<u>FY 2022/23</u>	<u>\$Difference</u>	<u>% Change</u>
Operating Revenues				
Sewer Charges	\$ 17,103,804	\$ 16,273,142	\$ 830,662	5%
Connection Charges	1,407,105	1,443,652	\$ (36,547)	-3%
Permits, Fees & Inspections	678,089	397,924	\$ 280,165	70%
Total Operating Revenues	\$ 19,188,998	\$ 18,114,718	\$ 1,074,280	6%
Operating Expenses				
Collection & Treatment	\$ 9,791,937	\$ 10,676,878	\$ (884,941)	-8%
Administrative & General	3,084,503	2,912,702	\$ 171,801	6%
Technical Services	3,255,914	4,064,598	\$ (808,684)	-20%
Depreciation	2,601,119	2,330,061	\$ 271,058	12%
Total Operating Expenses	\$ 18,733,473	\$ 19,984,239	\$ (1,250,766)	-6%
Operating Income (Loss)	\$ 455,525	\$ (1,869,521)	\$ 2,325,046	-124%
Non-Operating Revenues (Expenses)				
Tax Revenue	\$ 1,241,515	\$ 1,290,539	\$ (49,024)	-4%
Gain (Loss) on Sale of Asset	4,942	13,900	\$ (8,958)	-64%
Interest Income	2,981,351	1,617,338	\$ 1,364,013	267%
Total Non-Operating Revenues	\$ 4,227,808	\$ 2,921,777	\$ 1,306,031	45%
Transfers & Capital Contributions				
Capital Contributions	\$ 5,771,180	\$ 1,578,826	\$ 4,192,354	266%
Transfers In	1,698,162	3,799,484	\$ (2,101,322)	-55%
Transfers Out	(1,698,162)	(3,799,484)	\$ 2,101,322	15%
Total Transfers & Capital Contributions	\$ 5,771,180	\$ 1,578,826	\$ 4,192,354	266%
Change in Net Position	\$ 10,454,513	\$ 2,631,082	\$ 7,823,431	297%
Net Position, Beginning of Year	\$ 189,263,036	\$ 186,253,620	\$ 3,009,416	2%
Net Position, End of Year	\$ 199,717,549	\$ 189,263,036	\$ 10,454,513	6%



SOME CONTRIBUTING FACTORS



Increase in permit, fee, and inspection revenue.



Increase in Administrative and General expenditures resulting from inflation and capital expenditures in Newcastle.



Increase in investment earnings.



Decrease in collection and treatment costs, as well as a delay in joint projects.



Increase in development-related contributions, fees, and capital contributions.



Increase in depreciation expenses.

REVENUE BY SOURCES

Total District revenue reported for FY 2023/24 showed an increase of \$2.38 million from the previous year. Operating Fund Revenues derived from customer service charges were up 5% from the prior year as a result of the 4% rate increase to monthly service charges and modest customer growth. Operating fund revenue derived from permits, plan check fees, and inspections also increased.

Operating Fund

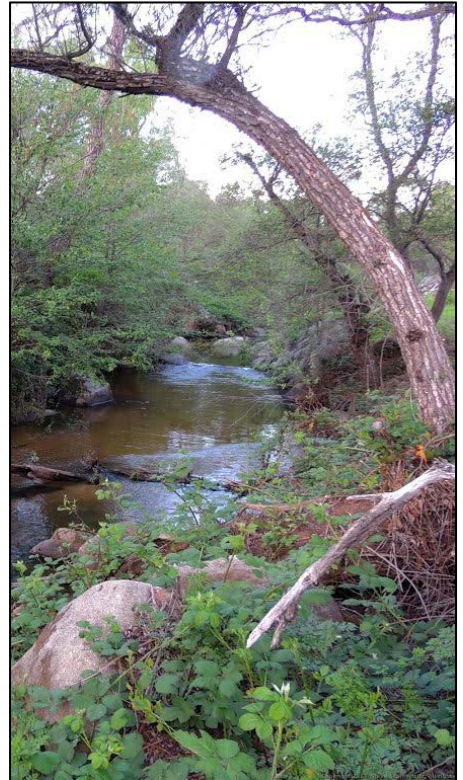
	FY 2023/24
Sewer Service Charges Revenues	\$ 16,914,158.02
Late Fees	\$ 131,816.16
Low Income (LIL) Rate Assistance	\$ 57,829.63
Permits, Plan Check Fees & Inspections	\$ 585,030.00
Property Taxes	\$ 1,241,514.90
Miscellaneous Revenue	\$ 93,059.04
Interest Income	\$ 483,129.00
Gain/loss of sale of fixed asset disposal	4,942.40
Operating Fund Less CEPPT Interest Earnings	\$ 19,511,479
Interest income from CEPPT (Restricted)	\$ 276,150
Total Operating Fund	\$ 19,787,629

Capital Improvement Program Fund

Sewer participation fees	\$ 1,407,105
Interest income	1,255,667
Total CIP Fund	\$ 2,662,772

Capital Replacement Fund

Interest income	\$ 966,405
Total Capital Replacement Fund	\$ 966,405
Total Revenue	\$ 23,416,806



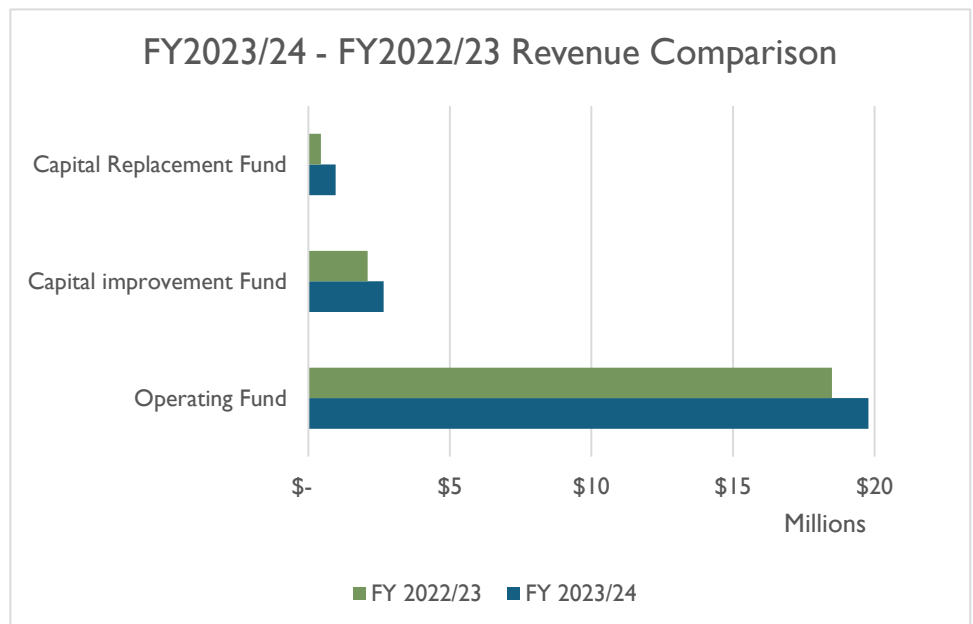
20 days

100% of development plan first reviews were completed within 20 days of initial submittal



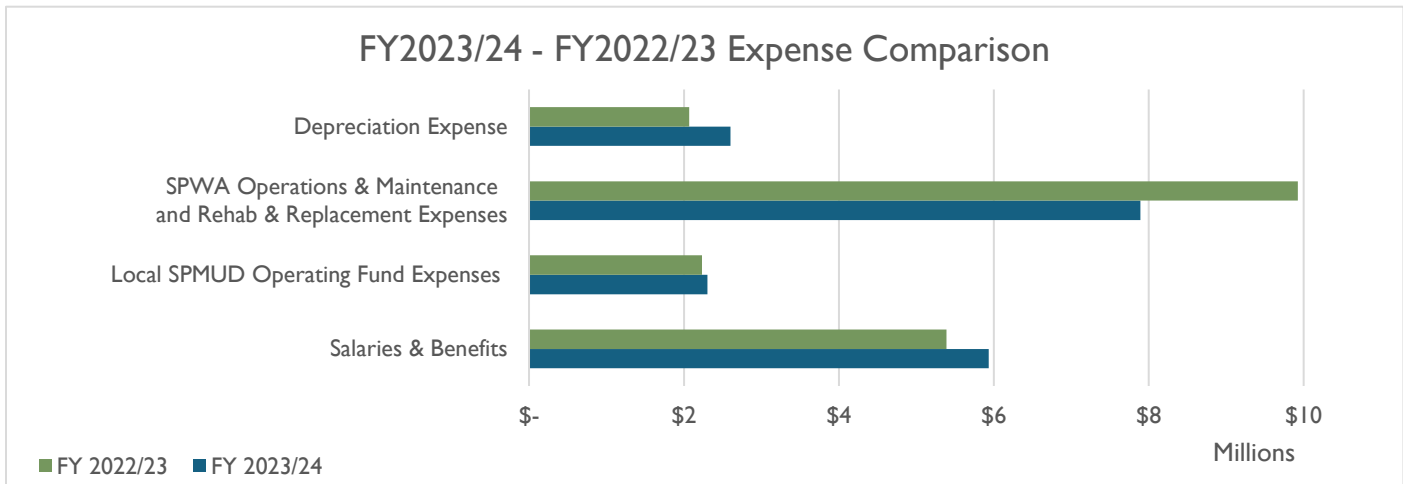
59%

Increase in customers receiving e-bills in the last 5 years



BREAKDOWN OF EXPENSES

Total Operating Fund Expenses decreased \$1.14 million (-6%) from \$19.88 million to \$18.73 million. This decrease reflects a true-up credit of \$2.20 million from Fiscal Year 2022/23 for Regional Wastewater Treatment Plant Operations and Maintenance and Rehabilitation and Replacement Expenses from the City of Roseville. This credit was primarily due to scheduled repair and replacement projects that are planned but have not begun. Fiscal Year 2023/24 expenses included increased spending on salaries and benefits primarily due to pension and retiree health liability adjustments, asphalt patch paving projects, professional services for future capital projects, property and liability and health insurance premium increases due to market conditions, and an overall high inflationary environment.



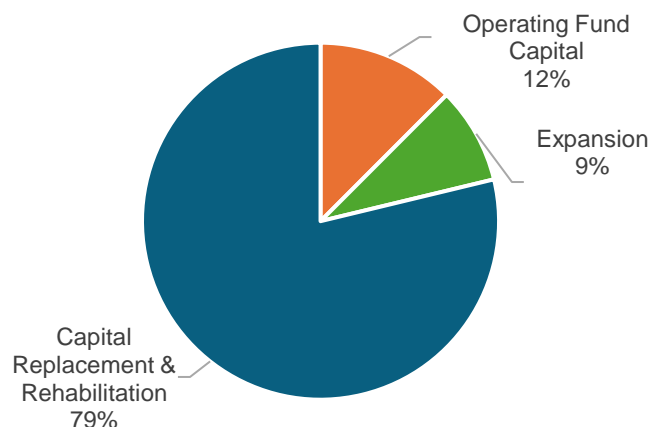
\$7,893,158

Paid by SPMUD to SPWA for wastewater treatment in FY2023/24

Expansion Projects are funded through the accumulation of the Sewer Capacity Charges, and Capital Replacement and Rehabilitation projects are funded by accumulated depreciation. The remainder of the District's projects are pay-as-you-go through the Operating Fund.

The District spent \$1.71 million on Capital Construction during FY 2023/24. The majority of the funds spent were for the Corporation Yard Addition and Tenant Improvement Project, participation in regional projects, an expansion project at Del Rio/Delmar, preliminary engineering for future lift station abandonments, the Newcastle Pond Liner Replacement Project, and Supervisory Control and Data Acquisition (SCADA) Design.

FY2023/24 Capital Project Expenses



INVESTMENTS

The District has an investment portfolio that complies with the California Government Code and the District’s Investment Policy adopted by the Board of Directors. One of the ways the District has managed its exposure to interest rate risk has been by purchasing a combination of short and long-term investments and timing cash flows from maturities to provide the cash flow and liquidity needed for District operations. During the last fiscal year, interest remained high to combat persistently high inflation with short-term fixed-income funds continuing to provide consistent quarterly interest earnings and equity also performing well. The overall balance of the District’s investment portfolio including unrestricted deposits in financial institutions and the District’s CalPERS Section 115 Pension Trust increased from \$72.88 million to \$78.22 million or \$5.35 million (7.33%) from the prior year.

INVESTMENT BALANCES (as of June 30, 2024)



Balance: **\$26,331,860**
 % of Portfolio: **34%**
 Return Rate: **4.01%**



Balance: **\$15,026,580**
 % of Portfolio: **19%**
 Return Rate: **1.31%**



Balance: **\$12,507,791**
 % of Portfolio: **16%**
 Return Rate: **5.45%**



Balance: **\$6,761,843**
 % of Portfolio: **9%**
 Return Rate: **5.03%**



Balance: **\$6,317,822**
 % of Portfolio: **8%**
 Return Rate: **4.01%**



Balance: **\$5,569,472**
 % of Portfolio: **7%**
 Return Rate: **3.59%**



Balance: **\$3,425,665**
 % of Portfolio: **4%**
 Return Rate: **8.76%**



Balance: **\$2,342,114**
 % of Portfolio: **3%**
 Return Rate: **0.13%**

DEBTS AND LIABILITIES

SOUTH PLACER WASTEWATER AUTHORITY (SPWA)



The District **does not** currently have any debt in the sense of conventional loans or bond financing of District Improvements. The District, the City of Roseville, and Placer County are participants in SPWA with the intended purpose of financing the Dry Creek and Pleasant Grove Wastewater Treatment Plants through bonds, low-interest loans, or other types of debt.

As such, the District is subject to the SPWA Funding Agreement and debt indenture. In accordance with the SPWA debt indenture, the District contributes regional connection fees monthly into the Rate Stabilization Account, and SPWA pays the debt service and other costs from the account on behalf of each member of SPWA, based on each member’s proportionate share.

NEWCASTLE SPECIAL BENEFIT AREA



In 2010, as part of an agreement to annex the Newcastle Sanitary District (NSD), the District agreed to provide financing to NSD in an amount not to exceed \$6 million for the purpose of decommissioning its wastewater treatment ponds and constructing improvements to enable NSD to connect to the District collection system. The financing and construction of these improvements were a condition of the District's annexation of NSD and were required to be completed before NSD's dissolution.

The District created the Newcastle Special Benefit Area (NSBA) and designated both a Project Related Capacity Charge (PRCC) payable by new connections within the NSBA and a Project Related Service Charge (PRSC) imposed on an EDU basis on the landowners/ customers in the NSBA area that are connected to the wastewater system to facilitate repayment of the loan. The PRSC is a separate monthly service charge, in addition to the District's normal monthly service charge. The PRCC and PRSC will be collected from new connections and customers in the NSBA until the outstanding balance on the loan is paid off. The outstanding balance of the loan as of June 30, 2024, is \$4,377,027.

PENSION & OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY



The District's Total Pension Liability increased to \$24.98 million (reported June 30, 2024, measured June 30, 2023). Over the same time, the Fiduciary Net Position increased to \$18.58 million, resulting in the Net Pension liability decreasing from \$6.51 million to \$6.40 million, a funded ratio of 74.37%. This change was primarily due to CalPERS investment performance, additional payments to the District's unfunded liability, and assumption changes. Overall, the pension expense for fiscal year 2024 increased by \$214,230 from the prior year.

In October 2020, the District contributed \$3 million to The California Employers' Pension Prefunding Trust (CEPPT) to help fund rising pension expenses. The CEPPT Fund is a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. Section 115 trusts allow public agencies to set aside extra resources for pension funds at reduced investment risk. Section 115 trusts also can be used to help smooth volatility from year-to-year fluctuations in annual required contributions (ARCs).

The District has participated in a CalPERS OPEB trust, (CERBT) since 2008 to fund the total OPEB liability (including implicit subsidy). The District's Total OPEB Liability increased to \$8.81 million (measured June 30, 2023). Over the same time, the Fiduciary Net Position increased to \$5.80 million, resulting in the Net OPEB liability increasing from \$2.80 million to \$3.01 million, a funded ratio of 65.82%. Overall, the OPEB expense for fiscal year 2024 increased by \$211,963 from the prior year.

	FY2022/23 Pension	FY2022/23 OPEB
Total Liability	\$ 24,980,798	\$ 8,811,381
Fiduciary Net Position	18,577,540	5,799,237
Net Liability (Asset)	6,403,258	3,012,144
Deferred (Outflows) of Resources	(3,061,189)	(2,067,338)
Deferred Inflows of Resources	1,107,105	386,697
Impact on Statement of Net Position	4,449,174	\$ 1,331,503
Pension Expense FYE 2023	\$ 1,190,233	\$ 726,799

DISTRICT AWARDS

The District is proud to have been the recipient of numerous industry awards.



CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Government Finance Officers of the United States and Canada (GFOA)

2019, 2020, 2021, 2022, 2023



DISTINGUISHED BUDGET PRESENTATION AWARD

Government Finance Officers of the United States and Canada (GFOA)

2023, 2024



DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE

Special District Leadership Foundation (SDLF)

Certificates are awarded every three years

2016, 2019, 2022



COLLECTION SYSTEM OF THE YEAR

California Water Environment Association

2009, 2020



BOARD OF DIRECTOR MEETINGS

1st Thursday of Every Month, 4:30 pm

District Headquarters Board Room
5807 Springview Drive • Rocklin, CA 95677

OFFICE HOURS

Monday-Thursday 7am - 4:30 pm

Friday 7 am - 3:30 pm

5807 Springview Drive • Rocklin, CA 95677

916-786-8555
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